AI-32693 **Comm. Court Executive Office 5. B.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Valde Guerra **Submitted By:** Aida Alvarez, SAFETY DIVISION

Department: SAFETY DIVISION

Information

CAPTION

1. Approval to accept settlement check from Old American Insurance Company in the amount of $3,500.00 to settle auto accident with County vehicle. (Sheriff's Office)
2. Approval to authorize Ramon Garcia, Hidalgo County Judge, to sign property damage release form to settle claim with Old American Insurance Company.

BACKGROUND

DOL: 04/14/10

Acct #: 2-1100-360-00-000-005-0-000

Fiscal Impact

FISCAL YEAR: **ACCT. #:**

FUNDS AVAILABLE Y/N?: **MATCHING FUNDS Y/N?:**

BUDGETARY IMPACT:

No fiscal impact.

Attachments

Old American Ins Co Settlement Check

Form Review

Inbox	Reviewed By	Date
Budget & Management	Ivan Cantu	06/06/2012 10:21 AM
Erika Zamora	Erika Zamora	06/08/2012 01:54 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Aida Alvarez Started On: 06/06/2012 09:57 AM

Final Approval Date: 06/22/2012

CASH ONLY IF ALL *CheckLock*™ SECURITY FEATURES LISTED ON BACK INDICATE NO TAMPERING OR COPYING

Claims
Old American Premium
P.O. Drawer 3267
Brownsville, TX 78520
(956) 574-9787

THE FROST NATIONAL BANK
www.frostbank.com
30-009/1140

66498

5/29/2012

PAY TO THE ORDER OF Hidalgo County

$ **3,500.00

Three Thousand Five Hundred and 00/100********** DOLLARS

Hidalgo County
100 North Closner Room #303
Edinburg, Texas 78539
Claim#12241

There will be a $30 fee for any reissued check

Void After 90 days

MEMO Full & Final PD Settlement

⑈066498⑈ ⑆114000093⑆ 800344443⑈

© 2011 INTUIT INC. • 972 1-800-433-8618

Pronto General Agency/Claims/Old American Premium 66498

Hidalgo County		5/29/2012	
Funds Held In Escrow:Cash+Cks	Claim#12241		3,500.00

Frost Claims #800344	Full & Final PD Settlement	3,500.00

PROPERTY DAMAGE RELEASE

Claim No.: 12241

KNOW ALL MEN BY THESE PRESENTS:

That the Undersigned, being of lawful age, for sole consideration of Three Thousand Five hundred dollars and no/100. ($3,500) to be paid to County of Hidalgo Texas, does hereby and for my/ours/its heirs, executors, administrators, successors and assigns release, acquit and forever discharge Steve DeLaGarza, **Old American County Mutual Fire Insurance Company** and **Pronto General Agency** and his, her, their, or its agents, servants, successors, heirs, executors, administrators and all other persons, firms, corporations, associations or partnerships of and from any and all claims, actions, causes of action, demands, rights, damages, costs, loss of service, expenses and compensation whatsoever which the undersigned no has/have or which may hereafter accrue on account of or in any way growing out of any and all known and unknown, foreseen property damage and the consequences thereof resulting or to result from the occurrence on or about April 10, 2010 or near Hidalgo County Texas.

It is understood and agreed that this settlement is the compromise of a doubtful and disputed claim, and that the payment made is not to be construed as an admission of liability on the part or parties hereby released, and that said releases deny liability therefore and intend merely to avoid litigation and buy their peace.

The undersigned further declare(s) and represent(s) that no promise, inducement or agreement not herein expressed has been made to the undersigned, and that this Release contains the entire agreement between the parties hereto, and that the terms of the Release are contractual and not a mere recital.

THE UNDERSIGNED HAS READ THE FOREGOING RELEASE AND FULLY UNDERSTANDS IT.

Signed, sealed and delivered this _____day of _____.

_____ _____

Hidalgo County, Texas

STATE OF _____

COUNTY OF _____

On the _____ day of _____, 2012, before me personally appeared _____ to be known to be the person(s) named herein and who executed the foregoing Release and _____acknowledged to me that _____ voluntarily executed the same.

Notary Signature: _____ [ ]

Notary Stamp

AI-32850 **Comm. Court Executive Office 5. C.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Valde Guerra **Submitted By:** Aida Alvarez, SAFETY DIVISION

Department: SAFETY DIVISION

Information

CAPTION

Approval to accept settlement check from Allstate Insurance Company in the amount of $15,488.81 to settle total loss auto accident with County vehicle. (Sheriff's Office)

BACKGROUND

DOL: 04/02/12

Acct #: 2-1100-360-00-000-005-0-000

Attachments

Allstate Settlement Check

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/15/2012 10:51 AM
Erika Zamora	Erika Zamora	06/19/2012 04:41 PM
Auditor's Office	Arcilia Duran	06/21/2012 05:08 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Aida Alvarez Started On: 06/15/2012 10:45 AM

Final Approval Date: 06/22/2012

Allstate

Bank of America
Customer Connection
Bank of America, N.A.
Atlanta, Dekalb County, Georgia

64-1278
611

548684073

CLAIM NO. 0240464610 Policy 638265947

INSURED FERNANDO DELAGARGA

CLAIMANT HIDALGO COUNTY SHERIFF DEPT

IN PAYMENT FOR In payment for Property Damage Liability for Date of Loss 4/2/2012.

Date 6/11/2012

PMCO 5540

Check 548684073

Employee MARIA OCANAS

PAY Fifteen Thousand Four Hundred Eighty-Eight & 81/100 USD $ 15,488.81

TO THE ORDER OF HIDALGO COUNTY

PO BOX 1356, EDINBURG, TX 78540-1356 US

Allstate Indemnity Company

SECURITY FEATURE INCLUDED. SEE DETAILS ON BA

VOID IF NOT PRESENTED WITHIN THREE HUNDRED SIXTY-FIVE DAYS OF THE DATE OF ISSUE.

AUTHORIZED SIGNATURES

⑈548684073⑈ ⑆061112788⑆ 329 904 1279⑈

Allstate.
You're in good hands.

Letter of Guarantee May 16, 2012

Attn: FRED REYNA

Account Number :
Claim Number : 0240464610
Your Fax # : EMAILED TO FRED.REYNA@CO.HIDALGO.TX.US

Payoff: **$15,038.31** Good Until: D.O.L.: 04/02/2012

This letter is to serve as a letter of guarantee for the clear original title for our mutual customer(s) HIDALGO COUNTY SHERIFF DEPARTMENT. Please fax **copy of title** to confirm vehicle owner(s). The vehicle in question: 2008 FORD F150 - **VIN #** 1FTRX12WX8FB16695. The **clear** certificate of title will be release to:

ALLSTATE INSURANCE – ATTN: M. OCANAS
227 NORTH LOOP 1604 EAST, STE. 200
SAN ANTONIO, TEXAS 78232

upon receipt of **$15,038.31** made payable to:

HIDALGO COUNTY SHERIFF DEPT

Address: P.O. Box 1356 Edinburg, TX 78540

Your representative's signature shall constitute an agreement.
Signed: [signature] Date: 6-6-12

OUR FAX #: **866-344-2157**

Allstate Insurance Company
Marie Ocanas
(210) 482-4263

Confidential Communication. This letter contains confidential and/or proprietary information of Allstate Insurance Company, the disclosure of which may cause irreparable harm to the company. This information is intended solely for the individual(s) to whom it is addressed and must therefore be maintained in strict confidence. This letter, and any attachment to it, should not be copied, nor should the contents be discussed, disclosed or restated to others, orally or in writing, without the express written permission of Allstate Insurance Company.

SOUTH TEXAS COMMUNICATIONS
709 E. PECAN MCALLEN, TEXAS 78501 PHONE: 956-687-8591 FAX: 956-687-1735
1705 E. PRICE BROWNSVILLE, TEXAS 78521 PHONE: 956-544-4553 FAX: 956-544-4554

PROPOSAL

QUOTE # : 12-100198 **260** **4/13/2012**

HIDALGO CO SHERIFF'S OFFICE
DEPARTMENT
EL CIBOLO RD
EDINBURG TX

ATTN: RICHARD OZUNA/TERRY
PH : 956-393-6019
FAX : 956-
MOBILE: 956-
EMAIL:

ITEM	MODEL	DESCRIPTION	QTY	EACH	AMOUNT
1	**L.R.FC**	REMOVE FLASHLIGHT CHARGER	1	$ 5.00	$ 5.00
2	**L.R.R.FM**	REMOVE RADIO - FRONT MOUNT	1	$ 10.50	$ 10.50
3	**L.R.RDL**	REMOVE REAR DECK LIGHTS	2	$ 10.00	$ 20.00
4	**L.R.S.RM**	REMOVE SIREN - REAR MOUNT	1	$ 13.00	$ 13.00
5	**L.R.SS.D**	REMOVE SIREN SPEAKER-DISG	1	$ 12.00	$ 12.00
6	**L.R.SH.HAW**	REMOVE STROBE HEAD - HIDE-A-WAY	6	$ 10.00	$ 60.00
7	**L.R.SPS**	REMOVE STROBE POWER SUPPLY	1	$ 10.00	$ 10.00
8	**L.R.SPI.4**	REMOVE SWITCH PANEL INTERFACE -4	1	$ 10.00	$ 10.00
9	**L.R.WW**	REMOVE WIG-WAG	1	$ 10.00	$ 10.00
10	**L.I.FC**	INSTALL FLASHLIGHT CHARGER	1	$ 10.00	$ 10.00
11	**L.I.R.FM**	INSTALL RADIO - FRONT MOUNT	1	$ 25.00	$ 25.00
12	**L.I.RDL**	INSTALL REAR DECK LIGHT	2	$ 25.00	$ 50.00
13	**L.I.S.RM**	INSTALL SIREN - REAR MOUNT	1	$ 25.00	$ 25.00
14	**L.I.SS.D**	INSTALL SIREN SPEAKER - DISG	1	$ 20.00	$ 20.00
15	**L.I.SH.HAW**	INSTALL STROBE HEAD - HIDE-A-WAY	6	$ 20.00	$ 120.00
16	**L.I.SPS**	INSTALL STROBE POWER SUPPLY	1	$ 15.00	$ 15.00
17	**L.I.SPI.4**	INSTALL SWITCH PANEL INTERFACE-4	1	$ 20.00	$ 20.00
18	**L.I.WW**	INSTALL WIG-WAG	1	$ 15.00	$ 15.00

TOTAL EQUIPMENT / SERVICES PACKAGE		**$ 450.50**
SALES TAX	**0.00%**	**$ -**
TOTAL		**$ 450.50**

AI-32941 **Comm. Court Executive Office 5. D.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted By: Monica Badillo,
EXECUTIVE OFFICE

Department: EXECUTIVE OFFICE

Information

CAPTION

Approval to submit request for funds (unclaimed capital credits) from the Texas Comptroller of Public Accounts as authorized under Section 74.602 of the Texas Property Code, with authority for County Judge to sign the letter of request.

BACKGROUND

Fiscal Impact

FISCAL YEAR: 2012 **ACCT. #:** 2-1100-363-00-000-000-0-000

FUNDS AVAILABLE Y/N?: **MATCHING FUNDS Y/N?:**

BUDGETARY IMPACT:

Revenue Account where funds are recorded upon receipt 2-1100-363-00-000-000-0-000

Attachments

letter

Request letter

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/21/2012 12:53 PM
Erika Zamora	Erika Zamora	06/21/2012 01:24 PM
Auditor's Office	Arcilia Duran	06/21/2012 04:53 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Monica Badillo Started On: 06/21/2012

Final Approval Date: 06/22/2012

SUSAN COMBS

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

P.O. BOX 13528 • AUSTIN, TX 78711-3528

RECEIVED

JUN 18 2012

COUNTY JUDGE

June 11, 2012

The Honorable Ramon Garcia
Hidalgo County Judge
100 E Cano 2nd Floor
Edinburg, Texas 78540-1356

Dear Judge Garcia:

As you may know, Section 74.602 of the Texas Property Code authorizes the Comptroller to allocate a portion of the unclaimed capital credits received from electric cooperatives back to counties in cooperatives' service areas. The Code also states that the money may only be used to fund an appropriate program under Section 381.004 of the Local Government Code.

The commissioners' court is the primary governing body and ultimate decision-making authority regarding the legitimacy of requests for funds under this provision. The amount available to each county will be based on total capital credits remitted this reporting year, minus anticipated claims as determined by the Comptroller.

If your office anticipates submitting a request for these funds, please refer to the following guidelines:

- Requests are to be submitted by the commissioners' court, in writing, to the Texas Comptroller of Public Accounts by August 31 of each year.
- Requests **must** include the complete name, address and federal tax identification number of the Commissioners' Court. Funds will be paid directly to the court.
- All requests **must** include certification that the purpose of the funds is in compliance with the provisions of Section 381.004 of the Texas Local Government Code.

Please mail your request(s) to:

Texas Comptroller of Public Accounts
Unclaimed Property Division
Holder Reporting Section
P. O. Box 12019
Austin, Texas 78711-2019

If you have any questions concerning these procedures, please contact Elisa A. Flores by e-mail at Elisa.Alice.Flores@cpa.state.tx.us or by phone at (800) 321-2274, ext. 3-1072.

Sincerely,

Larry Schilhabel
Section Supervisor
Holder Reporting Section

cc: Elisa A. Flores

RECEIVED
OFFICE OF EXECUTIVE OFFICER
ON: 6/19/12 BY: Laura S.

June 26, 2012

Elisa Alice Flores, Accounts Examiner
Texas Comptroller of Public Accounts
Unclaimed Property Division
Holder Reporting Section
P.O. Box 12019
Austin, TX 78711-2019

Dear Mrs. Flores:

Please let this letter serve as Hidalgo County's official request for capital credits from electric cooperatives reported to the State Comptroller's Office in 2011 as unclaimed property. Please forward the credits to the following address:

County of Hidalgo
c/o County Judge's Office
1615 S. Closner Blvd., Suite J
Edinburg, TX 78539
Federal Tax ID #: 74-6000717

As in previous request, Hidalgo County certifies that the purpose of these funds will be in compliance with the provisions of Section 381.004 of the Texas Local Government Code.

If you have any questions regarding this request, please contact Mrs. Dina R. Trevino, Assistant Budget Officer, by email at dina.trevino@co.hidalgo.tx.us or by phone at (956) 292-7025 ext. 5405.

Sincerely,

Ramon Garcia
Hidalgo County Judge
Cc: Honorable Joel Quintanilla., Commissioner, Pct. 1
Honorable Hector "Tito" Palacios, Commissioner, Pct. 2
Honorable Jose M. Flores, Commissioner, Pct. 3
Honorable Joseph Palacios, Commissioner, Pct. 4

AI-32711 **County Judge's Office 6. A.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted By: Monica Badillo, EXECUTIVE OFFICE

Department: EXECUTIVE OFFICE

Information

CAPTION

2010 Census Update/Powerpoint Presentation

BACKGROUND

Form Review

Inbox	Reviewed By	Date
Budget & Management	Ivan Cantu	06/06/2012 04:11 PM
Roland Garcia	Rolando Garcia	06/07/2012 11:21 AM
Auditor's Office	Arcilia Duran	06/22/2012 03:51 PM
Dina Trevino	Merlen P. Munoz	06/22/2012 03:52 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Monica Badillo Started On: 06/06/2012

Final Approval Date: 06/22/2012

AI-32938 **County Judge's Office 6. B.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Roberto Villarreal **Submitted By:** SANDRA DELEON, COUNTY JUDGE

Department: COUNTY JUDGE

Information

CAPTION

Approval of Resolution in support of the Cameron County Regional Mobility Authority's South Padre Island 2nd Access Project and recommended alternative

BACKGROUND

Fiscal Impact

FISCAL YEAR: 2012 **ACCT. #:**

FUNDS AVAILABLE Y/N?: NA **MATCHING FUNDS Y/N?:** NA

BUDGETARY IMPACT:

No Fiscal Impact.

Attachments

Resolution

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/21/2012 10:55 AM
Auditor's Office	Arcilia Duran	06/21/2012 04:57 PM
Dina Trevino	Merlen P. Munoz	06/22/2012 04:00 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: SANDRA DELEON Started On: 06/21/2012 10:20 AM

Final Approval Date: 06/22/2012

RESOLUTION

"CONSIDERATION AND ADOPTION OF A RESOLUTION IN SUPPORT OF THE CAMERON COUNTY REGIONAL MOBILITY AUTHORITYS' SOUTH PADRE ISLAND 2ND ACCESS PROJECT AND RECOMMENDED ALTERNATIVE AS IDENTIFIED IN THE DRAFT ENVIRONMENTAL IMPACT STUDY."

WHEREAS, the Cameron County Regional Mobility Authority's mission since its inception, in 2005, is to promote safe and effective mobility, improve the quality of life for area residents, and to create quality economic development to attract job growth all through a sustainable transportation network; and

WHEREAS, in 2005 the Cameron County Regional Mobility Authority became the lead project sponsor for the South Padre Island 2nd Access project; and

WHEREAS, since then, the CCRMA has been working in conjunction with the Texas Department of Transportation to submit a Draft Environmental Impact Statement(DEIS) to the respective federal and state cooperating agencies for review and further processing; and

WHEREAS, the Cameron County Regional Mobility Authority through this DEIS process has identified a recommended site or alternative on the northern end of South Padre Island; and

WHEREAS, the Hidalgo County Commissioner's Court recognizes the importance of a 2nd Access to South Padre Island as it will improve safety conditions, facilitate mobility and access for the traveling public during emergencies, promote tourism and support economic development opportunities for our region; and

WHEREAS, the 2nd Access project will spur new development on South Padre Island with endless opportunities as it continues as a leading destination for local, state, national, and international visitors; and

WHEREAS, Hidalgo County Commissioner's Court believes that a 2nd Access to South Padre Island is critical to the future of our region as many visitors from throughout the Rio Grande Valley and Northern Mexico also travel there on any given day or weekend; and

WHEREAS, the Hidalgo County Commissioner's Court recognizes that the development of a project like the 2nd Access will have a tremendous positive economic impact on both job creation and economic growth to the South Texas region; and

WHEREAS, the Hidalgo County Commissioner's Court also recognizes the need to improve safety, access and mobility for the traveling public leading to and from South Padre Island; and

NOW, THEREFORE, BE IT RESOLVED, that the Hidalgo County Commissioner's Court unanimously expresses its strong support to the Cameron County Regional Mobility Authority as it works to establish its preferred alternative and seek a record of decision for the South Padre Island 2nd Access project.

Passed, Approved and Adopted on this ___ day of June, 2012.

_____
RAMON GARCIA
County Judge

_____
JOEL QUINTANILLA
County Commissioner, Pct. 1

_____
HECTOR "TITO" PALACIOS
County Commissioner, Pct. 2

_____
JOE M. FLORES
County Commissioner, Pct.3

_____
JOSEPH PALACIOS
County Commissioner, Pct. 4

Attested to:

_____
ARTURO GUAJARDO, JR.
County Clerk

AI-32956 **County Judge's Office 6. C.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted By: Monica Badillo, EXECUTIVE OFFICE

Department: EXECUTIVE OFFICE

Information

CAPTION

Resolution in honor of Edinburg CISD for achievements in HEB's 2012 Excellence in Education Awards

BACKGROUND

• Edinburg North High School Principal Ramiro Guerra, 2012 HEB Excellence in Education Award Recipient;
• Edinburg Consolidated Independent School District, 2012 HEB Excellence in Education State Finalist;
• Freddy Gonzalez Elementary School Principal Arnoldo F. Benavides, 2012 HEB Excellence in Education Regional Finalist

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/22/2012 01:15 PM
Auditor's Office	Arcilia Duran	06/22/2012 01:35 PM
Dina Trevino	Merlen P. Munoz	06/22/2012 03:48 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Monica Badillo Started On: 06/22/2012 09:54 AM

Final Approval Date: 06/22/2012

AI-32963 **County Judge's Office 6. D.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted By: Michael Leo, COUNTY JUDGE

Department: COUNTY JUDGE

Information

CAPTION

Presentation and discussion regarding Hidalgo County's efforts to report final dispositions of cases for adult arrests recorded for the calendar years 2006-2010

BACKGROUND

Effective September 1, 2012, entities within counties without a 90% completeness percentage will be ineligible to apply for new grants through the federally funded Justice Assistance Grant program.

Effective September 1, 2013, entities within counties without a 90% completeness percentage will be ineligible to receive grant funding from any state or federal source managed by CJD.

Attachments

CJD Notice 12-14-11

Art. 60

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/22/2012 01:15 PM
Roland Garcia	Rolando Garcia	06/22/2012 01:41 PM
Auditor's Office	Arcilia Duran	06/22/2012 01:59 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Michael Leo Started On: 06/22/2012 10:46 AM

Final Approval Date: 06/22/2012

Memorandum

To: Criminal Justice Division (CJD) Grant Recipients of Future Funds
From: Christopher Burnett, CJD Executive Director
Date: December 14, 2011
Re: IMPORTANT CHANGES IN ELIGIBILITY REQUIREMENTS FOR FUTURE GRANTS

While most counties have made great strides over the last few years in reporting criminal history dispositions as required by Code of Criminal Procedure, Chapter 60, to the Texas Department of Public Safety (DPS), the State Auditor's September 2011 audit of the reporting requirement system shows that more needs to be done. To assist this effort, the Criminal Justice Division (CJD) is taking the following steps:

> **Effective September 1, 2012, each county must comply with Chapter 60 reporting requirements in order for the county or any political subdivision within that county to be eligible for grants under CJD's Justice Assistance Grant (JAG) program**. This means that by August 1, 2012, each county and any political subdivision within that county that has applied to CJD for JAG grants must provide CJD with a criminal history disposition completeness report documenting that it has reached a 90% disposition completeness rate for adult arrests for calendar years 2006-2010, as measured by DPS. All jurisdictions, such as cities, in a non-compliant county will be ineligible for JAG funds regardless of whether the county itself applied to CJD for JAG.
>
> **Effective September 1, 2013, any entity, public or private, in a county that does not report at 90% or above will be ineligible to receive grants from any state or federal fund sources managed by CJD.**
>
> **CJD will discuss possible grant funding to help counties get into compliance.**

Criminal histories must be reported correctly and promptly to DPS as required by Chapter 60. Many public and private employers use criminal histories as part of the review process when hiring persons for sensitive positions. Texas and national law enforcement officers need complete criminal histories during traffic stops or during other contacts. Also, this information is vital for judges to make proper decisions regarding magistration and sentencing. For these reasons, the Texas Legislature has stressed the need for timely and complete information and has established timelines for counties to achieve average compliance reporting at 90% or above.

Sincerely,



Christopher Burnett
Executive Director
Criminal Justice Division

Art. 60.09. LOCAL DATA ADVISORY BOARDS. (a) The commissioners court of each county may create local data advisory boards to, among other duties:

(1) analyze the structure of local automated and manual data systems to identify redundant data entry and data storage;

(2) develop recommendations for the commissioners to improve the local data systems;

(3) develop recommendations, when appropriate, for the effective electronic transfer of required data from local agencies to state agencies; and

(4) perform any related duties to be determined by the commissioners court.

(b) Local officials responsible for collecting, storing, reporting, and using data may be appointed to the local data advisory board.

(c) The council and the Department of Public Safety shall, to the extent that resources allow, provide technical assistance and advice on the request of the local data advisory board.

Added by Acts 1989, 71st Leg., ch. 785, Sec. 6.01, eff. Sept. 1, 1989. Amended by Acts 1990, 71st Leg., 6th C.S., ch. 25, Sec. 28, eff. June 18, 1990.

For expiration of this article, see Subsection (g).

Art. 60.10. DATA REPORTING IMPROVEMENT PLAN. (a) In this article, "disposition completeness percentage" has the meaning assigned by Article 60.21(c).

(b) This article applies only to a county that has an average disposition completeness percentage, including both juvenile and adult dispositions, of less than 90 percent, as reflected in the first report the Department of Public Safety submits under Article 60.21(b)(2) on or after January 1, 2009.

(c) The commissioners court of a county described by Subsection (b) shall establish a local data advisory board as described by Article 60.09 not later than November 1, 2009. A local data advisory board established under this article may include any person described by Article 60.09(b) and must include:

(1) the sheriff of the county, or the sheriff's designee;

(2) an attorney who represents the state in the district courts of the county;

(3) an attorney who represents the state in the county courts of the county;

(4) the clerk for the district courts of the county, or the clerk's designee;

(5) the clerk for the county courts of the county, or the clerk's designee;

(6) the police chief of the municipality with the greatest population located in the county, or the chief's designee;

(7) a representative of the county's automated data processing services, if the county performs those services; and

(8) a representative of an entity with whom the county contracts for automated data processing services, if the county contracts for those services.

(d) In addition to the duties described by Article 60.09(a), a local data advisory board established under this article must prepare a data reporting improvement plan. The data reporting improvement plan must:

(1) describe the manner in which the county intends to improve the county's disposition completeness percentage;

(2) ensure that the county takes the steps necessary for the county's average disposition completeness percentage to be equal to or greater than 90 percent in the first report the Department of Public Safety submits under Article 60.21(b)(2) on or after January 1, 2013; and

(3) include a comprehensive strategy by which the county will permanently maintain the county's disposition completeness percentage at or above 90 percent.

(e) Not later than June 1, 2010, a local data advisory board established under this article shall submit to the Department of Public Safety the data reporting improvement plan prepared for the county. On receipt of a data reporting improvement plan under this article, the department shall post the plan on the Internet website maintained by the department.

(f) The public safety director of the Department of Public Safety may adopt rules concerning the contents and form of a data reporting improvement plan prepared under this article.

(g) This article expires September 1, 2013.

Added by Acts 2009, 81st Leg., R.S., Ch. 1146, Sec. 21.001, eff. September 1, 2009.

AI-32964 **County Judge's Office 6. E.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted By: Michael Leo, COUNTY JUDGE

Department: COUNTY JUDGE

Information

CAPTION

Discussion, consideration, and approval to renew Guidelines and Criteria for Granting Tax Abatements in Hidalgo County.

BACKGROUND

These Guidelines incorporate previous amendments approved by Commissioners Court, and approved by legal.
These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years.

Attachments

Guidelines

Legal approval

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/22/2012 02:08 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Michael Leo Started On: 06/22/2012 12:36 PM

Final Approval Date: 06/22/2012

GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS IN HIDALGO COUNTY, TEXAS

Effective June __, 2012

I. General Purpose and Objectives

The County is committed to the promotion of high quality development in all parts of the County and to an ongoing improvement in the quality of life for its citizens. Certain types of investment result in the creation of new jobs, new income and provide for positive economic growth which is beneficial to the County as a whole. The County will, on a case-by-case basis, give consideration to providing tax abatement as a stimulation for economic development in the County. It is the policy of the County that said consideration will be provided in accordance with the guidelines and criteria outlined in this document. The County is not obligated to grant tax abatement to any applicant and nothing herein will imply or suggest that the County is under any obligation to provide tax abatement to any applicant. All applicants will be considered on a case-by-case basis, and the decision to approve or deny tax abatement to any particular applicant will be at the discretion of the Commissioners Court of the County. As provided in section 312.002(d) of the Texas Tax Code, adoption of these guidelines and criteria does not (1) limit the discretion of the Commissioners Court to decide whether to enter into a specific tax abatement agreement, (2) limit the discretion of the Commissioners Court to delegate to its employees the authority to determine whether the Commissioners Court should consider a particular application for tax abatement or (3) create any property, contract or other legal right in any person to have the County consider or grant a specific application or request for tax abatement. Tax abatement agreements are made with the owners of real property to exempt from taxation a portion of the value of the real property or of tangible personal property, or both, and, as provided herein, may also be entered into with the lessees of such real property. The duration of an agreement may be for a period of time determined appropriate by the Commissioners Court of the County, based on the productive life of the improvements and consistent with the provisions of these Guidelines and Criteria, but in no case for more than ten (10) years in accordance with state law. Special terms and conditions may be set in the agreement governing each specific tax abatement.

II. Definitions

A. “Abatement” means the full or partial exemption from ad valorem taxes of eligible properties in a reinvestment zone designated as such for economic development purposes.

B. “Agreement” means a contractual agreement for the purpose of tax abatement between (i) a property owner or a lessor and a lessee and (ii) a taxing authority. In no event will the duration of an agreement exceed ten (10) years, even if the abatement is not applied in the initial years of the agreement.

C. “Base year value” means the taxable value of the applicant’s real and personal property of a type eligible for tax abatement (which excludes inventory and supplies) located in a designated reinvestment zone on January 1 of the year of the execution of the Agreement.

D. “Capital Cost” means the amount expended by the owner on improvements to real property or acquisition of eligible personal property needed to commence a project or operations. It expressly excludes amounts expended by the County or other governmental entities and any amounts expended with respect to ineligible property.

E. “Commissioners Court” means the elected governing body of the County.

F. “County” means the County of Hidalgo, a political subdivision of the State of Texas.

G. “Economic life” means the number of years a property qualifies for depreciation under the Internal Revenue Service Code (Section 168) Modified Accelerated Cost Recovery System.

H. “Eligible education facility” means new, expanded or modernized buildings and structures, including fixed machinery and equipment, which, when constructed or completed, will be leased to a public school district, community college district, or state-supported institution of higher education, for the entire term of the proposed abatement, and which will contribute to the economic development of the County.

I. “Eligible facility” means a new, expanded or modernized building or structure, including fixed machinery and equipment, which is reasonably likely as a result of granting abatement to contribute to the retention or expansion of primary employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development of the County, but does not include a facility which is intended primarily to provide goods or services to residents or existing businesses located in the County such as, but not limited to, a restaurant or a retail sales establishment.

J. “Expansion” means the addition of buildings, structures, fixed machinery, and/or equipment for the purpose of increasing production capacity or revenues.

K. “Facility” means property improvements completed or in the process of construction which together comprise an integral whole.

L. “Guidelines and Criteria” mean these guidelines and criteria for granting tax abatement in the County.

M. “Improvement” means a building, structure, fixture, or fence erected on or affixed to land, or a transportable structure designed to be occupied for residential or business purposes, whether or not it is affixed to land, if the owner of the structure owns the land on which it is located, unless the structure is unoccupied and held for sale or normally is located at a particular place only temporarily.

N. “Job” means a permanent, full-time employment position, hired directly or contracted through another entity, that has provided or will result in employment of at least 1,820 hours in the position in a year. Any position providing less than the specified number of hours a year, regardless of the employer’s designation of such position, does not qualify as a “Job” for purposes of these Guidelines and Criteria.

O. “Lessee” means the tenant who is occupying and operating or will occupy and operate an eligible facility under a legally binding lease agreement with a landlord.

P. “Lessor” means the owner of an eligible facility that has a binding lease with a tenant who will occupy and operate the facility.

Q. “Modernization” means the replacement and upgrading of existing facilities which increase the productive input or output, updates the technology, or substantially lowers the unit costs of operation, and extends the economic life of the facility. Modernization may result from the construction, alteration, or installation of buildings, structures, fixed machinery, or equipment. It will not be for the purpose of renovation, reconditioning, refurbishing, repairing, or completion of deferred maintenance, except in reinvestment zones established based on conditions of economic impairment.

R. “New facility” means a property previously undeveloped which is placed into service by means other than expansion or modernization.

S. “Newly created value” means the difference between the taxable property value in the base year and the taxable property value at the time the value is being newly calculated.

T. “Personal property” means property that is not real property, and consists of intangible and tangible personal property. Intangible personal means a claim, interest (other than an interest in tangible property), right, or other thing that has value but cannot be seen, felt, weighed, measured, or otherwise perceived by the senses, although its existence may be evidenced by a document. It includes a stock, bond, note or account receivable, certificate of deposit, share account, share certificate account, share deposit account, insurance policy, annuity, pension, cause of action, contract, and goodwill. Tangible personal property means personal property that can be seen, weighed, measured, felt, or otherwise perceived by the senses, but does not include a document or other perceptible object that constitutes evidence of a valuable interest, claim, or right and has negligible or no intrinsic value.

U. “Primary employment” means retention or creation of new jobs for residents of the County as a result of new, expanded or modernized building projects.

V. “Productive life” means the number of years a property improvement is expected to be in service in a facility.

W. “Real property” means land, improvements, a mine or quarry, minerals in place, standing timber; or an estate, other than a mortgage or deed of trust creating a lien on property or an interest securing payment or performance of an obligation, in a property enumerated above.

X. “Reinvestment zone” is (i) an area designated as such for the purpose of tax abatement as authorized by the Property Redevelopment and Tax Abatement Act, Sections 312.401 or 312.201 of the Texas Tax Code or (ii) an area designated as an enterprise zone under Chapter 2303 of the Texas Government Code as authorized by the Property Redevelopment and Tax Abatement Act, Section 312.4011 of the Texas Tax Code.

Y. “Taxable property value” means the value of the Property being valued as determined by deducting from the assessed value of such Property, as recorded by the Hidalgo County Appraisal District, the amount of any applicable exemption as defined by the Texas Property Tax Code.

III. Abatement Authorized

A. Eligible Facilities. Abatement may be granted for new facilities and for expansion or modernization of existing facilities. The economic life of a facility and/or eligible property must exceed the duration of the abatement.

B. Eligible Property. Abatement may be applied to both real and personal property used at an eligible facility for business purposes, excluding all ineligible property.

C. Ineligible Property. The following types of property will be fully taxable and ineligible for abatement: (i) land, (ii) inventory, supplies, tools, furnishings and other forms of moveable personal property, (iii) housing, (iv) deferred maintenance, and (v) property to be rented or leased except as provided in subsection E. of this Section III. No reference to property (real or personal) herein shall be deemed to incorporate any ineligible property into any calculation of investment or tax abatement.

D. New Value. Abatement may only be granted for the newly created value of eligible property improvements made subsequent to and specified in an agreement between the County and the owner or between the County and the lessor and lessee, subject to such limitations as the County may impose.

E. Owned/Leased Facilities. If a leased facility is granted abatement, the agreement will be executed with the lessor and the lessee.

F. Eligibility Criteria. In order to be considered for abatement, eligible facilities must be located in a reinvestment zone and result in a minimum added value of $1,500,001 in real and business personal property or the creation of at least 26 full-time jobs.

G. Criteria and Value of Abatement. Abatement may be granted for eligible facilities on all or a portion of the newly created value of eligible property according to the following:

(1) An owner of real property where an eligible facility is located, prior to the inception of the project(s) subject to an agreement, must agree to expend a designate sum of money as the Capital Cost of the project and/or provide a certain number of Jobs in order to qualify for an abatement and must expend at least the sum agreed to as the Capital Cost of the project and provide at least the agreed number of Jobs in accordance with the agreement in order to receive such abatement. The percent of value to be abated is dependent upon the greater of the Capital Cost expended by the owner in the project or the number of Jobs created:

Percent of Increase in Property Value To be Abated	**Capital Cost of the Project**	**Number of Jobs Created**
0%	Less than $1,500,001	0 – 25
25%	$1,500,001 up to and including $5,000,000	26 – 50
50%	Over $5,000,000 up to and including $10,000,000	51 – 100
80%	Over $10,000,000	101 or more

(2) In a lessor-lessee abatement, the lessor's abatement will be the applicable percentage set forth in subsection (G) (1) of this Section III based on the Capital Cost of the project and applicable only to the newly created value of real property at the eligible facility as determined by the Hidalgo County Appraisal District and these Guidelines and Criteria. The lessee's tax abatement will be the applicable percentage based on Job creation as set forth in subsection G.(1) of this Section III and will be applied on the newly created value of personal property owned by the lessee at the eligible facility as may be determined by the Hidalgo County Appraisal District.

(3) Only the newly created value will be eligible for abatement. The percentage of value to be abated is dependent upon the greater of the Capital Cost involved in the project or number or Jobs and then only to the extent that such increase exceeds any reduction in fair market value of

other real or personal property of an owner, lessor or lessee located within the reinvestment zone.

(4) The length of an agreement may be for a period not to exceed ten (10) years from the successful completion of the development, redevelopment or improvement of the project. The abatement of the real and personal property in each year covered by the agreement shall only be received to the extent its taxable property value for that year exceeds its taxable property value for the year in which the agreement is executed.

(5) As an additional incentive to create and sustain jobs, any abatement based upon job creation will be subject to increases or decreases in subsequent tax years based on the level of jobs added or lost. For example, a project that initially creates thirty (30) jobs is eligible for a 25% abatement. In the second year of the abatement period, if twenty-one (21) additional jobs are added, the abatement will then increase to 50% (although such increased abatement shall not apply retroactively), and so on as jobs are created during the abatement period. Conversely, if jobs are reduced, the percent of abatement will also be reduced.

(6) With respect to any abatement based upon Capital Cost, the percent of value to be abated may qualify for increases in subsequent tax years based upon additional capital improvements. For example, a project that initially has a Capital Cost of $2,500,000.00, is eligible for 25% tax abatement. In the second year of the abatement period, if additional capital improvements are made in the total amount of $3,000,000, the abatement may then increase to 50% upon Commissioners' Court approval (although such increased abatement shall not apply retroactively).

(7) Improvements, expansions or modernizations must not be expected to solely or primarily have the effect of transferring employment from one part of the County to another.

(8) The project must be expected to prevent the loss of payroll or retain, increase or create payroll on a permanent basis in the County

H. Standards of Tax Abatement. The following factors, among others, will be considered in determining whether to grant abatement and, if so, the percentage of value to be abated and duration of tax abatement.

(1) value of land and existing improvements, if any;

(2) type and value of proposed improvements;

(3) productive life of proposed improvements;

(4) number of existing jobs to be retained by proposed improvements;

(5) number and type of new jobs to be created by proposed improvements;

(6) whether the new jobs to be created will be filled by persons residing within the affected taxing jurisdiction;

(7) amount property tax base valuation will be increased during term of abatement, which will include a definitive commitment that such valuation will not in any case be less than $1,500,001 and/or no less than 26 jobs created;

(8) the costs to be incurred by the County to provide facilities or services directly resulting from the new improvements;

(9) the amount of ad valorem taxes to be paid to the County during the abatement period considering (a) the existing values, (b) the percentage of new value abated, (c) the abatement period, and (d) the value after expiration of the abatement period;

(10) the types and values of public improvements, if any, to be made by the applicant seeking abatement;

(11) whether the proposed improvements compete with existing businesses to the detriment of the local economy;

(12) the impact on the business opportunities of existing businesses;

(13) the attraction of new businesses to the area;

(14) whether the project is environmentally compatible with no adverse impact on quality of life; and

(15) whether the real property is in an improvement project financed by tax increment bonds.

Each eligible facility will be reviewed on its merits utilizing the factors provided above. After such review, abatement may be entirely denied or may be granted to the extent deemed appropriate after full evaluation.

I. In addition to other abatements authorized hereunder, abatement may be granted for an eligible education facility as provided in this subsection I. The provisions of subsections G.(1), G.(2), G.(4), G.(5), G.(6), and H.(7), and Section VII of these Guidelines and Criteria will not apply to abatements for eligible education facilities. The term of the abatement for an eligible education facility will be established by the Commissioners

Court at the time the abatement is granted, but in no event will exceed the maximum term permitted under the Texas Tax Code.

IV. Procedural Guidelines

A. Preliminary Application Steps: Any person, organization or corporation meeting the abatement guidelines may request abatement by contacting the County Judge's Office Economic Development Division and filing a written application with the County in conformance with the following procedural guidelines. Consideration will be given to written requests from applicants for the confidentiality of proprietary information, consistent with state law, including without limitation Section 312.003 of the Texas Tax Code and Section 552 of the Texas Government Code.

(1) A tax abatement application form approved by the County and in the form attached to these Guidelines and Criteria must be completed and submitted to the appropriate office or any other office or official designated by the County, with all of the information and documents specified therein and herein. prior to commencement of construction, alterations, or installation of improvements related to a proposed modernization, expansion or new facility by the applicant. Commencement of construction is considered to have taken place when any one of the following has occurred:

(a) If more than ninety days has passed since an abatement agreement with the municipality has been executed (if applicable);

(b) If a building permit has been issued for construction not associated with mitigating an environmental hazard;

(c) If the project's site has been cleared and prepared for development;

(d) If construction (including renovations or tenant finish-out) has begun;

(e) If site specific infrastructure has begun to be installed; or

(f) If equipment, inventory, or employees have been relocated to the new site.

A <u>complete</u> tax abatement application, <u>with all of the information and documentation specified therein and herein,</u> must be submitted to the <u>appropriate office or any other office or official designated by the</u> County no later than October 1, in order to have an agreement

considered and executed in the same year that the tax abatement application is submitted to the County..

(2) The application will require such financial and other information as may be deemed appropriate for evaluating the financial capacity of the applicant. This may include an economic feasibility study including a detailed list of estimated improvement costs, a description of the methods of financing all estimated costs and the time when related costs or monetary obligations are to be incurred, and historical financial statements and statements of revenues, expenses, net income and cash flow for the first five years of the project, which have been audited, reviewed or compiled by a certified public accountant.

(3) Applicant will prepare a descriptive list of the improvements for which abatement is requested. This will include the class life of the improvements based on the Internal Revenue Service Code (Section 168) Modified Accelerated Cost Recovery System.

(4) Applicant will prepare a plat or map showing the precise location of the property, location of proposed improvements, all roadways within five hundred feet (500') of the site, and all existing land uses and zoning within five hundred feet (500') of the site. The correct legal description of the real property must be provided.

(5) Applicant will address all criteria outlined in Section III, H. of these Guidelines and Criteria in letter format. In the case of a modernization or expansion, applicant will also include a statement of the facility's current property value, stated separately for real and personal property.

(6) Applicant will prepare a time schedule for undertaking and completing the planned improvements.

(7) Applicant will provide a tax certificate verifying that no taxes are past due on applicant's property located within the proposed reinvestment zone.

(8) Applicant will provide a copy of the underlying lease if Applicant is a lessee of the facility.

(9) Applicant will provide a copy of the contract between the applicant and any employment agency acting as the employer of the employees of eligible jobs pursuant to such contract.

(10) Applicant will provide copies of the immediately preceding quarterly reports filled with the Texas Workforce Commission, documenting the current number of permanent full time employees.

(11) Applicant will provide a current copy of any Enterprise Zone Map identifying the property location.

(12) Applicant shall pay to the County a non-refundable application fee of $1,000 at the time of submission of the tax abatement application. Applicant understands and, by submitting an application agrees, that such fee is to partially offset the County's expenses in reviewing the Applicant's application and shall not be refunded in the event the application is withdrawn by Applicant or denied by the County. Applicant will submit along with the applicable a copy of the receipt issued from the Hidalgo County Treasurer evidencing payment of the application fee.

B. Application Review Steps: Upon receipt of a completed application, the County will distribute copies of the application to the appropriate County departments for internal review and comments. The County may request additional information as needed to determine applicant's eligibility for abatement according to Sections III A., B. and F.

C. Timing Provisions. Notwithstanding any provision to the contrary in Sections IV or V of these Guidelines and Criteria, to the extent allowable under applicable law, the Commissioners Court in its discretion may (i) allow additional time for compliance with the requirements in Sections IV and V with respect to any applications received after October 1 of the calendar year, and (ii) consider and approve a tax abatement and enter into an Agreement prior to receipt of all required information, provided that if such abatement is granted the Agreement requires the owner or lessor and lessee to comply with any such provisions within thirty days of the date of the Agreement and allows the County to terminate the Agreement in the event any conditions in the Agreement are not timely met.

V. Consideration of Application and Adoption of Agreement

A. When the County considers an abatement request, it will consider the feasibility and impact of the proposed abatement by making an estimate of the economic effect of the abatement of taxes and the benefit to the property to be covered by the abatement and to the taxing authorities involved.

B. In accordance with Section 312.401(b) of the Texas Tax Code, the Commissioners Court may not designate an area as a reinvestment zone until it holds a public hearing on the designation and finds that the designation would contribute to the retention or expansion of primary employment or would attract major investment in the reinvestment zone that would be a benefit to the property to be included in the reinvestment zone and would contribute to the economic development of the County. At the hearing, interested persons are entitled to speak and present evidence for or against the designation. Not later than the seventh day before the date of the hearing, the Commissioners Court will give notice of the hearing in accordance with Sections 312.401(b) and 312.201(d) of the Texas Tax Code.

C. (1) The Commissioners Court may consider adoption of an Order approving the execution of an agreement between the County and the applicant governing the provision of the abatement within the reinvestment zone only after the applicant has forwarded all necessary information and documentation to the County. The County will notify the applicant of approval or disapproval in writing as soon as such action has occurred. The County will not approve an agreement if it finds that the request for the abatement was filed after the commencement of construction, alterations, or installation of improvements related to a proposed modernization, expansion or new facility by the applicant except as provided in subsection V.C.(2) below. Any improvements performed by a taxing entity in anticipation will not be subject to this subsection C(1).

(2) The decision to provide any tax abatement will be considered on a case by case basis, in accordance with these guidelines and criteria, and at the discretion of the Commissioners Court who, with respect to applicants concerning projects of extraordinary impact that meet the following criteria:

a. the project creates 500 or more Jobs; and/or

b. the project's Capital Cost is $25 million or more in real and personal property within the County

may waive Subsection IV(A)(1)(b) if reasonable proof is shown of why the waiver is needed and of the benefit to the County of granting the tax abatement.

D. Not later than the seventh day before the date on which the County enters into an agreement, the County will deliver, as provided by Section 312.2041 of the Tax Code, to the presiding officer of the governing body of each other taxing unit in which the property to be subject to the agreement is located a written notice that the County intends to enter into the agreement. The notice will include a copy of the proposed agreement.

E. The governing bodies of the appropriate taxing authorities may consider ratification of and participation in the agreement between the County and the applicant.

F. After approval, the County will formally pass an Order and execute an agreement with the owner of the facility and lessee as required. Such agreement prior to execution will be reviewed by legal counsel for the County and the owner of the facility and lessee, if applicable. Such agreement shall be subject to the rights of holders of outstanding bonds of the County and shall be entered into by the County on the condition that the owner and, if applicable, the lessee makes specific improvements or repairs to the property. The abatement in each agreement shall take effect on January 1 of the next tax year after the date the improvements or repairs are substantially completed. Each agreement must include the terms required under Section 312.205 or the Texas Tax Code and will address various issues, including, but not limited to, the following:

(16) General description of the project;

(17) The percent of value to be abated each year;

(18) Estimated value of the abatement including the base year value;

(19) Duration of the abatement, including the commencement date and the termination date;

(20) Legal description of the property;

(21) Kind, number, location and timetable of planned improvements;

(22) Specific terms and conditions to be met by applicant;

(23) The proposed use of the facility and nature of construction;

(24) A plat or map showing the precise location of the property;

(25) Contractual obligations in the event of default, violation of terms conditions, delinquent taxes, recapture, administration and assignment; and

(26) Size of investment and average number of new jobs created.

VI. Denial of Abatement

A. All eligible applications for abatement will be considered on a case-by-case basis and except for the instances set forth in Section VI.B. herein, the decision to approve or deny abatement will be made at the discretion of the Commissioners Court in accordance with these Guidelines and Criteria.

B. The Commissioners Court shall not authorize either a reinvestment zone or an agreement if it is determined that:

(1) there would be an adverse impact on the provision of government service or tax base;

(2) the applicant has insufficient financial capacity to complete the project;

(3) planned or potential use of the property would constitute a hazard to public safety, health or morals;

(4) violation of other codes or laws exist;

(5) the property is in an improvement project financed by tax increment bonds; or

(6) there exists any other reason that is deemed appropriate by the Commissioners Court.

C. Nothing herein will imply or suggest that the County is under any obligations or duty to provide abatement to any eligible applicant, or that any applicant has an entitlement to abatement except as may be determined on a case-by-case basis by the Commissioners Court.

VII. Taxability

From the execution of the agreement to the end of the agreement period, taxes will be payable as follows:

(a) The value of ineligible property will be fully taxable;

(b) The base year value of existing eligible property as determined each year will be fully taxable;

(c) The additional value of eligible property will be taxable in the manner and for the period provided for in the abatement agreement; and

(d) The additional value of eligible property will be fully taxable at the end of the abatement period.

VIII. Recapture

A. The County will be entitled to terminate the agreement and shall recapture all or part of the taxes abated, in any one or more abatement periods upon the occurrence of one or more of the following events:

(1) At any time that the owner or lessee voluntarily ceases to produce a product or service at the facility for a period of one (1) year;

(2) If the owner, lessor or lessee allows its ad valorem taxes owned to the County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest;

(3) If the owner or lessee relocates the job creating activity outside the reinvestment zone;

(4) Upon the owner's, lessor's or lessee's breach of the agreement;

(5) As the County and the owner, lessor or lessee may otherwise agree in the agreement; or

(6) In the case of an abatement for an eligible educational facility, the educational institution named in the agreement terminates the lease on the property or otherwise ceases to use and occupy the property for educational purposes, and the property owner fails to secure a new tenant that qualifies the facility for continued abatement under these Guidelines and Criteria within one hundred twenty (120) days of the expiration or other cessation of the use of the property for educational purposes.

B. Should the County determine that a party is in default according to the terms and conditions of the agreement, the County will notify the party in writing at the address stated in the agreement, and if such is not cured within thirty (30) days from the date of such notice, then the agreement may be terminated by the County pursuant to an Order adopted by the Commissioners Court.

C. The County by an Order adopted by the Commissioners Court will have the right to terminate the agreement and shall recapture all or a part of the abated taxes based on the following schedule and formula:

RECAPTURE SCHEDULE

YEAR IN WHICH RECATURE EVENT OCCURS	*COUNTY WILL RECAPTURE FOLLOWING PERCENTAGE OF TOTAL TAXES PREVIOUSLY ABATED:*
1-5	100%
6	85%
7	75%
8	65%
9	55%
10	45%

FORMULA: The Recapture Formula Will Be:

Total Taxes Abated	**X**	Applicable Percentage from above schedule	=	Amount to be Recaptured

D. A lessor, lessee, or owner who is a party to an agreement that has been terminated or pursuant to which abated taxes have been ordered to be recaptured may appeal the Commissioners Court decision recapturing or terminating the agreement. In order to make an appeal, the party to the agreement must submit, within thirty (30) days of the Order by Commissioners Court recapturing or terminating the agreement, a written notice to the County and to any other party to the agreement specifying the grounds on which the party will be appealing the decision and requesting that the matter of the appeal be placed on the Commissioners Court agenda for the next Commissioners Court meeting occurring not less than three days following receipt by the County of the written request.

The party appealing the decision may appear at the Commissioners Court's meeting to discuss the appeal.

IX. Administration

A. Access to Facility. Each agreement will stipulate that employees and/or designated representatives of the County will have access to the facility during the term of the agreement to inspect the facility to determine if the terms and conditions of the agreement are being met. The County may execute a contract with any other jurisdiction(s) to conduct such inspections of the facility. All inspections will be conducted in a manner as to not unreasonably interfere with the construction and/or operation of the facility; provided however, the County may conduct "spot" inspections requiring no advance notification to application. All inspections will be made with one or more representatives of the owner, lessor or lessee, and in accordance with such party's safety standards.

B. Reports, Audits and Inspections: Owners of facilities and lessees, if any, of eligible property for which tax abatement is granted will annually certify to taxing authorities that they are in compliance with the terms of the agreement. In addition, owners and lessees will provide reports and records reasonably necessary to support each year of the agreement. Such reports and records will include information supporting job creation and retention requirements, information on property purchases, and status reports on the project's progress. Reports supporting job creation and retention shall include Texas Workforce Commission Reports (all Social Security numbers must be redacted prior to submitting such reports to the County) submitted to the State Comptroller on a quarterly basis and a breakdown of all jobs with total annual hours per job. Upon completion of a project, property owners will provide taxing authorities with a final report (i) describing all property for which tax abatement is granted, (ii) providing documentation of the final Capital Cost and (iii) certifying the number of jobs created. If the tax abatement is given to a lessor and lessee, the lessee will provide and certify the portion of the final report concerning the number of jobs created. This final report will be accompanied by the opinion of an independent certified public accountant as to its accuracy and completeness. Taxing authorities will periodically evaluate each facility receiving abatement to ensure compliance with the agreement and report possible violations of the agreement. Taxing authorities will have the right to audit the books and records related to the eligible property and supporting the eligible property reports.

C. Transfer or Assignment. An agreement for tax abatement may be transferred or assigned by the original applicant to a new owner/lessor or lessee of the same facility upon the approval of the Commissioners Court subject to the financial capacity of the transferee or assignee and provided that all conditions and obligations in the agreement are guaranteed by the execution of a new agreement with the County. No assignment or transfer will be approved if any party to the existing agreement or any proposed new party is (i) liable to any jurisdiction in the County for outstanding taxes or other obligations or (ii) delinquent in the payment of ad valorem taxes to any taxing unit located in the County. Approval of a transfer or assignment will not be unreasonably withheld.

X. Tax Abatement by Other Taxing Units

A. Other Taxing Entities. Section 312.206(a) of the Tax Code allows the County, when a municipality has entered into an agreement with an owner and, if applicable, a lessee, to enter into an agreement with the same owner and, if applicable, lessee under different terms and conditions than those contained in the municipality's agreement with the owner and, if applicable, lessee. When an application for tax abatement is originated with a taxing entity other then the County, the taxing entity desiring the County to provide tax abatement to the same applicant will cause the applicant to file an application requesting abatement with the County and such application will include the information requested by the County for abatements originating with the County and shall also include a copy of the agreement between the applicant and the municipality or other taxing entity and such other documentation as may be requested by the County. Such abatements will be considered in accordance with the provisions of these Guidelines and Criteria.

B. No obligation. The acceptance of an application for tax abatement will not be deemed as an obligation whatsoever of the County to grant any abatement of taxes. Nothing in these Guidelines and Criteria or in any prior abatement action by the County will obligate the County to provide tax abatement to party.

C. Taxing Unit With Tax Rate Set by Commissioners Court. Pursuant to Section 312.004 of the Tax Code, in the event the Commissioners Court enters into an agreement for the county, it may also enter into an agreement applicable to the same property on behalf of a taxing unit other than the County if by statute the ad valorem tax rate of the other taxing unit is approved by the Commissioners Court or the Commissioners Court is expressly required by statute to levy the ad valorem taxes of the other taxing unit. The agreement entered into on behalf of the other taxing unit is not required to contain the same terms as the agreement entered into on behalf of the County.

XI. Sunset Provision

These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years unless amended by three-quarters vote of the Commissioners Court, at which time all reinvestment zones and agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on that review, the Commissioners Court may modify or renew these Guidelines and Criteria or enact new guidelines and criteria. The County reserves the right to allow these Guidelines and Criteria to lapse and to not thereafter adopt new guidelines and criteria.

XII. Severability

If any provision, section, subsection, sentence, clause, or phrase of these Guidelines and Criteria, or the amendments duly adopted hereto, or the application of the same to any

person, entity, or set of circumstances, is for any reason held to be unconstitutional, void, voidable, invalid, or contrary to any existing or prospectively enacted law or statute, the validity and enforceability of the remaining part of these Guidelines and Criteria and amendments thereto will not be affected thereby.

Zimbra **michael.leo@co.hidalgo.tx.us**

Fwd: Proposed 2012 Tax Abatement Guidelines and Criteria

From : Michael Leo <michael.leo@co.hidalgo.tx.us> Fri, Jun 22, 2012 12:26 PM

Subject : Fwd: Proposed 2012 Tax Abatement Guidelines and Criteria 1 attachment

To : Yolanda Chapa <yolanda.chapa@co.hidalgo.tx.us>

From: "Debra L. Goetz" <dgr@atlashall.com>
To: "Michael Leo" <michael.leo@co.hidalgo.tx.us>
Cc: "ramon garcia" <ramon.garcia@co.hidalgo.tx.us>, "roberto villarreal" <roberto.villarreal@co.hidalgo.tx.us>
Sent: Thursday, April 12, 2012 2:01:24 PM
Subject: Proposed 2012 Tax Abatement Guidelines and Criteria

Michael,

Attached for your review is the draft of the Guidelines and Criteria for Granting Tax Abatements, which incorporates the December 2011 amendment into the then existing guidelines and criteria. Please let me know if there are any changes or modifications to the terms.

Debra L. Goetz
Atlas, Hall & Rodriguez, LLP
P.O. Box 3725
McAllen, Texas 78502-3725
www.atlashall.com

Telephone: 956-632-8242
Facsimile: 956-686-6109
E-mail: dgr@atlashall.com

NOTICES: This e-mail message is the property of the sender and is for the sole use of the intended recipients. This message and any attachments may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient of this message, please forward a copy to dgr@atlashall.com and delete the message and the attachments from your computer.

Draft 2012 Guidelines and Criteria for Granting Tax Abatements (4-12-2012) .docx
45 KB

AI-32970 **County Judge's Office 6. F.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted By: Michael Leo, COUNTY JUDGE

Department: COUNTY JUDGE

Information

CAPTION

Authorization for County Judge to sign and submit the 2012 Eligibility Certification Form for the Texas Homeland Security State Adminstrative Agency (THSSAA)

BACKGROUND

Form completed by Emergency Management, Auditor's Office, Sheriff's Office and County Judge's Office

Attachments

2012 Eligibility Cert. Form

Sec. I - Attachment

Sec. III - Attachment

Sec. V - Attachment

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/22/2012 02:44 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Michael Leo Started On: 06/22/2012 01:56 PM

Final Approval Date: 06/22/2012

TEXAS DEPARTMENT OF PUBLIC SAFETY
TEXAS HOMELAND SECURITY STATE ADMINISTRATIVE AGENCY (THSSAA)

2012 ELIGIBILITY CERTIFICATION FORM

	INITIALS	CERTIFICATION
I.		**NATIONAL INCIDENT MANAGEMENT SYSTEM (NIMS)**
Please initial to certify to one of the NIMS statements below (initial only one box, A or B):		
A	To Certify to I.A, Initial Here:	1. My jurisdiction/organization has adopted and implemented NIMS. https://www.fema.gov/nimscast/Logoff.do?a=55062&m=ML2010 2. My jurisdiction is compliant with all NIMS objectives issued to date (FY2005-FY2009). 3. My jurisdiction completed the annual 2011 NIMSCAST assessment for all of its divisions/departments including any law enforcement division/department, and has a NIMSCAST compliance score of 100%. Required Attachment: A copy of the jurisdiction's NIMSCAST report that summarizes the score totals for each subsection. (*FY 2011 NIMS Implementation Metrics, Summary of Assessment.)*
B	To Certify to I.B, Initial Here: and check one of the two boxes at right	My jurisdiction/organization has adopted and implemented NIMS, but one of the following situations applies (check one): ☐ My jurisdiction did not achieve a score of 100% for the *FY 2011 NIMS Implementation Objectives and Metrics for Local Governments*. Required Attachments: 1) A copy of the jurisdiction's NIMSCAST report that summarizes the score totals for each subsection (*FY 2011 NIMS Implementation Metrics, Summary of Assessment.)*; and 2) A letter explaining the steps taken since the assessment to achieve 100% NIMS compliance and the date the jurisdiction expects to be in full compliance with all objectives and metrics. ☐ My jurisdiction did not complete/submit the 2011 NIMSCAST assessment. Required Attachment: A letter explaining 1) why the jurisdiction failed to complete the 2011 NIMSCAST assessment; 2) the steps taken since October 1, 2011 to achieve 100% NIMS compliance; 3) the date the jurisdiction expects to be in full compliance with all objectives and metrics, and 4) a statement that "The jurisdiction will use the NIMSCAST in 2012, by the established deadlines, to record NIMS compliance."
II.		**EMERGENCY MANAGEMENT PLANS (INTERMEDIATE LEVEL)**
To Certify to II., Initial Here: and check one of the three boxes at right		☒ My jurisdiction has its own current emergency management plan of at least the Intermediate Level on file with the Texas Division of Emergency Management. Required Attachment: A copy of the jurisdiction's report from TDEM's Eplan showing it is current, at least at Intermediate Level and listing the jurisdiction as a primary jurisdiction. ☐ My jurisdiction is a legally established member of an inter-jurisdictional emergency management program which has a plan that meets the state preparedness standards at the Intermediate Level on file with the Texas Division of Emergency Management (TDEM). Required Attachment: A copy of report for the inter-jurisdictional plan from TDEM's Eplan showing it is current, at least at Intermediate Level and listing Jurisdiction as a secondary jurisdiction. ☐ My jurisdiction/organization is not a city or county and is not required by Texas law to have an emergency management plan, e.g., COG or nonprofit organization.

III. OMB CIRCULAR A-133 SINGLE AUDIT

My jurisdiction's/organization's fiscal year (FY) end for 2011 was (check one):

- ☐ August 31, 2011 (Reporting Package is due 30 days after completion or May 31, 2012, whichever is sooner)
- ☐ September 30, 2011 (Reporting Package is due 30 days after completion or June 30, 2012, whichever is sooner)
- ☒ December 31, 2011 (Reporting Package is due 30 days after completion or September 30, 2012, whichever is sooner)
- ☐ Other (please specify date here): _____

Please initial to certify to one of A-133 Audit statements below (initial only one box, A, B, or C) and then complete D if required:

A	To Certify to III.A, Initial Here: _____	I certify my jurisdiction/organization did not expend over $500,000 in Federal or State funding during FY 2011 so no A-133 audit was necessary or obtained.
B	To Certify to III.B, Initial Here: _____ and check one of the four boxes at right	I certify my jurisdiction/organization expended over $500,000 in Federal or State funding in FY 2011, but the FY 2011 A-133 audit is not yet complete or due to DPS. The below certification is therefore based on our FY 2010 audit/expenditures (check one). ☐ I certify during FY 2010 my jurisdiction/organization did not expend over $500,000 in Federal or State funding during so no A-133 audit was necessary or obtained for FY 2010; FY 2011 A-133 audit will be timely filed with DPS. ☐ There were no findings in the FY 2010 audit. ☒ There were some findings, but NO findings concerning THSSAA-administered grants in the FY 2010 audit. ☐ The FY 2010 audit contained findings related to THSSAA-administered grants.
C	To Certify to III.C, Initial Here: _____ and check one of the three boxes at right	I certify my jurisdiction/organization expended over $500,000 in Federal or State funding in FY 2011, and the FY 2011 A-133 audit has been completed. The below certification is based on our FY 2011 audit/expenditures (check one). ☐ There were no findings in the FY 2011 audit. ☐ There were some findings, but NO findings concerning THSSAA-administered grants in the FY 2011 audit. ☐ The FY 2011 audit contained findings related to THSSAA-administered grants.

Section D is only required if you certified to A or B above. Please check the appropriate box below to identify how your jurisdiction provided its A-133 information to the Texas Department of Public Safety (check only one box):

D	To Certify to III.D, Initial Here: _____ and check one of the four boxes at right	I certify that the required reporting package has been provided to the Texas Department of Public Safety (TXDPS) and forwarded to the Federal Clearinghouse. ☐ The required reporting package is not yet complete or due, or has already been provided to TXDPS, so no attachment is required. ☐ Attached is a copy of the reporting package previously forwarded to the Federal Clearinghouse. (Required Attachment: Reporting Package) ☒ Attached is a copy of the A-133 Audit (the reporting package was previously forwarded to the Federal Clearinghouse.) (Required Attachment: Copy of the A-133 Audit) ☐ In lieu of a reporting package, attached is a detailed § A-133 §___.320(e)(2) Written Notification of No Findings signed by CEO or CFO (Required Attachment: Written Notification - This option only available if A-133 Audit indicated "no findings".)

IV. TEXAS REGIONAL RESPONSE NETWORK (TRRN)

To Certify to IV., Initial Here: _____

and check one of the two boxes at right

My jurisdiction/organization is registered with the Texas Regional Response Network (TRRN) and (check one): https://www.trrn.state.tx.us/TRRN/index1a.aspx

☒ My jurisdiction has entered all deployable equipment with a cost of $5,000 or more purchased with Homeland Security Grant funds into the TRRN.

☐ My jurisdiction does not have any deployable equipment with a cost of $5,000 or more purchased with Homeland Security Grant funds.

V. DUNS, CCR and FFATA

To Certify to V., Initial Here: _____

I certify my jurisdiction/organization has entered all required CCR and FFATA/employee compensation information. The CCR registration has been reviewed/updated and is valid though the end of 2012.

Required Attachment: For the DUNS number provided below, a print-friendly copy of an active CCR registration valid (at least) through the end of calendar year 2012 (December 31, 2012).

VI. CRIMINAL HISTORY DISPOSITION REPORTING (If Applicable)

This section applies to County jurisdictions only for State Homeland Security Grant Program (SHSP). This section DOES NOT APPLY to NSGP, OPSG, or UASI applicants. Please initial one of the below to certify to the statement which describes your criminal history disposition reporting compliance:

A	To Certify to VI.A, Initial Here: _____	My County jurisdiction has documented a 90% disposition completeness rate for adult arrests under calendar years 2006-2010 as required by Chapter 60, Texas Code of Criminal Procedure.
B	To Certify to VI.B, Initial Here: _____	My County jurisdiction DOES NOT have a documented 90% disposition completeness rate for adult arrests under calendar years 2006-2010, but my County: a) has established a Local Data Advisory Board; b) ~~has filed a Data Reporting Improvement Plan with~~ and c) intends to maintain a completeness percentage of at least 90% by January 1, 2013. **Note: County was not required to have a DRIP. See attached letter highlighting actions taken and progress made toward the 90% goal. Request consideration based on demonstrated progress.* Actual (or Anticipated) Date of DRIP submission (MM/DD/YEAR):

VII. AUTHORIZED SIGNATURE(S)

Print Name of Jurisdiction/Organization			
Print Name of Chief Elected Official, Chief Executive Officer, OR Chief Financial Officer			
Title (Judge, Mayor, ED, City Manager, CFO)			
Signature			
Date		DUNS Number	**103110834**

Section I

Metrics Summary Assessment

June 4, 2012

USA » State/Territory » Region 6 » Texas » Lower Rio Grande Valley Development Council » Hidalgo County

Data Snapshot: (Current Assessment Data Set)

FY2011 NIMS Implementation Objectives and Metrics for Local Governments

Summary

Last Update Date: 2011-09-29

Last Rollup Date: 2011-09-29

Sections	Complete	FY2011	FY2011+
NIMS Adoption Implementation Objectives	4 / 4 (100%)	4 / 4 (100%)	
Preparedness: Planning Implementation Objectives	2 / 2 (100%)	2 / 2 (100%)	
Preparedness: Training Implementation Objectives	11 / 11 (100%)	7 / 7 (100%)	4 / 4 (100%)
Preparedness: Exercises Implementation Objectives	3 / 3 (100%)	3 / 3 (100%)	
Communications and Information Management Implementation Objectives	2 / 2 (100%)	2 / 2 (100%)	
Resource Management Implementation Objectives	4 / 4 (100%)	4 / 4 (100%)	
Command and Management Implementation Objectives	4 / 4 (100%)	4 / 4 (100%)	
Overall	**30 / 30 (100%)**	**26 / 26 (100%)**	**4 / 4 (100%)**

FY2011 NIMS Implementation Objectives and Metrics for Local Governments

Details

Section	Status		
	FY2011	FY2011+	Expected Implementation Date
NIMS Adoption Implementation Objectives	✓		
1. Adoption	✓		
3. Point of Contact	✓		
4. Implementation Strategy	✓		
5. Ensure Federal Preparedness Funding support NIMS	✓		
Preparedness: Planning Implementation Objectives	✓		
7. Revise and update plans	✓		
8. Promote and develop intrastate and interstate mutual aid agreements	✓		
Preparedness: Training Implementation Objectives	✓	✓	
9. Utilize existing resources to coordinate and deliver NIMS training	✓		
10. IS-700 NIMS: An Introduction training	✓		
11. IS-701 NIMS Multiagency Coordination Systems training		✓	
12. IS-702 NIMS Public Information training		✓	
13. IS-703 NIMS Resource Management training		✓	
14. IS-704 NIMS Communication and Information Management training		✓	
15. IS-800 NRF: An Introduction training	✓		
16. ICS-100 Introduction to ICS training	✓		
17. ICS-200 ICS for Single Resources and Initial Action Incidents training	✓		
18. ICS-300 Intermediate ICS training	✓		
19. ICS-400 Advanced ICS training	✓		
Preparedness: Exercises Implementation Objectives	✓		

20. Incorporate NIMS concepts and principles into all training and exercises	✓		
21. Plan and/or Participate in all-hazards exercise program	✓		
22. Incorporate corrective actions into preparedness and response plans and procedures	✓		
Communications and Information Management Implementation Objectives	✓		
23. Apply Common and Consistent Terminology	✓		
24. Utilize Systems, Tools and Process to present consistent and accurate information	✓		
Resource Management Implementation Objectives	✓		
25. Inventory response assets to conform to NIMS National Resource Typing Definitions	✓		
26. Utilize response asset inventory	✓		
27. Ensure Interoperability	✓		
28. Initiate development of credentialing system	✓		
Command and Management Implementation Objectives	✓		
29. Manage incidents/planned events is accordance with ICS	✓		
30. Multi-agency Coordination System	✓		
31. Public Information	✓		
32. Public Information: Ensure information is gathered, verified, coordinated and disseminated	✓		

Symbol Legend	
✓	Strength
!	Weakness
✗	Not Completed
NA	Not Applicable
(blank)	No Criteria Established

Section III

COUNTY OF HIDALGO, TEXAS
SINGLE AUDIT
DECEMBER 31, 2010

BMC
Burton McCumber & Cortez, L.L.P.
Certified Public Accountants & Management Consultants

COUNTY OF HIDALGO, TEXAS

INDEPENDENT AUDITORS' REPORT

SINGLE AUDIT

December 31, 2010

BMC

Burton McCumber & Cortez, L.L.P.
Certified Public Accountants & Management Consultants

205 Pecan Boulevard
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Brownsville
McAllen
Matamoros
Reynosa

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Commissioners' Court
and Honorable District Judges
County of Hidalgo, Texas

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Hidalgo, Texas (the County) as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 17, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and

accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

We noted certain other matters that we reported to management of the County in a separate letter dated June 17, 2011.

This report is intended solely for the information and use of management of the County, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Burton McCall & Cooley, LLP

McAllen, Texas
June 17, 2011

BMC

Burton McCumber & Cortez, L.L.P.
Certified Public Accountants & Management Consultants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Commissioners' Court
And Honorable District Judge
County of Hidalgo, Texas

Compliance

We have audited the compliance of the County of Hidalgo, Texas (the County) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2010. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 10-01 and 10-02.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as item 10-02. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of and for the year ended December 31, 2010, and have issued our report thereon dated June 17, 2011, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management of the County, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



McAllen, Texas
June 17, 2011

BMC

Burton McCumber & Cortez, L.L.P.
Certified Public Accountants & Management Consultants

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Matamoros
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

The Honorable Commissioners' Court
and Honorable District Judge
County of Hidalgo, Texas

Compliance

We have audited the compliance of the County of Hidalgo, Texas (the County) with the types of compliance requirements described in the State of Texas Single Audit Circular that could have a direct and material effect on each of the County's major state programs for the year ended December 31, 2010. The County's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and State of Texas Single Audit Circular. Those standards and the State of Texas Single Audit Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County, complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended December 31, 2010.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over

compliance in accordance with the State of Texas Single Audit Circular, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of State Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended December 31, 2010, and have issued our report thereon dated June 17, 2011 which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The schedule of expenditures of state awards is presented for the purposes of additional analysis as required by the State of Texas Single Audit Circular and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

This report is intended solely for the information and use of management of the County, others within the entity, and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Burton McCall & Cowley, LLP

McAllen, Texas
June 17, 2011

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

GRANT NUMBER	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ STATE GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL/STATE EXPENDITURES	LOCAL EXPENDITURES	PASSED THROUGH AMOUNTS TO SUBRECIPIENTS
FEDERAL AWARDS					
PRIMARY GOVERNMENT					
	U.S. Department of Agriculture				
	Direct Programs				
N/A	Community Facilities Loans and Grants	10.766	$ 15,769	$ 32,819	$ -
			15,769	32,819	-
	Total U.S. Department of Agriculture Direct Programs		15,769	32,819	-
	Passed Through the Texas Department of State Health Services				
2010-033266	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	8,312,793	-	-
2011-037158	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	2,605,919	-	-
2010-033266	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	612,194	-	-
2011-037158	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	228,298	-	-
2010-033266	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	238,775	-	-
2010-033266	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	34,220	-	-
2011-037158	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	11,471	-	-
2011-037158	Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	16,978	-	-
			12,060,648	-	-
	Total Passed Through the Texas Department of State Health Services		12,060,648	-	-
	Passed Through the Health & Human Services Commission				
	Office of Inspector General				
N/A	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	3,593	-	-
			3,593	-	-
	Total Passed Through the Health & Human Services Commission Office of Inspector General		3,593	-	-
	Total U.S. Department of Agriculture		$ 12,080,010	$ 32,819	$ -

See accompanying notes to Schedule of Expenditures of Federal and State Awards.

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

GRANT NUMBER	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ STATE GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL/STATE EXPENDITURES	LOCAL EXPENDITURES	PASSED THROUGH AMOUNTS TO SUBRECIPIENTS
	U.S. Department of Justice				
	Direct Programs				
2008-AP-BX-1216	State Criminal Alien Assistance Program (SCAAP)	16.606	$ 1,960	$ -	$ -
2009-AP-BX-0214	State Criminal Alien Assistance Program (SCAAP)	16.606	498,227	-	-
			500,187	-	-
2009-DJ-BX-0565	Edward Byrne Memorial Justice Assistance Grant Period	16.738	105,142	-	-
			105,142	-	-
2008-JL-FX-0556	Part E - Developing, Testing and Demonstrating Promising New Programs	16.541	335,484	-	-
2009-JL-FX-0183	Part E - Developing, Testing and Demonstrating Promising New Programs	16.541	1,938	-	-
			337,422	-	-
2009CKWX0296	Community Oriented Policing Services Technology Program (COPS)	16.710	75,000	-	-
			75,000	-	-
	Total U.S. Department of Justice Direct Programs		1,017,751	-	-
	Passed Through the Texas Department of Criminal Justice				
108-018	Aftercare Services - ARRA (Recovery Act Funded)	16.809	183,624	-	-
			183,624	-	-
	Total Passed Through the Texas Department Of Criminal Justice		183,624	-	-
	Passed Through the Organized Crime Drug Enforcement Task Forces				
SWTXS-0740H	The Department of Justice Assets Forfeiture Fund	N/A	18,435	-	-
SWTXS-0740H	The Department of Justice Assets Forfeiture Fund	N/A	43,852	-	-
SWTXS-0740H	The Department of Justice Assets Forfeiture Fund	N/A	2,954	-	-
SWTXS-0740H	The Department of Justice Assets Forfeiture Fund	N/A	10,973	-	-
			76,214	-	-
	Total Passed Through the Organized Crime Drug Enforcement Task Forces		76,214	-	-
	Passed Through the Federal Bureau of Investigations				
281D-SA-C46020	The Department of Justice Assets Forfeiture Fund	N/A	7,199	-	-
281D-SA-C46020	The Department of Justice Assets Forfeiture Fund	N/A	2,075	-	-
			9,274	-	-
	Total Passed Through the Federal Bureau of Investigations		9,274	-	-

See accompanying notes to Schedule of Expenditures of Federal and State Awards.

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

GRANT NUMBER	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ STATE GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL/STATE EXPENDITURES	LOCAL EXPENDITURES	PASSED THROUGH AMOUNTS TO SUBRECIPIENTS
	Passed Through the Office of the Governor, Criminal Justice Division				
JB-08-J20-21538-01	Juvenile Accountability Block Grants (JABG)	16.523	$ 10,652	$ 1,184	$ -
2332101	Edward Byrne Memorial Justice Assistance Grant (JAG) Program ARRA (Recovery Act Funded)	16.803	732,860	-	-
			743,512	1,184	-
	Total Passed Through the Office of the Governor, Criminal Justice Division		743,512	1,184	-
	Passed Through the Texas Border Sheriff's Coalition				
2008-DD-BX-0188	Texas Border Sheriff's Coalition	16.580	2,317	-	-
2009-D1-BX-0141	Texas Border Sheriff's Coalition	16.580	261,428	-	-
			263,745	-	-
	Total Passed Through the Texas Border Sheriff's Coalition		263,745	-	-
	Passed Through the Sam Houston State University				
2007-GP-CX-0074	Community Prosecution and Project Safe Neighborhoods	16.609	2,233	-	-
			2,233	-	-
	Total Passed Through the Sam Houston State University		2,233	-	-
	Passed Through the United States Marshals Service				
DJMS-09-79-M-0257	Fugitive Apprehension Task Force	N/A	414	-	-
D79-10-0169	Fugitive Apprehension Task Force	N/A	8,233	-	-
D79-11-0090	Fugitive Apprehension Task Force	N/A	1,381	-	-
D79-10-0233	Fugitive Apprehension Task Force	N/A	15,976	-	-
			26,004	-	-
	Total Passed Through the United States Marshals Service		26,004	-	-
	Passed Through the Drug Enforcement Administration				
N/A	McAllen DEA HIDTA Initiative	N/A	2,964	-	-
N/A	McAllen DEA HIDTA Initiative	N/A	8,939	-	-
			11,903	-	-
	Total Passed Through the Drug Enforcement Administration		11,903	-	-
	Total U.S. Department of Justice		$ 2,334,260	$ 1,184	$ -

See accompanying notes to Schedule of Expenditures of Federal and State Awards.

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

GRANT NUMBER	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ STATE GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL/STATE EXPENDITURES	LOCAL EXPENDITURES	PASSED THROUGH AMOUNTS TO SUBRECIPIENTS
	Executive Office of the President for National Drug Control Policy				
I8PSSP573Z	Edward Byrne Memorial Formula Grant Program	16.579	$ 70,908	$ -	$ -
G09SS0002A	High Intensity Drug Trafficking Areas - McAllen Initiative	95.001	287,562	-	-
G10SS0002A	High Intensity Drug Trafficking Areas - McAllen Initiative	95.001	476,112	-	-
N/A	Asset Forfeiture Program	N/A	26,833	-	-
N/A	Asset Forfeiture Program	N/A	113,521	-	-
			974,936	-	-
	Total Executive Office of the President for National Drug Control Policy		$ 974,936	$ -	$ -
	U.S. Department of Health and Human Services Passed Through the Texas Department of State Health Services				
2010-034776	Strengthening Public Health Services at the Outreach Offices of the U.S.-Mexico Border Health Commission	93.018	$ 24,046	$ -	$ -
2010-034777	Strengthening Public Health Services at the Outreach Offices of the U.S.-Mexico Border Health Commission	93.018	47,871	-	-
			71,917	-	-
2010-034948	Social Services Block Grant	93.667	29,620	-	-
			29,620	-	-
2009-031556	Public Health Emergency Preparedness	93.069	74,076	-	-
2010-035483	Public Health Emergency Preparedness	93.069	40,677	1,443	-
2009-031925	Public Health Emergency Preparedness	93.069	334,072	-	-
2010-035706	Public Health Emergency Preparedness	93.069	206,461	24,021	-
2010-033343	Public Health Emergency Preparedness	93.069	149,032	-	-
2011-037518	Public Health Emergency Preparedness	93.069	11,251	-	-
			815,569	25,464	-
2010-034374	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	399,217	-	-
			399,217	-	-
2010-032040	Immunization Grants	93.268	493,243	-	-
2011-036297	Immunization Grants	93.268	199,071	-	-
			692,314	-	-
2010-032822	Preventive Health and Health Services Block Grant	93.991	88,768	-	-
2011-035550	Preventive Health and Health Services Block Grant	93.991	35,236	-	-
			124,004	-	-
2010-031731 & 2010-033069	Maternal and Child Health Services Block Grant to the States	93.994	395,605	-	-
2011-036940, 2011-036490 & 2011-036953	Maternal and Child Health Services Block Grant to the States	93.994	123,570	-	-
			519,175	-	-
	Total Passed Through the Texas Department of State Health Services		2,651,816	25,464	-

See accompanying notes to Schedule of Expenditures of Federal and State Awards.

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

GRANT NUMBER	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ STATE GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL/STATE EXPENDITURES	LOCAL EXPENDITURES	PASSED THROUGH AMOUNTS TO SUBRECIPIENTS
	Passed Through the Texas Juvenile Probation Commission				
TJPC-E-2010-108	Foster Care Title IV - E	93.658	$ 798,708	$ -	$ -
TJPC-E-2011-108	Foster Care Title IV - E	93.658	131,613	-	-
TJPC-E-2010-108	Foster Care Title IV - E	93.658	343,527	-	-
TJPC-E-2011-108	Foster Care Title IV - E	93.658	42,667	-	-
			1,316,515	-	-
	Total Passed Through the Texas Juvenile Probation Commission		1,316,515	-	-
	Passed Through the Texas Department of Family & Protective Services				
23381024	Foster Care Title IV - E	93.658	45,219	-	-
23381024	Foster Care Title IV - E	93.658	18,400	-	-
23381025	Foster Care Title IV - E	93.658	670	-	-
23381025	Foster Care Title IV - E	93.658	51	-	-
			64,340	-	-
	Total Passed Through the Texas Department of Family & Protective Services		64,340	-	-
	Passed Through the Office of the Attorney General of Texas				
N/A	Child Support Enforcement	93.563	362,683	-	-
N/A	Child Support Enforcement	93.563	2,716	-	-
			365,399	-	-
	Total Passed Through the Office of the Attorney General of Texas		365,399	-	-
	Passed Through the Health & Human Services Commission Office of Inspector General				
N/A	Temporary Assistance for Needy Families	93.558	513	-	-
N/A	Medical Assistance Program	93.778	933	-	-
			1,446	-	-
	Total Passed Through the Health & Human Services Commission Office of Inspector General		1,446	-	-
	Total U.S. Department of Health and Human Services		$ 4,399,516	$ 25,464	$ -

See accompanying notes to Schedule of Expenditures of Federal and State Awards.

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

GRANT NUMBER	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ STATE GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL/STATE EXPENDITURES	LOCAL EXPENDITURES	PASSED THROUGH AMOUNTS TO SUBRECIPIENTS
	U.S. Department of Homeland Security				
	Passed Through the Division of Emergency Management				
	Office of the Governor				
2009-SS-T9-0064	State Homeland Security Program (SHSP)	97.073	$ 30,194	$ -	$ -
2008-GE-T8-0034	State Homeland Security Program (SHSP)	97.073	297,702	-	-
			327,896	-	-
2008-SG-T8-0009	Homeland Security Grant Program	97.067	425,794	-	134,143
2009-SJ-T90011	Homeland Security Grant Program	97.067	300,795	-	11,130
			726,589	-	145,273
FEMA 1780 -002	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	36,785	12,262	-
DR-1931-TX	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	717,910	239,303	-
FEMA 1780 DR TX	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	257,494	627,550	-
			1,012,189	879,115	-
	Total Passed Through the Division of Emergency Management Office of the Governor		2,066,674	879,115	145,273
	Passed Through the Immigration and Customs Enforcement And Local, County or State Law Enforcement Agency				
1010SA1815	US Immigration and Customs Enforcement (ICE)- McAllen, TX	N/A	9,266	-	-
			9,266	-	-
	Total Passed Through the Immigration and Customs Enforcement And Local, County or State Law Enforcement Agency		9,266	-	-
	Total U.S. Department of Homeland Security		$ 2,075,940	$ 879,115	$ 145,273
	U.S. Elections Assistance Commission				
	Passed Through the Office of the Secretary of State				
78583	HAVA General Compliance- Additional	90.401	$ 16,170	$ -	$ -
			16,170	-	-
	Total Passed Through the Office of the Secretary of State		16,170	-	-
	Total U.S. Elections Assistance Commission		$ 16,170	$ -	$ -

See accompanying notes to Schedule of Expenditures of Federal and State Awards.

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

GRANT NUMBER	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ STATE GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL/STATE EXPENDITURES	LOCAL EXPENDITURES	PASSED THROUGH AMOUNTS TO SUBRECIPIENTS
	U.S. Department of Commerce				
	Economic Development Administration				
08-86-04201	Economic Development Support for Planning Organizations	11.302	$ 15,077	$ 3,769	$ -
			15,077	3,769	-
	Total Economic Development Administration		15,077	3,769	-
	Total U.S. Department of Commerce		$ 15,077	$ 3,769	$ -
	Department of Energy				
	Office of Energy Efficiency and Renewable Energy				
	Passed Through the Texas State Energy Conservation Office				
EE0000912	Energy Efficiency and Conservation Block Grant Program (EECBG) ARRA (Recovery Act Funded)	81.128	$ 1,277,545	$ -	$ -
			1,277,545	-	-
	Total Passed Through the Texas State Energy Conservation Office		1,277,545	-	-
	Total Department of Energy		$ 1,277,545	$ -	$ -
TOTAL PRIMARY GOVERNMENT			$ 23,173,454	$ 942,351	$ 146,273

See accompanying notes to Schedule of Expenditures of Federal and State Awards.

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

GRANT NUMBER	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ STATE GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL/STATE EXPENDITURES	LOCAL EXPENDITURES	PASSED THROUGH AMOUNTS TO SUBRECIPIENTS
URBAN COUNTY					
	U.S. Department of Housing and Urban Development (HUD) Direct Programs				
B-99-UC-48-0501	Community Development Block Grant - 25th Year	14.218	$ 299	$ -	$ 299
B-04-UC-48-0501	Community Development Block Grant - 30th Year	14.218	36,683	-	3,683
B-05-UC-48-0501	Community Development Block Grant - 31st Year	14.218	86,807	-	86,807
B-06-UC-48-0501	Community Development Block Grant - 32nd Year	14.218	66,075	-	66,075
B-07-UC-48-0501	Community Development Block Grant - 33rd Year	14.218	478,436	-	478,436
B-08-UC-48-0501	Community Development Block Grant - 34th Year	14.218	1,347,410	-	1,347,410
B-09-UC-48-0501	Community Development Block Grant - 35th Year	14.218	3,794,670	-	3,198,702
B-10-UC-48-0501	Community Development Block Grant - 36th Year	14.218	976,102	-	461,128
			6,786,482	-	5,642,540
M-03-UC-48-0501	Home Investment Partnership Program (HOME)	14.239	10,000	-	10,000
M-04-UC-48-0501	Home Investment Partnership Program (HOME)	14.239	24,176	-	24,176
M-05-UC-48-0501	Home Investment Partnership Program (HOME)	14.239	105,444	-	105,444
M-06-UC-48-0501	Home Investment Partnership Program (HOME)	14.239	37,202	-	37,202
M-07-UC-48-0501	Home Investment Partnership Program (HOME)	14.239	238,365	-	238,365
M-08-UC-48-0501	Home Investment Partnership Program (HOME)	14.239	1,219,652	-	1,219,652
M-09-UC-48-0501	Home Investment Partnership Program (HOME)	14.239	1,614,648	-	1,477,543
M-10-UC-48-0501	Home Investment Partnership Program (HOME)	14.239	319,082	-	168,000
			3,568,569	-	3,280,382
S-00-UC-48-0501	Emergency Shelter Grant (ESG)	14.231	29,242	-	29,242
S-01-UC-48-0501	Emergency Shelter Grant (ESG)	14.231	9,995	-	9,995
S-02-UC-48-0501	Emergency Shelter Grant (ESG)	14.231	16,577	-	16,577
S-03-UC-48-0501	Emergency Shelter Grant (ESG)	14.231	81,456	-	81,456
S-04-UC-48-0501	Emergency Shelter Grant (ESG)	14.231	4,446	-	4,446
S-08-UC-48-0501	Emergency Shelter Grant (ESG)	14.231	101,259	-	101,259
S-09-UC-48-0501	Emergency Shelter Grant (ESG)	14.231	232,844	-	230,628
S-10-UC-48-0501	Emergency Shelter Grant (ESG)	14.231	67,891	-	56,962
			543,710	-	530,565
B-08-UN-48-0501	Neighborhood Stabilization Program	14.218	1,976,111	-	1,951,835
			1,976,111	-	1,951,835
B-09-UY-48-0501	Community Development Block Grant ARRA (Recovery Act Funded)	14.253	487,553	-	477,815
			487,553	-	477,815
S-09-UY-48-0501	Homelessness Prevention and Rapid-Rehousing ARRA (Recovery Act Funded)	14.257	1,021,866	-	969,757
			1,021,866	-	969,757
	Total U.S. Department of Housing and Urban Development (HUD) Direct Programs		14,384,291	-	12,852,894

See accompanying notes to Schedule of Expenditures of Federal and State Awards.

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

GRANT NUMBER	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ STATE GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL/STATE EXPENDITURES	LOCAL EXPENDITURES	PASSED THROUGH AMOUNTS TO SUBRECIPIENTS
	Passed Through the Texas Department of Housing and Community Affairs				
728003	Colonia XXX	14.228	$ 513,782	$ -	$ 486,940
70090019	Colonia XXXI	14.228	148,856	-	41,436
010068	Colonia XXXII	14.228	171,799	-	86,357
729055	Colonia XXXIV	14.228	103,496	-	103,496
			937,933	-	718,229
	Total Passed through the Texas Department of Housing and Community Affairs		937,933	-	718,229
	Total U.S. Department of Housing and Urban Development (HUD)		$ 15,322,224	$ -	$ 13,571,123
TOTAL URBAN COUNTY			$ 15,322,224	$ -	$ 13,571,123

See accompanying notes to Schedule of Expenditures of Federal and State Awards.

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

GRANT NUMBER	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ STATE GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL/STATE EXPENDITURES	LOCAL EXPENDITURES	PASSED THROUGH AMOUNTS TO SUBRECIPIENTS
HEAD START					
	U.S. Department of Health and Human Services				
	Direct Programs				
06CH0183-29	Head Start Program	93.600	$ 30,764,607	$ -	$ -
			30,764,607	-	-
06SE0183/01	Head Start Program ARRA (Recovery Act Funded)	93.708	1,565,432	-	-
06SH0183/01	Head Start Program ARRA (Recovery Act Funded)	93.708	1,024,151	-	-
06SH0183/02	Head Start Program ARRA (Recovery Act Funded)	93.708	116,877	-	-
			2,706,460	-	-
	Total Direct Programs		33,471,067	-	-
	Total U.S. Department of Health and Human Services		$ 33,471,067	$ -	$ -
	U.S. Department of Agriculture				
	Passed Through the Texas Department of Agriculture				
TX-1080006	Child and Adult Care Food Program	10.558	$ 1,696,108	$ -	$ -
TX-1080006	Child and Adult Care Food Program	10.558	858,504	-	-
			2,554,612	-	-
	Total Passed Through the Texas Health and Human Services Commission		2,554,612	-	-
	Total U.S. Department of Agriculture		$ 2,554,612	$ -	$ -
TOTAL HEAD START			$ 36,025,679	$ -	$ -

See accompanying notes to Schedule of Expenditures of Federal and State Awards.

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

GRANT NUMBER	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ STATE GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL/STATE EXPENDITURES	LOCAL EXPENDITURES	PASSED THROUGH AMOUNTS TO SUBRECIPIENTS
COMMUNITY SERVICE AGENCY					
	U.S. Department of Health and Human Services and Community Affairs Passed Through the Texas Department of Housing				
58100000833	Low-Income Home Energy Assistance	93.568	$ 3,387,203	$ -	$ -
			3,387,203	-	-
11090000552	Community Services Block Grant ARRA (Recovery Act Funded)	93.710	2,745,065	-	-
			2,745,065	-	-
61090000375	Community Services Block Grant 09-10	93.569	517,008	-	-
61100000856	Community Services Block Grant 10-11	93.569	1,189,173	-	-
61090000518	Migrant Seasonal Farm workers 09-10	93.569	57,825	-	-
61100000931	Migrant Seasonal Farm workers 10-11	93.569	13,621	-	-
			1,777,627	-	-
	Total Passed Through the Texas Department of Housing and Community Affairs		7,909,895	-	-
	Total U.S. Department of Health and Human Services		$ 7,909,895	$ -	$ -
	Corporation For National and Community Services Direct Programs				
08STWTX016	Retired Senior Volunteer Program 10-11	94.002	$ 58,467	$ -	$ -
08SRWTX016	Retired Senior Volunteer Program 09-10	94.002	26,692	-	-
			85,159	-	-
	Total Direct Programs		85,159	-	-

See accompanying notes to Schedule of Expenditures of Federal and State Awards.

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

GRANT NUMBER	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ STATE GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL/STATE EXPENDITURES	LOCAL EXPENDITURES	PASSED THROUGH AMOUNTS TO SUBRECIPIENTS
	Passed Through the Texas Department on Aging				
09RZWTX011	Retired Senior Volunteer Program	94.002	$ 30,215	$ -	$ -
			30,215	-	-
	Total Passed Through the Texas Department on Aging		30,215	-	-
	Total Corporation For National and Community Services		$ 115,374	$ -	$ -
	Federal Emergency Management Agency				
	Direct Programs				
28-8128-00	Emergency Management Assistance	83.523	$ 7,153	$ -	$ -
			7,153	-	-
	Total Direct Programs		7,153	-	-
	Total Federal Emergency Management Agency		$ 7,153	$ -	$ -
TOTAL COMMUNITY SERVICES AGENCY			$ 8,032,422	$ -	$ -
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 82,553,779	$ 942,351	$ 13,716,396

See accompanying notes to Schedule of Expenditures of Federal and State Awards.

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

GRANT NUMBER	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ STATE GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL/STATE EXPENDITURES	LOCAL EXPENDITURES	PASSED THROUGH AMOUNTS TO SUBRECIPIENTS
STATE AWARDS					
PRIMARY GOVERNMENT					
	Division of Emergency Management Office of the Governor				
BSET-08-003	Border Security Equipment and Technology (BSET)	N/A	$ 2,059	$ -	$ -
			2,059	-	-
	Passed Through the Texas Border Sheriff's Coalition				
LBSP-08-HIDALGO	Local Border Security Program	N/A	$ 43,120	$ -	$ -
			43,120	-	-
	Total Passed Through the Texas Border Sheriff's Coalition		43,120	-	-
	Total Division of Emergency Management Office of the Governor		$ 45,179	$ -	$ -
	Division of Criminal Justice Office of the Governor				
CH-10-A10-2283701	Border Prosecution Initiative	N/A	$ 18,973	$ -	$ -
CH-10-A10-2283701	Border Prosecution Initiative	N/A	28,033	-	-
	Total Division of Criminal Justice Office of the Governor		$ 47,006	$ -	$ -
	Texas Department of State Health Services				
N/A	Health Department - Administration	N/A	$ -	$ 359,922	$ -
2010-032844	Tuberculosis Prevention and Control - State	N/A	122,804	-	-
2011-035282	Tuberculosis Prevention and Control - State	N/A	87,514	-	-
	Total Texas Department State Health Services		$ 210,318	$ 359,922	$ -
	Texas Adult Probation Commission				
108-900	Basic Supervision	N/A	$ 7,535,692	$ -	$ -
108-017	Community Corrections (Boot Camp)	N/A	391,134	-	-
108-013	Mentally Impaired Caseload	N/A	208,089	-	-
108-005	Restitution Center	N/A	717,772	-	-
108-019	Court Residential Treatment Center	N/A	323,565	-	-
108-006	Treatment Alternatives to Incarceration Program	N/A	148,795	-	-
108-014	Drug Court	N/A	159,930	-	-
108-007	Sex Offender Caseload	N/A	363,365	-	-
108-016	Caseload Reduction Program	N/A	952,515	-	-
108-017	Substance Abuse Treatment Facility	N/A	1,900,539	-	-
	Total Texas Adult Probation Commission		$ 12,711,396	$ -	$ -

See accompanying notes to Schedule of Expenditures of Federal and State Awards.

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

GRANT NUMBER	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ STATE GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL/STATE EXPENDITURES	LOCAL EXPENDITURES	PASSED THROUGH AMOUNTS TO SUBRECIPIENTS
	Texas Juvenile Probation Commission				
TJPC-A-2010-108	State Aid	N/A	$ 205,520	$ -	$ -
TJPC-A-2011-108	State Aid	N/A	366,289	-	-
TJPC-F-2010-108	Progressive Sanctions JPO	N/A	128,677	73,244	-
TJPC-F-2011-108	Progressive Sanctions JPO	N/A	88,127	-	-
TJPC-H-2010-108	Diversionary Placement Fund	N/A	297,326	-	-
TJPC-H-2011-108	Diversionary Placement Fund	N/A	153,330	-	-
TJPC-M-2010-108	Special Needs (TCOMI) Funding	N/A	66,800	-	-
TJPC-M-2011-108	Special Needs (TCOMI) Funding	N/A	31,074	-	-
TJPC-O-2010-108	Progressive Sanctions ISJPO	N/A	62,664	46,173	-
TJPC-O-2011-108	Progressive Sanctions ISJPO	N/A	48,791	3,470	-
TJPC-P-2010-108	Juvenile Justice Alternative Education	N/A	356,527	-	-
TJPC-P-2011-108	Juvenile Justice Alternative Education	N/A	249,877	-	-
TJPC-V-2010-108	Local Post-Adjudication Fund	N/A	190,925	-	-
TJPC-V-2011-108	Local Post-Adjudication Fund	N/A	50,741	-	-
TJPC-X-2010-108	Intensive Community Based Program	N/A	45,825	-	-
TJPC-X-2011-108	Intensive Community Based Program	N/A	17,116	-	-
TJPC-Y-2010-108	Community Corrections	N/A	575,548	-	-
TJPC-Y-2011-108	Community Corrections	N/A	725,028	-	-
TJPC-Z-2010-108	Salary Adjustment Funding	N/A	104,949	852	-
TJPC-Z-2011-108	Salary Adjustment Funding	N/A	51,449	-	-
TJPC-C-2010-108	Commitment Reduction Program	N/A	255,500	-	-
TJPC-C-2011-108	Commitment Reduction Program	N/A	146,266	-	-
TJPC-L-2010-108	Secure Felony Placement Fund	N/A	165,646	-	-
N/A	Computerization (Interest Earnings on Fund 1294)	N/A	-	9,242	-
	Total Texas Juvenile Probation Commission		$ 4,383,995	$ 132,981	$ -
	Texas Department of Criminal Justice				
N/A	Offender Transportation Program	N/A	$ 89,502	$ -	$ -
	Total Texas Department of Criminal Justice		$ 89,502	$ -	$ -
	Texas State Comptroller's Office				
2-459-78-2965-4008	District Attorney State Supplement	N/A	$ 25,138	$ -	$ -
N/A	Juror Reimbursement	N/A	488,886	-	-
	Total Texas State Comptroller's Office		$ 514,024	$ -	$ -
	Texas Department of Transportation				
5BCF5001	Border Colonia Access Program Round II	N/A	$ 453,510	$ -	$ -
8BCF5001	Border Colonia Access Program Round III	N/A	1,818,988	-	-
	Total Texas Department of Transportation		$ 2,272,498	$ -	$ -

See accompanying notes to Schedule of Expenditures of Federal and State Awards.

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

GRANT NUMBER	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ STATE GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL/STATE EXPENDITURES	LOCAL EXPENDITURES	PASSED THROUGH AMOUNTS TO SUBRECIPIENTS
	Texas Commission on Environmental Quality				
	Passed Through the Lower Rio Grande Valley Development Council				
10-21-G09	Regional Solid Waste Grants Program	N/A	$ 29,999	$ -	$ -
			29,999	-	-
	Total Passed Through the Lower Rio Grande Valley Development Council		29,999	-	-
	Total Texas Commission on Environmental Quality		$ 29,999	$ -	$ -
	Texas Task Force on Indigent Defense				
212-10-108	Formula Grant FY 09 / Equalization FY 09	N/A	$ 1,191,596	$ -	$ -
			1,191,596	-	-
	Total Texas Task Force on Indigent Defense		$ 1,191,596	$ -	$ -
	Texas Secretary of State				
N/A	2007 Voter Registration Section 19.002	N/A	$ 81,433	$ -	$ -
N/A	2008 Voter Registration Section 19.002	N/A	18,606	-	-
N/A	2009 Voter Registration Section 19.002	N/A	46,405	-	-
			146,444	-	-
	Total Texas Secretary of State		$ 146,444	$ -	$ -
	Office of the Attorney General				
1012335	Texas Vine	N/A	$ 30,108	$ -	$ -
1014273	Victim Coordinator and Liaison Grant - District Attorney	N/A	37,144	-	-
1014281	Victim Coordinator and Liaison Grant - Sheriff	N/A	36,993	-	-
N/A	Asset Forfeiture (Article 59.06)	N/A	451,604	-	-
			555,849	-	-
	Total Office of the Attorney General		$ 555,849	$ -	$ -
	Lower Rio Grande Valley Development Council				
N/A	911 Program	N/A	$ 476	$ -	$ -
			476	-	-
	Total Lower Rio Grande Valley Development Council		$ 476	$ -	$ -
TOTAL EXPENDITURES OF STATE AWARDS			$ 22,198,282	$ 492,903	$ -
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS			$ 104,752,061	$ 1,435,254	$ 13,716,396

See accompanying notes to Schedule of Expenditures of Federal and State Awards.

COUNTY OF HIDALGO, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

General

The accompanying Schedule of Expenditures of Federal and State Awards presents the federal and state grant activity for the County of Hidalgo, Texas (the County). The reporting entity is defined in Note 1 to the County's financial statements.

Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards is presented using the modified accrual basis of accounting, which is described in Note 1 of the County's notes to the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the *State of Texas Single Audit Circular.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedule may not agree with the amounts reported in the related Federal and State financial reports filed with the grantor agencies because of accruals made in the schedule which will be included in future reports filed with agencies.

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Section I - Summary of Auditors' Results	Description
Financial Statements	
Type of auditors' report issued:	Unqualified
Internal control over financial reporting: • Material weakness(es) identified? • Significant deficiencies identified not considered to be material weaknesses?	No No
Noncompliance material to the financial statements?	No
Federal Awards	
Internal control of major programs: • Material weakness(es) identified? • Significant deficiencies identified not considered to be material weaknesses?	No Yes
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133?	Yes
Dollar threshold used to distinguish between Type A and Type B programs:	$2,476,613
Auditee qualified as low-risk auditee?	No
Identification of Major Federal Programs:	Homelessness Prevention and Rapid Re-Housing Program - ARRA 14.257 Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to States and Territories - ARRA 16.803 Energy Efficiency and Conservation Block Grant Program (EECBG) - ARRA 81.128 **CSBG Cluster** Community Services Block Grant (CSBG) 93.569 CSBG – ARRA 93.710

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Section I - Summary of Auditors' Results	Description
Identification of Major Federal Programs (Continued):	**Head Start Cluster** Head Start Program 93.600 Head Start Program – ARRA 93.708 Title IV-E Foster Care Program 93.658 Public Health Emergency Preparedness 93.069
State Awards	
Internal control of major programs: • Material weakness(es) identified? • Significant deficiencies identified not considered to be material weaknesses?	No No
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with the *State of Texas Single Audit Circular*?	No
Dollar threshold used to distinguish between Type A and Type B programs:	$665,948
Auditee qualified as low-risk auditee?	No
Identification of Major State Programs:	Texas Adult Probation Commission Basic Supervision Community Corrections (Boot Camp) Mentally Impaired Caseload Restitution Center Court Residential Treatment Center Treatment Alternatives to Incarceration Program Drug Court Sex Offender Caseload Caseload Reduction Program Substance Abuse Treatment Facility Texas Juvenile Probation Commission State Aid Progressive Sanctions JPO Diversionary Placement Fund Special Needs (TCOMI) Funding Progressive Sanctions ISJPO Juvenile Justice Alternative Education

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Section I - Summary of Auditors' Results	Description
Identification of Major State Programs (Continued):	Texas Juvenile Probation Commission - Continued Local Post – Adjudication Fund Intensive Community Based Program Community Corrections Salary Adjustment Funding Commitment Reduction Program Secure Felony Placement Fund Computerization (Interest Earnings on Fund 1294) Texas Task Force on Indigent Defense Formula Grant FY 09 / Equalization FY 09 Office of the Attorney General Texas Vine Victim Coordinator and Liaison Grant – District Attorney Victim Coordinator and Liaison Grant – Sheriff Asset Forfeiture (Article 59.06)

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Section II – Findings and Questioned Costs Financial Statement	Description
None	

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Section III – Findings and Questioned Costs Federal Awards	Description
10-01 Reporting – Foster Care Grant	Criteria and Condition: The County has not yet remitted required reports for the Foster Care Grant in accordance with the provisions of the grant agreement for 2010. Cause and Effect: Policies and procedure in place to ensure timely remittance of required reports were not followed. Questioned Cost: $0 Recommendation: We recommend that the Foster Care reports be submitted in accordance with the grant agreement. Management Response and Planned Corrective Action: Due to miscommunication, the quarterly reports were being submitted in accordance with a Quarterly Due Date Schedule provided by the Texas Department of Family and Protective Services (DFPS). The schedule was provided as notification of grant deadlines to submit final reimbursement requests. After detection of the error in April 2011, the remaining fiscal year 2009 reports were submitted. The fiscal year 2010 reports will be submitted by July 31, 2011. Procedures have been implemented to ensure reports are submitted in accordance with the grant agreement.

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Section III – Findings and Questioned Costs Federal Awards	Description
10-02 **Subrecipient Agreement – Homelessness Prevention and Rapid Re-Housing Program - ARRA**	**Criteria and Condition:** The County of Hidalgo – Urban County Program is required to identify to the subrecipients the award name, CFDA title and number, name of federal agency and award amount as well as compliance requirements under the grant. Urban County did not provide CFDA title and number information in their subrecipient agreements. **Cause and Effect:** Management did not have a policy to ensure that agreements with subrecipients provide CFDA title and number information. **Questioned Cost:** $0 **Recommendation:** We recommend that Urban County include CFDA title and number in all subrecipient agreements. **Management Response and Planned Corrective Action:** On July 5, 2011 Hidalgo County Commissioners Court approved the new program year 2011 subrecipient agreements which included the CFDA title and number.

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Section III – Findings and Questioned Costs State Awards	Description
None	

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Section IV – Contact Persons Regarding Findings and Questioned Costs	Description
Primary Government	Raymundo Eufracio, County Auditor Hidalgo County Auditor's Office 2808 S. Business Hwy 281 Edinburg, Texas 78539 (956) 383-2511 (956) 383-2577(fax)

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2010

REFERENCE NUMBER Program	Description
00 – 3 **District Clerk Cost Deposits – County of Hidalgo (Primary Government)**	**Criteria and Condition:** The District Clerk maintains an account to record "court cost deposits." The subsidiary ledger for court cost deposits is incomplete; certain amounts are lacking information to determine the depositor. **Cause and Effect:** The County has not been able to update the subsidiary ledger to include all deposits. The District Clerk's Costs Deposits liability account has an unreconciled balance at December 31, 2010 of $1,983,957. **Questioned Cost:** $0 **Recommendation:** We recommend that amounts be identified to specific depositors and unidentified deposits be escheated in accordance with state statues as unclaimed funds, after approval by legal counsel. **Status:** In prior years, the District Clerk's Office has attempted to update the subsidiary ledger of the "Costs on Deposit" account. Previous efforts resulted in the identification of $475,614.18 belonging to the County. These funds were transferred to the county treasury in 2001 and 2002. An increase to the "Due from General Fund" ledger account was recorded instead of decrease to the "Costs on Deposit" general ledger account. Once this entry is corrected the balance of the "Costs on Deposit" account will be $1,508,342.38. The District Clerk's Office will continue to work on identifying specific depositors in order to dispose of the remaining balance.
02 – 2 **County Clerk Bond Funds Held Pending Judgment (Primary Government)**	**Criteria and Condition:** The County Clerk does not maintain a listing that designates the current status of court cases for which bond monies have been received and held pending final outcome. Bond Funds Held Pending Judgment are held long after court cases have been tried and are not disposed of timely. Cases date back to 1977. **Cause and Effect:** The County does not have a policy to monitor the status of court cases for which bond funds have been received. Amounts not accounted for nor resolved timely are at a higher risk for misappropriation. **Questioned Cost:** $0

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2010

REFERENCE NUMBER Program	Description
02 – 2 (Continued) County Clerk Bond Funds Held Pending Judgment (Primary Government)	Recommendation: We recommend that the County Clerk maintain a current status on all cases for which bond money has been collected and held pending final outcome of the case. The County Clerk should research the status of all cases for which bond money is held. Forfeited bonds should be transferred to the County Treasurer's Office. Bond funds that should have been released back to individuals should be held pending notification of that individual. If no response is received from the individual, the County should send bond funds to the State Comptrollers Office in accordance with State Escheat Laws. Status: The County Clerk maintains an excel spreadsheet of all cash bonds that is reconciled to cash on deposit. The status of each cash bond is researched and entered in the spreadsheet at variable intervals.
04 – 5 Equipment Management – Texas Juvenile Probation Commission (Primary Government)	Criteria and Condition: Provisions of the grant require the Hidalgo County Juvenile Probation maintain equipment records, take a physical inventory at least once every two years and reconcile to equipment records, implement an appropriate control system to safeguard equipment and maintain equipment adequately. As of December 31, 2010 the Hidalgo County Juvenile Probation has not performed a 100% physical inventory within the past two years. Cause and Effect: Procedures in place to inventory all fixed assets at least once every 2 years were not performed. Lack of physical inventory on equipment gives rise to the risk of misappropriation of assets. Questioned Cost: $0 Recommendation: Hidalgo County Juvenile Probation should perform inventory of equipment at least once every two years. Status: The Purchasing Department continues to work on the project. The Purchasing Department will be certifying the Juvenile Probation Department inventory by July 28, 2011.

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2010

REFERENCE NUMBER Program	Description
06 – 01 District Clerk Bond Funds Held Pending Judgment (Primary Government)	Criteria and Condition: The District Clerk does not maintain a listing that designates the current status of court cases for which bond monies have been received and held pending final outcome. Bond Funds Held Pending Judgment are held long after court cases have been tried and are not disposed of timely. Cause and Effect: The County does not have a policy to monitor the status of court cases for which bond funds have been received. Amounts not accounted for nor resolved timely are at a higher risk for misappropriation. Questioned Cost: $0 Recommendation: We recommend that the District Clerk research the status of all cases for which bond money is held. Forfeited bonds should be transferred to the County Treasurer's Office. Bond funds that should have been released to individuals should be held pending notification of that individual. If no response is received from the individual, the County should send bond funds to the State Comptrollers Office in accordance with State Escheat Laws. Status: While the District Clerk's Office understands this is a concern which is addressed every year, we require a court order to withdraw any funds from the registry, not just bond money. The 2010 Texas District Clerk Procedures Manual states "when the case had been disposed of, the judge must enter an order authorizing the Clerk to refund the cash." The order will state to whom the refund is to be made and in what amount. Furthermore, it is the policy of the District Clerk's Office that we do not accept or release funds without further order(s) of the court. Consequently, we maintain these funds in the court's registry until an order is received or until the proper authority approves disbursement of the stale bonds.
07–01 Previous Year's Finding (Primary Government)	Criteria and Condition: Certain observations previously reported in prior years have not been addressed and resolved by management. Cause and Effect: Management has not monitored for resolution of repeat comments thus causing opportunities for improvements in operations and internal controls to not be implemented timely. Questioned Costs: $0

COUNTY OF HIDALGO, TEXAS
SCHEDULE OF STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2010

REFERENCE NUMBER Program	Description
07–01 (Continued) Previous Year's Finding (Primary Government)	Recommendation: To ensure the integrity of the internal control structure as well as to increase the effectiveness and efficiency of the operations of the County, we recommend that reportable conditions and other comments and observations be addressed by management timely. Status: Corrective Actions Plans are conducted on a regular basis to ensure findings are resolved by non-compliant departments/offices.
07–02 Audit Committee (Primary Government)	Criteria and Condition: During the course of the audit, we conducted inquiries of County personnel regarding a variety of issues. During these inquiries, we received certain responses related to concerns regarding lack of training and lack of concrete policies and procedures in certain areas. Also, there lacked a formal venue in which internal controls could be discussed amongst management and addressed. Cause and Effect: The County has not resolved to take action as to whether the creation of an audit committee would be beneficial. Questioned Cost: $0 Recommendation: Due to the proven effectiveness that an audit committee has on an organization's internal control structure, we recommend the establishment of an audit committee. Many organizations have formal audit committees and have found that these committees have made significant contributions to their organizations. The charge of the audit committee can be broad; however, the committee might consider the following objectives: • Oversee internal control structure and issues and concerns • Review internal audits and encourage management to address observations and findings • Meet with elected officials, department heads and Commissioner's Court as needed to discuss the status of findings and observations made by the independent and internal auditors. Communicate with the County Commissioner's Court to ensure that adequate attention and resources are provided for management to address observations and findings.

CCR Search Results

Not to be used as certifications and representations. See ORCA for official certification.

Registration Status: Active in CCR; Registration valid until 04/19/2013.
DUNS: 103110834
DUNS PLUS4:
CAGE/NCAGE: 48X93
Legal Business Name: HIDALGO, COUNTY OF
Doing Business As (DBA):
Division Name:
Division Number:
Company URL:

Physical Street Address 1: 1615 S CLOSNER BLVD STE G
Physical Street Address 2:
Physical City: EDINBURG
Physical State: TX
Physical Foreign Province:
Physical Zip/Postal Code: 78539-4582
Physical Country: USA

Mailing Name: COUNTY OF HIDALGO
Mailing Street Address 1: 1615 S. CLOSNER, STE J
Mailing Street Address 2:
Mailing City: EDINBURG
Mailing State: TX
Mailing Foreign Province:
Mailing Zip/Postal Code: 78539-4582
Mailing Country: USA

Business Start Date: 01/01/1852
Delinquent Federal Debt: No

CORPORATE INFORMATION

Type of Organization

U.S. Government Entity

Business Types/Grants

12 - U.S. Local Government
V2 - Grants
C7 - County

DISASTER RESPONSE INFORMATION

Bonding Levels

Construction Bonding Level, Per Contract (dollars):

Construction Bonding Level, Aggregate (dollars):

Service Bonding Level, Per Contract (dollars):

Service Bonding Level, Aggregate (dollars):

Geographic Areas Served

No geographic areas specified

GOODS / SERVICES

North American Industry Classification System (NAICS)

921120 - Legislative Bodies

Product Service Codes (PSC)

Federal Supply Classification (FSC)

SMALL BUSINESS TYPES

SDB, 8A and HubZone certifications come from the Small Business Administration and are not editable by CCR vendors.

Business Types Expiration Date

--- ---

North American Industry Classification System (NAICS)

The small business size status is derived from the receipts, number of employees, assets, barrels of oil, and/or megawatt hours entered by the vendor during the registration process.

NAICS Code	Description	Small Business	Emerging Small Business
921120	Legislative Bodies	No	No

CCR POINTS OF CONTACT

Government Business Primary POC

Name: VALDE GUERRA

Address Line 1: 2818 S BUS HWY 281

Address Line 2:

City: EDINBURG

Government Business Alternate POC

Name: SERGIO CRUZ

Address Line 1: 2818 S BUS HWY 281

Address Line 2:

City: EDINBURG

State: TX
Foreign Province:
Zip/Postal Code: 78539
Country: USA
U.S. Phone: 956-292-7025
Non-U.S. Phone:
Fax: 956-292-7034

Past Performance Primary POC
Name:
Address Line 1:
Address Line 2:
City:
State:
Foreign Province:
Zip/Postal Code:
Country:
U.S. Phone:
Non-U.S. Phone:
Fax:

Electronic Business Primary POC
Name: VALDE GUERRA
Address Line 1: 2818 S BUS HWY 281
Address Line 2:
City: EDINBURG
State: TX
Foreign Province:
Zip/Postal Code: 78539
Country: USA
U.S. Phone: 956-292-7025
Non-U.S. Phone:
Fax: 956-292-7034

State: TX
Foreign Province:
Zip/Postal Code: 78539
Country: USA
U.S. Phone: 956-318-2626
Non-U.S. Phone:
Fax: 956-318-2629

Past Performance Alternate POC
Name:
Address Line 1:
Address Line 2:
City:
State:
Foreign Province:
Zip/Postal Code:
Country:
U.S. Phone:
Non-U.S. Phone:
Fax:

Electronic Business Alternate POC
Name: SERGIO CRUZ
Address Line 1: 2818 S BUS HWY 281
Address Line 2:
City: EDINBURG
State: TX
Foreign Province:
Zip/Postal Code: 78539
Country: USA
U.S. Phone: 956-318-2626
Non-U.S. Phone:
Fax: 956-318-2629

AI-32814 **Health & Human Services Dept. 7. B.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Eddie Olivarez **Submitted By:** Mike Escaname, HEALTH & HUMAN SERVICES DEPT.

Department: HEALTH & HUMAN SERVICES DEPT.

Information

CAPTION

Requesting authorization for Hidalgo County Health & Human Services Dept. to apply for the Community Transformation Grant. The purpose of this program is to prevent heart attack, stroke, cancer, diabetes and other leading chronic disease causes of death or disability through implementation of a variety of evidence based programs, policies and infrastructure improvements to promote healthy lifestyles in small communities.

BACKGROUND

Fiscal Impact

FISCAL YEAR: 2012 **ACCT. #:** 2-1293-441-00-340-0XX-X-XXX

FUNDS AVAILABLE Y/N?: N **MATCHING FUNDS Y/N?:** N

BUDGETARY IMPACT:

No local matching funds required.

Attachments

Synopsis

Announcement

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/13/2012 01:26 PM
Manuel Chapa	Manuel Chapa	06/14/2012 02:35 PM
Auditor's Office	Arcilia Duran	06/22/2012 04:15 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Mike Escaname Started On: 06/13/2012 12:56 PM

Final Approval Date: 06/22/2012

FOR APPLICANTS
Applicant Login
Find Grant Opportunities
Basic Search
Browse by Category
Browse by Agency
Advanced Search
Email Subscription
Get Registered
Apply for Grants
Track My Application
Applicant Resources
Search FAQs, User Guides and Site Information
APPLICANT SYSTEM-TO-SYSTEM
FOR GRANTORS
ABOUT GRANTS.GOV
HELP
CONTACT US
SITE MAP

PPHF 2012: Community Transformation Grants - Small Communities Programs financed solely by 2012 Prevention and Public Health Funds

Synopsis | Full Announcement | Application

The synopsis for this grant opportunity is detailed below, following this paragraph. This synopsis contains all of the updates to this document that have been posted as of **05/29/2012** . If updates have been made to the opportunity synopsis, update information is provided below the synopsis.

If you would like to receive notifications of changes to the grant opportunity click send me change notification emails . The only thing you need to provide for this service is your email address. No other information is requested.

Any inconsistency between the original printed document and the disk or electronic document shall be resolved by giving precedence to the printed document.

Description of Modification

Specified time zone for the four (4) pre-application support conference calls within full announcement document.

Document Type:	Modification to Previous Grants Notice
Funding Opportunity Number:	CDC-RFA-DP12-1216PPHF12
Opportunity Category:	Discretionary
Posted Date:	May 29, 2012
Creation Date:	Jun 01, 2012
Original Closing Date for Applications:	Jul 31, 2012
Current Closing Date for Applications:	Jul 31, 2012
Archive Date:	Aug 30, 2012
Funding Instrument Type:	Grant
Category of Funding Activity:	Health
Category Explanation:	
Expected Number of Awards:	50
Estimated Total Program Funding:	$70,000,000
Award Ceiling:	$0
Award Floor:	$0
CFDA Number(s):	93.737 -- PPHF 2012: Community Transformation Grants -Small Communities Program financed solely by 2012 Public Prevention and Heal
Cost Sharing or Matching Requirement:	No

Eligible Applicants

Others (see text field entitled "Additional Information on Eligibility" for clarification)

Additional Information on Eligibility:

•Governmental agencies and non-governmental organizations. This includes, but is not limited to, school districts, local housing authorities, local transportation authorities, health departments, planning and economic development agencies, non-profit and community based organizations, area aging agencies, and cooperative extension agencies (educational programs within land grant universities). •Federally recognized American Indian Tribes and Alaska Native Villages •Tribal organizations, which include Intertribal Councils and American Indian Health Boards which meet the definition set forth in 25 U.S.C. Section 1603(26), 25 U.S.C. 450b and are under a resolution that such organizations, councils, and boards

represent the underlying tribes. •Urban Indian Health Programs, tribal and intertribal consortia that meet the definition set forth in 25 U.S.C. 1603(29) (defines Urban Indian Organization), 25 U.S.C. 1603(26) and 25 U.S.C. 450b (defines Tribal Organization), and 25 U.S.C. 1603(25) (defines tribal health program).

Agency Name

Centers for Disease Control and Prevention

Description

The overarching purpose of this program is to prevent heart attack, stroke, cancer, diabetes and other leading chronic disease causes of death or disability through implementation of a variety of evidence based programs, policies, and infrastructure improvements to promote healthy lifestyles in small communities that improve health and health behaviors among an intervention population. The program aims to achieve this goal by supporting governmental and nongovernmental agencies and organizations, from multiple sectors, to implement evidence based strategies that align with their mission and to partner with agencies and organizations in other sectors to improve community health.

Link to Additional Information

If you have difficulty accessing the full announcement electronically, please contact:

Centers for Diseae Control and Prevention (CDC)
Procurement and Grants Office (PGO)
Technial Information and Managment section (TIMS)
Phone 770-488-2700 General Submission Inquiries

Synopsis Modification History

The following files represent the modifications to this synopsis with the changes noted within the documents. The list of files is arranged from newest to oldest with the newest file representing the current synopsis. Changed sections from the previous document are shown in a light grey background.

File Name	Date
Modification #1	May 30, 2012
Original Synopsis	May 29, 2012

FOR APPLICANTS
Applicant Login
Find Grant Opportunities
Search Opportunities
Basic Search
Browse by Category
Browse by Agency
Advanced Search
Email Subscription
Get Registered
Apply for Grants
Track My Application
Applicant Resources
Search FAQs, User Guides and Site Information
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FOR GRANTORS
RESOURCES
ABOUT GRANTS.GOV
HELP
CONTACT US
SITE MAP

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Download the application and its instructions by selecting the corresponding download link. Save these files to your computer for future reference and use. You do not need Internet access to read the instructions or to complete the application once you save them to your computer.

READ BELOW BEFORE YOU APPLY FOR THIS GRANT!

Before you can view and complete an application package, you **MUST** have Adobe Reader installed. Application packages are posted in Adobe Reader format. You may receive a validation error using incompatible versions of Adobe Reader. To prevent a validation error, it is now recommended you uninstall any earlier versions of Adobe Reader and install the latest compatible version of Adobe Reader.

If more than one person is working on the application package, ALL applicants must be using the same software version.

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Additional Resources:

- Sign-up for Grants.gov Updates for the latest issues and news.
- Download Adobe Reader for free.
- Visit Help for FAQs and more information on Applying for grants.

Below is a list of the application(s) currently available for the CFDA and/or Funding Opportunity Number that you entered.

To download the application instructions or package, click the corresponding download link. You will then be able to save the files on your computer for future reference and use.

CFDA	Opportunity Number	Competition ID	Competition Title	Agency	Instructions and Application
93.737	CDC-RFA-DP12-1216PPHF12	NCCDPHP-NR	NCCDPHP-NR	Centers for Disease Control and Prevention	download

AMENDMENT I (06/01/2012):

1. **Pages 2-3: Specified time zone for the four (4) pre-application support conference calls.**

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PART 1. OVERVIEW INFORMATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Federal Agency Name: Federal Centers for Disease Control and Prevention (CDC)

Funding Opportunity Title: PPHF 2012: Community Transformation Grants -Small Communities Programs financed solely by 2012 Prevention and Public Health Funds

Announcement Type: New – Type 1

Agency Funding Opportunity Number: CDC-RFA-DP12-1216PPHF12

Catalog of Federal Domestic Assistance Number: 93.737, Community Transformation Grant Small Communities Program

Key Dates:

Letter of Intent Deadline Date: June 18, 2012, 5:00pm U.S. Eastern Daylight Savings Time

Application Deadline Date: July 31, 2012, 5:00pm Eastern Daylight Savings Time

Technical Assistance Opportunities for Potential Applicants:

Potential applicants may participate in pre-application conference calls for information on this Funding Opportunity Announcement (FOA). The conference calls will be conducted by the National Center for Chronic Disease Prevention and Health Promotion. The calls will be held:

Pre-Application Support Calls (Four repeated 90-minute conference calls):

- **June 4, 2012 10:00am - 11:30am – *Eastern Daylight Savings Time* -** Interested applicants in the Atlantic, Eastern, and Central time zones. This conference call can be accessed by calling 1-773-756-4793 or 1-800-857-2613, passcode: 3555436.
- **June 4, 2012 1:00pm - 2:30pm- *Eastern Daylight Savings Time* -** Interested applicants in the Mountain and Pacific Time zones. This conference call can be accessed by calling 1-773-756-4793 or 1- 800-857-2613, passcode: 3555436.
- **June 4, 2012 3:00pm - 4:30 pm - *Eastern Daylight Savings Time* -** Interested applicants in Alaska and Hawaii-Aleutian time zones. This conference call can be accessed by calling 1-773-756-4793 or 1- 800-857-2613, passcode: 3555436.

- **June 4, 2012 8:00 pm – 9:30 pm** – ***Eastern Daylight Savings Time*** **-** Interested applicants from the Pacific Islands Territories and Jurisdictions. This conference call can be accessed by calling 1-773-756-4793 or 1-800-857-2613, passcode: 3555436.

Frequently asked application questions can be accessed at: http://www.cdc.gov/communitytransformation/small-communites/faq/index.htm. Additional inquiries can also be submitted through http://www.cdc.gov/communitytransformation/submitquestions/index.htm.

The Community Transformation Grant (CTG) program supports State and local governmental agencies and community-based organizations in the implementation, evaluation, and dissemination of evidence-based community health activities in order to reduce chronic disease rates, prevent the development of secondary conditions, address health disparities, and develop a stronger evidence-base of effective prevention programming. The overarching purpose of this program is to prevent heart attack, stroke, cancer, diabetes and other leading chronic disease-related causes of death or disability through a variety of "policy, environmental, programmatic, and, as appropriate, infrastructure" interventions to promote healthier lifestyles. (42 U.S.C. 300u–13). Consistent with the statute, this Funding Opportunity Announcement (FOA) for the "Small Communities" component of the Community Transformation Grant Program will fund governmental agencies and non-governmental organizations, from a variety of sectors, including but not limited to, school districts, local housing authorities, local transportation authorities, health departments, planning and economic development agencies, non-profit and community based organizations, area aging agencies and cooperative extension agencies (educational programs within land grant universities), tribes and tribal organizations, to improve the health of specific populations. By deploying the tools and expertise specific to their sector, working in

collaboration with agencies and organizations in other sectors, grantees will accelerate and expand the reach and health impact of the policy, environmental, programmatic and infrastructure improvements implemented under this FOA to advance community health and reduce chronic diseases, conditions and risk factors. The Fiscal Year 2011 FOA (CDC-RFA-DP11-1103PPHF11, http://www.grants.gov/search/search.do?oppId=93873&mode=VIEW) focused on states and communities with populations of 500,000 or more. This small communities component of the CTG program targets intervention populations of up to 500,000 in neighborhoods, school districts, villages, towns, cities and counties in order to increase opportunities for people to make healthful choices and improve health. These areas can be specific counties, cities, towns and villages with up to 500,000 population or neighborhoods, sections, or subgroups of the population (e.g., children or seniors) within a metropolitan area.

Solving the nation's chronic disease problems requires the work of multiple sectors to create environments that support health and healthful behaviors. When all sectors are working toward common prevention priorities, improvements in health can be amplified and accelerated. Applicants must identify the following in their application:

- The specific geographic area to be served or the subpopulation within a larger geographic area;
- The specific intervention population to be reached by the program, not to exceed 500,000 people. An intervention population is defined as the specific group that will receive the benefit of the interventions.
- The number of people to be reached with the funded interventions;
- Documented differential health burden of the selected intervention population;
- The specific health improvements that will result from this program, from among the five outcome measures established in the Affordable Care Act of 2010: changes in weight,

proper nutrition, physical activity, tobacco use, and emotional wellbeing and overall mental health. The outcomes of the program must align with the following long-term performance objectives:

- **Long term objective:** Reduce death and disability due to tobacco use by 5% among the target population.
- **Long term objective:** Reduce the rate of obesity through nutrition and physical activity interventions by 5% in the implementation area.
- **Long term objective:** Reduce death and disability due to heart disease and stroke by 5% in the implementation area.

Applicants will submit a Community Transformation Implementation Plan (CTIP). This plan will outline a comprehensive work plan with defined, justified, concrete, achievable objectives for the selected geographic area and intervention population. The plan will describe how the outcome measures selected by the applicant, from among the five described in this FOA will be achieved. In addition, the applicant will describe how the strategies selected in the proposed CTIP align with Healthy People 2020 targets and align with the long-term performance objectives for the Community Transformation Grant program listed above.

Applicants will quantify the amount of change they expect to achieve as a result of this FOA. This announcement is only for non-research activities supported by CDC. If research is proposed, the application will not be reviewed. For the definition of research, please see the CDC Web site at the following Internet address: http://www.cdc.gov/od/science/integrity/docs/cdc-policy-distinguishing-public-health-research-nonresearch.pdf

PART 2. FULL TEXT

I. FUNDING OPPORTUNITY DESCRIPTION

Statutory Authority

This program is authorized under sections 4201 of the Affordable Care Act and the Fiscal Year 2012 Consolidated Appropriations Act, Section 4002.

Background

The Affordable Care Act of 2010 authorizes Community Transformation Grants to state and local governmental agencies, tribes and territories, state or local non-profit organizations, and national networks of community-based organizations "to implement a variety of programs, policies, and, as appropriate, infrastructure improvements to promote healthy lifestyles," to reduce chronic disease rates, prevent the development of secondary conditions, address health disparities, including racial and ethnic disparities, and develop a stronger evidence base for effective prevention programming.

From the Prevention and Public Health Fund (PPHF) of the Affordable Care Act and the Fiscal Year 12 Consolidated Appropriations Act, $70 million is available in Fiscal Year 2012 to support two year projects to implement evidence and practice-based community prevention and wellness strategies that will lead to specific, measurable health outcomes to reduce chronic disease rates. This FOA will support intensive community approaches to reduce risk factors responsible for the leading chronic disease-related causes of death and disability including tobacco use, poor nutrition and physical inactivity, and to prevent and control chronic diseases in communities across the nation. Not less than 20 percent of grant funds will be directed to rural and frontier areas.

Purpose

The overarching purpose of this program is to prevent heart attack, stroke, cancer, diabetes and other leading chronic disease causes of death or disability through implementation of a variety of

evidence based programs, policies, and infrastructure improvements to promote healthy lifestyles in small communities that improve health and health behaviors among an intervention population. The program aims to achieve this goal by supporting governmental and nongovernmental agencies and organizations, from multiple sectors, to implement evidence based strategies that align with their mission and to partner with agencies and organizations in other sectors to improve community health. This FOA will support key evidence based program, policy, and infrastructure improvements in communities with populations up to 500,000, including geographically distinct neighborhoods and subpopulations of larger jurisdictions, selected populations, and tribes, including in rural and frontier areas, to achieve demonstrated progress in one or more the following five outcome measures outlined in the Affordable Care Act: 1) changes in weight, 2) changes in proper nutrition, 3) changes in physical activity, 4) changes in tobacco use prevalence, and 5) changes in emotional well-being and overall mental health, and contribute to achievement of the long-term performance objectives, and other program-specific measures specified in the recipient's Community Transformation Implementation Plan. Recipients must measure and demonstrate changes in the outcome measures. Progress toward the grantee selected outcome measures must be assessed during each year of funding (i.e., beginning and end of the project period). A report describing the status of the selected outcome measures and how they contribute to the long-term objectives addressed under this grant program must be submitted to CDC in the first and second year of this grant award.

- **Long term objective:** Reduce death and disability due to tobacco use by 5% among the target population.
- **Long term objective:** Reduce the rate of obesity through nutrition and physical activity interventions by 5% in the implementation area.
- **Long term objective:** Reduce death and disability due to heart disease and stroke by 5% in the implementation area.

Consistent with the Community Transformation Grant Program, this FOA supports the five "Strategic Directions" from the National Prevention Strategy of tobacco-free living, active living and healthy eating, high impact quality clinical and other preventive services, social and emotional wellness, and healthy and safe physical environment. Applicants may propose activities in one or more of these areas that contribute to the overall goals of the Program and result in achievement of one or more of the five outcome measures.

Applicants should incorporate the overarching "Healthy People 2020" goals in plans and strategies. These include:

- Attain high quality, longer lives free of preventable disease, disability, injury, and premature death.
- Achieve health equity, eliminate health disparities, and improve the health of all groups.
- Create healthy and safe physical environments that promote good health for all.
- Promote quality of life, healthy development and healthy behaviors across all life stages.

All Americans should have equal opportunities to make healthy choices that allow them to live long, healthy lives, regardless of their income, education, race/ethnic background, sexual orientation, gender identity, or other factors. Health disparities represent preventable differences in the burden of disease, disability, injury or violence, or in opportunities to achieve optimal health. Recipients will describe the intervention population selected, including relevant health disparities, and how selected interventions will improve health and reduce or eliminate one or more identified health disparities. Successful applicants will describe specific objectives that will be achieved through the initiatives supported by these two-year grants and will define metrics that will assess progress toward one or more of the specified outcomes: changes in weight, proper

nutrition, physical activity, tobacco use prevalence; emotional well-being and overall mental health.

Plans and strategies selected as part of this program should be implemented in a coordinated fashion with other efforts funded by the US Department of Health and Human Services (HHS), and programs supported by other agencies such as the Corporation for National and Community Service, Environmental Protection Agency, US Department of Agriculture, US Department of Education, US Department of Housing and Urban Development, US Department of the Interior, US Department of Justice, US Department of Transportation, US Department of Defense and the US Park Service as relevant. Applicants should coordinate with multiple sectors in their area as appropriate for the interventions they will implement, such as public health, transportation, education, health care delivery, agriculture and others. Documentation of such efforts will be evaluated in the review process. If the applicant is not from the public health sector, a public health agency or organization should be included as a collaborator. Successful applicants will demonstrate coordination with the sectors needed to accomplish program outcomes. Collaboration with multiple other private, governmental and non-governmental agencies and organizations will strengthen and enhance the impact of programs funded under this grant opportunity.

Program Description

Funding from this FOA will be provided to highly qualified applicants serving intervention populations with high documented burdens of chronic diseases, conditions and risk factors and with the following experience and support in place: demonstrated success working with multiple sectors or experience working with community, tribal, or other leaders, as appropriate, and demonstrated track record of improving community outcomes (including documented

evaluations) through policy, environmental, programmatic and infrastructure strategies; and demonstrated ability to meet reporting requirements related to programmatic, financial, and management benchmarks as required by the FOA. At least 20% of available funds are directed to rural or frontier areas. A potential source of data to identify populations with high documented burdens of chronic diseases, conditions, and risk factors is the Community Commons website: http://initiatives.communitycommons.org.

Recipients will implement a variety of policy, environmental, programmatic, and infrastructure improvements to achieve one or more of the five CTG outcome measures: changes in weight, proper nutrition, physical activity, tobacco use prevalence, and emotional well-being and overall mental health, as well as other program outcomes required by the FOA and demonstrate how the achievement of the selected outcomes move the intervention population toward achievement of the long-term objectives. The following examples illustrate the potential policy, environmental, programmatic, and infrastructure interventions.

Policy, Environmental, Programmatic and Infrastructure Interventions

Policy: Educate the public and stakeholders about evidence-based policy interventions to improve population health and foster healthy behaviors.

> **Examples:** Increase community understanding of the health effects of smoke-free policies and programs; Strengthen understanding and impact of school wellness policies that increase physical education/physical activity, improve nutrition quality of foods and beverages available in schools, and address tobacco use on school grounds.

Environment: Create social and physical environments that support healthy living and ensure that healthy choices are easy and accessible.

> **Examples:** Increase the availability and accessibility of healthy and affordable food options such as fresh fruits and vegetables, by increasing consumer choice and eliminating

"food deserts,[1]" particularly in urban, rural, and underserved communities experiencing health disparities. Introduce or expand farmers' markets, and improve the nutrition quality of foods available in schools, worksites, senior centers and other locations.

Programmatic Change: Increase access to prevention programs to support healthy choices and contribute to wellness, ensuring integration of their use in a variety of community and clinical settings (e.g., schools, community recreation centers, Federally Qualified Health Centers (FQHCs) and workplaces).

Examples: Facilitate community participation in the National Diabetes Prevention Program by identifying sites to become recognized providers of the intervention and health plans that will pay for the intervention; provide coordinated technical assistance to health systems to promote clinical and other preventive services and control of high blood pressure and high cholesterol.

Infrastructure Change: Establish systems, procedures and protocols within communities, institutions and networks that support healthy behaviors. This includes improving linkages among service agencies, public health and health care systems.

Example: Establish outreach systems, such as incorporating community health workers or automated patient reminder systems, which increase use of and access to clinical and other preventive services.

The emphasis of this program should be on policy, environmental, and programmatic improvements. Delivery of direct services is not within the scope of this announcement.

RECIPIENT ACTIVITIES

Recipients will implement policy, environmental, programmatic, and infrastructure improvements to achieve specific health outcomes in the intervention population. Recipients may accomplish

[1] http://apps.ams.usda.gov/fooddeserts/foodDeserts.aspx.

this by improving ready access to healthful foods, including fruits and vegetables, opportunities for safe physical activity, reducing exposure to tobacco or through other approaches to accomplish one or more of the five outcome measures. These strategies will be broadly disseminated across the intervention population in order to have the broadest reach and impact across the intervention population.

1. Program Infrastructure

- Maintain the minimum staffing to support start-up of the grant program, to include a representative of the leadership of the recipient organization to manage the program for the first 90 days.
- 45 days post-award identify a full-time staff person or equivalent responsible for managing the planning, implementation, monitoring, and reporting of the program, with management experience in policy, environmental, programmatic and infrastructure improvements relevant to the selected strategies; and identify individuals with demonstrated capacity in administrative and fiscal management necessary to meet the needs of the program.
- 90 days post award establish or retain any existing or additional staff required to ensure effective implementation of this award. The recipient should ensure that this complement of staff and contract support is sufficient to meet the requirements of this FOA.
- Establish and maintain other part-time or full-time staff, contractors, and consultants, as needed, sufficient in number and expertise to ensure project success and who have demonstrated skills and experience in partnership development, community engagement, health equity, and other competencies related to the strategies supported by the FOA over the course of the project period.
- Participate in CDC convened webinars, meetings and trainings to facilitate peer exchange, training, and technical assistance.

Performance will be measured by evidence that the program is reasonably and appropriately staffed to administer, manage, monitor, and report on the program as evidenced by the submission of staff/contractor name, date of hire or projected date of hire or staff to be retained and by the submission of résumés or curriculum vitae for key personnel and position descriptions for other positions supported by funds under this grant, and submission of required reports documenting program implementation and achievement of outcomes.

2. Fiscal Alignment and Management

- Recipients funded at $750,000 or more per year must provide at least 50 percent of the total grant funding to local community entities, including governmental agencies or non-governmental organizations to ensure local participation, support and effective implementation of the program.
- Ensure that expenditures align with the goals of the initiative and contribute to accomplishing the outcome objectives within the CTIP. Recipients must track funds to ensure timely and effective obligation of funds, and compliance with all federal rules and regulations prohibiting the use of funds for lobbying.
- Use fiscal management procedures for this funding to track and monitor expenditures. Estimate cost per expected beneficiary (by calculating the total cost of each intervention strategy and the total number of individuals reached) based on outcome objective reach data.
- Implement reporting systems to meet the online reporting criteria and timelines as stated in the “Reporting Requirements” section of this FOA.
- Capture and report to CDC information about funds leveraged from other sources.

- Develop a sustainability plan for work initiated by the grant to include development of at least one proposal for securing additional future resources to support key components of the activities supported under this FOA. The plan should include funding from diverse sources such as other governmental funding streams, private sector partners, and foundations.

  Performance will be measured by evidence that the recipient has aligned program resources to the successful accomplishment of the CTIP, established procedures to track and report expenditures; and prepares and submits required reports on the designated schedule.

3. Leadership Team & Cross Sector Engagement

- Provide evidence of an existing or newly established Leadership Team that will advise on implementation of CTG activities, participate in the development of the program, assist in educating stakeholders about CTG, and ensure implementation and evaluation of the program. The Leadership Team should consist of a mix of local leaders based on the strategies selected in the CTIP including:
  - A minimum of 5 multi-sectoral leaders such as county executives, mayors or tribal leaders, state, city, or county officials; public health directors; school superintendents; business association or corporation leaders or philanthropic leaders; Federally Qualified Health Centers (FQHCs); hospital and health systems directors; boards of health and health officers; public health leaders; representatives from other sectors including agriculture, transportation and planning; or other community leaders; as well as individuals that represent rural and frontier areas, as applicable, and the intervention population. For Tribal applicants, the community leaders should represent multi-sectoral tribal enterprises, programs and populations sufficient to produce successful results.
  - A representative of the leadership of the recipient organization.
  - Overall manager of the program.

- The team should include representatives of the sectors needed to accomplish program outcomes, including a representative from the public health sector.

- Working with multiple sectors within the community to advance program outcomes, establish a new or work with an existing cross-sector coalition or network of organizations and agencies to participate actively in the planning, implementation, and evaluation of the Community Transformation Grants (CTG) Small Communities program.
  - Network partners should include representation from leaders and organizations familiar with the selected strategy or strategies. Examples could include representatives from education (local education agencies, school districts, school board members, or parent teacher organizations); health departments; school health community leaders; community development/planning agencies (land use or transportation); state or local Offices of Minority Health; key state or community-based governmental and non-governmental organizations, including local and state health departments; health care, voluntary, and professional organizations; business, state, community, and faith-based leaders; local aging centers and senior centers; Federally Qualified Health Centers (FQHCs); and universities, among others, to ensure effective implementation of the program and achievement of program outcomes.
  - A primary goal of the network is to coordinate with multiple sectors in the area, such as transportation, planning, education, housing, public health, health care delivery, agriculture and others.
- Include representatives from the intervention population(s), and rural and frontier areas, if applicable, on Leadership Team and in the Network.
- Link with other national, state, local, or tribal efforts and foundation activities and funding streams.

- As appropriate, maintain partnerships and relationships with multi-sector agencies and organizations, and community development and livability efforts, and build efforts on existing place-based revitalization and reform projects funded by federal, state, local, or tribal governments, foundations or private sector partners in order to expand reach and sustainability of the proposed interventions. These could include efforts funded by the US Department of Health and Human Services (HHS), and programs supported by other agencies such as the Corporation for National and Community Service, Environmental Protection Agency, US Department of Agriculture, US Department of Education, US Department of Housing and Urban Development, US Department of Transportation, US Department of Defense and the US Park Service. Funding may not duplicate or supplant existing funding.

  Performance will be measured by the extent to which selected strategies are integrated and coordinated with other grantee efforts and other efforts in the community, and are aligned and integrated with efforts by other sectors, consistent with the selected program outcomes. Performance will also be measured by the level of partner and community engagement throughout the project period including the active engagement of key community partners through a cross-sector network. This will include:

  - Regularly scheduled outcome-oriented meetings, attendance rates, participation, and meeting minutes.
  - Linkages with other national, state, local, and tribal efforts and foundation activities.

4. Strategy Selection and Community Transformation Implementation Plan (CTIP)

To maximize public health impact, recipients must implement policy, environmental, programmatic and infrastructure strategies that reach the entire selected intervention population throughout the selected geographic area. In selecting strategies, recipients should emphasize

complementary policy, environmental, programmatic and infrastructure activities that integrate and build on each other to optimize health improvements and the achievement of selected outcomes.

Selection of strategies must entail:

- Applicants may select from among the full range of evidence-based and practice based interventions aligned with the five strategic directions (e.g., those listed in *The Guide to Community Preventive Services*). In addition, a mix of intervention strategies consistent with the evidence base that may be drawn from the examples included in the Community Transformation Grant Program Strategic Directions List (Table 1 in Appendix A). The CTG Program is based on five broad Strategic Directions of Tobacco Free Living, Healthy Eating and Active Living, Quality Clinical Preventive Services, Social and Emotional Wellness, and Healthy and Safe Physical Environments. There are additional evidence-based and practice based interventions aligned with the strategic directions that are included as examples in the Community Transformation Grant Strategic Directions and Examples of CDC-Recommended Evidence- and Practice-Based Strategies Table (see Appendix B). In addition, applicants may propose an innovative strategy for CDC review.
- Submit a 2-year CTIP as part of the application that describes an overall integrated approach to achieving selected strategies. The plan must describe the following for each outcome objective: key activities; intervention population(s); anticipated reach of the interventions into the intervention population; milestones and timelines for achieving strategy implementation; anticipated policy, environmental and programmatic outcomes. Each selected outcome measure must be linked in the CTIP to the relevant long term objective(s). The plan should include SMART Objectives (Specific, Measurable, Achievable, Relevant, Time-Framed) for each intervention, performance targets, and detailed evaluation plan. A template for the CTIP can be found in Appendix C, and an example CTIP can be found in Appendix D. Applicants are not required to use the

template, however, it does represent the required elements that will be used in the performance monitoring system for this award which applicants will be required to report on quarterly. The CTIP should contain detailed milestones for all outcome activities for the two years of the project period.

- Ensure that the policy, environmental, programmatic, and infrastructure improvements reach the entire intervention population so that the public health impact will be maximized.
- Demonstrate progress toward meeting outcomes across the entire intervention population.
- Ensure integration across objectives within the CTIP; demonstrate how annual and project period objectives are connected and reach the intervention population(s).
- 60 days post-award, submit the final 2-year CTIP using recommendations from the application objective review process and input from your project officer.
- Conduct or update a community health assessment which should include assessing rates of chronic disease risk factors relevant to the selected outcome measures pre and post program implementation.
- Identify any known barriers which might contribute to intervention population's chronic disease burdens, and describe the potential impact of addressing those barriers.
- Include activities to engage intervention population members to understand potential barriers to and needs of the intervention population to improve selected health outcomes. Identify appropriate strategies needed for overcoming these barriers and ensuring effective and equitable strategy and implementation.
- Coordinate with other Federal agencies and existing place-based revitalization and reform projects funded by the US Government, if applicable.

Below are four examples of potential applicants and the types of strategies they might select within applicable limits and allowable uses of funds in order to have broad intervention population reach and impact.

Example A. School District. This school district covers the northeast corner of County Y and serves a school enrolled population of 6,000 students in grades kindergarten through 12. The catchment area (school district) is home to 40,000 residents (the intervention population). The School District proposes to address nutrition, physical activity and tobacco use among students, family members and the community by implementing the following strategies:

1. Improve the nutrition quality of school meals and other foods. Implement a communications campaign to promote healthful foods at home as well as school. Partner with community grocery stores to promote fresh fruits and vegetables through the USDA "Know Your Farmer," and other programs.
2. Increase physical activity for students, families and community members by increasing physical activity during the school day, consistent with evidence-based recommendations, establishing joint use agreements with community organizations to utilize school facilities after the school day for community physical activity programs; and develop and publicize a "Safe Routes to School" program to encourage walking and biking to school.
3. Effectively implement and enforce the existing school district-wide prohibition on the use of tobacco in school buildings, on school grounds and at school sponsored events. Partner with the state Quitline to provide cessation services to school district staff and students and work with area tobacco retailers to reduce tobacco promotions accessible to youth and comply with laws prohibiting the sale of tobacco to minors. Undertake community-wide public education campaign to reduce tobacco use, protect nonsmokers from exposure to second hand smoke, and promote Quitline services.

Example B: Large City Health Department. This local health department (LHD) serves the City of Large (population six million). Three contiguous census tracts within the city are the poorest in the city and have the highest rates of diabetes, heart disease and stroke. The intervention population consists of the 450,000 residents of these three census tracts. Fully 70 percent of the population identifies as African American or Latino and 40 percent have household incomes at or below 200% of the federal poverty limit. The long-term objective of this program is to reduce death and disability due to heart disease and stroke by implementing three interventions addressing the measureable outcomes of changes in weight, proper nutrition and physical activity. Specific strategies include activities within applicable limits of the authorizing statute:

1. Working with other sectors, including Planning and Economic Development, to bring a full service grocery store to the area, partnering with local retailers and convenience stores to offer fresh fruits and vegetables and other healthful foods for sale, and opening city-owned property for community gardens, in order to increase fruit and vegetable consumption among the intervention population.
2. Partnering with the Housing Authority and the City Parks and Recreation Agency to ensure adequate, safe park and play space is available to residents in the three census tracts, partnering with community safety organizations, the sanitation department and the city police department to improve lighting, safety and usability of area sidewalks for routine physical activity, in order to increase walking and playing by adults and children in the intervention population.
3. In partnership with Large Hospital, the local YMCA of the USA, and area health care providers, and the community health center, to promote delivery of the Diabetes Primary Prevention Program to improve nutrition, increase physical activity, and achieve modest weight loss among the intervention population with pre-diabetes (a key risk factor for heart disease and stroke).

Example C: Local Housing Authority. This local housing authority (LHA) maintains 17,000 residential units serving 37,000 residents living on 20 campuses throughout this large city (total city population: 1.5 million). To achieve the selected health outcomes among the 37,000 LHA residents, the LHA proposes to

1. Increase availability of smoke-free housing , and, in partnership with the state Quitline, provide assistance with quitting tobacco use to LHA residents;
2. Increase physical activity opportunities for residents by mapping and publicizing safe walking routes and destinations, and educating the community and community leaders on the importance of safe and inviting local areas for play, recreation and other physical activity;
3. Improve access to healthy foods for residents by partnering with local retailers to increase availability and affordability of healthful foods, identify and publicize opportunities for healthy eating in the neighborhoods, including expanding availability of healthful foods by establishing weekly farmers' markets at each LHA campus and working with the City Planning Board and Economic Development Agency to recruit at least one full service grocery store to a location convenient to several LHA campuses.

Example D: Early Care Association. The 'Healthy Kids, Healthy Future' coalition, a 501(c)3 non-profit organization in City C (population 2.5 million), is a public-private partnership including Child Care Resource and Referral agency staff, Child Care Health Consultants, Cooperative Extension staff, the local health department, YMCA, United Way, Child and Adult Food Program (CACFP) sponsor agencies, and health care organizations, and is dedicated to improving the quality of care provided to the over 124,000 children under the age of 6 (the intervention population) served by the almost 4,500 legally-operating early care and education (ECE) providers in the area. The coalition proposes to train and support both center-based and

family home early care and education providers to meet the national Childhood Obesity Prevention Standards from Caring for Our Children (2nd ed.) for nutritious foods, breastfeeding support, age-appropriate physical activity, and limited screen time in the intervention population by implementing the following strategies:

1. Hosting two series of learning collaboratives, one prioritizing centers and one prioritizing home-based providers, focused on a self-assessment and action planning process for obesity prevention in early care and education. The estimated total reach of collaboratives is 20% of children 0 – 5 years of age cared for on a regular basis in an ECE center or home. Collaboratives meet in person 3 – 5 times per year for hands on learning sessions; have supplementary virtual meetings with subject matter experts to address topic areas identified by collaborative participants as challenges; and include onsite technical assistance consultation from child care resource and referral agency staff members, child care health consultants, and cooperative extension staff.
2. Partner with housing and urban development agencies and other community stakeholders to develop a central kitchen model for the production and distribution of low-cost, nutritious meals and snacks to ECE facilities.
3. Partner with vocational schools and institutions of higher learning that offer ECE certificate and degree programs to integrate obesity prevention training into ECE provider pre-service and professional development curriculum.
4. Partner with local farmers and the state department of agriculture to develop a farm to preschool program to increase access to fresh, local produce for ECE providers and the families they serve.
5. Facilitate the enrollment and retention of eligible ECE providers in the Child and Adult Care Food Program (http://www.fns.usda.gov/cnd/care/).
6. Plan and implement a local education and media campaign to raise awareness of the importance of obesity prevention efforts in the ECE setting.

See Appendices A and B for Example Evidence- and Practice-Based Strategies for Community Transformation Strategic Directions and Appendix D for a sample of one objective for a community transformation implementation plan illustrating completion of a CTIP template.

Performance will be measured by evidence that strategies extend to the entire intervention population; strategies are integrated and informed by data; strategies together form a cohesive and effective plan that will maximize impact across the intervention population, and achieve the programmatic outcomes, evidence that the CTIP contains program objectives that are SMART, that are aligned with one or more of the five outcome measures, and are explicitly linked to the intervention population, that there are plans for sustainability, and that the plan is approved by CDC. Additionally, performance will be measured on a quarterly basis to assure that the grantee is successfully meeting milestones and benchmarks as indicated in the CTIP. Milestones should be written as defined, time-bound activities that are carefully planned and will lead to achievement of the annual and two-year project period objectives.
See also Appendix B for a list of example CDC strategies associated with each Strategic Direction.

5. **Performance Monitoring and Evaluation.**

All applicants must be able to assess the health impact of the program on the intervention population. Monitoring of the impact of the programs is mandated under Section 4201(c) (4) of the ACA, which requires that eligible entities must use funding to "conduct activities to measure changes in the prevalence of chronic disease." This may take the form of an assessment of the selected outcome measures in the intervention population at the beginning and end of the project period.

- Identify and use population- and program-specific data sources to assess selected program outcomes, including one or more of the following: changes in weight, proper nutrition, physical activity, tobacco use prevalence, and emotional well-being and overall mental health, in addition to other measures specific to the CTIP, as applicable. Indicate opportunities and sources for pre- and post-intervention program outcome data collection in grant years 1 and 2. Summarize findings in program outcome assessment reports. Provide data use agreements or propose alternative collection strategy, as applicable. In some settings, data from community health assessments (CDC will identify optional tools for conducting community health assessments) might be used to measure the selected program outcome.
- Establish activities to measure changes in the prevalence of chronic disease risk factors among community members participating in health promotion activities developed as part of the CTIP, as applicable, when no appropriate, existing data is available. This must include at a minimum baseline measurement and at least one follow-up measure to assess impact of the program on the selected outcome measure. These data should be included in the community health assessment.
- Identify relationship between proposed activities, proposed outcome measures, and long-term objectives in Community Transformation Implementation Plan.
- Provide updates on CTIP implementation progress to CDC through quarterly calls with the Project Officer and grantee submission of progress data in the CDC identified performance monitoring systems.
- Conduct routine performance monitoring of CTIP implementation locally to identify and address barriers to successful implementation.
- Track overall progress on outcome measures as well as specific progress on activities designed to address health disparities. Use CTIP performance monitoring data and other

available sources to document the steps taken to implement the selected strategies and describe successes, barriers, and challenges.

- Use ongoing performance monitoring data, along with any proposed needs assessment, for ongoing program improvement and midcourse corrections. Recipient must notify CDC Project Officer within two weeks of identification of any missed milestone(s) to schedule a technical assistance call.
- Over the two-year period of the grant, develop and distribute at least two unique dissemination documents created for stakeholders or the broader community based on performance monitoring data, health assessment data, and other program-related information, including results of pre- and post-intervention data collection efforts. These documents may be briefing updates, reports, case studies, or use other formats.
- Submit performance monitoring and financial expenditure data to CDC quarterly through a performance monitoring system to be identified by CDC.

Recipients must allocate resources and implement a balanced process and outcome evaluation plan of their innovative strategy, if selected. These enhanced evaluation components should be designed with a methodology of sufficient rigor to measure their impact, and, if applicable, to inform the evidence base at the end of the project period and demonstrate whether or not improvements in health outcomes are likely to occur as a result of the two-year CTG work.

- Conduct enhanced evaluation of innovative strategies in collaboration with CDC and other recipients implementing similar innovation strategies. All recipients should conduct targeted evaluations of any selected innovative strategies that enhance the existing evidence base including pre and post intervention data collection.
- Within 30 days of finalizing the CTIP, submit to CDC an evaluation plan for any innovative strategies to collect pre and post intervention data that meets the criteria described above and is directly tied to all proposed innovative strategies of the Community

Transformation Implementation Plan (refer to *Evaluation Guide on Developing an Evaluation Plan* available at http://www.cdc.gov/dhdsp/programs/nhdsp_program/evaluation_guides/

- The evaluation plan must include a logic model that illustrates the relationship between program activities and expected outcomes (guidance on developing and using a logic model can be found at (http://www.cdc.gov/dhdsp/programs/nhdsp_program/evaluation_guides/logic_model.htm)
- The evaluation plan activities must be described on a timeline as they relate to proposed objectives in the CTIP.
  - Submit a Baseline Program Outcome Assessment Report and a Follow-up Program Outcome Assessment Report to CDC within 30 days of finalization of each report, together with any other evaluation documents produced. *(Further guidance for these reports will be provided by CDC once awards are made.)*

Performance will be measured by evidence of implementation of the performance monitoring plan, utilization of performance monitoring data for continuous program improvement, distribution of dissemination documents, submission of the two Program Outcome Reports to CDC.

6. **Participation in Programmatic Support Activities**

Best practices in policy, environmental, and programmatic strategies for chronic disease prevention continue to be developed. Regular training of the project staff, leadership team, and partnership network will be important. It will be imperative that the recipient actively promote learning opportunities to the local team and support participation of staff and key partners. This should include but is not limited to taking advantage of available CDC and national expert

webinars, trainings and conferences, and regularly connecting to peer and mentor communities to share lessons learned.

- Participate with CDC staff and contractors on the development of National Program Materials by providing descriptive information about the local program, and reviewing and commenting on draft materials.
- Identify and support training for the entire leadership team to orient the team to the issues and emerging practices best suited to the successful accomplishment of the outcome measures of this program. This should include at least one group training experience within the first 12 months of the award.
- Ensure all paid staff, sub-recipients and leadership team members receive training and support on appropriate use of federal funds, specifically lobbying restrictions.
- Identify technical assistance needs for effective implementation and work with national experts, health-related foundations, and peer communities to provide programmatic support and build local capacity.
- Provide information on successful initiatives implemented under this FOA that can be widely disseminated, published on the web, and shared with other communities and CDC.

Performance will be measured by evidence of collaboration with CDC, national experts, and others, related to training, program support and dissemination.

II. AWARD INFORMATION

Type of Award: Grant

Award Mechanism: H75

Fiscal Year Funds: FY12 Prevention and Public Health Funds

Approximate Current Fiscal Year Funding: $70 million for the full two-year project period. Provisions for the extension of time are stated in 45 CFR 74.25 "Revision of Budget and Program Plans." With the approval of the awarding agency, a recipient may have time extended (i.e., a "no-cost extension") based on documented need.

Approximate Total Project Period Funding: $70 million. (This amount is an estimate, and is subject to availability of funds.) This includes direct and indirect costs.

Approximate Number of Awards: Approximately 25 to 50 awards will be made for the CTG Small Communities Initiative, with the number of awards dependent on availability of funds, quality of applications, size of intervention population to be served, award size, and other factors described in selection considerations.

Approximate Average Award: The size of awards will vary with size of the intervention population, the scale and complexity of the proposed activities, the number of ACA outcome measures to be addressed by the project, and the needs of each community. Award amounts will range from $1 per capita to $10 per capita (based on the size of the proposed intervention population as well as the number and complexity of the proposed strategies and outcomes) per year, with the minimum award being $200,000 for the 2 year project period for intervention populations of up to 100,000 and a smaller number of strategies and outcome measures. The strongest applications will be those that reach larger populations up to 500,000. For tribes, the strongest applications will be those that serve a large proportion of or all tribal members. Larger awards will go to applicants serving larger populations (up to 500,000) and selecting all five outcome measures. The <u>average</u> award will likely be in the range of $2.5 million for two years, commensurate with intervention population size, the scale, comprehensiveness and complexity of the interventions to be implemented, and the number of CTG outcomes to be addressed.

CDC will fund only one application serving the same intervention population per geographic area. A funded entity is responsible for implementing the program only within the geographic area and intervention population specified in the application.

The full award will be obligated in Fiscal Year 2012 to support the entire 2 year project period. CDC will monitor the outlay of funds quarterly over this two year period.

Anticipated Award Date: September 30, 2012

Budget Period Length: 24 months

Project Period Length: 2 years

Provisions for the extension of time are stated in 45 CFR 74.25 "Revisions of Budget and Program Plans." With the approval of the awarding agency, a recipient may have time extended (i.e., a "no-cost extension") based on documented need.

III. ELIGIBILITY INFORMATION

Eligible Applicants

Eligible applicants that can apply for this funding opportunity are:

- Governmental agencies and non-governmental organizations. This includes, but is not limited to, school districts, local housing authorities, local transportation authorities, health departments, planning and economic development agencies, non-profit and community based organizations, area aging agencies, and cooperative extension agencies (educational programs within land grant universities).
- Federally recognized American Indian Tribes and Alaska Native Villages
- Tribal organizations, which include Intertribal Councils and American Indian Health Boards which meet the definition set forth in 25 U.S.C. Section 1603(26), 25 U.S.C. 450b

and are under a resolution that such organizations, councils, and boards represent the underlying tribes.

- Urban Indian Health Programs, tribal and intertribal consortia that meet the definition set forth in 25 U.S.C. 1603(29) (defines Urban Indian Organization), 25 U.S.C. 1603(26) and 25 U.S.C. 450b (defines Tribal Organization), and 25 U.S.C. 1603(25) (defines tribal health program).
- Recognizing that tribes are sovereign nations, applicants applying to serve a tribal area or tribal population must provide documentation that demonstrates support specific to this project from the respective tribe or tribal organization. Documentation includes:
    - A copy of a tribal resolution specific to this project from the tribe.
    - Applicants applying to serve a tribal area or tribal population must include a letter of support from Tribal organizations, which include Intertribal Councils and American Indian Health Boards which meet the definition set forth in 25 U.S.C. Section 1603(26), 25 U.S.C. 450b and are under a resolution that such organizations, councils, and boards represent the underlying tribes. Letters of support may be included in the appendices.

All applicants must be able to demonstrate the health impact of the program on the intervention population. Monitoring of the impact of the programs is mandated under Section 4201(c) (4) of the ACA, which requires that eligible entities must use funding to "conduct activities to measure changes in the prevalence of chronic disease." This may take the form of an assessment of one or more of the five outcome measures in the intervention population at the beginning and end of the project period.

For this announcement, governmental and nongovernmental agencies and organizations are eligible to apply for funding to serve an intervention population of up to 500,000. Examples of intervention populations include:

- Residents of a recognized village, school district, town or county totaling up to 500,000 population.
- Residents of a neighborhood within a large city, county or metropolitan area comprised of specified census tracts totaling up to 500,000 population.
- A specific population subgroup within an area or jurisdiction with a total population over 500,000, if the selected intervention population is no more than 500,000. For example: residents aged 65 and older, residents of city owned housing, children in a specific age rage. Population subgroups should be selected based on documented high burdens of chronic disease.
- Tribal members.

Required Registrations

Registering your organization through www.Grants.gov, the official agency-wide E-grant website, is the first step in submitting an application online. Registration information is located on the "Get Registered" screen of www.Grants.gov. Please visit www.Grants.gov at least 30 days prior to submitting your application to familiarize yourself with the registration and submission processes. The "one-time" registration process will take three to five days to complete. However, the Grants.gov registration process also requires that you register your organization with the Central Contractor Registry (CCR). The CCR registration can require an additional one to two days to complete. You are required to maintain a current registration in CCR.

Central Contractor Registration and Universal Identifier Requirements

All applicant organizations must obtain a Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number as the Universal Identifier when applying for Federal grants or cooperative agreements. The DUNS number is a nine-digit number assigned by Dun and Bradstreet Information Services. An AOR should be consulted to determine the appropriate number. If the organization does not have a DUNS number, an AOR should complete the **US D&B D-U-N-S Number Request Form** or contact Dun and Bradstreet by telephone directly at 1-866-705-5711 (toll-free) to obtain one. A DUNS number will be provided immediately by telephone at no charge. Note this is an organization number. Individual Program Directors/Principal Investigators do not need to register for a DUNS number.

Additionally, all applicant organizations must register in the Central Contractor Registry (CCR) and maintain the registration with current information at all times during which it has an application under consideration for funding by CDC and, if an award is made, until a final financial report is submitted or the final payment is received, whichever is later. CCR is the primary registrant database for the Federal government and is the repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the CCR internet site at **www.ccr.gov**.

If an award is granted, the grantee organization must notify potential sub-recipients that no organization may receive a sub award under the grant unless the organization has provided its DUNS number to the grantee organization.

Cost Sharing or Matching

- Sustainability
    - Although there is no statutory match requirement for this program, leveraging other resources and related on-going efforts to promote sustainability is strongly encouraged. Examples include complementary foundation funding, other US

government funding sources including programs supported by the Department of Health and Human Services and other agencies such as the Corporation for National and Community Service, the Department of Agriculture, the Department of Education, the Department of Housing and Urban Development, the Department of Transportation, the Environmental Protection Agency, the US Park Service, and other funding sources. Applicants should also coordinate with multiple sectors, such as public health, transportation, education, health care delivery, agriculture and others.

Other

Special Requirements:

- If the application is incomplete or non-responsive to the special requirements listed in this section, it will not be entered into the review process. Late applications will be considered non-responsive. See section "IV.3. Submission Dates and Times" for more information on deadlines.
- Tribal resolution or letters of support from the board of a tribal organization must be provided, as described.
- Proof of nonprofit status must be submitted by private nonprofit organizations as an appendix with the application. Any of the following is acceptable evidence of nonprofit status: (a) a reference to the applicant organization's listing in the Internal Revenue Service's (IRS) most recent list of tax-exempt organizations described in section 501(c)(3) of the IRS Code; (b) a copy of a currently valid IRS tax exemption certificate; (c) a statement from a State taxing body, State Attorney General, or other appropriate State Official certifying that the applicant organization has a nonprofit status and that none of the net earnings accrue to any private shareholders or individuals; (d) a certified copy of the organization's certificate of incorporation or similar document that clearly establishes nonprofit status; (e) any of the above proof for a State or national parent organization and

a statement signed by the parent organization that the applicant organization is a local nonprofit affiliate.

- A Bona Fide Agent is an agency/organization identified by the state as eligible to submit an application under the state eligibility in lieu of a state application. If applying as a bona fide agent of a state or local government, a legal, binding agreement from the state or local government as documentation of the status is required. Attach with "Other Attachment Forms" when submitting via www.grants.gov.
- In accordance with applicable laws and regulations including 45 CFR 92.43 or Part 74, CDC may take certain enforcement actions, including termination of funding, against poor performing grants.

Note: Title 2 of the United States Code Section 1611 states that an organization described in Section 501(c)(4) of the Internal Revenue Code that engages in lobbying activities is not eligible to receive Federal funds constituting a grant, loan, or an award. Such organizations are ineligible to apply for this FOA.

Maintenance of Effort

Maintenance of Effort is not required for this program. However, funds received under this FOA should supplement, not supplant, existing activities.

IV. Application and Submission Information

Address to Request Application Package

Applicants must download the SF424 (R&R) application package associated with this funding opportunity from Grants.gov. If access to the Internet is not available or if the applicant encounters difficulty in accessing the forms on-line, contact the HHS/CDC Procurement and Grant Office Technical Information Management Section (PGO TIMS) staff at (770) 488-2700 for further instruction. CDC Telecommunications for the hearing impaired or disabled is available at: TTY 1-888-232-6348.

If the applicant encounters technical difficulties with Grants.gov, the applicant should contact Grants.gov Customer Service. The Grants.gov Contact Center is available 24 hours a day, 7 days a week, with the exception of all Federal Holidays. The Contact Center provides customer service to the applicant community. The extended hours will provide applicants support around the clock, ensuring the best possible customer service is received any time it's needed. You can reach the Grants.gov Support Center at 1-800-518-4726 or by email at support@grants.gov. Submissions sent by e-mail, fax, CD's or thumb drives of applications will not be accepted.

Content and Form of Application Submission

CDC Assurances and Certifications can be found on the CDC Web site at the following Internet address: http://www.cdc.gov/od/pgo/funding/grants/foamain.shtm

Letter of Intent (LOI):

Prospective applicants MUST SUBMIT a letter of intent that includes the following information:

- **Funding Opportunity** announcement title and number;
- Names of applicant agency or organization and whether the applicant agency or organization is a governmental agency, non-governmental organization, tribal organization, or other as defined in section III. Eligible Applicants, and the applicant defined geographic area (e.g. state, county, city, town, village, neighborhood, school

district, as applicable) and specific intervention population the applicant proposes to serve, the size of that population, the source of the population size information (e.g., US Census Bureau), and justification for their selection (burden of chronic disease, health disparities);

- The name of the lead/fiduciary agency or organization, the official contact person and that person's telephone number, fax number, mailing and email addresses;
- What proportion of the intervention population is located in a rural or frontier area, and what percentage of funds will be used to directly serve the rural and frontier intervention population. See Appendix E for a list of rural and frontier municipalities.

Format:

The LOI should be no more than two pages (8.5 x 11), double-spaced, printed on one side, with one-inch margins, written in English (avoiding jargon), and unreduced 12-point font. A sample LOI template with the required elements included is provided in Appendix F.

Although the LOI will not be scored as part of the application process, submission of the LOI is considered part of the submission of a formal application and the applicant will be subject to lobbying restrictions highlighted in section VIII.

LOIs must be received by June 18, 2012, 5 pm Eastern Daylight Savings Time.

Applicants are required to submit a Letter of Intent (LOI) to be eligible to apply for this program. Failure to submit a LOI will result in non-responsiveness and the applicant will be prohibited from applying. Electronic submissions via email, fax, CD or thumbdrives are NOT ACCEPTABLE.

Submit the LOI by express mail or delivery service to:

Vivian Walker, Grants Management Officer - FOA DP12-1216PPHF12

Department of Health and Human Services

CDC Procurement and Grants Office

2920 Brandywine Rd, MS E-09

Atlanta, GA 30341

A **Project Abstract** must be completed in the Grants.gov application forms. The Project Abstract must contain a summary of the proposed activity suitable for dissemination to the public. It should be a self-contained description of the project and should contain the name of the applicant organization or agency, title of the project, population to be served and a statement of objectives and methods to be employed. It should be informative to other persons working in the same or related fields and understandable to a technically literate lay reader. This abstract must not include any proprietary or confidential information.

A **Project Narrative** must be submitted with the application forms. The project narrative must be uploaded in a PDF file format when submitting via Grants.gov. The narrative must be submitted in the following format:

- Maximum number of pages: 50. If the narrative exceeds the page limit, only the first pages within the page limit will be reviewed.
- Font size: 12 point unreduced, Times New Roman
- Double spaced
- Paper size: 8.5 by 11 inches
- Page margin size: One inch
- Number all narrative pages; not to exceed the maximum number of pages.

Application Content

A. Background and Need

- Describe current capacity to support the activities identified in the CTIP, including identified timelines.
- Describe past policy, environmental, programmatic, and infrastructure successes, including lessons learned, if applicable. Identify past policy, environmental, programmatic, and infrastructure successes that have demonstrated improved community outcomes.
- Describe the area in which the project will be located and the intervention population to be served, including population size and other characteristics. State whether the intervention population is located in a rural or frontier area, and if so what percentage of the intervention population this represents. Include what percentage of funding will directly serve rural and frontier areas. Where feasible and appropriate use local data to describe the health status of the intervention population, including health disparities that characterize the population related to chronic diseases, conditions or risk factors. Ensure that these data describe the geographic area (including rural and frontier) and whether the intervention population is of high need, which may include racial and ethnic minorities, low-income persons, the medically underserved, persons with disabilities, persons affected by mental illness or substance abuse, and sexual orientation or gender identity.
- Describe assets and barriers to successful program implementation, including an understanding of the policies, environments, programs, and infrastructure in the area.

B. Program Infrastructure

- Describe existing and additional required staff (if any), qualifications, and responsibilities using the information provided in the specific recipient activities of the implementation section. For vacant proposed positions, identify duties, responsibilities and projected time

line for recruitment and time-limited hiring. CV, resumes, and organizational charts may be submitted as appendices.

- Identify potential known barriers to quick hiring (if applicable) and strategies to streamline those processes. Provide documentation of organizational commitment to meeting the funding requirements, including benchmarks for obligating funds to positions and contracts.
- Describe the applicant agency or organization mission and state whether the primary mission is or is not public health. If the mission is not public health, describe how this program fits within the agency or organization mission. Include a copy of the mission statement as an attachment.

C. Fiscal Alignment and Management

- Describe how funding will support strategies that align with the goals of the initiative. Provide the estimated cost per expected beneficiary for each selected outcome to be addressed. Program reach or the expected number of beneficiaries should be consistent with numbers provided in each objective of the CTIP.
- Describe fiscal management procedures and reporting systems.
- Describe fiscal practices to capture funds leveraged from other sources.
- Describe additional sources of funding the program will pursue.

D. Leadership Team and Cross-Sector Engagement

- Identify potential members of the Leadership Team; including letters of support that detail their commitment to the selected strategies and to achieving the selected outcomes (include letters of support as part of the Appendices).
- Describe a plan for support and utilization of the Leadership Team.

- Describe plans for establishing a new, or engaging an existing, cross-sector network of partners to participate actively in the planning, implementation, and evaluation of the Community Transformation Grants (CTG) Small Communities program.
- Describe past successes working with agencies and organizations in other sectors to advance a community or public health goal and achieve improved community outcomes.
    - Describe coordination efforts with multiple sectors as appropriate, such as public health, transportation, education, health care delivery, agriculture and others.
    - Provide letters of commitment and evidence of support and connections with other agencies and organizations across multiple relevant sectors pertinent to the accomplishment of the selected outcome measures.

E. Strategy Selection and Community Transformation Implementation Plan

- Describe selected strategies and how they will be implemented to achieve program goals, objectives and outcome measures.
- Outline your reasoning for selecting these strategies, including an assessment of the current needs and assets in the community and indicate plans for sustainability and leveraging resources. Describe how intervention strategies will maximize public health impact of CTG funding, including strength of proposed policy, environmental, programmatic, and infrastructure strategies, frequency of exposure, number of people affected, degree to which health disparities will be reduced, or contribution of innovative approaches to the evidence base for prevention.
- Describe how the strategies will affect the entire intervention population and the potential for broad reach and impact. Ensure that the selection of strategies takes into account the gaps and opportunities that exist in the community. Describe how strategies will be implemented to reduce health disparities.

- Incorporate selected strategies into a comprehensive and robust CTIP and identify opportunities for collaboration to implement the proposed strategies and interventions. Describe how the selected strategies will achieve selected outcomes.
    - Include a Community Transformation Implementation Plan that includes all of the elements found in the example CTIP provided in Appendix C. The CTIP should describe an overall integrated approach to achieving the selected outcome measures, leading to the long-term objectives, as appropriate. The CTIP should propose Project period and Annual Outcome Objectives, identify selected strategies; describe key milestones, and timelines; the lead individuals or organizations, and data sources for performance monitoring. If innovative approaches are proposed include a justification for the proposed approach and describe the evidence gap to be filled through outcome evaluation of the approach. Project period and annual objectives should be SMART Objectives (Specific, Measurable, Achievable, Relevant, and Time-Framed). (Include your Community Transformation Implementation Plan as part of the Appendices).
    - If proposing a strategy not included on the Community Transformation Strategic Directions List or recognized as an evidence-based strategy, provide a justification for the choice of strategy (e.g., identified need or opportunity) and demonstrate that it has the potential for broad reach and impact of a magnitude achievable with an evidence-based strategy. Also provide a plan to evaluate the impact of any proposed innovative strategies. Recipients implementing innovative and promising strategies must conduct a rigorous evaluation of the strategy to add to the evidence base of community prevention and share implementation and evaluation strategies.
    - Propose strategies, outcomes and objectives that are informed by and linked to state or local health behaviors, incidence, prevalence, and mortality data.
    - Include milestones describing how the cross-sector network and Leadership Team will be integrated into the CTIP implementation. (e.g., schools, parks and recreation,

transportation, health), national experts, grantees of other Federal Departments, foundations and CDC and other agencies in the Department of Health and Human Services on the implementation of proposed strategies.

- Include plans for sustainability.
- Describe plans for addressing the identified health disparities; assessing rates of chronic disease risk factors related to the selected outcomes; identifying barriers to achieving improvements; and engaging the intervention population(s).

F. Performance Monitoring and Evaluation

- Describe a plan for performance monitoring of CTIP implementation and utilization of performance monitoring information for ongoing program improvement.
- Describe plans for collecting data on the selected outcome measures: changes in weight, proper nutrition, physical activity, tobacco use prevalence, and emotional well-being and mental health, pre-implementation, years 1 and 2.
- Describe a plan for developing at least two unique dissemination products.
- Describe a plan for the evaluation of the effectiveness of innovative interventions, as applicable. At a minimum include the following:
  - Describe the evidence gap to be filled
  - Approach to process and outcome evaluation including pre and post intervention data collection.
  - Data source(s), including ability to collect data specific to priority populations
  - Key partners
  - Lead evaluator
  - Provide examples of how you will work with CDC, national partners, and others on evaluation activities.

G. Participation in Programmatic Support Activities

- Describe an organizational commitment and staff capacity to participate in the development of National program materials.
- Provide a commitment from the leadership team members to participate in training.
- Describe a plan for assessing technical assistance needs and securing the expertise to meet those needs.
- Describe how you will collaborate with CDC, public and private partners, other programs, national experts, and foundations to implement strategies.
- Describe how lessons learned will be captured and disseminated.

I. Budget Justification and Narrative

Include the budget justification and narrative as separate attachments, not to be counted in the narrative page limit. The line item budget justification and narrative should include funding to support all requirements of the FOA, be directly aligned with the stated goals, objectives, outcomes and milestones in the workplan, and training requirements. The proposal must indicate what percentage of funds will directly benefit rural and frontier intervention populations.

You may include additional information in appendices. The appendices will not be counted toward the narrative page limit. This additional information includes:

- Curricula Vitae, résumés, position descriptions, organizational charts, letters of support, membership lists, and indirect cost agreement.

Additional information submitted via www.Grants.gov should be uploaded in a PDF file format, and should be named:

- "_(DUNS number)_(document name)"

  (e.g., _123456789_ResuméSmith.pdf; _123456789_OrgChartDivision.pdf)

Submission Dates and Times

This announcement is the definitive guide on LOI and application content, submission, and deadline. It supersedes information provided in the application instructions. If the application submission does not meet the deadline published herein, it will not be eligible for review and the applicant will be notified the application did not meet the submission requirements.

Letter of Intent (LOI) Deadline Date: June 18, 2012 – 5 pm Eastern Daylight Savings Time

Application Deadline Date: July 31, 2012, 5:00 pm Eastern Daylight Savings Time.

Intergovernmental Review

The application is subject to Intergovernmental Review of Federal Programs, as governed by Executive Order (EO) 12372. This order sets up a system for state and local governmental review of proposed federal assistance applications. Contact the state single point of contact (SPOC) as early as possible to alert the SPOC to prospective applications and to receive instructions on the State's process. Visit the following Web address to get the current SPOC list: http://www.whitehouse.gov/omb/grants_spoc/.

Funding Restrictions

Funding Restrictions

Restrictions, which must be taken into account while writing the budget, are as follows:

- Sec. 503(a) No part of any appropriation contained in this Act or transferred pursuant to section 4002 of Public Law 111-148 shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, electronic communication, radio, television, or video presentation designed to support or defeat the enactment of legislation before the Congress or any State or local legislature or legislative body, except in presentation of the Congress or any State or local legislature

itself, or designed to support or defeat any proposed or pending regulation, administrative action, or order issued by the executive branch of any State or local government itself.
(b) No part of any appropriate contained in this Act or transferred pursuant to section 4002 of Public Law 111-148 shall be used to pay the salary or expenses of any grant or contract recipient , or agent acting for such recipient, related to any activity designed to influence the enactment of legislation, appropriations, regulation, administrative action, or Executive order proposed or pending before the Congress or any State government, State legislature or local legislative body, other than normal and recognized executive-legislative relationships or participation by an agency or officer of an State, local or tribal government in policymaking and administrative processes within the executive branch of that government.
(c) The prohibitions in subsections (a) and (b) shall include any activity to advocate or promote any proposed, pending, or future Federal, State, or local tax increase, or any proposed, pending, or future requirement or restriction on any legal consumer product, including its sale of marketing, including but not limited to the advocacy or promotion of gun control.

- Sec. 218. None of the funds made available in this title may be used, in whole or in part, to advocate or promote gun control.

- Sec 253. Notwithstanding any other provision of this Act, no funds appropriated in this Act shall be used to carry out any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug.

- Sec 738. None of the funds made available by this Act may be used to enter into a contract, memorandum of understanding, or cooperative agreement with, make a grant to, or provide a loan or loan guarantee to any corporation that was convicted (or had an officer or agent of such corporation acting on behalf of the corporation convicted) of a felony criminal violation under any Federal or State law within the preceding 24 months, where the awarding agency is aware of the conviction, unless the agency has considered suspension or debarment of the corporation, or such officer or agent, and made a determination that this further action is not necessary to protect the interests of the Government.

- Sec 739. None of the funds made available by this act may be used to enter into a contract, memorandum of understanding, or cooperative agreement with, make a grant to, or provide a loan or loan guarantee to, any corporation that any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, where the awarding agency is aware of the unpaid tax liability, unless the agency has considered suspension or debarment of the corporation and made a determination that this further action is not necessary to protect the interests of the Government.

- Sec 433. None of the funds made available by this Act may be used to enter into a contract, memorandum of understanding, or cooperative agreement with, made a grant to, or provide a loan or loan guarantee to, any corporation that was convicted (or had an officer or agent of such corporation acting on behalf of the corporation convicted) of a felony criminal violation under any Federal law within the preceding 24 months, where the awarding agency is aware of the conviction, unless the agency has considered

suspension or debarment of the corporation, or such officer or agent and made a determination that this further action is not necessary to protect the interests of the Government.

- Sec 434. None of the funds made available by this act may be used to enter into a contract, memorandum of understanding, or cooperative agreement with, make a grant to, or provide a loan or loan guarantee to, any corporation with respect to which any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsibly for collecting the tax liability, unless the agency has considered suspension or debarment of the corporation and made a determination that this further action is not necessary to protect the interests of the Government.

- Recipients may not use funds for research.

- Recipients may not use funds for clinical care.

- Recipients may not use funds for abortions in accordance with Executive Order 13535.

- Recipients may only expend funds for reasonable program purposes, including personnel, travel, supplies, and services, such as contractual.

- Awardees may not generally use HHS/CDC/ATSDR funding for the purchase of furniture or equipment. Any such proposed spending must be identified in the budget.

- The direct and primary recipient in a cooperative agreement program must perform a substantial role in carrying out project objectives and not merely serve as a conduit for an award to another party or provider who is ineligible.

- Reimbursement of pre-award costs is not allowed.

- If requesting indirect costs in the budget, a copy of the indirect cost rate agreement is required. If the indirect cost rate is a provisional rate, the agreement should be less than 12 months of age. The indirect cost rate agreement should be uploaded as a PDF file with "Other Attachment Forms" when submitting via Grants.gov.

- The recommended guidance for completing a detailed justified budget can be found on the CDC Web site, at the following Internet address: http://www.cdc.gov/od/pgo/funding/budgetguide.htm

FY 2012 Appropriations Provision: HHS recipients must comply with all terms and conditions outlined in their grant award, including grant policy terms and conditions contained in applicable Department of Health and Human Services (HHS) Grant Policy Statements, and requirements imposed by program statutes and regulations and HHS grant administration regulations, as applicable, as well as any requirements or limitations in any applicable appropriations acts.

Other Submission Requirements

Application Submission

Submit the application electronically by using the forms and instructions posted for this funding opportunity on www.Grants.gov.

Note: Application submission is not concluded until successful completion of the validation process. After submission of your application package, applicants will receive a "submission receipt" email generated by Grants.gov. Grants.gov will then generate a second e-mail message to applicants which will either validate or reject their submitted application package. This validation process may take as long as two (2) business days. Applicants are strongly encouraged to check the status of their application to ensure submission of their application package is complete and no submission errors exist. To guarantee that you comply with the application deadline published in the Funding Opportunity Announcement, applicants are also strongly encouraged to allocate additional days prior to the published deadline to file their application. Non-validated applications will not be accepted after the published application deadline date.

In the event that you do not receive a "validation" email within two (2) business days of application submission, please contact Grants.gov. Refer to the email message generated at the time of application submission for instructions on how to track your application or the Application User Guide, Version 3.0 page 57.

Electronic Submission of Application

Applications must be submitted electronically at www.Grants.gov. Electronic applications will be considered as having met the deadline if the application has been successfully made available to CDC for processing from Grants.gov on the deadline date. The application package can be downloaded from www.Grants.gov. Applicants can complete the application package off-line,

and then upload and submit the application via the Grants.gov Web site. The applicant must submit all application attachments using a PDF file format when submitting via Grants.gov. Directions for creating PDF files can be found on the Grants.gov Web site. Use of file formats other than PDF may result in the file being unreadable by staff.

Applications submitted through Grants.gov (http://www.grants.gov), are electronically time/date stamped and assigned a tracking number. The AOR will receive an e-mail notice of receipt when Grants.gov receives the application. The tracking number serves to document submission and initiate the electronic validation process before the application is made available to CDC for processing.

If the applicant encounters technical difficulties with Grants.gov, the applicant should contact Grants.gov Customer Service. The Grants.gov Contact Center is available 24 hours a day, 7 days a week, with the exception of all Federal Holidays. The Contact Center provides customer service to the applicant community. The extended hours will provide applicants support around the clock, ensuring the best possible customer service is received any time it is needed. You can reach the Grants.gov Support Center at 1-800-518-4726 or by email at support@grants.gov. Submissions sent by e-mail, fax, CD's or thumb drives of applications will not be accepted.

V. Application Review Information

Eligible applicants are required to provide measures of effectiveness that will demonstrate the accomplishment of the various identified objectives of the CDC-RFA DP12-1216PPHF12. Measures of effectiveness must relate to the performance goals stated in the "Purpose" section of this announcement. Measures of effectiveness must be objective, quantitative and measure the intended outcome of the proposed program. The measures of effectiveness must be included in the application and will be an element of the evaluation of the submitted application.

Evaluation Criteria

Eligible applications will be evaluated against the following criteria:

1. **Background and Need (12 points)**

   Has the applicant provided documentation (e.g., official mission statement) that the organization's primary mission is NOT public health? (5 pts) Has the applicant described the intervention population and need for support? (1pts) Has the applicant described current capacity to perform the work of the FOA, past successes in improving health outcomes and discussed challenges and how they were addressed in implementing policy, environmental, programmatic, and infrastructure strategies? (2 pts) To what extent does the applicant provide data to describe the intervention population's disproportionate burden of chronic diseases, conditions and risk factors? (4pts)

2. **Program Infrastructure (8 Points)**

   Are proposed staff and recruitment plans consistent with the applicant's ability to carry out proposed activities? (2pts) Does the applicant propose solutions to overcome barriers to quickly fill positions? (3pts) Does the applicant document organizational commitment to meeting the funding requirements, including benchmarks for obligating funds to positions and contracts? (3 pts)

3. **Fiscal Alignment and Management (8 Points)**

   Does the applicant describe how funding will align to provide adequate resources to accomplish the goals of the initiative? (2pts) Does the applicant describe adequate fiscal management plans and reporting systems to comply with the reporting requirements? (3pts) Does the applicant estimate the cost per beneficiary for their key outcome objectives? (1pts) Has the applicant provided strong sustainability plans including identification of additional sources of funding to leverage and the ability to capture and report that information? (1pts)

Does the applicant describe a plan for developing at least one proposal for securing additional funds? (1pt)

4. **Cross-Sector Engagement and Leadership Team (11 Points)**

   Does the Leadership Team include appropriate representation from local leaders, multiple sectors including health and non-health sectors, the intervention population, and others consistent with the burden of chronic diseases and conditions as documented by the application and with the activities proposed in the CTIP? (2pts) Is a plan for the support and utilization of the Leadership Team provided that supports carrying out the CTIP? (2 pts) Does the applicant provide letters of commitment, and evidence of support and partnerships with other agencies and organizations? Does the applicant describe an appropriate strategy for utilizing a cross-sector network likely to further accomplish the CTIP within the community? (2 pts) Do past organization activities support the applicant's ability to carry out activities under this program? (2pts) Are appropriate letters of support included, clearly outlining a commitment to proposed activities? (1pts) Does the applicant have experience and past success collaborating with other organizations (in multiple sectors such as public health, transportation, education, health care delivery, etc.) to improve community outcomes? (2pts)

5. **Strategy Selection (13 points)**

   Does the applicant's proposed plan present a cohesive set of strategies? (2pts) Do proposed strategies align with the needs identified in the application and the capacity of the Leadership Team? (1pts) How well do the proposed strategies address the selected outcome measures for the intervention population, including in relation to health disparities? (4pts) Do proposed strategies strive to maximize public health impact of CTG funding (as measured by strength of proposed policy, environmental, programmatic, and infrastructure strategies, frequency of exposure, number of people affected, degree to which health disparities will be reduced, or contribution to innovation of viable new approaches)? (3pts) To what extent is the applicant

able to collect intervention population data and monitor changes in the selected outcomes, from among: weight, proper nutrition, physical activity, tobacco use prevalence, and emotional well-being and mental health? (3pts)

6. **Community Transformation Implementation Plan** (27 points)

Does the proposal address how the selected strategies will reduce the prevalence of chronic disease and, in particular, how the activities will lead to a reduction in one or more of the five outcome measures: changes in weight, proper nutrition, physical activity, tobacco use prevalence, and emotional well-being and overall mental health? (9 pts)

How well are proposed strategies integrated into a coordinated overall plan that will address the selected outcome measures in the intervention population? (13 pts*)

*If innovative approaches are proposed a portion of the 13 pts will be allocated based on review of the following: Does the applicant rationale clearly justify the proposed approach? (3pts if applicable) Is the applicant description of the gap to be filled in the evidence logical? (2pts if applicable) Does the proposed implementation plan for the innovative approach seem feasible and does it hold potential to expand the evidence base? (3 pts if applicable)

Does the plan include a foundation for sustainability of CTG work? (3 pts) Are outcome objectives SMART and do milestones represent a logical and realistic plan of action for timely and successful achievement of outcome objectives? (2 pts)

7. Performance Monitoring and Evaluation (14 Points)

Is the applicant's CTIP performance monitoring plan likely to allow for continuous program improvement? (2 pts) Is it likely to measure the program's success and health impact? (2 pts) Does the applicant have sufficient ability to collect data specific to identified priority population(s)? (2 pts) How well will the applicant be able to monitor improvement in one or

more of the five outcomes, from among weight, proper nutrition, physical activity, reducing tobacco prevalence, and improving emotional well-being and mental health in years 1 and 2? (2 pts) Are the measures of effectiveness included in the application and related to the performance goals stated in the "Purpose" section? (1 pts) Are the measures of effectiveness objective, quantitative and do they measure the intended outcome of the proposed program? (2 pts) Does the applicant describe the ability to collect data to capture at least baseline and one additional point in time? (3 pts)

8. Participation in Programmatic Support Activities: (7 points)

Does the applicant describe a willingness and commitment to support the training needs of the leadership team? (1 pts) Does the applicant describe potential or known technical assistance and training needs? (1 pts) Does the applicant describe sufficient methods for securing the technical assistance and training that will be needed for successful implementation? (1 pts) Does the applicant describe an approach to dissemination of progress and lessons learned? (2 pts) Does the applicant describe its plan to collaborate with CDC, national experts, NGO's and others to disseminate program successes and lessons learned? (2pts)

9. Budget (SF 424A) and Budget Narrative (Reviewed, but not scored)

Are the itemized budget for conducting the project and the justification reasonable and consistent with stated objectives and planned program activities? Include what proportion of the intervention population is located in a rural or frontier area, and what percentage of funds will be used to directly serve the rural and frontier intervention population.

If the applicant requests indirect costs in the budget, a copy of the indirect cost rate agreement is required. If the indirect cost rate is a provisional rate, the agreement should be less than 12 months of age. The indirect cost rate agreement should be uploaded as a PDF file with "Other Attachment Forms" when submitting via Grants.gov.

The applicant can obtain guidance for completing a detailed justified budget on the CDC website, at the following Internet address: http://www.cdc.gov/od/pgo/funding/budgetguide.htm.

Review and Selection Process

Review

All eligible applications will be initially reviewed for completeness by the Procurement and Grants Office (PGO) staff. In addition, eligible applications will be jointly reviewed for responsiveness by the National Center for Chronic Disease Prevention and Health Promotion and PGO. Incomplete applications and applications that are non-responsive to the eligibility criteria will not advance through the review process. Applicants will be notified the application did not meet eligibility and published submission requirements.

An objective review panel will evaluate complete and responsive applications according to the criteria listed in Section V. Application Review Information, subsection entitled "Evaluation Criteria". The review panel will be conducted by federal employees from within and outside the funding center.

Selection

All scored applications will be arranged in rank order. To the extent possible applications will be funded in order, by score and rank, determined by the review panel. In addition, the following

factors may affect the funding decision. CDC will justify any decision to fund out of rank order based upon the following:

- geographic area to be served;
- types of strategies and outcome measures;
- communities of varying sizes;
- inclusion of populations and areas with a high burden of chronic diseases including tribes.

Only one application for the same intervention population in the same geographic area will be funded.

A minimum of 20% of total funds awarded will be directed to rural or frontier areas

VI. Award Administration Information

Award Notices

Successful applicants will receive a Notice of Award (NoA) from the CDC Procurement and Grants Office. The NoA shall be the only binding, authorizing document between the recipient and CDC. The NoA will be signed by an authorized Grants Management Officer and e-mailed to the program director. A hard copy of the NoA will be mailed to the recipient fiscal officer identified in the application.

Any application awarded in response to this FOA will be subject to the DUNS, CCR Registration and Transparency Act requirements.

Unsuccessful applicants will receive notification of the results of the application review by mail.

Administrative and National Policy Requirements

Successful applicants must comply with the administrative requirements outlined in 45 Code of Federal Regulations (CFR) Part 74 or Part 92, as appropriate. The following additional requirements apply to this project:

- AR-7 Executive Order 12372
- AR-9 Paperwork Reduction Act Requirements
- AR-10 Smoke-Free Workplace Requirements
- AR-11 Healthy People 2020
- AR-12 Lobbying Restrictions
- AR-13 Prohibition on Use of CDC Funds for Certain Gun Control Activities
- AR-14 Accounting System Requirements
- AR-15 Proof of Non-Profit Status
- AR-21 Small, Minority, and Women-Owned Business
- AR-23 States and Faith-Based Organizations
- AR-25 Release and Sharing of Data
- AR-26 National Historic Preservation Act of 1966 (Public Law 89-665, 80 Stat. 915)
- AR-27 Conference Disclaimer and Use of Logos
- AR-29 Compliance with E.O. 13513 Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009.
- AR-30 Information Letter 10-006, - Compliance with Section 508 of the Rehabilitation Act of 1973
- AR 32 – FY 2012 General Provisions (PPHF)

Additional information on the requirements can be found on the CDC Web site at the following Internet address: http://www.cdc.gov/od/pgo/funding/Addtl_Reqmnts.htm.

For more information on the Code of Federal Regulations, see the National Archives and Records Administration at the following Internet address: http://www.access.gpo.gov/nara/cfr/cfr-table-search.html

Reporting

Federal Funding Accountability And Transparency Act Of 2006 (FFATA): Public Law 109-282, the Federal Funding Accountability and Transparency Act of 2006 as amended (FFATA), requires full disclosure of all entities and organizations receiving Federal funds including grants, contracts, loans and other assistance and payments through a single publicly accessible Web site, www.USASpending.gov. The Web site includes information on each Federal financial assistance award and contract over $25,000, including such information as:

1. The name of the entity receiving the award
2. The amount of the award
3. Information on the award including transaction type, funding agency, etc.
4. The location of the entity receiving the award
5. A unique identifier of the entity receiving the award; and
6. Names and compensation of highly-compensated officers (as applicable)

Compliance with this law is primarily the responsibility of the Federal agency. However, two elements of the law require information to be collected and reported by recipients: 1) information on executive compensation when not already reported through the Central Contractor Registry; and 2) similar information sub-awards/subcontracts/consortiums over $25,000.

For the full text of the requirements under the Federal Funding Accountability and Transparency Act of 2006, please review the following website: http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=109_cong_bills&docid=f:s2590enr.txt.pdf .

Recipients are responsible for contacting their HHS grant/program managers for any needed clarifications.

Section 220 – Prevention Fund Reporting Requirements

Responsibilities for Informing Sub-recipients:

- Recipients agree to separately identify to each sub-recipient, and document at the time of sub-award and at the time of disbursement of funds, the Federal award number, any special CFDA number assigned for FY 2012 PPHF purposes, and amount of PPHF funds.
- Recipients agree to separately identify to each sub-recipient, and document at the time of sub-award and at the time of disbursement of funds, the Federal award number, CFDA number, and amount of FY 2012 PPHF funds. When a recipient awards FY 2012 PPHF funds for an existing program, the information furnished to sub-recipients shall distinguish the sub-awards of incremental FY 2012 PPHF funds from regular sub-awards under the existing program.

Reporting Requirements pursuant to Public Law 112-74, FY 2012 Labor, HHS and Education Appropriations Act:

- This award requires the recipient to complete projects or activities which are funded under the FY 2012 Prevention and Public Health Fund (PPHF) and to report on use of PPHF funds provided through this award. Information from these reports will be made available to the public.

- Recipients awarded a grant, cooperative agreement, or contract from such funds with a value of $25,000 or more shall produce reports on a semi-annual basis with a reporting cycle of January 1- June 30 and July1- December 31, and email such reports (in 508 compliant agreement no later than 20 calendar days after the end of each reporting period (i.e. July 20 and January 20, respectively). Recipient reports shall reference the notice of award number and title of the grant or cooperative agreement, and include a summary of the activities undertaken and identify any sub-grants or sub-contracts awarded (including the purpose of the award and the identity of the [sub] recipient).

Additionally, funded applicants must provide CDC with an original, plus two hard copies of the following reports:

- Final performance and Federal Financial Reports (SF-425)*, no more than 90 days after the end of the two year budget and project period.
- These reports must be submitted to the attention of the Grants Management Specialist listed in the Section VII below entitled "Agency Contacts."

For additional information on reporting requirements, visit the CDC website at: http://www.cdc.gov/od/pgo/funding/grants/additional_req.shtm.

VII. Agency Contacts

CDC encourages inquiries concerning this announcement.

For **programmatic technical assistance**, contact:

For **programmatic technical assistance**, contact:

Jennifer Kohr

Department of Health and Human Services

Centers for Disease Control and Prevention

3005 Chamblee Tucker Road

Atlanta, GA 30341-3717

To submit questions, go to http://www.cdc.gov/communitytransformation/submitquestions/index.htm. Responses will be posted on the following Web site:

http://www.cdc.gov/communitytransformation/small-communites/faq/index.htm

For **financial, grants management, or budget assistance**, contact:

Vivian Walker, Grants Management Officer

Department of Health and Human Services

CDC Procurement and Grants Office

2920 Brandywine Road, MS E-09

Atlanta, GA 30341

To submit questions, go to

http://www.cdc.gov/communitytransformation/submitquestions/index.htm.

Responses will be posted on the following Web site:

http://www.cdc.gov/communitytransformation/small-communites/faq/index.htm

For assistance with **submission difficulties,** contact:

Grants.gov Contact Center Phone: 1-800-518-4726.

Hours of Operation: 24 hours a day, 7 days a week. Closed on Federal holidays.

For **submission** questions, contact:

Technical Information Management Section

Department of Health and Human Services

CDC Procurement and Grants Office

2920 Brandywine Road, MS E-14

Atlanta, GA 30341

Telephone: 770-488-2700

Email: pgotim@cdc.gov

CDC Telecommunications for the hearing impaired or disabled is available at:

TTY 1-888-232-6348

VIII. Other Information

Other CDC funding opportunity announcements can be found at www.grants.gov.

Appendix A. Community Transformation Grant Strategic Directions and
Examples of CDC-Recommended Evidence- and Practice-Based Strategies Table

Strategic Direction 1: Tobacco-Free Living Goal: Prevent and Reduce Tobacco Use		
CDC-Recommended Evidence- and Practice-Based Strategies	**Links to Guidance Documents**	
Implement evidence-based strategies to reduce exposure to secondhand smoke.	**Evaluation Toolkit for Smoke-Free Policies** (2008). http://www.cdc.gov/tobacco/basic_information/secondhand_smoke/evaluation_toolkit/index.htm **CDC Resources on Secondhand Smoke** http://www.cdc.gov/tobacco/basic_information/secondhand_smoke/index.htm **Community Guide Findings on Effective Approaches to Reducing Secondhand Smoke Exposure** http://www.thecommunityguide.org/tobacco/environmental/index.html **Tobacco-Free Workplace Campus Initiative** This toolkit provides guidance for assessing, planning, implementing, and evaluating a tobacco-free campus (TFC) initiative that includes a policy and comprehensive cessation services for employees. http://www.cdc.gov/nccdphp/dnpao/hwi/toolkits/tobacco/index.htm **Healthy Homes Manual: Smoke-Free Policies in Multiunit Housing** http://www.cdc.gov/healthyhomes/Healthy_Homes_Manual_WEB.pdf U.S. Department of Housing and Urban Development (HUD):	
Implement evidence-based strategies to prevent and reduce tobacco use among youth and adults.	**Overview of Key Findings from 2012 Surgeon General's Report** http://www.surgeongeneral.gov/library/reports/preventing-youth-tobacco-use/factsheet.html **Community Guide Findings on Effective Approaches to Reducing Tobacco Use Initiation** http://www.thecommunityguide.org/tobacco/initiation/index.html **Institute of Medicine 2007 Report on Ending the Tobacco Epidemic** http://www.iom.edu/Reports/2007/Ending-the-Tobacco-Problem-A-Blueprint-for-the-Nation.aspx	
Tobacco-Free Living Innovative Proposals	**Recipient will provide evidence behind their proposal.**	

Appendix A. Community Transformation Grant Strategic Directions and
Examples of CDC-Recommended Evidence- and Practice-Based Strategies Table

Strategic Direction 2: Active Living and Healthy Eating Goals: Prevent and Reduce Obesity, Increase Physical Activity, and Improve Nutrition in Accordance with the Dietary Guidelines for American, 2010		
Improve jurisdiction-wide nutrition, physical activity, and screen time policies and practices in early childcare settings.	**HRSA Early Childhood Resources Including 3rd Edition of Caring for Our Children.** Includes resources including the 3rd edition of Caring for Our Children: National Health and Safety Performance Standards; Guidelines for Early Care and Education Programs. These national standards developed with funding from the Health Resources and Services Administration represent the best evidence, expertise, and experience in the country on quality health and safety practices and policies that should be followed in today's early care and education settings. http://mchb.hrsa.gov/programs/earlychildhood/index.html **Let's Move! Child Care Fact Sheet** http://www.letsmove.gov/sites/letsmove.gov/files/Let_s_Move_Child_Care_Fact_Sheet.pdf	
Increase the number of designated baby-friendly hospitals.	**CDC Vital Signs: Hospital Support for Breastfeeding** Includes information about current hospital support for breastfeeding, the Baby-Friendly Ten Steps to Successful Breastfeeding, actions that various sectors can take to support mothers to breastfeed, and links to resources. http://www.cdc.gov/vitalsigns/BreastFeeding/ http://www.cdc.gov/mmwr/preview/mmwrhtml/mm6030a4.htm?s_cid=mm6030a4_w	
Educate communities about policies and practices to support breastfeeding in health care, community, workplaces, and learning and childcare settings.	**The Surgeon General's Call to Action to Support Breastfeeding** Provides evidence-based actions for families, communities, health care, employment, public health, and research to support breastfeeding. http://www.surgeongeneral.gov/library/calls/breastfeeding/calltoactiontosupportbreastfeeding.pdf **Purchaser's Guide to Clinical Preventive Services** Provides summary plan description language that benefits managers to use to purchase recommended breastfeeding counseling coverage (USPSTF B Recommendation). http://www.cdc.gov/pcd/issues/2008/apr/07_0220.htm **Investing in Workplace Breastfeeding Program and Policies: An Employer's Tool Kit** The CDC and the National Business Group on Health developed this health toolkit that provides information for assessing, planning, promoting, implementing, and evaluating a worksite lactation support program. http://www.cdc.gov/workplacehealthpromotion/implementation/topics/nutrition.html	

Improve nutrition quality of foods and beverages served or available in schools. • Increase access to fruits and vegetables in schools. • Decrease amount of sodium in foods in schools. • Ensure availability of plain, cold drinking water throughout the day at no cost to students.	**Sodium Procurement Guide** http://www.cdc.gov/salt/pdfs/DHDSP_Procurement_Guide.pdf **CDC Resource center – Schools: Model Wellness Policy Language for Water Access in Schools** http://www.cdc.gov/CommunitiesPuttingPreventiontoWork/resources/schools.htm **USDA's Be Salt Savvy—Cut Back on Sodium for Healthier School Meals Fact Sheet** http://www.fns.usda.gov/tn/Resources/DGfactsheet_sodium.pdf	

Appendix A. Community Transformation Grant Strategic Directions and
Examples of CDC-Recommended Evidence- and Practice-Based Strategies Table

Improve the quality and amount of physical education and physical activity in schools. • Increase the amount of time students spend in moderate or vigorous physical activity during physical education class. • Increase the total number of physical activity opportunities implemented at school facilities, including daily recess, intramurals/physical activity clubs, and walk or bicycle to and from school. • Increase number of public places (e.g. schools) accessible to the public for physical activity.	**The Community Guide Physical Activity Chapter** www.thecommunityguide.org **CDC's Physical Education Curriculum Analysis Tool** http://www.cdc.gov/healthyyouth/pecat **CDC's Strategies to Improve the Quality of Physical Education** http://www.cdc.gov/healthyyouth/physicalactivity/pdf/quality_pe.pdf **Physical Activity Guidelines for Children and Adolescents: The Role of Schools in Promoting Youth Physical Activity** http://www.cdc.gov/healthyyouth/physicalactivity/toolkit/youth_pa_guidelines_schools.pdf **CDC's Youth Physical Activity Guidelines Toolkit** http://www.cdc.gov/HealthyYouth/physicalactivity/guidelines.htm#1 **CDC Joint Use Agreement Resources** www.cdc.gov/CommunitiesPuttingPreventiontoWork/resources/schools.htm#joint_use_agreements **Kids Walk-to-School: A Guide to Promote Walking to School** http://www.cdc.gov/nccdphp/dnpa/kidswalk/resources.htm#guide **CDC Resources for Safe Routes to School Guide, Toolkit, and Other Resources** http://www.cdc.gov/Features/PedestrianSafety/ **DHHS Physical Activity Guidelines** http://www.health.gov/paguidelines/	

Increase accessibility, availability, affordability and identification of healthy foods in communities, including provision of full service grocery stores, farmers markets, small store initiatives, mobile vending carts, and restaurant initiatives. • Carry more low-sodium and no-sodium options. • Promote healthy food and beverage availability and identification. • Placement and promotion strategies. • Incentivize new grocery store development.	**Equitable Development Toolkit:** **Healthy Food Retailing Policy Link** An online tool that focuses on increasing access to retail outlets that sell nutritious, affordable food in underserved communities. http://www.cdc.gov/obesity/downloads/Healthier_Food_Retail.pdf **Recommended Community Strategies and Measurements to Prevent Obesity in the United States** http://www.cdc.gov/mmwr/preview/mmwrhtml/rr5807a1.htm **USDA Food Desert Locator** http://www.ers.usda.gov/data/fooddesert/	
Increase availability and affordability of healthful foods in institutional settings, workplaces, senior centers, and government facilities. • Farm to institution strategies. • Increase availability of fruits and vegetables to employees in their workplaces.	**CDC's Lean Works!** Offers interactive tools and evidence-based resources to design effective worksite obesity prevention and control programs. http://www.cdc.gov/leanworks/index.html **Health and Sustainability Guidelines for Federal Concessions and Vending Operations** http://www.cdc.gov/chronicdisease/resources/guidelines/food-service-guidelines.htm **Sodium Procurement Guide** http://www.cdc.gov/salt/pdfs/DHDSP_Procurement_Guide.pdf **CDC Workplace Health Promotion, North Carolina Organizational Health Eating Policy Template** http://www.cdc.gov/workplacehealthpromotion/implementation/topics/physical-activity.html	

	CDC's LEAN Works! A Workplace Obesity Prevention Program, California Fit Business Kit Helps employers develop and implement a culture and environment at their workplaces that support healthy eating and physical activity among workers. http://www.cdc.gov/leanworks/resources/stateresources.html	
Promote purchase of fruits, vegetables, and other healthy foods through incentives associated with food assistance programs.	**Supplemental Nutrition Assistance Program (SNAP) at Farmers Markets: A How To Handbook.** http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5085298&acct=wdmgeninfo	
Increase access to food retail outlets offering healthier choices; encourage retail venues to provide access and availability to healthier foods. • Provide incentives to encourage existing stores or restaurants to provide healthier food options or to encourage the development of new retail venues that offer healthier foods.	**Recommended Community Strategies and Measurements to Prevent Obesity in the United States** http://www.cdc.gov/mmwr/preview/mmwrhtml/rr5807a1.htm	
Increase opportunities for physical activity in communities and workplaces. • Community-wide campaigns. • Access to facilities and places. • Joint use agreements. • Flextime. • Stairwell modification.	**CDC Workplace Health Promotion Tools and Resources** Utah Department of Health Exercise and Health Activity Time Policy http://www.cdc.gov/workplacehealthpromotion/implementation/topics/physical-activity.html **Workplace Stairwell Modification and Promotion to Increase Daily Physical Activity** This toolkit provides information for implementing and promoting changes to workplace stairwells to encourage physical activity at work. www.cdc.gov/nccdphp/dnpao/hwi/toolkits/stairwell/index.htm **Kids Walk-to-School: A Guide to Promote Walking to School** http://www.cdc.gov/nccdphp/dnpa/kidswalk/pdf/kidswalk.pdf	

• Incentives	**Discount Fitness Club Network** This toolkit provides guidance on identifying and establishing a relationship with a nationwide discount fitness club network (DFCN) for employees of multi-site organizations. http://www.cdc.gov/nccdphp/dnpao/hwi/toolkits/fitnessclub/ **Recommended Community Strategies and Measurements to Prevent Obesity in the United States** http://www.cdc.gov/mmwr/preview/mmwrhtml/rr5807a1.htm	
Active Living and Healthy Eating Innovative Strategies.	**Recipient will provide evidence supporting their proposal.**	
Strategic Direction 3: Increased Use of High-Impact Quality Clinical Preventive Services Goals: Increase control of high blood pressure and high cholesterol; increase access to and demand for high-impact quality preventive services.		
Provide training and technical assistance to health care institutions, providers and provider organizations to effectively implement systems to improve delivery of clinical preventive services, consistent with USPSTF recommendations. • Implement strategies to translate known interventions into usual clinical care to increase control of high blood pressure and high cholesterol. • Provide training and technical assistance to health care institutions, providers and provider organizations to effectively implement systems to increase delivery and use of treatment for tobacco use and dependence.	**Vital Signs: Prevalence, Treatment, and Control of Hypertension, United States, 1999–2002 and 2005–2008** MMWR, February 4, 2011 / 60(04);103-108 http://www.cdc.gov/mmwr/preview/mmwrhtml/mm6004a4.htm?s_cid=mm6004a4_w **Purchaser's Guide to Increase Use of Clinical Preventive Services Among Employees** http://www.cdc.gov/pcd/issues/2008/apr/07_0220.htm **United States Preventive Services Task Force** http://www.ahrq.gov/clinic/uspstfix.htm **Better Diabetes Care** www.betterdiabetescare.nih.gov **Project CHOICES** A brief motivational intervention for reducing alcohol-exposed pregnancies among women who are at high risk for such pregnancies. http://www.cdc.gov/ncbddd/fasd/research-preventing.html **Drinking and Reproductive Health: A Fetal Alcohol Spectrum Disorders Prevention Tool Kit** http://www.cdc.gov/ncbddd/fasd/acog_toolkit.html	

• Provide training and technical assistance to health care institutions, providers and provider organizations to effectively implement systems to increase delivery and use brief intervention to reduce excessive alcohol use. • Provide training and technical assistance to health care institutions, providers and provider organizations to effectively implement systems to increase delivery and use of cancer screening services. • Provide training and technical assistance to health care institutions, providers and provider organizations to effectively implement systems to increase appropriate testing of HIV and STDs and links to care and prevention with people who test positive. • Provide training and technical assistance to health care institutions, providers and provider organizations to effectively implement systems to increase recognition and enhance secondary prevention of chronic Hepatitis B and Hepatitis C infection.	**NCI Patient Navigator Research Program Manual** http://ncipoetqa.cancer.gov/PatientNavigator/documents/Patient%20Navigator%20Binder.pdf **Community Health Workers' Sourcebook** A training manual for preventing heart disease and stroke. http://www.cdc.gov/dhdsp/library/chw_sourcebook/pdfs/sourcebook.pdf **CDC Recommendation for Routine HIV Testing for Persons Aged 13-64 Years** http://www.cdc.gov/mmwr/preview/mmwrhtml/rr5514a1.htm **National Chlamydia Coalition Testing Implementation Guidance. Why Screen for Chlamydia: An Implementation Guide for Healthcare Providers.** Comprehensive guidance on Chlamydia testing and screening algorithms and assistance for clinical providers in dealing with test providers, as well as discussing sexual health and testing with patients www.cdc.gov/stopsyphilis/dear-coord/SEECoordinators-June-2009.pdf **Centers for Disease Control and Prevention. Recommendations for Identification and Public Health Management of Persons with Chronic Hepatitis B Virus Infection**. MMWR 2008; 57 (No. RR- 8): 1-20. http://www.cdc.gov/mmwr/preview/mmwrhtml/rr5708a1.htm **American Association for the Study of Liver Diseases. Management, and Treatment of Hepatitis C: Practice Guidelines, 2009 Update** (pp 1335-1339, sections on Testing, Counseling, and Test Interpretation) http://www.guidelines.gov/content.aspx?id=14708	
Provide outreach, including paid and earned media, to increase use of clinical preventive services by the population or population subgroups.	**CDC Sexually Transmitted Diseases, Resources** http://www.cdc.gov/std/program/resources.htm	

Prevent diabetes, especially in high-risk populations. • Increase coverage, availability and use of the National Diabetes Prevention Program. • Increase preventive services for pregnant women with gestational diabetes or a history of gestational diabetes.	**Diabetes Training and Technical Assistance Center** – **This site provides information on the Diabetes Prevention Program (DPP) including the standards that must be met in order to become a recognized provider of the DPP lifestyle intervention. http://www.cdc.gov/diabetes/prevention/dttac.htm	
Increase access to and use of school-based dental sealant programs.	**Preventing Dental Caries Through School-Based Sealant Programs: Updated Recommendations and Review of Evidence** http://www.cdc.gov/OralHealth/topics/dental_sealant_programs.htm **Community Guide Recommendation for School-based Sealant Delivery Programs** http://www.thecommunityguide.org/oral/schoolsealants.html	
Improve arthritis, asthma, cardiovascular disease, and diabetes outcomes with chronic disease self-management training programs.	**Arthritis Evidence-based Self-Management Programs** http://www.cdc.gov/arthritis/interventions/self_manage.htm **Guidelines for the Diagnosis and Management of Asthma** www.nhlbi.nih.gov/guidelines/asthma/ **Asthma: A Business Case for Employers and Health Care Purchasers** http://www.cdc.gov/niosh/topics/asthma/OccAsthmaPrevention.html **The Asheville Project** http://www.ncbi.nlm.nih.gov/pubmed/12688435	
Implement Viral Hepatitis Action Plan	**HHS Viral Hepatitis Action Plan** http://www.hhs.gov/ash/initiatives/hepatitis/	
Clinical Preventive Services Innovative Interventions.	**Recipient will provide evidence supporting their proposal.**	

Appendix A. Community Transformation Grant Strategic Directions and
Examples of CDC-Recommended Evidence- and Practice-Based Strategies Table

Strategic Direction 4: Social and Emotional Wellness Goals: Increase child and adolescent health and wellness, including social and emotional wellness.		
Educate communities about child development and health outcomes.	**Bright Futures** http://www.cdc.gov/ncbddd/childdevelopment/links.html **Adverse Childhood Experiences Study** http://www.cdc.gov/ace/index.htm **School Connectedness: Strategies for Increasing Protective Factors among Youth** http://www.cdc.gov/HealthyYouth/AdolescentHealth/pdf/connectedness.pdf	
Implement effective positive youth development and risk reduction approaches to improve adolescent health.	**Raising Healthy Children** http://www.cdc.gov/parents/children/healthy_children.html	
Social and Emotional Wellness Innovative Interventions.	**Recipient will provide evidence supporting their proposal.**	
Strategic Direction 5: Healthy and Safe Physical Environment Goals: Increase bicycling and walking; improve the community environment to support health.		
Educate communities about comprehensive approaches to improve community design to enhance walking and bicycling and active transportation.	**CDC Recommendations for Improving Health through Transportation Policy** http://www.cdc.gov/transportation/recommendation.htm **Kids Walk-to-School: A Guide to Promote Walking to School** http://www.cdc.gov/nccdphp/dnpa/kidswalk/resources.htm#guide **National Center for Safe Routes to School guide, Toolkit, and Other Resources** http://www.cdc.gov/Features/SafeSchools/	
Educate communities about community design standards to make streets safe for all users, including pedestrians, bicyclists and users of public transit.	**Increasing Physical Activity Through Community Design: A Guide for Public Health Practitioners** www.cdc.gov/CommunitiesPuttingPreventiontoWork/resources/physical_activity.htm	

	How to Develop a Pedestrian Safety Action Plan http://safety.fhwa.dot.gov/ped_bike/pssp/	
Educate communities about the effect of increasing mixed use land use and transit-oriented development.	**Creating Safe, Healthy and Active Living Communities: A Public Health Professional's Guide to Key Land Use and Transportation Planning Policies and Processes** http://www.cdc.gov/healthyplaces/publications/landuseNALBOH.pdf	
Establish community protocols to assess the effect of community changes on community health and well-being.	**CDC Resources—Health Impact Assessment/Practice Standards** http://www.cdc.gov/healthyplaces/hia.htm	
Increase access to safe and healthy homes. • Promote radon-resistant construction in communities. • Implement community-wide campaigns that promote safe and healthy homes.	**Healthy Housing Reference Manual** www.cdc.gov/nceh/publications/books/housing/housing.htm **Surgeon General's Call to Action to Promote Healthy Homes** www.surgeongeneral.gov/topics/healthyhomes/calltoactiontopromotehealthyhomes.pdf **Asthma Community Guide** www.thecommunityguide.org/asthma/index.html **HUD's Strategic Plan** www.hud.gov/offices/lead/library/hhi/hh_strategic_plan.pdf www.cdc.gov/lead	
Educate communities about the effect of community water fluoridation	**CDC - Community Water Fluoridation: Questions and Answers** http://www.cdc.gov/fluoridation/fact_sheets/cwf_qa.htm	
Educate communities about the effect of illegal beverage sales on community health.	**Community Guide** http://www.thecommunityguide.org/alcohol/outletdensity.html **Community Guide** http://www.thecommunityguide.org/alcohol/dramshop.html	
Healthy and Safe Physical Environment Innovative Interventions.	**Recipient will provide evidence supporting their proposal.**	

Appendix A. Community Transformation Grant Strategic Directions and Examples of CDC-Recommended Evidence- and Practice-Based Strategies Table

*Complete *Healthy People 2020* Objectives can be found at: http://www.healthypeople.gov/hp2020/Objectives/TopicAreas.aspx
Additional guidance is available at www.cdc.gov and at specific programmatic links at the CDC Web site.

Restrictions on Use of Federal Funds

Sec. 503(a) No part of any appropriation contained in this Act or transferred pursuant to section 4002 of Public Law 111-148 shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, electronic communication, radio, television, or video presentation designed to support or defeat the enactment of legislation before the Congress or any State or local legislature or legislative body, except in presentation of the Congress or any State or local legislature itself, or designed to support or defeat any proposed or pending regulation, administrative action, or order issued by the executive branch of any State or local government itself.

(b) No part of any appropriate contained in this Act or transferred pursuant to section 4002 of Public Law 111-148 shall be used to pay the salary or expenses of any grant or contract recipient , or agent acting for such recipient, related to any activity designed to influence the enactment of legislation, appropriations, regulation, administrative action, or Executive order proposed or pending before the Congress or any State government, State legislature or local legislative body, other than normal and recognized executive-legislative relationships or participation by an agency or officer of an State, local or tribal government in policymaking and administrative processes within the executive branch of that government.

(c) The prohibitions in subsections (a) and (b) shall include any activity to advocate or promote any proposed, pending, or future Federal, State, or local tax increase, or any proposed, pending, or future requirement or restriction on any legal consumer product, including its sale of marketing, including but not limited to the advocacy or promotion of gun control.

Appendix B. Example Evidence- and Practice-Based Strategies for Community Transformation Strategic Directions

Tobacco Free Living

Goal: Prevent and Reduce Tobacco Use

Tobacco use is the leading cause of premature and preventable death in the United States. Living tobacco free lowers a person's risk of developing lung cancer, heart disease, and other diseases and causes of death.

Strategies:

- Educate communities about comprehensive tobacco-free policies.
- Educate the public about the 2009 Family Smoking Prevention and Tobacco Control Act (Tobacco Control Act)
- Expand use of tobacco cessation services.
- Use media to educate and encourage individuals to live tobacco-free.

Active Living and Healthy Eating

Goals: Prevent and Reduce Obesity, Increase Physical Activity; Improve Nutrition in Accordance with the Dietary Guidelines for Americans 2010

Regular physical activity is one of the most important things people of all ages can do to improve their health. Physical activity helps prevent many diseases (e.g. heart disease, diabetes and some cancers), strengthens bones and muscles, reduces stress and depression and makes it easier for people to maintain a healthy body weight or reduce weight if they are overweight or obese. Adults should do at least 150 minutes of moderate-intensity activity each week as recommended by the *2008 Physical Activity Guidelines for Americans*. Children and teenagers should do one hour of activity each day.

Eating healthy can help lower people's risk for heart disease, high blood pressure, diabetes, osteoporosis and certain cancers, and help people maintain a healthy body weight. Healthy and safe eating is important throughout the lifespan. Eating healthy means consuming a variety of nutritious foods and beverages, especially vegetables, fruits, low/non-fat dairy products, and whole grains; limiting intake of saturated fats, added sugars, and sodium; keeping *trans* fat intake as low as possible; and balancing caloric intake with calories burned to manage body weight, as described in the *Dietary Guidelines for Americans 2010*. Safe eating means ensuring food is free from harmful contaminants, such as bacteria and viruses.

Strategies:

- Encourage community design and development that support physical activity.
- Facilitate access to safe and affordable places for physical activity.
- Educate about workplace policies and programs that increase physical activity.
- Promote and strengthen childcare and school programs that increase physical activity.
- Assess physical activity levels and provide education, counseling and referrals.
- Increase access to healthy and affordable foods in communities.
- Improve nutritional quality of the food supply.
- Help people recognize and make healthy food and beverage choices.
- Educate about policies and programs that promote breastfeeding.
- Enhance food safety.

Increased Use of High Impact Quality Clinical and Other Preventive Services

Goal(s): Increase control of high blood pressure and high cholesterol.

Many clinical and other preventive services are effective in reducing death and disability and are cost-effective or even cost saving. Clinical and other preventive services are procedures, tests, counseling or medications used by healthcare providers to prevent disease, detect health problems early, and provide

individuals with the information they need to make good health decisions. Examples of high impact, quality clinical and other preventive services recommended by the U.S. Preventive Services Task Force (USPSTF) include screening for tobacco use, high blood pressure, high cholesterol, HIV/AIDS and breast, cervical, and colon cancer and appropriate use of aspirin for the prevention of cardiovascular disease. As the USPSTF notes, screening services are only of value when followed up with high-quality, accessible education and treatment. Furthermore, the Advisory Committee on Immunization Practices recommends a range of vaccines, including childhood immunizations, annual influenza vaccines and vaccines for the prevention of infection with viral hepatitis.

Strategies:

- Support the National Quality Strategy's http://www.ahrq.gov/workingforquality/ focus on improving cardiovascular health.
- Document payment and reimbursement mechanisms that facilitate the delivery of clinical and other preventive services.
- Expand monitoring and public reporting systems to improve the quality and use of clinical and other preventive services.
- Enhance linkages between community-based and clinical and other preventive services.
- Reduce barriers to accessing clinical and other preventive services, especially among populations at greatest risk.

Social & Emotional Wellness; Mental and Emotional Wellbeing

Goals: Increase health and wellness, including social and emotional wellness.

Mental and emotional wellbeing is essential to overall health. Positive mental health allows individuals to realize their potential, cope with the stresses of life, work productively, and make meaningful contributions to their communities. Unfortunately, each year, 1 in 4 U.S. adults are diagnosed with mental disorders including anxiety; mood disorders, such as depression; impulse control disorders, such as attention-deficit/hyperactivity disorder; or substance abuse disorders. Mental illness is associated with higher probability of many chronic conditions, including obesity, diabetes, and cardiovascular disease, and contributes to premature death.

Strategies:

- Promote positive early childhood development.
- Facilitate social connectedness and community engagement across the lifespan.
- Provide individuals and families with the support necessary to maintain positive mental wellbeing.
- Promote early identification of mental health needs and access to quality services.
-
- Empower young people to choose not to drink or use other drugs.
- Identify alcohol and other drug abuse disorders early, provide brief intervention, and refer to treatment.
- Reduce inappropriate access to and use of prescription drugs.

Healthy and Safe Physical Environments

Goals: Increase bicycling and walking; improve the community environment to support health; reduce motor vehicle injuries and fatalities.

Health and wellness are influenced by the homes, neighborhoods and communities in which people live, work and play. Communities support health and safety - such as offering places to play and be active,

access to affordable healthy foods, and streetscapes designed to prevent injury. Health also depends on clean air and water free from toxins and physical hazards. A healthy environment gives people the opportunity to make healthy choices and decreases their risk for heart disease, cancer, obesity, diabetes, respiratory diseases such as asthma, and injuries.

Reducing injury and violence improves physical and emotional health, making communities safer and more enjoyable places to live. The leading causes of death from unintentional injury include motor vehicle-related injuries, unintended poisoning (including prescription drug overdose) and falls. Witnessing or being a victim of violence, such as child maltreatment, youth violence, intimate partner and sexual violence, and elder abuse, are linked to lifelong negative physical, emotional, and social consequences. Unintentional poisoning - a rapidly rising leading cause of death, especially among people age 35-44 - is addressed as a component of "substance abuse".

Strategies:

- Enhance cross-sector collaboration in community planning and design to promote health and safety.
- Educate communities about the role of healthy housing in supporting health.
- Strengthen the environment to support and reinforce healthy choices.
- Encourage community design and development that supports physical activity.
- Facilitate access to safe and affordable places for physical activity.
- Educate about workplace policies and programs that increase physical activity.
- Promote and strengthen childcare and school programs that increase physical activity.
- Assess physical activity levels and provide education, counseling and referrals.

Appendix C: Community Transformation Plan Template

Community Transformation Plan – Community Transformation Grant TEMPLATE Date: _____					
Site Name					
Outcome Objective					
Population Focus (Check One)	☐ General/Jurisdiction Wide	Health disparity by – age, urban or rural location, gender, race/ethnicity, education, income, sexual orientation, disability, or other. (specify):			
Strategic Direction					
Reportable Milestone Activities		Timeline (Initiation-Completion)	Identify the Activity(ies) related to the Health Disparity	Measure	Lead Staff and Key Partners

Definitions for use in this document:

Outcome Objective: A measureable change in supportive policy, systems, or environment that affects healthy behavior. Objective must be SMART. Objective should include a reference to any high-burden populations or communities being specifically targeted (if appropriate).

Lead Staff: Staff member with responsibility for ensuring the completion of the Milestone Activity. Staff must be an FTE of the funded organization.

Key Partner: Partner organization (either funded or unfunded) who will play a significant role in accomplishing the Milestone Activity.

Population Focus: The population in your jurisdiction that will be the focus of interventions associated with this Objective. General/Jurisdiction Wide implies that everyone in the funded jurisdiction will be equally impacted as opposed to only addressing the needs of specific population with higher risk.

Strategic Direction: One or more of an identified set of evidence-based actions that can be used to drive a policy, system, or environmental change objective.

Reportable Milestone Activities: An agreed upon list of key events or actions between the Project Officer and the site that will be implemented. Key events, if possible, should be specific, measurable and sufficient in quantity such that their completion should lead to the accomplishment of the outcome objective.

Timeline: The timeframe for which Milestone Activities will be ***initiated and completed***.

Measure: What product will exist at the completion of the Milestone Activity.

Appendix D: Community Transformation Plan Example

Community Transformation Plan – Community Transformation Grant **Date: _____**		
Site Name	Multi-Jurisdictional County	
Outcome Objective	By March 18, 2012, a minimum of 12 cities in the County will adopt a voluntary smoke-free multi-unit housing (MUH) policy that restricts smoking in individual units, including balconies, patios and common areas.	
Population Focus (Check One)	☐xx General/Jurisdiction Wide	X Health disparity by – age, urban or rural location, gender, race/ethnicity, education, income, sexual orientation, disability or other. (specify): Low SES
Strategic Direction	Increase smoke-free multi-unit housing.	

Reportable Milestone Activities	Timeline (Initiation-Completion)	Identify the Activity(ies) related to the Health Disparity	Measure	Lead Staff and Key Partners
Implement recruitment plan to build/broaden a smoke-free outdoor air community coalition in each city, working with large apartment complexes and tenant associations.	Q1-Q2	Ensure recruiters are experienced with diverse populations	Recruitment Plan	Outreach Manager; Outreach Specialists; CBO 1; CBO 2
Recruit # coalition members through one-on-one meetings, ensuring proportionate representation of populations experiencing health disparities as members	Q1-Q2	Ensuring members have demonstrated experience and capacity working with populations experiencing health disparities as members	Meeting records	Outreach Manager; Outreach Specialists; CBO 1; CBO 2
Coalition members conduct # presentations to gain support for the policy campaign within legal limits and to recruit additional coalition members, ensuring proportionate number of presentations in areas with populations experiencing health disparities.	Q1-Q3	Include proportionate representation in populations experiencing HD	Presentation materials; meeting notes	Outreach Manager; Outreach Specialists; CBO 1; CBO 2
Attend # community events (e.g., health fairs) to educate the community about the harms of SHS and recruit coalition members, ensuring proportionate number of events in areas with populations experiencing health disparities.	Q1-Q3	Include proportionate representation in communities experiencing HD	List of events and dates	Outreach Manager; Outreach Specialists; CBO 1; CBO 2
Facilitate # community coalition meetings, ensuring proportionate number of meetings in areas with populations	Q1-Q3	Include proportionate representation	Coalition meeting records	Outreach Manager; Outreach

experiencing health disparities.		in communities experiencing HD		Specialists; CBO 1; CBO 2
Provide educational programs at # public hearings of tenant associations to provide education and information on the smoke-free MUH policy.	Q4-Q8		Meeting records; copies of policies	Program Manager, Principle Investigator; Outreach Manager; Outreach Specialists; CBO 1; CBO 2
Engage the media, including ethnic media outlets, on at least # occasions to communicate the campaign's message (e.g., press events, ads/articles in local papers and online news outlets, letters to the editor).	Q2-Q6	Inclusion of ethnic media outlets to ensure widespread dissemination of message.	Media documentation	Program Manager; Media Specialist; CBO 1; CBO 2
Organize # community mobilization events (e.g., a rally), with # in communities experiencing health disparities, to raise public awareness and gain support for the smoke-free outdoor air policy.	Q3-Q7	Include proportionate representation of communities experiencing HD	Event documentation	Outreach Manager; Outreach Specialists; Media Specialist; CBO 1; CBO 2
Educate the public on # separate occasions about newly adopted policy (e.g., sponsor a community forum; place an ad in a local newspaper), including the availability of cessation services/resources, with targeted efforts in communities experiencing health disparities.	Q7-Q12	Make resources available to populations without access to and money for cessation treatment	Supporting documents; copies of relevant media	Outreach Manager; Outreach Specialists; Media Specialist; CBO 1; CBO 2
Monitor implementation and enforcement of new policy, ensuring evaluation of implementation and enforcement measures in sub-populations experiencing health disparities.		Comprehensive evaluation		

Definitions for use in this document:

Outcome Objective: A measureable change in supportive policy, systems, or environment that affects healthy behavior. Objective must be SMART. Objective should include a reference to any high-burden populations or communities being specifically targeted (if appropriate).

Lead Staff: Staff member with responsibility for ensuring the completion of the Milestone Activity. Staff must be an FTE of the funded organization.

Key Partner: Partner organization (either funded or unfunded) who will play a significant role in accomplishing the Milestone Activity.

Appendix D: Community Transformation Plan Example

Population Focus: The population in your jurisdiction that will be the focus of interventions associated with this Objective. General/Jurisdiction Wide implies that everyone in the funded jurisdiction will be equally impacted as opposed to only addressing the needs of specific population with higher risk.

Strategic Direction: One or more of an identified set of evidence-based actions that can be used to drive a policy, system, or environmental change objective.

Reportable Milestone Activities: An agreed upon list of key events or actions between the Project Officer and the site that will be implemented. Key events, if possible, should be specific, measurable and sufficient in quantity such that their completion should lead to the accomplishment of the outcome objective.

Timeline: The timeframe for which Milestone Activities will be ***initiated and completed***.

Measure: What product will exist at the completion of the Milestone Activity.

Appendix E List of Rural Classified Counties and Municipalities by State

State	Counties and Municipalities Classified as Rural
Alabama	Baldwin County, Barbour County, Bullock County, Butler County, Chambers County, Cherokee County, Choctaw County, Clarke County, Clay County, Cleburne County, Coffee County, Conecuh County, Coosa County, Covington County. Crenshaw County, Cullman County, Dale County, Dallas County, DeKalb County, Escambia County, Fayette County, Franklin County, Jackson County, Lamar County, Macon County, Marengo County, Marion County, Marshall County, Monroe County, Perry County, Pickens County, Pike County, Randolph County, Sumter County, Talladega County, Tallapoosa County, Washington County, Wilcox County, Winston County
Alaska	Aleutians East Borough, Aleutians West Census Area, Bethel Census Area, Bristol Bay Borough, Denali Borough, Dillingham Census Area, Haines Borough, Hoonah-Angoon Census Area, Juneau City and Borough, Kenai Peninsula Borough, Ketchikan Gateway Borough, Kodiak Island Borough, Lake and Peninsula Borough, Nome Census Area, North Slope Borough, Northwest Arctic Borough, Petersburg Census Area, Prince of Wales-Hyder Census Area, Sitka City and Borough, Skagway Municipality, Southeast Fairbanks Census Area, Valdez-Cordova Census Area, Wade Hampton Census Area, Wrangell City and Borough, Yakutat City and Borough, Yukon-Koyukuk Census Area
Arizona	Apache County, Cochise County, Gila County, Graham County, Greenlee County, La Paz County, Navajo County, Santa Cruz County
Arkansas	Arkansas County, Ashley County, Baxter County, Boone County, Bradley County, Calhoun County, Carroll County, Chicot County, Clark County, Clay County, Cleburne County, Columbia County, Conway County, Cross County, Dallas County, Desha County, Drew County, Fulton County, Greene County, Hempstead County, Hot Spring County, Howard County, Independence County, Izard County, Jackson County, Johnson County, Lafayette County, Lawrence County, Lee County, Little River County, Logan County, Marion County, Mississippi County, Monroe County, Montgomery County, Nevada County, Newton County, Ouachita County, Phillips County, Pike County, Polk County, Pope County, Prairie County, Randolph County, Scott County, Searcy County, Sevier County, Sharp County, St. Francis County, Stone County, Union County, Van Buren County, Woodruff County, Yell County
California	Alpine County, Amador County, Calaveras County, Colusa County, Del Norte County, Glenn County, Humboldt County, Inyo County, Lake County, Lassen County, Mariposa County, Mendocino County, Modoc County, Mono County, Nevada County, Plumas County, Sierra County, Siskiyou County, Tehama County, Trinity County, Tuolumne County
Colorado	Alamosa County, Archuleta County, Baca County, Bent County, Chaffee County, Cheyenne County, Conejos County, Costilla County, Crowley County, Custer County, Delta County, Dolores County, Eagle County, Fremont County, Garfield County, Grand County, Gunnison County, Hinsdale County, Huerfano County, Jackson County, Kiowa County, Kit Carson County, La Plata County, Lake County, Las Animas County, Lincoln County, Logan County, Mineral County, Moffat County, Montezuma County, Montrose County, Morgan County, Otero County, Ouray County, Phillips County, Pitkin County, Prowers County, Rio Blanco County, Rio Grande County, Routt County, Saguache County, San Juan County, San Miguel County, Sedgwick County, Summit County, Washington County, Yuma County
Connecticut	Litchfield County and Windham County
Delaware	Sussex County

Appendix E List of Rural Classified Counties and Municipalities by State

DC	None
Florida	Bradford County, Calhoun County, Citrus County, Columbia County, DeSoto County, Dixie County, Franklin County, Glades County, Gulf County, Hamilton County, Hardee County, Hendry County, Highlands County, Holmes County, Jackson County, Lafayette County, Levy County, Liberty County, Madison County, Monroe County, Okeechobee County, Putnam County, Sumter County, Suwannee County , Taylor County, Union County, Walton County, Washington County
Georgia	Appling County, Atkinson County, Bacon County, Baldwin County, Banks County, Ben Hill County, Berrien County, Bleckley County, Bulloch County, Calhoun County, Camden County, Candler County, Charlton County, Chattooga County, Clay County, Clinch County, Coffee County, Colquitt County, Cook County, Crisp County, Decatur County, Dodge County, Dooly County, Early County, Elbert County, Emanuel County, Evans County, Fannin County, Franklin County, Gilmer County, Glascock County, Gordon County, Grady County, Greene County, Habersham County, Hancock County, Hart County, Irwin County, Jackson County, Jeff Davis County, Jefferson County, Jenkins County, Johnson County, Laurens County, Lincoln County, Lumpkin County, Macon County, Miller County, Mitchell County, Montgomery County, Morgan County, Peach County, Pierce County, Polk County, Pulaski County, Putnam County, Quitman County, Rabun County, Randolph County, Schley County, Screven County, Seminole County, Stephens County, Stewart County, Sumter County, Talbot County, Taliaferro County, Tattnall County, Taylor County, Telfair County, Thomas County, Tift County, Toombs County, Towns County, Treutlen County, Troup County, Turner County, Union County, Upson County, Ware County, Warren County, Washington County, Wayne County, Webster County, Wheeler County, White County, Wilcox County, Wilkes County, Wilkinson County
Hawaii	Hawaii County, Kalawao County, Kauai County, Maui County
Idaho	Adams County, Bear Lake County, Benewah County, Bingham County, Blaine County, Bonner County, Boundary County, Butte County, Camas County, Caribou County, Cassia County, Clark County, Clearwater County, Custer County, Elmore County, Fremont County, Gooding County, Idaho County, Jerome County, Latah County, Lemhi County, Lewis County, Lincoln County, Madison County, Minidoka County, Oneida County, Payette County, Shoshone County, Twin Falls County, Valley County, Washington County
Illinois	Adams County, Brown County, Bureau County, Carroll County, Cass County, Christian County, Clark County, Clay County, Coles County, Crawford County, Cumberland County, De Witt County, Douglas County, Edgar County, Edwards County, Effingham County, Fayette County, Franklin County, Fulton County, Gallatin County, Greene County, Hamilton County, Hancock County, Hardin County, Henderson County, Iroquois County, Jackson County, Jasper County, Jefferson County, Jo Daviess County, Johnson County, Knox County, LaSalle County, Lawrence County, Lee County, Livingston County, Logan County, Marion County, Mason County, Massac County, McDonough County, Mercer County, Montgomery County, Morgan County, Moultrie County, Ogle County, Perry County, Pike County, Pope County, Pulaski County, Putnam County, Randolph County, Richland County, Saline County, Schuyler County, Scott County, Shelby County, Stephenson County, Union County, Wabash County, Warren County, Washington County, Wayne County, White County, Whiteside County, Williamson County
Indiana	Adams County, Blackford County, Cass County, Clinton County, Crawford County, Daviess County, Decatur County, DeKalb County, Dubois County, Fayette County, Fountain County, Fulton County, Grant County, Henry County, Huntington County, Jackson County, Jay County, Jefferson County, Jennings County, Knox County,

Appendix E List of Rural Classified Counties and Municipalities by State

	Kosciusko County, LaGrange County, Lawrence County, Marshall County, Martin County, Miami County, Montgomery County, Noble County, Orange County, Parke County, Perry County, Pike County, Pulaski County, Randolph County, Ripley County, Rush County, Scott County, Spencer County, Starke County, Steuben County, Switzerland County, Union County, Wabash County, Warren County, Wayne County, White County
Iowa	Adair County, Adams County, Allamakee County, Appanoose County, Audubon County, Boone County, Buchanan County, Buena Vista County, Butler County, Calhoun County, Carroll County, Cass County, Cedar County, Cerro Gordo County, Cherokee County, Chickasaw County, Clarke County, Clay County, Clayton County, Clinton County, Crawford County, Davis County, Decatur County, Delaware County, Des Moines County, Dickinson County, Emmet County, Fayette County, Floyd County, Franklin County, Fremont County, Greene County, Hamilton County, Hancock County, Hardin County, Henry County, Howard County, Humboldt County, Ida County, Iowa County, Jackson County, Jasper County, Jefferson County, Keokuk County, Kossuth County, Lee County, Louisa County, Lucas County, Lyon County, Mahaska County, Marion County, Marshall County, Mitchell County, Monona County, Monroe County, Montgomery County, Muscatine County, O'Brien County, Osceola County, Page County, Palo Alto County, Plymouth County, Pocahontas County, Poweshiek County, Ringgold County, Sac County, Shelby County, Sioux County, Tama County, Taylor County, Union County, Van Buren County, Wapello County, Wayne County, Webster County, Winnebago County, Winneshiek County, Worth County, Wright County
Kansas	Allen County, Anderson County, Atchison County, Barber County, Barton County, Bourbon County, Brown County, Chase County, Chautauqua County, Cherokee County, Cheyenne County, Clark County, Clay County, Cloud County, Coffey County, Comanche County, Cowley County, Crawford County, Decatur County, Dickinson County, Edwards County, Elk County, Ellis County, Ellsworth County, Finney County, Ford County, Gove County, Graham County, Grant County, Gray County, Greeley County, Greenwood County, Hamilton County, Harper County, Haskell County, Hodgeman County, Jewell County, Kearny County, Kingman County, Kiowa County, Labette County, Lane County, Lincoln County, Logan County, Lyon County, Marion County, Marshall County, McPherson County, Meade County, Mitchell County, Montgomery County, Morris County, Morton County, Nemaha County, Neosho County, Ness County, Norton County, Osborne County, Ottawa County, Pawnee County, Phillips County, Pratt County, Rawlins County, Reno County, Republic County, Rice County, Rooks County, Rush County, Russell County, Saline County, Scott County, Seward County, Sheridan County, Sherman County, Smith County, Stafford County , Stanton County, Stevens County, Thomas County, Trego County, Wallace County, Washington County, Wichita County, Wilson County, Woodson County
Kentucky	Adair County, Allen County, Anderson County, Ballard County, Barren County, Bath County, Bell County, Boyle County, Breathitt County, Breckinridge County, Butler County, Caldwell County, Calloway County, Carlisle County, Carroll County, Carter County, Casey County, Clay County, Clinton County, Crittenden County, Cumberland County, Elliott County, Estill County, Fleming County, Floyd County, Franklin County, Fulton County, Garrard County, Graves County, Grayson County, Green County, Harlan County, Harrison County, Hart County, Hickman County, Hopkins County, Jackson County, Johnson County, Knott County, Knox County, Laurel County, Lawrence County, Lee County, Leslie County, Letcher County, Lewis County, Lincoln County, Livingston County, Logan County, Lyon County, Madison County, Magoffin County, Marion County, Marshall County, Martin

Appendix E List of Rural Classified Counties and Municipalities by State

	County, Mason County , McCracken County, McCreary County, Menifee County, Mercer County, Metcalfe County, Monroe County, Montgomery County, Morgan County, Muhlenberg County, Nicholas County, Ohio County, Owen County, Owsley County, Perry County, Pike County, Powell County, Pulaski County, Robertson County, Rockcastle County, Rowan County, Russell County, Simpson County, Taylor County, Todd County, Union County, Washington County, Wayne County, Whitley County, Wolfe County
Louisiana	Acadia Parish, Allen Parish, Assumption Parish, Avoyelles Parish, Beauregard Parish, Bienville Parish, Caldwell Parish, Catahoula Parish, Claiborne Parish, Concordia Parish, East Carroll Parish, Evangeline Parish, Franklin Parish, Iberia Parish, Jackson Parish, Jefferson Davis Parish, La Salle Parish, Lincoln Parish, Madison Parish, Morehouse Parish, Natchitoches Parish, Red River Parish, Richland Parish, Sabine Parish, St. James Parish, St. Landry Parish, St. Mary Parish, Tangipahoa Parish, Tensas Parish, Vermilion Parish, Vernon Parish, Washington Parish, Webster Parish, West Carroll Parish, Winn Parish
Maine	Aroostook County, Franklin County, Hancock County, Kennebec County, Knox County, Lincoln County, Oxford County, Piscataquis County, Somerset County, Waldo County, Washington County
Maryland	Caroline County, Dorchester County, Garrett County, Kent County, St. Mary's County, Talbot County, Worcester County
Massachusetts	Dukes County and Nantucket County
Michigan	Alcona County, Alger County, Allegan County, Alpena County, Antrim County, Arenac County, Baraga County, Benzie County, Branch County, Charlevoix County, Cheboygan County, Chippewa County, Clare County, Crawford County, Delta County, Dickinson County, Emmet County, Gladwin County, Gogebic County, Grand Traverse County, Gratiot County, Hillsdale County, Houghton County, Huron County, Iosco County, Iron County, Isabella County, Kalkaska County, Keweenaw County, Lake County, Leelanau County, Lenawee County, Luce County, Mackinac County, Manistee County, Marquette County, Mason County, Mecosta County, Menominee County, Midland County, Missaukee County, Montcalm County, Montmorency County, Oceana County, Ogemaw County, Ontonagon County, Osceola County, Oscoda County, Otsego County, Presque Isle County, Roscommon County, Sanilac County, Schoolcraft County, Shiawassee County, St. Joseph County, Tuscola County, Wexford County
Minnesota	Aitkin County, Becker County, Beltrami County, Big Stone County, Brown County, Cass County, Chippewa County, Clearwater County, Cook County, Cottonwood County, Crow Wing County, Douglas County, Faribault County, Fillmore County, Freeborn County, Goodhue County, Grant County, Hubbard County, Itasca County, Jackson County, Kanabec County, Kandiyohi County, Kittson County, Koochiching County, Lac qui Parle County, Lake County, Lake of the Woods County, Le Sueur County, Lincoln County, Lyon County, Mahnomen County, Marshall County, Martin County, McLeod County, Meeker County, Mille Lacs County, Morrison County, Mower County, Murray County, Nobles County, Norman County, Otter Tail County, Pennington County, Pine County, Pipestone County, Pope County, Red Lake County, Redwood County, Renville County, Rice County, Rock County, Roseau County, Sibley County, Steele County, Stevens County, Swift County, Todd County, Traverse County, Wadena County, Waseca County, Watonwan County, Wilkin County, Winona County, Yellow Medicine County
Mississippi	Adams County, Alcorn County, Amite County, Attala County, Benton County, Bolivar County, Calhoun County, Carroll County, Chickasaw County, Choctaw County, Claiborne County, Clarke County, Clay County, Coahoma County, Covington County, Franklin County, Greene County, Grenada County, Holmes

Appendix E List of Rural Classified Counties and Municipalities by State

	County, Humphreys County, Issaquena County, Itawamba County, Jasper County, Jefferson County, Jefferson Davis County, Jones County, Kemper County, Lafayette County, Lauderdale County, Lawrence County, Leake County, Lee County, Leflore County, Lincoln County, Lowndes County, Marion County, Monroe County, Montgomery County, Neshoba County, Newton County, Noxubee County, Oktibbeha County, Panola County, Pearl River County, Pike County, Pontotoc County, Prentiss County, Quitman County, Scott County, Sharkey County, Smith County, Sunflower County, Tallahatchie County, Tippah County, Tishomingo County, Union County, Walthall County, Warren County, Washington County, Wayne County, Webster County, Wilkinson County, Winston County, Yalobusha County, Yazoo County
Missouri	Adair County, Atchison County, Audrain County, Barry County, Barton County, Benton County, Butler County, Camden County, Carroll County, Carter County, Cedar County, Chariton County, Clark County, Cooper County, Crawford County, Dade County, Daviess County, Dent County, Douglas County, Dunklin County, Gasconade County, Gentry County, Grundy County, Harrison County, Henry County, Hickory County, Holt County, Howell County, Iron County, Johnson County, Knox County, Laclede County, Lawrence County, Lewis County, Linn County, Livingston County, Macon County, Madison County, Maries County, Marion County, Mercer County, Miller County, Mississippi County, Monroe County, Montgomery County, Morgan County, New Madrid County, Nodaway County, Oregon County, Ozark County, Pemiscot County, Perry County, Pettis County, Phelps County, Pike County, Pulaski County, Putnam County, Ralls County, Randolph County, Reynolds County, Ripley County, Saline County, Schuyler County, Scotland County, Scott County, Shannon County, Shelby County, St. Clair County, St. Francois County, Ste. Genevieve County, Stoddard County, Stone County, Sullivan County, Taney County, Texas County, Vernon County, Wayne County, Worth County, Wright County
Montana	Beaverhead County, Big Horn County, Blaine County, Broadwater County, Carter County, Chouteau County, Custer County, Daniels County, Dawson County, Deer Lodge County, Fallon County, Fergus County, Flathead County, Gallatin County, Garfield County, Glacier County, Golden Valley County, Granite County, Hill County, Jefferson County, Judith Basin County, Lake County, Lewis and Clark County, Liberty County, Lincoln County, Madison County, McCone County, Meagher County, Mineral County, Musselshell County, Park County, Petroleum County, Phillips County, Pondera County, Powder River County, Powell County, Prairie County, Ravalli County, Richland County, Roosevelt County, Rosebud County, Sanders County, Sheridan County, Silver Bow County, Stillwater County, Sweet Grass County, Teton County, Toole County, Treasure County, Valley County, Wheatland County, Wibaux County
Nebraska	Adams County, Antelope County, Arthur County, Banner County, Blaine County, Boone County, Box Butte County, Boyd County, Brown County, Buffalo County, Burt County, Butler County, Cedar County, Chase County, Cherry County, Cheyenne County, Clay County, Colfax County, Cuming County, Custer County, Dawes County, Dawson County, Deuel County, Dodge County, Dundy County, Fillmore County, Franklin County, Frontier County, Furnas County, Gage County, Garden County, Garfield County, Gosper County, Grant County, Greeley County, Hall County, Hamilton County, Harlan County, Hayes County, Hitchcock County, Holt County, Hooker County, Howard County, Jefferson County, Johnson County, Kearney County, Keith County, Keya Paha County, Kimball County, Knox County, Lincoln County, Logan County, Loup County, Madison County, McPherson County, Merrick County, Morrill County, Nance County, Nemaha County, Nuckolls County,

Appendix E List of Rural Classified Counties and Municipalities by State

	Otoe County, Pawnee County, Perkins County, Phelps County, Pierce County, Platte County, Polk County, Red Willow County, Richardson County, Rock County, Saline County, Scotts Bluff County, Sheridan County, Sherman County, Sioux County, Stanton County, Thayer County, Thomas County, Thurston County, Valley County, Wayne County, Webster County, Wheeler County, York County
Nevada	Churchill County, Douglas County, Elko County, Esmeralda County, Eureka County, Humboldt County, Lander County, Lincoln County, Lyon County, Mineral County, Nye County, Pershing County, White Pine County
New Hampshire	Belknap County, Carroll County, Cheshire County, Coos County, Grafton County, Merrimack County, Sullivan County
New Jersey	None
New Mexico	Catron County, Colfax County, De Baca County, Guadalupe County, Harding County, Hidalgo County, Mora County, Quay County, Sierra County, Socorro County, Union County, Chaves County, Cibola County, Curry County, Eddy County, Grant County, Lea County, Lincoln County, Los Alamos County, Luna County, McKinley County, Otero County, Rio Arriba County, Roosevelt County, San Miguel County, Taos County
New York	Allegany County, Cattaraugus County, Cayuga County, Chautauqua County, Chenango County, Clinton County, Columbia County, Cortland County, Delaware County, Essex County, Franklin County, Fulton County, Genesee County, Greene County, Hamilton County, Jefferson County, Lewis County, Montgomery County, Otsego County, Schuyler County, Seneca County, St. Lawrence County, Steuben County, Sullivan County, Wyoming County, Yates County
North Carolina	Alleghany County, Ashe County, Avery County, Beaufort County, Bertie County, Bladen County, Camden County, Carteret County, Caswell County, Cherokee County, Chowan County, Clay County, Cleveland County, Columbus County, Craven County, Dare County, Davidson County, Duplin County, Gates County, Graham County, Granville County, Halifax County, Harnett County, Hertford County, Hyde County, Iredell County, Jackson County, Jones County, Lee County, Lenoir County, Lincoln County, Macon County, Martin County, McDowell County, Mitchell County, Montgomery County, Moore County, Northampton County, Pamlico County, Pasquotank County, Perquimans County, Polk County, Richmond County, Robeson County, Rowan County, Rutherford County, Sampson County, Scotland County, Stanly County, Surry County, Swain County, Transylvania County, Tyrrell County, Vance County, Warren County, Washington County, Watauga County, Wilkes County, Wilson County, Yancey County
North Dakota	Adams County, Barnes County, Benson County, Billings County, Bottineau County, Bowman County, Burke County, Cavalier County , Dickey County, Divide County, Dunn County, Eddy County, Emmons County, Foster County, Golden Valley County, Grant County, Griggs County, Hettinger County, Kidder County, LaMoure County, Logan County, McHenry County, McIntosh County, McKenzie County, McLean County, Mercer County, Mountrail County, Nelson County, Oliver County, Pembina County, Pierce County, Ramsey County, Ransom County, Renville County, Richland County, Rolette County, Sargent County , Sheridan County, Sioux County, Slope County, Stark County, Steele County, Stutsman County, Towner County, Traill County, Walsh County, Ward County, Wells County, Williams County
Ohio	Adams County, Ashland County, Ashtabula County, Athens County, Auglaize County, Champaign County, Clinton County, Columbiana County, Coshocton County, Crawford County, Darke County, Defiance County, Fayette County, Gallia County, Guernsey County, Hancock County, Hardin County, Harrison County, Henry County, Highland County, Hocking County, Holmes County, Huron County,

Appendix E List of Rural Classified Counties and Municipalities by State

	Jackson County, Knox County, Logan County, Marion County, Meigs County, Mercer County, Monroe County, Morgan County, Muskingum County, Noble County, Paulding County, Perry County, Pike County, Putnam County, Ross County, Sandusky County, Scioto County, Seneca County, Shelby County, Tuscarawas County, Van Wert County, Vinton County, Wayne County, Williams County, Wyandot County
Oklahoma	Adair County, Alfalfa County, Atoka County, Beaver County, Beckham County, Blaine County, Bryan County, Caddo County, Carter County, Cherokee County, Choctaw County, Cimarron County, Coal County, Cotton County, Craig County, Custer County, Delaware County, Dewey County, Ellis County, Garfield County, Garvin County, Grant County, Greer County, Harmon County, Harper County, Haskell County, Hughes County, Jackson County, Jefferson County, Johnston County, Kay County, Kingfisher County, Kiowa County, Latimer County, Love County, Major County, Marshall County, Mayes County, McCurtain County, McIntosh County, Murray County, Muskogee County, Noble County, Nowata County, Okfuskee County, Ottawa County, Payne County, Pittsburg County, Pontotoc County, Pottawatomie County, Pushmataha County, Roger Mills County, Seminole County, Stephens County, Texas County, Tillman County, Washington County, Washita County, Woods County, Woodward County
Oregon	Baker County, Clatsop County, Coos County, Crook County, Curry County, Douglas County, Gilliam County, Grant County, Harney County, Hood River County, Jefferson County, Josephine County, Klamath County, Lake County, Lincoln County, Linn County, Malheur County, Morrow County, Sherman County, Tillamook County, Umatilla County, Union County, Wallowa County, Wasco County, Wheeler County
Pennsylvania	Adams County, Bedford County, Bradford County, Cameron County, Clarion County, Clearfield County, Clinton County, Columbia County, Crawford County, Elk County, Forest County, Franklin County, Fulton County, Greene County, Huntingdon County, Indiana County, Jefferson County, Juniata County, Lawrence County, McKean County, Mifflin County, Monroe County, Montour County, Northumberland County, Potter County, Schuylkill County, Snyder County, Somerset County, Sullivan County, Susquehanna County, Tioga County, Union County, Venango County, Warren County, Wayne County
Puerto Rico	Adjuntas Municipio, Coamo Municipio, Culebra Municipio, Jayuya Municipio, Las Marías Municipio, Maricao Municipio, Salinas Municipio, Santa Isabel Municipio, Utuado Municipio, Vieques Municipio
Rhode Island	None
South Carolina	Abbeville County, Allendale County, Bamberg County, Barnwell County, Beaufort County, Cherokee County, Chester County, Chesterfield County, Clarendon County, Colleton County, Dillon County, Georgetown County, Greenwood County, Hampton County, Jasper County, Lancaster County, Lee County, Marion County, Marlboro County, McCormick County, Newberry County, Oconee County, Orangeburg County, Union County, Williamsburg County
South Dakota	Aurora County, Beadle County, Bennett County, Bon Homme County, Brookings County, Brown County, Brule County, Buffalo County, Butte County, Campbell County, Charles Mix County, Clark County, Clay County, Codington County, Corson County, Custer County, Davison County, Day County, Deuel County, Dewey County, Douglas County, Edmunds County, Fall River County, Faulk County, Grant County, Gregory County, Haakon County, Hamlin County, Hand County, Hanson County, Harding County, Hughes County, Hutchinson County, Hyde County, Jackson County, Jerauld County, Jones County, Kingsbury County, Lake County, Lawrence County, Lyman County, Marshall County, McPherson County, Mellette

Appendix E List of Rural Classified Counties and Municipalities by State

	County, Miner County, Moody County, Perkins County, Potter County, Roberts County, Sanborn County, Shannon County, Spink County, Stanley County, Sully County, Todd County, Tripp County, Walworth County, Yankton County, Ziebach County
Tennessee	Bedford County, Benton County, Bledsoe County, Campbell County, Carroll County, Claiborne County, Clay County, Cocke County, Coffee County, Crockett County, Cumberland County, Decatur County, DeKalb County, Dyer County, Fentress County, Franklin County, Gibson County, Giles County, Greene County, Grundy County, Hancock County, Hardeman County, Hardin County, Haywood County, Henderson County, Henry County, Houston County, Humphreys County, Jackson County, Johnson County, Lake County, Lauderdale County, Lawrence County, Lewis County, Lincoln County, Marshall County, Maury County, McMinn County, McNairy County, Meigs County, Monroe County, Moore County, Morgan County, Obion County, Overton County, Perry County, Pickett County, Putnam County, Rhea County, Roane County, Scott County, Sevier County, Van Buren County, Warren County, Wayne County, Weakley County, White County
Texas	Anderson County, Andrews County, Angelina County, Bailey County, Baylor County, Bee County, Blanco County, Borden County, Bosque County, Brewster County, Briscoe County, Brooks County, Brown County, Burnet County, Camp County, Cass County, Castro County, Cherokee County, Childress County, Cochran County, Coke County, Coleman County, Collingsworth County, Colorado County, Comanche County, Concho County, Cooke County, Cottle County, Crane County, Crockett County, Culberson County, Dallam County, Dawson County, Deaf Smith County, DeWitt County, Dickens County, Dimmit County, Donley County, Duval County, Eastland County, Edwards County, Erath County, Falls County, Fannin County, Fayette County, Fisher County, Floyd County, Foard County, Franklin County, Freestone County, Frio County, Gaines County, Garza County, Gillespie County, Glasscock County, Gonzales County, Gray County, Grimes County, Hale County, Hall County, Hamilton County, Hansford County, Hardeman County, Harrison County, Hartley County, Haskell County, Hemphill County, Henderson County, Hill County, Hockley County, Hood County, Hopkins County, Houston County, Howard County, Hudspeth County, Hutchinson County, Jack County, Jackson County, Jasper County, Jeff Davis County, Jim Hogg County, Jim Wells County, Karnes County, Kenedy County, Kent County, Kerr County, Kimble County, King County, Kinney County, Kleberg County, Knox County, La Salle County, Lamar County, Lamb County, Lavaca County, Lee County, Leon County, Limestone County, Lipscomb County, Live Oak County, Llano County, Loving County, Lynn County, Madison County, Marion County, Martin County, Mason County, Matagorda County, Maverick County, McCulloch County, McMullen County, Menard County, Milam County, Mills County, Mitchell County, Montague County, Moore County, Morris County, Motley County, Nacogdoches County, Navarro County, Newton County, Nolan County, Ochiltree County, Oldham County, Palo Pinto County, Panola County, Parmer County, Pecos County, Polk County, Presidio County, Rains County, Reagan County, Real County, Red River County, Reeves County, Refugio County, Roberts County, Runnels County, Sabine County, San Augustine County, San Saba County, Schleicher County, Scurry County, Shackelford County, Shelby County, Sherman County, Somervell County, Starr County, Stephens County, Sterling County, Stonewall County, Sutton County, Swisher County, Terrell County, Terry County, Throckmorton County, Titus County, Trinity County, Tyler County, Upton County, Uvalde County, Val Verde County, Van Zandt County, Walker County, Ward County, Washington County, Wharton County, Wheeler County, Wilbarger County, Willacy County, Winkler County,

Appendix E List of Rural Classified Counties and Municipalities by State

	Wood County, Yoakum County , Young County, Zapata County, Zavala County
Utah	Beaver County, Box Elder County, Carbon County, Daggett County, Duchesne County, Emery County, Garfield County, Grand County, Iron County, Kane County, Millard County, Piute County, Rich County, San Juan County, Sanpete County, Sevier County, Uintah County, Wasatch County, Wayne County
Vermont	Addison County , Bennington County, Caledonia County, Essex County, Lamoille County, Orange County, Orleans County, Rutland County, Washington County, Windham County, Windsor County
Virginia	Accomack County, Alleghany County, Augusta County, Bath County, Bland County, Brunswick County, Buchanan County, Buckingham County, Buena Vista city, Carroll County, Charlotte County, Covington city, Culpeper County, Dickenson County, Emporia city, Essex County, Floyd County, Franklin city, Galax city, Grayson County, Greensville County, Halifax County, Henry County, Highland County, King George County, Lancaster County, Lee County, Lexington city, Lunenburg County, Madison County, Martinsville city, Mecklenburg County, Middlesex County, Northampton County, Northumberland County, Norton city, Nottoway County, Orange County, Page County, Patrick County, Prince Edward County, Rappahannock County, Richmond County, Rockbridge County, Russell County, Shenandoah County, Smyth County, Southampton County, Staunton city, Tazewell County, Waynesboro city, Westmoreland County, Wise County, Wythe County
Washington	Adams County, Clallam County, Columbia County, Ferry County, Garfield County, Grant County, Grays Harbor County, Island County, Jefferson County, Kittitas County, Klickitat County, Lewis County, Lincoln County, Mason County, Okanogan County, Pacific County, Pend Oreille County, San Juan County, Stevens County, Wahkiakum County, Walla Walla County, Whitman County
West Virginia	Barbour County, Braxton County, Calhoun County, Doddridge County, Fayette County, Gilmer County, Grant County, Greenbrier County, Hardy County, Harrison County, Jackson County, Lewis County, Logan County, Marion County, Mason County, McDowell County, Mercer County, Mingo County, Monroe County, Nicholas County, Pendleton County, Pocahontas County, Raleigh County, Randolph County, Ritchie County, Roane County, Summers County, Taylor County, Tucker County, Tyler County, Upshur County, Webster County, Wetzel County, Wyoming County
Wisconsin	Adams County, Ashland County, Barron County, Bayfield County, Buffalo County, Burnett County, Clark County, Crawford County, Dodge County, Door County, Dunn County, Florence County, Forest County, Grant County, Green County, Green Lake County, Iron County, Jackson County, Jefferson County, Juneau County, Lafayette County, Langlade County, Lincoln County, Manitowoc County, Marinette County, Marquette County, Menominee County, Monroe County, Oneida County, Pepin County, Polk County, Portage County, Price County, Richland County, Rusk County, Sauk County, Sawyer County, Shawano County, Taylor County, Trempealeau County, Vernon County, Vilas County, Walworth County, Washburn County, Waupaca County, Waushara County, Wood County
Wyoming	Albany County, Big Horn County, Campbell County, Carbon County, Converse County, Crook County, Fremont County, Goshen County, Hot Springs County, Johnson County, Lincoln County, Niobrara County, Park County, Platte County, Sheridan County, Sublette County, Sweetwater County, Teton County, Uinta County, Washakie County, Weston County

[1]Primary Data Sources:
http://www.census.gov/population/www/metroareas/metrodef.html

Appendix E List of Rural Classified Counties and Municipalities by State

http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=PEP&_submenuId=datasets_3&_lang=en

Appendix F: Sample Letter of Intent Template

Please note – while this exact form is not required, the elements found in the table must be included in your LOI. A sample letter using the table is provided below.

Vivian Walker, Grants Management Officer
Department of Health and Human Services
CDC Procurement and Grants Office
2920 Brandywine Road, MS E-09
Atlanta, GA 30341

Dear Ms. Walker,

Please accept this letter of intent for the Community Transformation Grants - Small Communities Program, FOA DP12-1216PPHF12. Enclosed is our completed required elements table, outlining the nature of our proposal. We look forward to submitting our application.

Sincerely,
XYZ Administrator

Required LOI Element	**Applicant Response**
Applicant Name	
Applicant Type (government/non-government)	
Applicant Sector (e.g. transportation, housing, education, public health, tribal, etc	
Planned Geographic Area to be Served (as defined by the applicant)	
Planned Specific Intervention Population (as defined by the applicant)	
Total intervention population size (must be under 500,000)	
Source of Intervention population data	
Total # of people from intervention population who will be reached	
Proportion of the intervention population in a rural/frontier area	
Proportion of budget to be spent benefiting a rural/frontier area	
Planned Outcome measures selected (select all that apply to your application)	
❑ Changes in Weight	
❑ Changes in Proper Nutrition	
❑ Changes in Physical Activity	
❑ Changes in Tobacco Use	
❑ Changes in Emotional Well Being and Overall Mental Health	
Lead Fiduciary Agency/Organization	
Lead Point of Contact	
Telephone	
Fax	
E-mail	
Mailing Address	

AI-32816 **Health & Human Services Dept. 7. C.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Eddie Olivarez **Submitted By:** Mike Escaname, HEALTH & HUMAN SERVICES DEPT.

Department: HEALTH & HUMAN SERVICES DEPT.

Information

CAPTION

Requesting authorization for Hidalgo County Health & Human Services Dept. to participate in a Professional Provider Network and Health Maintenance Organization Network with Blue Cross Blue Shield of Texas.

BACKGROUND

Fiscal Impact

FISCAL YEAR: 2012 **ACCT. #:** 2-1293-345-40-340-005-0-000

FUNDS AVAILABLE Y/N?: N/A **MATCHING FUNDS Y/N?:** N

BUDGETARY IMPACT:

There is no cost to Hidalgo County for becoming a provider with Blue Cross Blue Shield. A provider participating in the Blue Cross Blue Shield network is allowed to bill certain health care costs, from health care services provided by our County clinics staff, to Blue Cross Blue Shield of Texas.

Attachments

PPO Agreement Core

PPO Group

HMO Agreement Core

HMO Group

1

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/13/2012 03:05 PM
Manuel Chapa	Manuel Chapa	06/19/2012 11:01 AM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Mike Escaname Started On: 06/13/2012 01:57 PM

Final Approval Date: 06/22/2012

GROUP MANAGED CARE AGREEMENT

FOR PPO/POS NETWORK PARTICIPATION

This Agreement is entered into by and between Blue Cross and Blue Shield of Texas, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company ("BCBSTX") and HIDALGO COUNTY HEALTH DEPARTMENT, a professional entity organized in the state of Texas ("Medical Group").

As of the Effective Date, this Agreement includes the following:

Yes	No	
☒	☐	Medical Group Agreement
☐	☒	Hospital Based Medical Group Provider Attachment
☒	☐	Attachment A, Compensation / Claims Submission

BCBSTX has entered into an agreement to delegate Credentialing to Medical Group. This includes:

☐	☒	Attachment B, Credentialing Delegation Agreement
☐	☒	Business Associate Addendum

Medical Group is a:

☒ Specialist Group
☐ Primary Care Physician Group
☐ Primary and Specialty Care Group

Any Notice required or allowed to be given pursuant to the terms and provisions of this Agreement shall be sent to BCBSTX at:

Blue Cross and Blue Shield of Texas
4444 Corona, #120
Corpus Christi, TX 78411

and to Medical Group and/or Medical Group Providers at:

1304 S 25TH AVE
EDINBURG, TX 78542

Multiple Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the Effective Date set forth below.

BLUE CROSS AND BLUE SHIELD OF TEXAS

MEDICAL GROUP

A scanned, imaged, electronic, photocopy or stamp of the signatures hereunder shall have the same force and effect as an originally executed signature.

Authorized Signature: _____

Printed Name: M. Shannon Stansbury

Title: Vice President, Network Management

Date: _____

Authorized Signature: _____

Printed Name: _____

Title: _____

Date: _____

Effective Date: _____ NPI: 1932146636

PART I. DEFINITIONS

Agreement means this contract and all attachments, addenda and amendments appended hereto.

Applicable Laws means all federal and Texas laws and regulations that are applicable to any provisions of this Agreement, including, without limiting the foregoing, the Texas Insurance Code.

Clean Claim means a clean claim as defined by applicable Texas law and regulation.

Coinsurance means, if applicable, the specified percentage of the fee for a Covered Service that is payable by the Subscriber. The Subscriber's obligation to make Coinsurance payments may be subject to an annual out-of-pocket maximum.

Copayment means the amount required to be paid to Medical Group or Medical Group Provider by or on behalf of a Subscriber in connection with the services rendered by Medical Group or Medical Group Provider.

Covered Services means those health services specified and defined as Covered Services under the terms of a Subscriber's Health Plan.

Debarment means the prohibition of a Provider from receiving compensation for services provided under any federal health benefit plan or program, including, without limiting the foregoing, Medicare, Medicaid, and the Federal Employees Health Benefits Plan ("FEP"), as reported by the federal Office of Personnel Management ("OPM"), Office of the Inspector General ("OIG"), the Center for Medicare and Medicaid Services ("CMS"), Office of Foreign Assets Control ("OFAC") or other applicable agency.

Deductible means, if applicable, the specified annual amount of payment for certain Covered Services, expressed in dollars, that the Subscriber is required to pay before the Subscriber can receive any benefits for the Covered Services to which the Deductible applies.

Emergency Care means health care services provided in a Hospital emergency facility or comparable facility to evaluate and stabilize medical conditions of a recent onset and severity, including but not limited to severe pain, that would lead a prudent layperson possessing an average knowledge of medicine and health to believe that such person's condition, sickness or injury is of such a nature that failure to get immediate medical care could result in: (1) placing the patient's health in serious jeopardy; (2) serious impairment to bodily functions; (3) serious dysfunction of any bodily organ or part; (4) serious disfigurement; or (5) in the case of a pregnant woman, serious jeopardy to the health of the fetus. A different definition of Emergency Care may be applicable to self-funded plans as set forth in Subscriber's benefit document.

Health Plan means any group or individual health benefits plan other than a health maintenance organization, whether insured or self-funded, which provides its participants access to health care services that is operated, administered or underwritten, in whole or in part by BCBSTX, a Blue Cross and/or Blue Shield Plan in another state, a subsidiary of a Blue Cross and/or Blue Shield Plan in another state or a BCBSTX affiliate and that has entered into any agreement to provide or administer Covered Services. The phrase "provide or administer" includes an insurance arrangement, an administrative services agreement, or an arrangement whereby an employer or welfare benefit plan contracts with BCBSTX or a Blue Cross and/or Blue Shield Plan in another state to utilize all or part of a BCBSTX managed care network. The term affiliate includes, but is not limited to any licensed entity in which BCBSTX or Health Care Service Corporation has an ownership interest.

In-Network Provider means a Provider of health care services that has a managed care agreement with BCBSTX or another Blue Cross and/or Blue Shield plan.

In-Network Services means Covered Services provided to Subscribers by an In-Network Provider or are provided in accordance with the Health Plan's requirements for in-network benefits.

Inpatient means a Subscriber admitted to a hospital as a registered bed patient and who requires the acute bed patient overnight setting.

Medical Director means a physician designated by BCBSTX, or such physician's designee, who is responsible for monitoring the provision of Covered Services to Subscribers.

Medical Group means the above named entity that has entered into this Agreement with BCBSTX to provide or arrange for the provision of Covered Services to Subscribers. Where applicable by context, Medical Group also means Medical Group Providers. Medical Group shall require that Medical Group Providers comply with the provisions of this Agreement that are applicable by context to Medical Group Providers.

Medical Group Provider means an individual physician or Provider appropriately licensed to provide health care services who participates in Medical Group and includes, without limiting the foregoing, Medical Group Primary Care Physician, Medical Group Specialist, and Medical Group obstetrician/gynecologist.

Medically Necessary or **Medical Necessity** means health care services that a Medical Group or Medical Group Provider, exercising prudent clinical judgment, would provide to a Subscriber for the purpose of preventing, evaluating, diagnosing or treating an illness, injury, disease or its symptoms, and that are: (a) in accordance with generally accepted standards of medical practice; (b) clinically appropriate, in terms of type, frequency, extent, site and duration, and considered effective for the Subscriber's illness, injury or disease; and (c) not primarily for the convenience of the Subscriber, Medical Group or Medical Group Provider, or other health care provider, and not more costly than an alternative service or sequence of services at least as likely to produce equivalent therapeutic or diagnostic results as to the diagnosis or treatment of that Subscriber's illness, injury or disease. For these purposes, "generally accepted standards of medical practice" means standards that are based on credible scientific evidence published in peer-reviewed medical literature generally recognized by the relevant medical community, Physician Specialty Society recommendations and the views of Physicians practicing in relevant clinical areas and any other relevant factors.

Notice means any notice required or allowed to be given pursuant to the terms and provisions of this Agreement. Notices shall be sent in writing by United States mail, certified mail, traceable commercial delivery, or electronic transmission, and shall be deemed to be given when received. Notices sent by United States mail shall be deemed to be received on the third business day following their deposit in the United States mail.

Out-of-Network Provider means a Provider of health care services that is not an In-Network Provider.

Payer means an entity other than BCBSTX that is financially responsible for payment for Covered Services under a Health Plan.

POS Plan means a Health Plan that requires the designation of a Primary Care Physician (PCP) who must coordinate all Covered Services, including Proper Referrals to Specialists and Preauthorizations when required, in order for the Subscriber to receive the highest level of benefits under the Health Plan.

POS Subscribers means Subscribers covered under POS Plans.

Preauthorization means BCBSTX's prior approval of the Medical Necessity for certain services provided to Subscribers and as required by the Health Plan.

Primary Care Physician means a physician designated by BCBSTX as a Primary Care Physician, with respect to POS Plan, an In-Network Provider who has agreed to be responsible for providing basic health services, coordinating the care of individual POS Subscribers, and as applicable, referring those Subscribers to other In-Network Providers.

Proper Referral means in the case of a POS Plan that requires the designation of a Primary Care Physician an authorization for Covered Services by the Primary Care Physician to any other Provider, and such authorization shall be made as provided in the Provider Manual. Where a Health Plan requires a particular Covered Service to be preauthorized, a Proper Referral must include such Preauthorization for such services to be In-Network Services.

Provider means any appropriately licensed provider of health care services.

Provider Manual means BCBSTX policies, procedures, and guidelines as set forth in a manual as supplemented by written materials, including BCBSTX Provider correspondence and the Blue Cross and Blue Shield of Texas Web site, which may be revised from time to time, subject to the provisions of **Part**

X, General Provisions, Section N, Modifications. In the event of a conflict between the Provider Manual and terms of this Agreement, the terms of this Agreement shall apply.

Specialist means an In-Network Provider who is a physician or health care professional, other than a Primary Care Physician.

Subscriber means any individual who is eligible to receive Covered Services under a Health Plan unless otherwise specified by BCBSTX.

UM Agent means an entity that is a licensed utilization review agent under applicable law and is designated to perform utilization management ("UM") in connection with the care of Subscribers of a Health Plan, which is usually indicated on the Subscriber's identification card. The administrator of the applicable Health Plan may designate BCBSTX or another licensed utilization review agent to act as UM Agent for purposes of this Agreement and may designate one or more UM Agents to perform various UM activities. To the extent that BCBSTX has been designated as the UM Agent, BCBSTX may delegate any of BCBSTX's obligations to perform UM to any other entity licensed or otherwise permitted, in accordance with Applicable Laws, to perform UM in Texas.

UM Program means the guidelines, standards and procedures for UM activities that are used in connection with the applicable Health Plan, as more fully described in this Agreement.

Urgent Care means medical care that is delivered in a facility dedicated to the delivery of unscheduled, walk-in medical care that is not Emergency Care to any Subscriber outside of a hospital emergency department or comparable facility.

PART II. OBLIGATIONS OF MEDICAL GROUP

A. **Covered Services**.

1. If Medical Group includes Primary Care Physicians, each Medical Group Primary Care Physician shall provide primary care services to Subscribers within the scope of Primary Care Physician's practice or license and, with respect to POS Subscribers, agrees to assume primary responsibility for coordinating the overall health care of POS Subscribers and to provide or arrange for all other Covered Services subject to the terms and conditions of this Agreement. Further, such Primary Care Physician shall make available to Subscribers those health education programs routinely provided by Primary Care Physician.

2. If Medical Group includes Specialists, each Medical Group Specialist shall provide to such Subscribers those Covered Services that such Specialist commonly performs within Specialist's scope of practice or license subject to the terms and conditions of this Agreement. For POS Subscribers for whom Covered Services require a Proper Referral, Medical Group Specialist agrees to render services only upon a Proper Referral.

3. In the event a Medical Group Provider desires to utilize or refer to another Provider to provide Covered Services, the Medical Group Provider shall consider, and inform the Subscriber concerning, the availability of any In-Network Provider with a specialty comparable to any Out-of-Network Provider considered by the Medical Group Provider. Any use of an Out-of-Network Provider, other than for Emergency Care, must be authorized in advance by BCBSTX for such services to be In-Network Services.

B. **Availability**. Medical Group shall ensure that Covered Services are readily available during Medical Group's regular business hours on business days. Medical Group shall provide such services in the same manner, in accordance with the same standards, and within the same time availability as such services are provided to other patients without regard to the degree or frequency of utilization of such Covered Services by Subscribers. In the event Medical Group Provider is temporarily unavailable, Medical Group Provider may provide Covered Services through a designee, provided that such designee must have an equivalent competence and specialty, and must agree to provide Covered Services to Subscribers under the same compensation arrangements and comply with BCBSTX procedures. Medical Group may make a special arrangement with BCBSTX in the event of the extended temporary absence of Medical Group Provider.

C. **Standard of Care**. Medical Group shall, and shall require Medical Group Providers to, comply with all Applicable Laws and all applicable professional standards, and shall require Covered Services to be provided by Medical Group Providers in accordance with generally accepted medical and surgical practices and standards prevailing in the applicable medical community at the time of treatment. In addition, Medical Group and Medical Group Providers shall comply with the standards adopted by the BCBSTX's quality improvement and UM Program set forth in the Provider Manual.

D. **Licensure and Medical Staff Requirements**. Medical Group warrants and represents as a material term of this Agreement that each Medical Group Provider has and will continue to have, as long as this Agreement remains in effect, all the requisite licenses/certifications required by the state of Texas and such other governmental and professional boards and bodies having authority over Medical Group Provider's business/profession, including where applicable, a currently valid, unrestricted license to practice medicine in the state of Texas, and further that each Medical Group Provider who is a physician is and will be a member in good standing with admitting privileges at, and on the staff of at least one In-Network Provider hospital. Except with respect to stabilization following Emergency Care, Medical Group will require that Subscribers be admitted only to In-Network Provider hospital(s) unless BCBSTX Preauthorizes the admission.

E. **Proper Referral and Preauthorization for POS Subscribers**.

1. As applicable, for POS Subscribers, Medical Group Primary Care Physicians referring a Subscriber to another Provider for treatment shall comply with all Proper Referral and Preauthorization procedures set forth in this Agreement and in the Provider Manual. Medical Group Providers will only refer to In-Network Providers except in cases of Emergency Care or, if Preauthorized by BCBSTX, when no In-Network Providers are available to provide the necessary services.

2. If applicable, for Subscribers of POS Plans, Medical Group Specialist shall comply with all Proper Referral and Preauthorization procedures set forth in this Agreement and in the Provider Manual. For POS Subscribers, Medical Group Specialists shall provide Covered Services only upon a Proper Referral or Preauthorization, as applicable, except in cases requiring Emergency Care. For POS Subscribers, Medical Group Specialist shall discuss with and seek approval from the referring In-Network Provider prior to rendering or arranging any continuing treatment which is beyond the specific treatment described in the Proper Referral. In addition, Medical Group Specialist shall not refer a POS Subscriber to another physician or Provider without the prior concurrence of the POS Subscriber's Primary Care Physician, as applicable.

3. Subject to the terms of POS Subscriber's benefit document, POS Subscriber may directly access, from In-Network Providers, Covered Services that are Urgent Care. Information regarding Subscriber's care will be shared with POS Subscriber's Primary Care Physician.

4. Costs of services rendered to a POS Subscriber by Medical Group or a Medical Group Provider without a Proper Referral or Preauthorization where required shall be the financial responsibility of Medical Group or Medical Group Provider. The involvement of BCBSTX or other administrator of any Health Plan and/or the applicable UM Agent in decisions relating to the coverage of services rendered to POS Subscribers under these Health Plans shall not diminish the ultimate and sole responsibility of Medical Group for any professional authority over their professional practice with respect to the care of such Subscribers.

F. **Facilities, Equipment and Staff**. The following requirements shall be met or performed by Medical Group and/or Medical Group Providers, as applicable:

1. Provide and maintain facilities and/or equipment which are of adequate capacity, clean, safe, readily accessible to Subscribers and, where appropriate, properly licensed and/or registered.

2. Assure the appropriate supervision of, licensure/certification of, and insurance coverage for, all employed or subcontracted staff who provide Subscribers Covered Services that are performed under the direction of Medical Group Providers.

3. Have written policies that are implemented and enforced and that describe the duties of any employed or subcontracted physician assistants, advanced practice nurses and other individuals

other than physicians in accordance with statutory requirements for licensure, delegation, collaboration and supervision as appropriate.

If any employee or subcontractor of Medical Group violates any of the provisions of Applicable Laws or the Provider Manual or commits any act or engages in any conduct for which Medical Group's license/certification may be revoked or suspended by the state of Texas (whether or not such authority revokes or suspended said license/certification) or is otherwise disciplined by such licensing authority or any professional organization having authority over such employee or contracting agent, BCBSTX may immediately require the employee or contractor to cease rendering services to Subscribers under this Agreement.

G. **Administrative Services**. Medical Group shall perform or contract for all administrative and support services necessary for Medical Group to perform Medical Group's obligations under this Agreement and as set forth in the Provider Manual.

H. **BCBSTX Complaint Procedures.** Medical Group and Medical Group Providers shall cooperate with BCBSTX in identifying, processing and in supporting BCBSTX's resolution of all Subscriber complaints and grievances. In the event Medical Group has a complaint, Medical Group also agrees to use the Provider complaint procedure set forth in the Provider Manual, and the procedures required in **Part X, General Provisions, Section I, Dispute Resolution** as described in this Agreement.

I. **Subscriber Identification**. Medical Group Provider shall request Subscriber to present Subscriber's BCBSTX identification card each time Subscriber seeks Covered Services. Obtaining information concerning eligibility at the time of service by Medical Group as described in this Agreement is not a verification and does not guarantee payment by BCBSTX.

J. **Termination of the Medical Group Provider/Patient Relationship**.

1. Under certain circumstances, Medical Group Provider may terminate Medical Group Provider's professional relationship with a Subscriber as provided for and in accordance with the provisions of the Provider Manual. Medical Group Provider may not terminate Medical Group Provider's relationship with a Subscriber because of such Subscriber's medical condition or the amount, types or cost of Covered Services that are required by the Subscriber.

2. Medical Group acknowledges that a Subscriber may transfer to another In-Network Provider or Medical Group Provider's care in accordance with the Subscriber's benefit document. Medical Group shall require that the Medical Group Provider provide patient records, reports and other documentation regarding such Subscriber at no cost upon request in order to facilitate such transfer.

K. **Required Disclosures**. Medical Group shall notify BCBSTX at least thirty (30) days in advance if there is a change in the business address, telephone number, hours of operation, tax identification number, other billing information or services provided by Medical Group or Medical Group Provider. Additionally, Medical Group shall notify BCBSTX immediately in writing upon the occurrence of any of the following events:

1. Medical Group's, Medical Group Provider's, or any Medical Group employee's or subcontractor's applicable license or certification to practice in Texas or DEA/DPS registration is suspended, revoked, terminated or subject to terms of probation or other restriction (whether or not such action is stayed); or Debarment of Medical Group, Medical Group Provider, or any Medical Group employee or subcontractor, or inclusion of Medical Group, Medical Group Provider, or any Medical Group employee or subcontractor in the OFAC/OIG/GSA/OPM list;

2. A Medical Group Provider's medical staff privileges at any hospital are denied, suspended, restricted, revoked or voluntarily relinquished in lieu of disciplinary action;

3. Medical Group, Medical Group Provider or any Medical Group employee or subcontractor, becomes the subject of any disciplinary proceeding, Debarment or action before the Texas State Board of Medical Examiners or a similar agency in any state;

4. A Medical Group Provider, or any Medical Group employee or subcontractor, is charged with or indicted for, or convicted of, fraud or a felony;

5. An act of nature or any event beyond Medical Group's or a Medical Group Provider's reasonable control occurs, which substantially interrupts all or a portion of Medical Group's or a Medical Group Provider's business or practice or which has a materially adverse effect on Medical Group's ability to perform Medical Group's obligations under this Agreement;

6. The material modification or termination, or reduction in the amount, of the insurance coverage required for participation in BCBSTX, or replacement of coverage which is canceled or terminated;

7. Medical Group or Medical Group Provider learns of any claim or malpractice action or other lawsuit or other action brought against Medical Group or any Medical Group Provider, or Medical Group employee or subcontractor, or becomes aware of a malpractice judgment or settlement against Medical Group, Medical Group Provider or any Medical Group employee or subcontractor;

8. Significant changes in administrative capacity, including information systems, and operational staff that may have a material adverse effect on Medical Group's ability to perform Medical Group's obligations under this Agreement; or

9. Any other situation which could reasonably be expected to affect the ability of Medical Group or Medical Group Provider to carry out Medical Group's obligations under this Agreement.

L. **Provider Directory.** Medical Group agrees that BCBSTX may list such information as Medical Group or Medical Group Provider's name, specialty, address, telephone number and board status and other information in BCBSTX publications provided to In-Network Providers and Subscribers and may use such information in advertising and marketing materials and to provide to Subscribers information regarding other In-Network Providers.

M. **Medical Group Status.**

1. Medical Group certifies that neither Medical Group, Medical Group Providers nor Medical Group's employees or subcontractors have been: (a) charged with a criminal offense in connection with obtaining, attempting to obtain, or performing of a public (federal, state or local) contract or subcontract, (b) listed by a federal governmental agency as debarred, (c) proposed for Debarment or suspension or otherwise excluded from federal program participation, (d) been convicted of or had a civil judgment rendered against Medical Group, Medical Group Providers, Medical Group's employees or subcontractors regarding dishonesty or breach of trust, including but not limited to, the commission of a fraud including mail fraud or false representations, violation of a fiduciary relationship, violation of federal or state antitrust statutes, securities offenses, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; or (e) within a three (3) year period preceding the date of this Agreement, had one or more public transactions (federal, state or local) terminated for cause or default.

2. Medical Group acknowledges and agrees that Medical Group has a continuing obligation to notify BCBSTX in writing within seven (7) business days if any of the above-referenced representations change. Medical Group further acknowledges and agrees that any misrepresentation of Medical Group's status or any change in Medical Group's status at any time during the term of this Agreement may be grounds for immediate termination of this Agreement, at the sole discretion of BCBSTX.

N. **BCBSTX Credentialing Procedures**. Medical Group shall cooperate and comply with, and be subject to, BCBSTX credentialing and recredentialing policies and procedures. Medical Group further acknowledges and agrees that, except as may be required by Applicable Laws, a Medical Group Provider will not become an In-Network Provider in BCBSTX until approved by BCBSTX pursuant to such credentialing policies and procedures and that continued participation in BCBSTX is subject to the recredentialing process at intervals provided for in such policies and procedures. If Medical Group is delegated for credentialing, Medical Group agrees to abide by the terms in this section and **Attachment B**.

O. **Capacity**. Medical Group or Medical Group Provider must give BCBSTX not less than ninety (90) day prior Notice of closing Primary Care Physician's practice to new Subscribers. Notwithstanding practice closure, Medical Group or Medical Group Provider agrees to accept all existing patients who are or become Subscribers. Medical Group agrees that BCBSTX shall have no obligation to guarantee any minimum number of Subscribers to Medical Group and that Medical Group shall accept all patients enrolling as BCBSTX Subscribers except as set forth to the contrary herein.

P. **Medical Group Subcontracts with Physicians and Providers.**

1. Medical Group shall furnish to BCBSTX in advance of its use the standard form of all subcontracts between Medical Group and any Medical Group Providers, including any material changes to such forms, in accordance with the Provider Manual. In addition, Medical Group shall provide to BCBSTX the executed signature page of each such contract and any material changes to such contract. Medical Group will ensure such Medical Group Providers comply with all terms and conditions set forth in the Subscriber's benefit documents and this Agreement.

2. Contracts between Medical Group and Medical Group Providers must contain provisions requiring such Medical Group Providers to comply with the provisions of this Agreement, and the Provider Manual where applicable, and must allow such Medical Group Providers to terminate such contracts on ninety (90) days advance Notice, and may not contain restrictions on such Provider's right to contract directly, or indirectly through another medical group, with BCBSTX after termination of such Medical Group Provider's contract with Medical Group.

PART III. OBLIGATIONS OF BCBSTX

A. **Provider Manual**. BCBSTX shall make available to Medical Group the Provider Manual. The Provider Manual may be revised by BCBSTX from time to time and in accordance with this Agreement.

B. **Identification Cards**. BCBSTX shall issue identification cards to Subscribers.

C. **Service Preauthorizations**. BCBSTX shall Preauthorize Covered Services as set forth in the Provider Manual and in accordance with the provisions of the Health Plan and this Agreement.

D. **Advisory Review Panel**. BCBSTX may establish one or more health services delivery advisory review panels to advise BCBSTX on a variety of issues. Medical Group Providers may be requested from time to time by BCBSTX to serve as members on such panels.

E. **Credentialing**. BCBSTX shall administer a credentialing and recredentialing program pursuant to which the credentials of Provider applicants are reviewed and approved for acceptance as In-Network Providers.

F. **Complaints.** BCBSTX will establish and maintain a complaint procedure as required by the Provider Manual and Applicable Laws.

PART IV. COMPENSATION

A. **Payment**.

1. BCBSTX or Payer shall pay Medical Group for Covered Services rendered to Subscribers less any applicable Subscriber Copayments, Coinsurance or Deductible amounts as described in **Attachment A, Compensation/Claims Submission**. Medical Group shall accept such compensation, and any applicable Subscriber Copayment, Coinsurance or Deductible as Medical Group's only compensation for Covered Services. If the Health Plan is a secondary insurer, then a claim must include the amount paid as a covered claim by the primary insurer to be a Clean Claim. Any dispute arising from such payment shall be resolved in accordance with **Part X, General Provisions, Section I, Dispute Resolution**.

2. **Recovery of Overpayments and Underpayments**

a. In the event that BCBSTX or Payer determines an overpayment, including a duplicate payment, has been made, Medical Group and/or Medical Group Provider agree to promptly

make repayment to BCBSTX or Payer when requested. If Medical Group and/or Medical Group Provider fail to make such repayment within the time period specified in the Provider Manual, Medical Group and/or Medical Group Provider shall allow overpayments to be deducted from future payments, for the same or different Subscribers, with an explanation of the action taken.

b. Overpayments determined by Medical Group and/or Medical Group Provider on a claim or claims, including duplicate payments, shall be refunded promptly to BCBSTX or Payer, but in any event not later than thirty (30) days following such determination.

c. Any underpayments shall be added to future payments by BCBSTX or Payer to Medical Group and/or Medical Group Provider.

d. Any dispute arising from a deduction or payment with respect to an overpayment or underpayment shall be resolved in accordance with the Provider complaint procedures set forth in **Part II, Obligations of Medical Group, Section H, BCBSTX Complaint Procedures**.

B. **Copayments, Coinsurance and Deductibles**. The collection of Subscriber Copayment, Coinsurance or Deductible amounts is the sole responsibility of Medical Group Provider. Medical Group shall require Medical Group Providers to diligently pursue, and have responsibility for, collection of any applicable Copayment, Coinsurance or Deductible amount from Subscribers and shall in no event offer, publicize or advertise any waiver or other reduction of any Copayment, Coinsurance or Deductible amount unless specifically authorized in writing by BCBSTX. All Copayments, Coinsurance and Deductible amounts shall be as specified in the benefit document, and the amounts of the Copayments, Coinsurance or Deductible which Medical Group Provider is authorized to collect from the Subscriber shall not exceed the amounts so specified.

C. **Claims Submission**. Medical Group shall submit complete and properly executed claims to BCBSTX within the required filing period, as described in **Attachment A, Compensation/Claims Submission**.

D. **Subscriber Nonliability and Hold Harmless**.

1. Medical Group hereby agrees that in no event, including, but not limited to, non-payment by BCBSTX or Payer, insolvency of BCBSTX or Payer or breach of this Agreement, shall Medical Group or Medical Group Providers bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against Subscriber or persons other than BCBSTX acting on Subscriber's behalf for Covered Services. This provision shall not prohibit collection of supplemental charges or Copayment, Coinsurance or Deductible amounts payable in accordance with the terms of Subscriber's benefit document.

2. Medical Group further agrees that: (a) this provision shall survive the termination of this Agreement regardless of the cause giving rise to termination and shall be construed to be for the benefit of the Subscriber; and (b) this provision supersedes any oral or written contrary agreement now existing or hereafter entered into between Medical Group or a Medical Group Provider and Subscriber or persons acting on their behalf.

E. **Billing for Non-Covered Services**. In the event that BCBSTX determines and informs Medical Group that a proposed service is not a Covered Service, including but not limited to services that are determined to be experimental/investigational or not Medically Necessary, Medical Group must inform the Subscriber in writing in advance of the service being rendered that the service is a non-Covered Service in order to be allowed under this Agreement to bill the Subscriber for the service rendered. The Subscriber must also acknowledge this disclosure in writing and agree to accept the service as a non-Covered Service billable directly to the Subscriber. In the event the Subscriber's benefits are exhausted, Medical Group may continue to provide treatment to the Subscriber if the Subscriber agrees in writing to pay for those services; provided, however, that Medical Group may not charge the Subscriber more than the amount allowed as described in Attachment A.

F. **Third Party Collections**. Medical Group shall cooperate with BCBSTX in the collection on BCBSTX's behalf of third party payments including workers' compensation, third party liens and other third party liability according to the procedures set forth in the Provider Manual. Medical

Group agrees that Medical Group or Medical Group Provider will file claims with BCBSTX even if Medical Group believes or knows that there is third party liability and the existence of third party liability will not affect Medical Group's or Medical Group Provider's total compensation for Covered Services.

G. **Coordination of Benefits**. Medical Group shall comply with the requirements of Applicable Laws and the Provider Manual regarding Covered Services involving coordination of benefits. Medical Group agrees to submit applicable claims and encounter information concerning other carriers to BCBSTX even if Medical Group believes that coordination of benefits may apply and BCBSTX is not the primary carrier. In the event that the Subscriber is eligible for benefits under any other health benefits plan for Covered Services, Medical Group's total compensation for such Covered Services from all sources, including any Copayments, Coinsurance or Deductible amounts payable by the Subscriber to Medical Group, shall not exceed the amount that would have been payable to Medical Group under this Agreement without taking into consideration such other coverage.

PART V. QUALITY IMPROVEMENT AND UTILIZATION MANAGEMENT

A. **BCBSTX Responsibilities**. BCBSTX shall conduct peer review, quality improvement and the UM Program in accordance with Applicable Laws. BCBSTX's UM Program may include the establishment of advisory review panels to conduct quality of care and utilization review activities in accordance with Applicable Laws. All BCBSTX quality improvement and UM forms, records and other information shall remain the property of BCBSTX and shall remain confidential.

B. **Medical Group Responsibilities**. Medical Group agrees to comply with and be subject to the quality improvement program and the UM Program conducted by BCBSTX and cooperate with peer review activities, all as set forth in the Provider Manual, and to promote Subscriber participation in BCBSTX disease management programs as applicable. These programs may be revised from time to time, and may include, but are not limited to, Preauthorizations of elective Inpatient services, concurrent review of Inpatient lengths of stay, review of referrals, internal peer review and external audit systems. Medical Group shall have sole authority and responsibility for the care of any Subscriber who is a patient of Medical Group.

C. **Shared Records**. Upon request, Medical Group shall make available to BCBSTX's quality improvement and utilization review committee any records of Medical Group's quality improvement and utilization review activities pertaining to Subscribers. BCBSTX will protect the confidentiality of information that is the product of Medical Group's peer review process.

PART VI. RECORDS

A. **Subscriber Record**. Medical Group and Medical Group Providers shall establish and maintain an accurate medical record, including electronic record, for each Subscriber with whom Medical Group Providers have an encounter that, at a minimum, shall include such information about the Subscriber and a description of all services rendered to the Subscriber as dictated by generally accepted medical and surgical practices and standards and as required by the Provider Manual ("Medical Records"). Medical Group Provider shall maintain accurate financial books and records, including electronic records, concerning Covered Services provided to each Subscriber, including any charges to and payments received from the Subscriber by Medical Group ("Financial Records"). Medical Group shall maintain the Medical Records and Financial Records for a period of at least ten (10) years after the records cease to be active records. The obligations of Medical Group to maintain and provide access to records under this **Part VI. Records**, does not cease upon termination of this Agreement without cause or for any cause.

B. **Access to Medical Records**. Subject to compliance with Applicable Laws and applicable professional standards regarding the confidentiality of Medical Records, Medical Group and Medical Group Provider shall:

1. Provide BCBSTX, upon request and at no charge, copies of specified sections of Subscriber Medical Records that are in the custody of Medical Group or Medical Group Provider;

2. Upon five (5) days advance notice, or such shorter notice as may be reasonably required by the circumstances, allow BCBSTX authorized personnel access to inspect and copy Medical Records on Medical Group's or Medical Group Provider's premises during regular business hours;

3. Transmit information from Subscriber Medical Records by telephone to BCBSTX for purposes of Preauthorization or other UM activities or quality improvement; and

4. Provide copies of specified sections of Subscriber Medical Records, upon reasonable request and at no charge, to any other Provider treating such Subscriber.

C. **Access to Financial Records**. Upon five (5) days advance notice, or such shorter notice as may be reasonably required by the circumstances, BCBSTX shall have access to inspect, audit and copy all Financial Records during regular business hours. Medical Group shall maintain Financial Records and provide copies of such information to BCBSTX, upon BCBSTX's reasonable request, at no charge.

D. **Regulatory Compliance**. Medical Group shall maintain such records and information and provide them to the Texas Department of Insurance and other applicable regulatory agencies as may be necessary for compliance by BCBSTX with Applicable Laws. All such records shall be open to inspection during regular business hours by state and federal authorities.

PART VII. INSURANCE AND INDEMNIFICATION

A. **Medical Group Insurance**. Medical Group and each Medical Group Provider agree to maintain such policies of general and professional liability insurance as are necessary to insure Medical Group, Medical Group Providers and their employees or subcontractors against any claims for damages arising by reason of personal injuries or death occasioned directly or indirectly in connection with the performance by Medical Group, Medical Group Provider, or any Medical Group employees or subcontractors of Medical Group's obligations under this Agreement. BCBSTX determines the limits of coverage necessary.

B. **Certificates**. Certificates of insurance or other evidence indicating the term and extent of the insurance required by **Part VII, Section A, Medical Group Insurance**, shall be provided by Medical Group to BCBSTX upon BCBSTX's request.

C. **BCBSTX Insurance.** BCBSTX shall procure and maintain such policies of general and professional liability and other insurance, which may include self-insurance, as shall be necessary to insure BCBSTX and BCBSTX's employees against any claim or claims for damages arising by reason of personal injuries or death occasioned directly or indirectly in connection with the performance of any services by BCBSTX, the use of any property and facilities provided by BCBSTX, and activities performed by BCBSTX in connection with this Agreement.

D. **Indemnification.** Medical Group and BCBSTX understand that this Agreement is not one to insure and/or indemnify and shall not be so construed. Each party shall be solely responsible for its own negligence, acts or omissions.

PART VIII. TERM AND TERMINATION

A. **Term**. This Agreement shall be effective as of the Effective Date and shall continue until otherwise terminated in accordance with this Agreement.

B. **Termination Notice Period**.

1. Either party may terminate this Agreement at any time without cause or for any cause by giving the other party at least ninety (90) days advance Notice.

2. Medical Group may terminate this Agreement upon thirty (30) days advance Notice to be given within thirty (30) days following Medical Group's receipt from BCBSTX of information concerning a decrease in compensation, or the posting of such information on the Blue Cross and Blue Shield Web site, pursuant to **Part X, Section E, Compensation Information**.

C. **Immediate Termination or Suspension**. BCBSTX may, in its sole discretion, immediately suspend or terminate this Agreement, or may suspend or terminate the participation of Medical Group Provider, upon Notice by BCBSTX to Medical Group if there is a threat of imminent harm to patient health, action against Medical Group's or Medical Group Provider's license to practice, or fraud or malfeasance, including without limiting the foregoing any of the following:

1. Failure to comply with the requirements contained in **Part II, Obligations of Medical Group, Section C, Standard of Care**, including:

   a. Suspension, surrender, or revocation of Medical Group's or Medical Group Provider's narcotics number or license to practice medicine or render services in any state;

   b. Professional or other conduct by Medical Group, Medical Group Provider, or Medical Group employee or subcontractor, which is detrimental to patient welfare and care;

   c. Conviction of Medical Group, Medical Group Provider, or Medical Group employee or subcontractor, of a felony involving lying, cheating, stealing, abuse of controlled substances, or sexual misconduct.

2. Becoming subject to the grounds for termination set forth in **Part II, Obligations of Medical Group, Section M, Medical Group Status**.

D. **Review of Termination**. In the event of termination of Medical Group by BCBSTX, if Medical Group is terminated for reasons other than at Medical Group's request, BCBSTX shall provide a written explanation to Medical Group of the reason(s) for termination. Except in a case of termination under **Part VIII, Section C, Immediate Termination or Suspension**, Medical Group may, within thirty (30) days following the Notice of termination, request in writing that a review be conducted by BCBSTX's advisory review panel and BCBSTX will conduct such a review consistent with Applicable Laws. Within sixty (60) days following receipt of Medical Group's written request for review, BCBSTX will notify Medical Group of BCBSTX's review decision. At Medical Group's request, Medical Group shall be entitled to an expedited review of such termination by BCBSTX's advisory review panel. At Medical Group's request, BCBSTX will provide Medical Group with a copy of the recommendation of the advisory review panel. The decision of the advisory review panel must be considered by, but is not binding upon, BCBSTX.

E. **Effect of Termination**. As of the date of termination, this Agreement shall be considered of no further force or effect and each of the parties shall be relieved and discharged from this Agreement except that:

1. Termination shall not affect any rights or obligations hereunder which have previously accrued or shall hereafter arise with respect to any occurrence prior to termination and such rights and obligations shall continue to be governed by the terms of this Agreement.

2. Termination of this Agreement shall not release Medical Group from the obligation to continue ongoing treatment under the terms of this Agreement and in accordance with the dictates of medical prudence, of a Subscriber of "special circumstance" as defined by Applicable Laws, including but not limited to, Subscribers with a disability, acute condition or life-threatening illness, or Subscribers past the 24th week of pregnancy, or BCBSTX or Payer from the obligation to compensate Medical Group for such Covered Services at the rate set forth in this Agreement. Special circumstance shall be identified by Medical Group, who must request that Subscriber be permitted to continue under Medical Group's care and who must agree not to seek payment from Subscriber for any amounts for which Subscriber would not be responsible if the Agreement had

not terminated. Disputes regarding continuity of care will be resolved according to the dispute resolution procedures set forth in the Provider Manual and this Agreement. Medical Group's and BCBSTX's obligations hereunder shall continue until the earlier of the appropriate transfer of Subscriber's care to another In-Network Provider or the expiration of ninety (90) days from the effective date of termination of the Agreement. Additionally, Medical Group's and BCBSTX's obligations hereunder shall continue up to nine (9) months in the case of a Subscriber who at the time of the termination has been diagnosed with a terminal illness and shall extend through delivery of a child, immediate postpartum care, and the follow-up checkup within the first six (6) weeks of delivery for a Subscriber who, at the time of the termination, is past the 24th week of pregnancy. Medical Group agrees to cooperate in the referral of Subscribers to other In-Network Providers in order to assure continuation of care. In the event that BCBSTX has not used due diligence to make alternative care arrangements available to Subscriber within ninety (90) days after receipt by BCBSTX of Notice from Medical Group or Subscriber, and such arrangements are not available to Subscriber within such ninety (90) day period, BCSTX shall thereafter compensate Medical Group for continued care at the BCBSTX allowable amount for comparable services provided by a comparable Provider that is not an In-Network Provider. Nothing herein shall be construed as requiring BCBSTX to agree to cover continued care rendered by Medical Group who BCBSTX deems unfit to care for Subscribers by reason of incompetence or unprofessional behavior or otherwise.

3. Medical Group agrees, at BCBSTX's option, to provide Covered Services to Subscribers during the notice period set forth in **Part VIII, Section B**, including any Subscribers who become eligible during such period under the terms of the Subscriber's benefit document and in accordance with the terms of this Agreement. Medical Group shall be compensated for Covered Services rendered in accordance with this Section and the fees set forth in Attachment A of this Agreement, until appropriate transfer of Subscribers is achieved or alternate compensation for Covered Services acceptable to Medical Group has been determined.

In the event of termination of the Agreement, BCBSTX will provide reasonable advance Notice to Subscribers receiving care from Medical Group of the impending termination, except that if Medical Group is terminated for a reason other than at the request of Medical Group and has made a timely request for review by an advisory review panel, BCBSTX will not notify Subscribers of Medical Group's termination prior to the time the advisory review panel makes a formal recommendation. If Medical Group is terminated or suspended immediately pursuant to **Part VIII, Section C, Immediate Termination or Suspension**, BCBSTX may notify Subscribers immediately. Medical Group agrees to cooperate with BCBSTX and upon request to provide reasonable assistance to effect such Notice.

PART IX. RELATIONSHIP OF PARTIES

A. **Independent Contractors.** None of the provisions of this Agreement are intended to create nor shall be deemed or construed to create any relationship between BCBSTX and Medical Group other than that of independent entities contracting with each other hereunder solely for the purpose of effecting the provisions of this Agreement. Neither of the parties hereto, nor any of their respective employees, shall be construed to be the agent, employer or representative of the other. None of the provisions of this Agreement shall be construed to in any way limit BCBSTX's authority or responsibility to comply with all regulatory requirements.

B. **Blue Cross and Blue Shield Association**. Medical Group hereby expressly acknowledges that this Agreement constitutes a contract solely between Medical Group and BCBSTX, which is an independent corporation operating under a license from the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans, (the "Association") permitting BCBSTX to use the Blue Cross and Blue Shield Service Marks in the state of Texas, and that BCBSTX is not contracting as the agent of the Association. Medical Group further acknowledges and agrees that Medical Group has not entered into this Agreement based upon representations by any person other than BCBSTX and that no person, entity, or organization other than BCBSTX shall be held accountable or liable to Medical Group for any of BCBSTX's obligations to Medical Group created under this Agreement. This paragraph shall not create any additional obligations whatsoever on the part of BCBSTX other than those obligations created under other provisions of this Agreement.

C. **No Third Party Beneficiary**. This Agreement is entered into by and between Medical Group and BCBSTX solely for their benefit. Except for **Part IV, Compensation, Section D, Subscriber Nonliability and Hold Harmless**, there is no intent by either party to (a) create or establish any third party beneficiary status or (b) increase the rights of any Subscriber or any other person, firm or other entity not a party to this Agreement with respect to the duties of either party to any person or create any rights on behalf of any person with respect to either party.

PART X. GENERAL PROVISIONS

A. **Administrative Functions**. BCBSTX and Medical Group acknowledge that BCBSTX may delegate certain responsibilities or activities that are provided for in this Agreement.

B. **Assignment.** No part of this Agreement, or any rights, duties or obligations described herein, shall be assigned, encumbered or delegated except as expressly provided for in this Agreement without the prior express written consent of both parties. Notwithstanding the foregoing, BCBSTX, without Medical Group's consent, may validly assign this Agreement to any affiliate of BCBSTX. BCBSTX's standing or routine contractual arrangements for the acquisition and use of facilities, services, supplies, equipment and personnel from other parties shall not constitute an assignment under this Agreement.

C. **BlueChoice Solutions.** The contract terms and fee allowables provided under this Agreement also apply to BlueChoice Solutions if Provider's applicable BCBSTX provider numbers are determined to be eligible for BlueChoice Solutions.

D. **Captions.** The captions contained herein are for reference purposes only and shall not affect the meaning of this Agreement.

E. **Compensation Information**. Medical Group is entitled, upon written request, and in accordance with Applicable Laws, to all information necessary to determine that Medical Group is being compensated in accordance with the terms of this Agreement. Medical Group may consult the Blue Cross and Blue Shield of Texas Web site for further information and instructions.

F. **Compliance**. Each party shall comply with Applicable Laws, and with applicable provisions of the Provider Manual.

G. **Confidentiality of Proprietary Information.** Each of the parties and the parties' employees shall maintain in confidence during the term of this Agreement and thereafter, except as otherwise required by Applicable Laws, (1) all Subscriber information including medical information, learned through the operation of this Agreement, (2) all confidential Provider information, including information disclosed as part of the peer review process, (3) quality assurance and utilization review information, (4) all financial information related to this Agreement, (5) all proprietary business information that has been identified as confidential and maintained as confidential by the other party, (6) the provisions of any amendment to this Agreement that would have been protected as confidential had they originally been contained herein, and (7) any other information required to be maintained in confidence by Applicable Laws (collectively "Confidential Information"), unless disclosure of a specific part of the Confidential Information is otherwise required to accomplish the purposes of this Agreement and is permitted by Applicable Laws. Each of the parties and the parties' employees shall use best efforts to safeguard and protect Confidential Information against any unauthorized disclosure by any person and shall refrain from using or allowing any other person to use any Confidential Information in any way that is considered detrimental to the other party or Subscriber.

H. **Cooperation of Parties.** Medical Group and BCBSTX agree to meet and confer in good faith on common problems including, but not limited to, problems concerning utilization of services, credentialing, Preauthorization, claims or reporting procedures and information and forms provided to Medical Group for use in conjunction with Subscribers.

I. **Dispute Resolution.** BCBSTX or Medical Group, as the case may be, shall give Notice to the other of the existence of a dispute. In order to avoid the cost and time consuming nature of litigation, any dispute between BCBSTX and Medical Group arising out of, relating to, involving the interpretation of, or in any other way pertaining to this Agreement or any prior Agreement between BCBSTX and Medical Group shall be resolved using alternative dispute resolution mechanisms instead of litigation. BCBSTX and Medical Group agree and acknowledge that it is their mutual intention that this

provision be construed broadly so as to provide for mediation and/or arbitration of all disputes arising out of their relationship as third-party Payer and Medical Group. The parties further agree that resolution of any dispute pursuant to this Agreement shall be in accordance with the procedures detailed below.

1. **External Review Process.**

   Medical Group may elect to subject certain disputes to an external review process ("External Review Election") as follows:

   a. Subject to the provisions of the Provider Manual, Medical Group may elect to subject certain disputes regarding claim payment to the Billing Dispute External Review Process as described therein. The resulting determination with respect to payment of any claims that are the subject of disputes so submitted shall be binding on the parties and not be subject to the other provisions contained herein for dispute resolution.

   b. Subject to the provisions of the Provider Manual, Medical Group may, if Medical Group is acting on behalf of a Subscriber, elect to subject certain disputes concerning a determination by BCBSTX that a service is not or will not be a Covered Service because it is not Medically Necessary or is experimental or investigational in nature ("Adverse Determination") to the External Review process described in the Provider Manual. The resulting determination with respect to the appropriateness of such Adverse Determination shall be binding on the parties and not be subject to the other provisions contained herein for dispute resolution.

2. **Initial Resolution by Meeting or Mediation of Dispute**. If Medical Group has not made an External Review Election, and BCBSTX and Medical Group mutually agree that a meeting to attempt to resolve the dispute would be advantageous, representatives of BCBSTX and Medical Group shall meet not later than thirty (30) calendar days after delivery of the Initial Notice in order to attempt to resolve the dispute. Subsequent meetings may be held, if mutually agreed. If no meeting is mutually agreed, or if the dispute is not resolved at any meetings held, the party giving the Initial Notice shall submit the dispute to mediation by an organization or company specializing in providing neutral, third-party mediators. The mediation process shall be coordinated by the submitting party with the mediator and shall be subject to the following agreed-upon conditions:

   a. The parties agree to participate in the mediation in good faith;

   b. The parties agree to have present at the mediation one or more individuals with decision-making authority regarding the matters in dispute. Either party may, at that party's option, be represented by counsel. Medical Group may, at Medical Group's option, also have present at the mediation a representative of any professional society in which Medical Group is a member;

   c. The mediation will be held within sixty (60) days of the submission to mediation unless the parties mutually agree on a later date. The mediation will be held in one of the following cities, which is closest to the principal office of Medical Group, to be designated in writing by Medical Group, unless BCBSTX and Medical Group mutually agree to an alternative location: Abilene, Amarillo, Austin, Corpus Christi, Dallas, El Paso, Houston, Lubbock, Lufkin, Midland-Odessa, San Angelo, San Antonio, Texarkana, Waco, Wichita Falls, and Brownsville.

   d. The parties shall each bear their own costs and shall each pay one-half of the mediator's fees and costs, unless the mediator determines that one party did not participate in the mediation in good faith, in which case that party shall pay all of the mediator's fees and costs;

   e. The parties agree that the obligation to mediate (but not the obligation to arbitrate) is not applicable to any dispute that was pending in any court on the Effective Date of this Agreement, or that had been submitted to binding arbitration on or before the Effective Date of this Agreement.

3. **Binding Arbitration.** In the event Medical Group has not made an External Review Election and mediation is not successful in resolving the dispute, either BCBSTX or Medical Group may submit

the dispute to final and binding arbitration under the commercial rules and regulations of the American Health Lawyers Association, subject to the following:

a. The arbitration shall be conducted by a single arbitrator selected by the parties from a list furnished by the American Health Lawyers Association. If the parties are unable to agree on an arbitrator from the list, the arbitrator shall be appointed by the American Health Lawyers Association;

b. The arbitrator shall be required to render a written decision resolving all disputes, and designating one party as the "prevailing party";

c. Except in the case of fraud, no arbitration decision may require any adjustment in reimbursements or payments respecting any dispute involving services rendered more than eighteen (18) months prior to receipt of the Initial Notice;

d. The costs of arbitration, including the arbitrator's fee and any reporting or other costs, but excluding lawyers', consultants' and witness fees, shall be borne by the non-prevailing party unless the arbitrator determines as part of the award that such allocation is inequitable under the totality of the circumstances. In the event that the dispute in arbitration concerns the appropriateness of BCBSTX's adjudications of claims, the party challenging the adjudications shall have the initial burden of proving that there is a reasonable probability that the disputed claims adjudications were incorrect adversely to that party. When the other party reasonably determines that it is required in its defense, or is required by the discovery process or otherwise by law, to research the basis for the adjudications of challenged claims for which such reasonable probability has not been proven, the other party shall be awarded the administrative cost for such research for each such claim that is found in the arbitration proceeding, after such research, not to have been adjudicated incorrectly adversely to the challenging party;

e. The arbitration hearing will be held in one of the following cities, to be designated in writing by Medical Group, which is closest to the principal office of Medical Group, to be designated in writing by Medical Group, unless BCBSTX and Medical Group mutually agree to an alternative location: Abilene, Amarillo, Austin, Corpus Christi, Dallas, El Paso, Houston, Lubbock, Lufkin, Midland-Odessa, San Angelo, San Antonio, Texarkana, Waco, Wichita Falls, and Brownsville.

f. Medical Group acknowledges that this arbitration provision precludes Medical Group from filing an action at law or in equity and from having any dispute covered by this Agreement resolved by a judge or a jury. Medical Group further acknowledges that this arbitration provision precludes Medical Group from participating in a class action filed by any other Medical Group or any other plaintiff claiming to represent Medical Group or Medical Group's interest. Medical Group agrees to opt-out of any class action filed against BCBSTX that raises claims covered by this Agreement to arbitrate, including, but not limited to, class actions that are currently pending.

4. **Exceptions**. The foregoing in this **Part X, Section I, Dispute Resolution**, to the contrary notwithstanding, the provisions thereof shall not be applicable to the following:

a. Any legal proceeding brought by a third party against BCBSTX, Medical Group or any Medical Group Provider (a "Defendant"), as well as any cross claim or third-party claim by such Defendant against BCBSTX, Medical Group or Medical Group Provider;

b. The rate of compensation payable to Medical Group for Covered Services pursuant to **Part IV, Compensation**; or

c. Termination of this Agreement pursuant to **Part VIII, Section B, Termination Notice Period**.

J. **Entire Agreement**. This Agreement, together with any attachments hereto contains the entire understanding between the parties and supersedes all prior agreements, either oral or in writing, with respect to the subject matter hereof. In the event of any conflict between the provisions of the

attachments and addenda to this Agreement and the provisions of this Agreement other than the attachments and addenda, the provisions of the attachments and addenda shall prevail.

K. **Force Majeure**. No party will be liable for any failure to timely perform obligations under this Agreement if prevented from doing so by a cause or causes beyond commercially reasonable control including, but not limited to, acts of God or nature, fires, floods, storms, earthquakes, riots, strikes, wars or restraints of government.

L. **Genders and Numbers**. Use of the masculine, feminine or neuter gender and the singular or plural numbers shall be deemed to include the others whenever the context so indicates or requires.

M. **Governing Law**. This Agreement shall be governed in all respects by the laws of the state of Texas as well as any regulations promulgated thereunder, except as otherwise required by Applicable Laws.

N. **Modifications**. This Agreement may be amended and the Provider Manual may be revised as follows:

1. This Agreement may be amended by mutual written agreement of the parties. Notwithstanding the foregoing, however, BCBSTX may amend this Agreement and/or any attachment to the Agreement as follows:

   a. upon thirty (30) days prior Notice to Medical Group or such longer time period as may be required by Applicable Laws when the amendment is not materially adverse to Medical Group. In such event, Medical Group may terminate this Agreement by giving Notice of such termination to BCBSTX within thirty (30) days of Medical Group's receipt of such Notice of amendment, to be effective no earlier than thirty (30) days after such termination Notice is given; or

   b. upon ninety (90) days prior Notice when the amendment is materially adverse to Medical Group. In such event, Medical Group may terminate this Agreement by giving Notice of such termination to BCBSTX within thirty (30) days of Medical Group's receipt of such Notice of amendment, to be effective no earlier than the end of such amendment Notice period, unless within sixty-five (65) days following the date of such amendment Notice BCBSTX gives Notice to Medical Group that BCBSTX will not carry into effect such amendment.

   Medical Group's failure to give Notice of termination to BCBSTX within thirty (30) days of Medical Group's receipt of a Notice of amendment shall constitute agreement to and acceptance of such amendment by Medical Group. The amendment shall be effective on the effective date provided in BCBSTX's Notice of amendment, provided the amendment required by Applicable Laws shall be effective no later than the date required by such law or regulation and may be implemented beginning on that date by BCBSTX.

2. The Provider Manual may be revised by BCBSTX from time to time, or upon ninety (90) days prior Notice, when the revision is materially adverse to Medical Group. In such event, Medical Group may terminate this Agreement by giving Notice of such termination to BCBSTX within thirty (30) days of Medical Group's receipt of such Notice of revision, to be effective no earlier than the end of such revision Notice period, unless within sixty-five (65) days following the date of such revision Notice BCBSTX gives Notice to Medical Group that BCBSTX will not apply such revision to Medical Group.

   Medical Group's failure to give Notice of termination to BCBSTX within thirty (30) days of Medical Group's receipt of a Notice of Provider Manual revision shall constitute agreement to and acceptance of such revision by Medical Group. The revision shall be effective on the effective date provided in BCBSTX's Notice of Provider Manual revision, provided the revision required by Applicable Laws shall be effective no later than the date required by such law or regulation and may be implemented beginning on that date by BCBSTX.

O. **No Solicitation.** Medical Group shall not, and Medical Group shall use best efforts to assure that Medical Group Providers shall not solicit, influence or induce or attempt to solicit, influence or induce any Subscriber to disenroll from any Health Plan or enroll in any other health care plan that would require such Subscriber to disenroll from a Health Plan. Furthermore, Medical Group and

Medical Group Providers shall not solicit, influence or induce employers or other entities with which BCBSTX has entered into agreements to provide health care benefits to cease doing business with BCBSTX or diminish or otherwise affect their business relationship with BCBSTX. BCBSTX shall not solicit, influence or induce or attempt to solicit, influence or induce any Subscriber not to select Medical Group as Subscriber's Primary Care Physician, if applicable.

P. **Partial Invalidity.** If for any reason any provision of this Agreement is held invalid, the remaining provisions shall remain in full force and effect.

Q. **Patient Communications**. Nothing contained in this Agreement is intended to prohibit or discourage Medical Group from discussing with or communicating in good faith to a current, prospective or former patient, or patient's designee, information or opinions regarding: (1) the patient's health care, including, but not limited to, the patient's medical condition or treatment options, including alternative medications, regardless of BCBSTX coverage limitations; or (2) the provisions, terms, requirements or services of the BCBSTX as they relate to the medical needs of the patient.

R. **Patient Protection and Affordable Health Care Act and Health Care and Education Reconciliation Act of 2010**. The parties acknowledge and agree that in the event BCBSTX develops and markets an Exchange plan pursuant to the Patient Protection and Affordable Health Care Act and Health Care and Education Reconciliation Act of 2010, the rates set forth in this Agreement may not be applicable to such Exchange plans.

S. **Retaliation.** BCBSTX acknowledges and agrees not to engage in any retaliatory action against Medical Group, including termination of this Agreement, because Medical Group has on behalf of a Subscriber reasonably filed a complaint against BCBSTX or has appealed a decision of BCBSTX.

T. **Self-Funded Plans.** Medical Group will provide services to persons enrolled in those employer-funded health benefit plans ("Self-Funded Plans"), for which BCBSTX provides administrative services and network access and management, on the same terms and conditions as Medical Group provides such services to Subscribers. Medical Group will be compensated for providing services to persons enrolled in Self-Funded Plans using the same methodology and on the same terms and conditions as are applicable for services provided to Subscribers. Medical Group acknowledges and agrees that BCBSTX does not underwrite the Self-Funded Plans' benefits. The Self-Funded Plans, and not BCBSTX, have sole financial responsibility for all benefits for persons enrolled in Self-Funded Plans.

U. **Use of BCBSTX Name**. Medical Group agrees not to use the names, symbols, marketing names, trademarks or service marks of BCBSTX in any advertising or promotional material or literature without the express, prior, written consent of BCBSTX and will cease any and all usage previously consented to upon withdrawal by BCBSTX of such consent or termination of the Agreement.

V. **Waiver of Breach**. The waiver of any breach of this Agreement by either party shall not constitute a continuing waiver of any subsequent breach of either the same or any other provision of this Agreement.

AMENDMENT TO

BLUE CROSS AND BLUE SHIELD OF TEXAS,
A DIVISION OF HEALTH CARE SERVICE CORPORATION

GROUP MANAGED CARE AGREEMENT
FOR PPO/POS NETWORK PARTICIPATION

This Amendment ("Amendment") is entered into by and between Blue Cross and Blue Shield of Texas, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company (hereinafter referred to as "BCBSTX") and HIDALGO COUNTY HEALTH DEPARTMENT (hereinafter referred to as (" Medical Group ").

WHEREAS, BCBSTX and Medical Group have entered into that certain BCBSTX Individual Group Managed Care Agreement ("Agreement"); and

WHEREAS, BCBSTX and Medical Group mutually desire to amend the Agreement as set forth herein.

NOW, THEREFORE, the parties hereto agree as follows:

1. The Agreement is amended as set forth in Attachment I hereto.

2. The provisions of this Amendment shall be treated as strictly confidential under the confidentiality provisions of the Agreement.

3. Except as modified by this Amendment, the Agreement remains unchanged and in full force and effect.

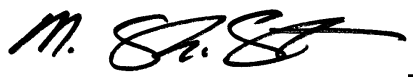
Multiple Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned has executed this Amendment to be effective as of the Effective Date set forth below.

BLUE CROSS AND BLUE SHIELD OF TEXAS,
A DIVISION OF
HEALTH CARE SERVICE CORPORATION

A scanned, imaged, electronic, photocopy or stamp of the signatures hereunder shall have the same force and effect as an originally executed signature

Authorized Signature:



Name: M. Shannon Stansbury

Title: Vice President, Network Management

Date: _____

Effective Date: _____

AMENDMENT TO GROUP MANAGED CARE AGREEMENT

ATTACHMENT I

The Agreement is amended as follows:

1. The following definitions are added to the Agreement:

   Hospital Acquired Conditions (HAC) – means serious preventable medical events which have been identified by the Centers for Medicare Services (CMS) that should never occur in a hospital and as may be more fully described in the Provider Manual.

   Never Events – means, as defined by the National Quality Forum (NQF), adverse events that are serious, but largely preventable, and of concern to both the public and health care providers and as may be more fully described in the Provider Manual.

2. The Subscriber Nonliability and Hold Harmless provision of the Compensation section is amended to add a new paragraph as follows:

   In addition, Medical Group who is responsible in whole or in part for the Never Event or HAC agrees that in no event shall Medical Group bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against Subscriber for identified Never Event or HAC.

3. The Compensation section is amended to include the following new provisions:

   HAC and Never Events. Medical Group shall comply with the standards adopted by BCBSTX for HACs and Never Events as set forth in this Agreement and as may be more fully described in the Provider Manual.

   Disallowance of Services. Any disallowance of Inpatient services as a result of any utilization review, quality assurance or peer review activity, identified Never Event, or identified HAC shall be deducted from BCBSTX's payment obligations to Medical Group who is responsible in whole or in part for the Never Event or HAC. Medical Group has the right to appeal any such decision. All appeals must be in writing and submitted to BCBSTX.

GROUP MANAGED CARE AGREEMENT -- ATTACHMENT A

COMPENSATION / CLAIMS SUBMISSION

A. **Compensation.** Medical Group agrees to accept as compensation for Covered Services the lesser of (1) billed charges or (2) the fee for such service per the then current BCBSTX fee schedule, less any applicable Copayments, Coinsurance or Deductible amounts.

B. **Claims Submission.** Complete and properly executed claims must be submitted to BCBSTX or Payer within one hundred eighty (180) days of the date when services are rendered. Claims not submitted within three-hundred and sixty-five (365) days of the date when services are rendered will not be considered for payment, and Medical Group may not seek payment from Subscriber. For a claim for which coordination of payments applies, the 180-day period does not begin for submission of the claim to the secondary Payer until Medical Group receives notice of the payment or denial from the primary Payer. If Medical Group fails to submit a claim in compliance with this paragraph, Medical Group forfeits the right to payment unless Medical Group has certified that the failure to timely submit the claim is a result of a catastrophic event.

Claims may be submitted (1) electronically in the CMS National Standard Format (NSF) or the current version of the ANSI 837 format or (2) on a completed current version of the applicable CMS claim form.

Medical Group may not submit a duplicate claim prior to the 46th day (for non-electronically filed claims) or the 31st day (for claims filed electronically) after the date the original claim is presumed to be received by BCBSTX. As used herein, "duplicate claim" means any claim submitted by a Medical Group or provider for the same health care service provided to a particular individual on a particular date of service that was included in a previously submitted claim. The term does not include corrected claims.

BCBSTX and BCBSTX's clearinghouse may not refuse to process or pay an electronically submitted Clean Claim because the claim is submitted together with or in a Batch Submission with a claim that is deficient. As used herein, the term "Batch Submission" means a group of electronic claims submitted for processing at the same time within a HIPAA standard ASC X12N837 Transaction Set and identified by a batch control number.

BLUE CROSS AND BLUE SHIELD OF TEXAS,
A DIVISION OF HEALTH CARE SERVICE CORPORATION

MEDICAL GROUP AGREEMENT FOR HMO NETWORK PARTICIPATION

This Agreement is entered into by and between Blue Cross and Blue Shield of Texas, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company, an Independent Licensee of the Blue Cross and Blue Shield Association, ("HMO Blue"), and HIDALGO COUNTY HEALTH DEPARTMENT a professional entity organized in the state of Texas ("Medical Group").

As of the date executed, this Agreement includes the following:

Yes	No		
☒	☐	Medical Group Agreement	Compensation Paid Directly to:
☐	☒	Hospital Based Medical Group Provider Attachment	☒ Group ☐ Group Provider
☒	☐	Attachment A, Compensation – Fee For Service	

HMO Blue has entered into an agreement to delegate one or more activities to Medical Group. HMO Blue's Vice President of Network Management represents HMO Blue concerning delegation agreement matters. This Delegation Agreement includes:

☐	☒	Attachment B, Part 1 Delegated Activities and Monitoring Plan and the following:
☐	☒	Attachment B, Part 2 Credentialing
☐	☒	Attachment B, Part 3 Utilization Management
☐	☒	Attachment B, Part 4 Claims
☐	☒	Attachment C, Performance Incentives
☐	☒	Business Associate Addendum

In addition, Medical Group has entered into:

☐	☒	Financial Assurance Agreement
☐	☒	Subdelegation Consent Agreement

Medical Group is a:
☒ Specialist Group
☐ Primary Care Physician Group
☐ Primary and Specialty Care Group

Any Notice to be given pursuant to the terms and provisions of this Agreement shall be sent to HMO Blue at:

HMO Blue® Texas
4444 Corona, #120
Corpus Christi, TX 78411

and to Medical Group and/or Medical Group Providers at:

HIDALGO COUNTY HEALTH DEPARTMENT
1304 S 25TH AVE
EDINBURG, TX 785427205

Multiple Counterparts. The Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the Effective Date set forth below.

HMO BLUE	**MEDICAL GROUP**
A scanned, imaged, electronic, photocopy or stamp of the signatures hereunder shall have the same force and effect as an originally executed signature.	
Authorized Signature:	Authorized Signature:
_____	_____
Printed Name: M. Shannon Stansbury	Printed Name: _____
Title: Vice President, Network Management	Title: _____
Date: _____	Date: _____
Effective Date: _____	NPI: 1932146636

MEDICAL GROUP AGREEMENT

PART I. DEFINITIONS

AFHC Program means Blue Cross and Blue Shield Association's Away From Home Care® Program.

Agreement means this contract and all attachments and amendments appended hereto.

Applicable Laws means all federal and Texas laws and regulations that are applicable to any provisions of this Agreement, including, without limiting the foregoing, laws applicable to an HMO certified under the Texas Insurance Code.

Capitated Services means those Covered Services (that are not Out-of-Network Services) as defined in Attachment A for which a Participating Provider receives Capitation in lieu of fee-for-service payments.

Capitation means a payment system which pays a fixed actuarially determined amount per month for each HMO Blue Member and which may be based on such factors as age, sex and benefit plan.

Capitation Fees means, if applicable, the amount prepaid by HMO Blue in exchange for a Participating Provider's obligation to render the Capitated Services set forth in Attachment A pursuant to the terms of the Agreement.

Clean Claim means a clean claim as defined by applicable Texas law and regulation.

Coinsurance means, if applicable, the specified percentage of the fee for a Covered Service that is payable by the Member pursuant to the Membership Agreement. The Member's obligation to make Coinsurance payments may be subject to an annual out-of-pocket maximum specified in the Membership Agreement.

Copayment means the amount required to be paid to Medical Group or Medical Group Provider by or on behalf of a Member in connection with the services rendered by the Medical Group or Medical Group Provider.

Covered Services means those health services specified and defined as Covered Services under the terms of a Member's Health Plan.

Debarment means the prohibition of a Provider from receiving compensation for services provided under any federal health benefit plan or program, including, without limiting the foregoing, Medicare, Medicaid, and the Federal Employees Health Benefits Plan ("FEP"), as reported by the federal Office of Personnel Management ("OPM"), Office of the Inspector General ("OIG"), the Center for Medicare and Medicaid Services ("CMS"), Office of Foreign Assets Control ("OFAC") or other applicable agency.

Deductible means, if applicable, the specified annual amount of payment for certain Covered Services, expressed in dollars, that the Membership Agreement requires the Member to pay before the Member can receive any benefits under the Membership Agreement for the Covered Services to which the Deductible applies.

Delegated Entity means an entity other than a health maintenance organization that, by itself, or through subcontracts with one or more entities, is contracted with HMO Blue to arrange for or to provide medical care or health care to Members in exchange for predetermined payment on a prospective basis and that accepts responsibility to perform on behalf of Health Plan any function regulated by the Texas Insurance Code. The term does not include an individual physician or a group of employed physicians practicing medicine under one federal tax identification number and whose total claims paid to providers not employed by the group is less than twenty percent (20%) of the total collected revenue of the group calculated on a calendar year basis.

Delegated Network means any Delegated Entity that assumes total financial risk for more than one of the following categories of health care services: medical care, hospital or other institutional services, or prescription drugs, as defined by applicable law regulating pharmacies in the state of Texas. The term does not include a Delegated Entity that shares risk for a category of services with a health maintenance organization.

Designated Members means those Members who have selected or been assigned to, and been accepted by, a Medical Group Provider who is acting as the Members' Primary Care Physician.

Emergency Care means health care services provided in a Hospital emergency facility or comparable facility to evaluate and stabilize medical conditions of a recent onset and severity, including but not limited to severe pain, that would lead a prudent layperson possessing an average knowledge of medicine and health to believe that such person's condition, sickness or injury is of such a nature that failure to get immediate medical care could result in: (1) placing the patient's health in serious jeopardy; (2) serious impairment to bodily functions; (3) serious dysfunction of any bodily organ or part; (4) serious disfigurement; or (5) in the case of a pregnant woman, serious jeopardy to the health of the fetus.

Health Plan means any group or individual health benefits plan whether insured or self-funded which provides its participants access to health care services that is operated, administered or underwritten, in whole or in part by HMO Blue, a subsidiary, an affiliate of HMO Blue, and that has entered into any agreement to provide or administer Covered Services. The term affiliate includes, but is not limited to, any licensed entity associated with the Blue Cross and Blue Shield Association that participates in the AFHC Program, or in which Health Care Service Corporation has an ownership interest.

Hospital means either: (1) a licensed and accredited health facility which is, for compensation, primarily engaged in providing medical, diagnostic and surgical facilities for the care and treatment of sick and injured patients on an Inpatient basis, and which provides such facilities under the supervision of a staff of physicians and twenty-four (24) hour a day nursing service by registered nurses (a facility which is principally a rest home, nursing home or home for the aged is not included); (2) a psychiatric Hospital licensed as a health facility and accredited by the Joint Commission on Accreditation of Healthcare Organizations; or (3) a licensed health facility operated primarily for the treatment of alcoholism and/or drug abuse accredited by the Joint Commission on Accreditation of Healthcare Organizations.

In-Network Services means Covered Services provided to Members of HMO Health Plans and of POS Plans to the extent the Covered Services are provided in accordance with the Health Plan's requirements for in-network benefits set forth in the applicable Membership Agreement. Except for Emergency Care, such services generally must be provided in the Service Area by Members' Primary Care Physicians or obtained through a network of Participating Providers with a Proper Referral and with Preauthorization, where required.

Inpatient means a Member admitted to a Hospital as a registered bed patient and who requires the acute bed patient overnight setting.

Institutional and Other Services means those non-physician Covered Services provided by or through a state licensed facility or entity. Such services include, but are not limited to, Inpatient or Outpatient Hospital services, skilled nursing facility services, ambulance services and pharmacy services.

Limited Provider Network means a subnetwork within an HMO delivery network in which contractual relationships exist between physicians, certain Providers, independent physician associations and/or physician groups which limit Members' access to only the physicians and Providers in the subnetwork.

Medical Director means a physician designated by HMO Blue, or such physician's designee, who is responsible for monitoring the provision of Covered Services to Members.

Medical Group means the above named entity that has entered into this Agreement with HMO Blue to provide or arrange for the provision of Covered Services to Members. Where applicable by context, Medical Group also means Medical Group Providers. Medical Group shall require that Medical Group Providers comply with the provisions of this Agreement that are applicable by context to Medical Group Providers.

Medical Group Provider means an individual physician or Provider appropriately licensed to provide health care services who participates with Medical Group and includes, without limiting the foregoing, Medical Group Primary Care Physician, Medical Group Specialist, and Medical Group Obstetrician/Gynecologist.

Medically Necessary or **Medical Necessity** means health care services that a Medical Group or Medical Group Provider, exercising prudent clinical judgment, would provide to a Member for the purpose of preventing, evaluating, diagnosing or treating an illness, injury, disease or its symptoms, and that are: (a) in accordance with generally accepted standards of medical practice; (b) clinically appropriate, in terms of type, frequency, extent, site and duration, and considered effective for the Member's illness, injury or disease; and (c) not primarily for the convenience of the Member, Medical Group or Medical Group Provider, or other health care provider, and not more costly than an alternative service or sequence of services at least as likely to produce equivalent therapeutic or diagnostic results as to the diagnosis or treatment of that Member's illness, injury or disease. For these purposes, "generally accepted standards of medical practice" means standards that are based on credible scientific evidence published in peer-

reviewed medical literature generally recognized by the relevant medical community, Physician Specialty Society recommendations and the views of Physicians practicing in relevant clinical areas and any other relevant factors.

Member means an individual who is eligible to receive Covered Services under a Health Plan.

Membership Agreement means the Member's group or individual service agreement/certificate of coverage, schedule of benefits and any supplemental benefit riders, or comparable contractual documents describing the scope and conditions of coverage under the Member's Health Plan.

Notice means any notice required or allowed to be given pursuant to the terms and provisions of this Agreement. Notices shall be sent in writing by United States mail, certified mail, traceable commercial delivery, or electronic transmission, and shall be deemed to be given when received. Notices sent by United States mail shall be deemed to be received on the third business day following their deposit in the United States mail.

Obstetrician/Gynecologist means a Participating Specialist who may be selected by a female Member to provide: (1) well-woman exams; (2) obstetrical care; (3) care for all active gynecological conditions; and (4) diagnosis, treatment and referral for any disease or condition within the scope of the professional practice of the Obstetrician/Gynecologist.

Out-of-Network Services means Covered Services provided to Members of POS Plans which are not In-Network Services.

Outpatient means a Member receiving Covered Services but not as an Inpatient.

Participating means a Provider is under contract with HMO Blue or an affiliate of HMO Blue to provide Covered Services to Members. The Participating Provider may be contracted either (1) directly, or (2) indirectly through a subcontract with a Participating Medical Group, independent practice organization or physician hospital organization or similar organization.

Payer means an entity other than HMO Blue that is financially responsible for payment for Covered Services under a Health Plan.

POS Plan means a point-of-service Health Plan offered or administered by an HMO under which a Member can choose, at the time Member seeks covered non-emergency care, whether to obtain In-Network Services or Out-of-Network Services.

Preauthorization means HMO Blue's prior approval of the Medical Necessity of certain services provided to Members under the terms of their Membership Agreement.

Primary Care Physician means a Participating physician who has agreed to be responsible for providing basic health services, coordinating the care of individual Members, and as applicable, referring those Members to other Participating Providers.

Proper Referral means a referral issued by a Member's Primary Care Physician pursuant to the applicable UM Program, for a Member to receive a particular In-Network Service within a specified time frame. Proper Referrals are required for all In-Network Services provided to Members that are not provided by the Member's Primary Care Physician, except for: (1) Emergency Care, (2) In-Network Services, including behavioral health services, obtained by a Member by self-referral to a Participating Provider, as expressly permitted by Member's Membership Agreement or as required by Applicable Laws; (3) Obstetrical and Gynecological care; and (4) Urgent Care services which are Covered Services under Member's Membership Agreement. A Proper Referral from the Member's Primary Care Physician must identify the particular Participating Provider (or non-Participating Provider, if approved by HMO Blue or the applicable UM Agent) who is to provide the service. Where the Membership Agreement requires a particular In-Network Service to be Preauthorized in order to be a Covered Service, a Proper Referral must include such Preauthorization.

Provider means any appropriately licensed provider of health care services.

Provider Manual means HMO Blue policies, procedures, and guidelines as set forth in a manual as supplemented by written materials, including HMO Blue Provider correspondence and the Blue Cross and Blue Shield of Texas Web site, which may be revised from time to time, subject to the provisions of **Part X, General Provisions, Section N, Modifications**. In the event of a conflict between the Provider Manual and terms of this Agreement, the terms of this Agreement shall apply.

Service Area means that geographic area served by HMO Blue.

Specialist means a Participating Provider who is a physician or health care professional, other than a Primary Care Physician.

UM Agent means an entity that is a licensed utilization review agent under Applicable Laws and is designated to perform utilization management ("UM") in connection with the care of Members of a Health Plan, which is usually indicated on the Member's identification card. The administrator of the applicable Health Plan may designate HMO Blue or another licensed utilization review agent to act as UM Agent for purposes of this Agreement and may designate one or more UM Agents to perform various UM activities. To the extent that HMO Blue has been designated as the UM Agent, HMO Blue may delegate any of HMO Blue's obligations to perform UM to any other entity licensed or otherwise permitted, in accordance with Applicable Laws, to perform UM in Texas.

UM Program means the guidelines, standards and procedures for UM activities that are used in connection with the applicable Health Plan, as more fully described in this Agreement.

Urgent Care means medical care that is delivered in a facility dedicated to the delivery of unscheduled, walk-in medical care that is not Emergency Care to any Member outside of a Hospital emergency department or comparable facility.

PART II. OBLIGATIONS OF MEDICAL GROUP

A. **Covered Services**.

1. If Medical Group includes Primary Care Physicians, each Medical Group Primary Care Physician shall provide all primary care services to Designated Members within the scope of Primary Care Physician's practice or license and agrees to assume primary responsibility for coordinating the overall health care of Designated Members and to provide or arrange for all other Covered Services subject to the terms and conditions of this Agreement. Further, such Primary Care Physician shall make available to Members those health education programs routinely provided by Primary Care Physician.

2. If Medical Group includes Specialists, each Medical Group Specialist shall accept as patients those Members who are referred by a Primary Care Physician or Obstetrician/Gynecologist, or as a result of Emergency Care, and shall provide to such Members those Covered Services that such Specialist commonly performs within Specialist's scope of practice or license subject to the terms and conditions of this Agreement.

B. **Availability**. Medical Group shall ensure that Covered Services are readily available during Medical Group's regular business hours on business days, and that Emergency Care Covered Services are available twenty-four (24) hours per day, seven (7) days per week, including holidays. Medical Group shall provide such services in the same manner, in accordance with the same standards, and within the same time availability as such services are provided to other patients without regard to the degree or frequency of utilization of such Covered Services by Members. In the event Medical Group Provider is temporarily unavailable, Medical Group Provider may provide Covered Services through a designee, provided that such designee, must have an equivalent competence and specialty, and must agree to provide Covered Services to Members under the same compensation arrangements and comply with HMO Blue procedures. Medical Group may make a special arrangement with HMO Blue in the event of the extended temporary absence of a Medical Group Provider. A Primary Care Physician or designee shall be available at all times to direct patient care rendered by Hospital emergency department personnel for determination of appropriateness and Medical Necessity and to provide post-stabilization treatment to Members following Emergency Care. Medical Group acknowledges and agrees that such requests must be responded to by Medical Group within the time appropriate to the circumstances, but in no case to exceed one (1) hour.

C. **Standard of Care**. Medical Group shall, and shall require Medical Group Providers to, comply with Applicable Laws and all applicable professional standards, and shall provide Covered Services in accordance with generally accepted medical and surgical practices and standards prevailing at the time of treatment. In addition, Medical Group and Medical Group Providers shall comply with the standards adopted by HMO Blue's quality improvement and UM Program set forth in the Provider Manual.

D. **Licensure and Medical Staff Requirements**. Medical Group warrants and represents as a material term of this Agreement that each Medical Group Provider has and will continue to have, as long as this Agreement remains in effect, all the requisite licenses/certifications required by the state of Texas and such other governmental and professional boards and bodies having authority over Medical Group Provider's business/profession, including, where applicable, a currently valid, unrestricted license to practice medicine in the state of Texas, and further that each Medical Group Provider who is a physician is and will be a member in good standing with admitting privileges at, and on the staff of at least one Participating Hospital. Except with respect to stabilization following Emergency Care, Medical Group will require that Members be admitted only to Participating Hospitals unless HMO Blue Preauthorizes the admission.

E. **Proper Referral and Preauthorization**.

1. Medical Group Primary Care Physicians or Medical Group Obstetrician/Gynecologists referring a Member to another Provider for treatment shall comply with all Proper Referral and Preauthorization procedures set forth in this Agreement and in the Provider Manual. Medical Group Providers will only refer to Participating Providers except in cases of Emergency Care or, if Preauthorized by HMO Blue, when no Participating Providers are available to provide the necessary services as required by the Applicable Laws.

2. Medical Group Specialist shall comply with all Proper Referral and Preauthorization procedures set forth in this Agreement and in the Provider Manual. Medical Group Specialists shall provide Covered Services to Members only upon a Proper Referral or Preauthorization, as applicable, except in cases requiring Emergency Care. Medical Group Specialist shall discuss with and seek approval from the referring Participating physician prior to rendering or arranging any continuing treatment which is beyond the specific treatment described in the Proper Referral. In addition, Medical Group Specialist shall not refer a Member to another physician or Provider without the prior concurrence of the Member's Primary Care Physician or Obstetrician/Gynecologist, as applicable.

3. Members may directly access an Obstetrician/Gynecologist and such Obstetrician/Gynecologist shall provide Covered Services for: (a) well woman exams; (b) obstetrical care; (c) care for all active gynecological conditions; and (d) diagnosis, treatment and referral for any disease or condition within the scope of the professional practice of the Obstetrician/Gynecologist. Information regarding Member's care will be shared with Member's Primary Care Physician. If Member's Primary Care Physician is in a Limited Provider Network, a Member may only directly access an Obstetrician/Gynecologist who is in the same Limited Provider Network unless no such Obstetrician/Gynecologist is available. Preauthorization by HMO Blue is necessary for a Member to access an Obstetrician/Gynecologist who is not in the Member's Limited Provider Network.

4. Subject to the terms of Member's Membership Agreement, Member may directly access Covered Services that are Urgent Care. Information regarding Member's care will be shared with Member's Primary Care Physician. If Member's Primary Care Physician is in a Limited Provider Network, a Member may only obtain Urgent Care in a facility that is in the same Limited Provider Network unless no such facility is available. Preauthorization by HMO Blue is necessary for a Member to access such a facility that is not in the Member's Limited Provider Network.

5. When Medical Group is a Limited Provider Network or a Delegated Entity, if Medically Necessary Covered Services are not available for a Member through Medical Group Providers, Medical Group must, on request of a physician who is a Medical Group Provider, allow a Proper Referral to a Provider that is not Participating. Medical Group shall fully compensate the non-Participating Provider at the usual and customary or an agreed upon rate when Medical Group is a Delegated Entity. The Proper Referral shall be allowed within the time appropriate to the circumstances relating to the delivery of the services and the condition of the patient, but not later than the 5th business day after the date any reasonably requested documentation is received by Medical Group. The Member may not be required to change the Member's Primary Care Physician or specialist Providers to receive Medically Necessary Covered Services that are not available within Medical Group. The decision of Medical Group must be subject to a review by a specialist of the same or similar specialty as the type of Provider to whom a referral is requested before Medical Group may deny a referral. A denial of a referral for services by a non-Participating Provider under this section is subject to appeal under the provisions for appeal of adverse determinations contained in the Texas Insurance Code.

6. Costs of services rendered by Medical Group without a Proper Referral or Preauthorization where required shall be the financial responsibility of Medical Group. The involvement of HMO Blue or other administrator of any Health Plan and/or the applicable UM Agent or a Delegated Entity in decisions relating to the coverage of services rendered to Members under Health Plans shall not diminish the ultimate and sole responsibility of Medical Group for any professional authority over their professional practice with respect to the care of such Members. Covered Services of Hospital based physicians and Providers are authorized when they are associated with Covered Services for which a Proper Referral has been issued.

7. Subject to the procedures contained in the Provider Manual, Preauthorization is not an assurance or guarantee of payment; however, Payer or HMO Blue will not deny a claim for Preauthorized services solely on the basis that they were not Medically Necessary unless the requesting Provider has materially misrepresented the proposed services or the Member's condition. HMO Blue may deny a claim for a Preauthorized service when the Provider has substantially failed to perform the proposed services.

F. **Facilities, Equipment and Staff**. The following requirements shall be met or performed by Medical Group and/or Medical Group Providers, as applicable:

1. Provide and maintain facilities and/or equipment which are of adequate capacity, clean, safe, readily accessible to Members and, where appropriate, properly licensed and/or registered.

2. Assure the appropriate supervision of, licensure/certification of, and insurance coverage for, all employed or subcontracted staff that provide Members Covered Services that are performed under the direction of Medical Group Providers.

3. Have written policies that are implemented and enforced and that describe the duties of any employed or subcontracted physician assistants, advanced practice nurses and other individuals other than physicians in accordance with statutory requirements for licensure, delegation, collaboration and supervision as appropriate.

4. If Medical Group is a Limited Provider Network, maintain a sufficient number of physicians and Providers to provide Covered Services to Members within the Limited Provider Network.

If any employee or subcontractor of Medical Group violates any of the provisions of Applicable Laws or the Provider Manual or commits any act or engages in any conduct for which Medical Group's license/certification may be revoked or suspended by the state of Texas (whether or not such authority revokes or suspends said license/certification) or is otherwise disciplined by such licensing authority or any professional organization having authority over such employee or contracting agent, HMO Blue may immediately require such employee or subcontractor to cease providing services to Members under this Agreement.

G. **Administrative Services**. Medical Group shall perform or contract for all administrative and support services necessary for Medical Group to perform Medical Group's obligations under this Agreement and as set forth in the Provider Manual.

H. **HMO Blue Complaint Procedures.** Medical Group and Medical Group Providers shall cooperate with HMO Blue in identifying, processing and in supporting HMO Blue's resolution of all Member complaints and grievances pursuant to the Member complaint procedures set forth in the Membership Agreement. Medical Group also agrees to cooperate with HMO Blue in identifying, processing and resolving all Provider complaints and use the Provider complaint procedure described in the Provider Manual, in the event Medical Group has a complaint from a Medical Group Provider, a non-Medical Group Participating Provider or a non-Participating Provider. Each Medical Group Provider shall post in Medical Group Provider's office(s) a notice to Members regarding the process for resolving complaints with HMO Blue substantially in the form recommended by the Texas Department of Insurance (TDI). The notice must include TDI's toll-free telephone number for filing complaints. Medical Group shall forward to HMO Blue all written and oral complaints from Members within four (4) calendar days of receipt, unless a shorter period is required by Applicable Laws or applicable accreditation standards. Medical Group shall respond in an accurate, appropriate and complete manner to HMO Blue inquiries and document requests within three (3) calendar days when they relate to TDI complaints, and within five (5) calendar days when they relate to Member and Provider inquiries and complaints. When Medical Group is a Delegated Entity under Part 3 or Part 4 of Attachment B, of the Delegation Agreement, Medical Group shall maintain a log containing all Member and Provider complaints setting forth the date and nature of each complaint, where the complaint originated, and whether the complaint was made orally or in writing. The logs shall be

available for review by HMO Blue during normal business hours and copies must be provided by Medical Group to HMO Blue upon request.

I. **Member Identification**. Medical Group Provider shall request Member to present Member's HMO Blue identification card each time Member seeks Covered Services and, if applicable, by checking the membership list provided by HMO Blue in accordance with this Agreement. For patients claiming enrollment in HMO Blue, but not appearing on the membership list, Medical Group Provider shall request eligibility information by telephoning HMO Blue or by other electronic means established by HMO Blue. However, obtaining information concerning eligibility at the time of service by Medical Group as described in this Agreement is not verification and does not guarantee payment by HMO Blue in the event that Member is later determined to have been ineligible for benefits at the time of service.

J. **Termination of the Medical Group/Patient Relationship**.

1. Under certain circumstances, Medical Group Provider may terminate Medical Group Provider's professional relationship with a Member as provided for and in accordance with the provisions of the Provider Manual. Medical Group Provider may not terminate Medical Group Provider's relationship with a Member because of such Member's medical condition or the amount, types or cost of Covered Services that are required by the Member.

2. Medical Group acknowledges that a Member may request transfer to another Participating physician or Medical Group Provider's care in accordance with the Member's Membership Agreement. Medical Group shall require that the Medical Group Provider provide patient records, reports and other documentation regarding such Member at no cost upon request in order to facilitate such transfer.

K. **Required Disclosures**. Medical Group shall notify HMO Blue at least thirty (30) days in advance if there is a change in the business address, telephone number, hours of operation, tax identification number, other billing information or services provided by Medical Group or Medical Group Provider. Additionally, Medical Group shall notify HMO Blue immediately in writing upon the occurrence of any of the following events:

1. Medical Group's, Medical Group Provider's, or any Medical Group employee's or subcontractor's applicable license or certification to practice in Texas or DEA/DPS registration is suspended, revoked, terminated or subject to terms of probation or other restriction (whether or not such action is stayed); or Debarment of Medical Group, Medical Group Provider, or any Medical Group employee or subcontractor, or inclusion of Medical Group, Medical Group Provider, or any Medical Group employee or subcontractor in the OFAC/OIG/GSA/OPM list;

2. A Medical Group Provider's medical staff privileges at any Hospital are denied, suspended, restricted, revoked or voluntarily relinquished in lieu of disciplinary action;

3. Medical Group, Medical Group Provider or any Medical Group employee or subcontractor, becomes the subject of any disciplinary proceeding, Debarment or action before the Texas State Board of Medical Examiners or a similar agency in any state;

4. A Medical Group Provider, or any Medical Group employee or subcontractor, is charged with or indicted for, or convicted of, fraud or a felony;

5. An act of nature or any event beyond Medical Group's reasonable control occurs, which substantially interrupts all or a portion of Medical Group's business or practice or which has a materially adverse effect on Medical Group's ability to perform Medical Group's obligations under this Agreement;

6. The material modification or termination, or reduction in the amount, of the insurance coverage required for participation in HMO Blue, or replacement of coverage which is canceled or terminated;

7. Medical Group or Medical Group Provider learns of any claim or malpractice action or other lawsuit or other action brought against Medical Group or any Medical Group Provider, or Medical Group employee or subcontractor, or becomes aware of a malpractice judgment or settlement against Medical Group, Medical Group Provider or any Medical Group employee or subcontractor;

8. Significant changes in administrative capacity, including information systems, and operational staff that may have a material adverse effect on Medical Group's ability to perform Medical Group's obligations under this Agreement; or

9. Any other situation which could reasonably be expected to affect the ability of Medical Group to carry out Medical Group's obligations under this Agreement.

L. **Provider Directory.** Medical Group agrees that HMO Blue may list such information as Medical Group or Medical Group Provider's name, specialty, address, telephone number and board status and other information in HMO Blue publications provided to Participating physicians, Participating Providers and Members and may use such information in advertising and marketing materials.

M. **Medical Group Status**.

1. Medical Group certifies that neither Medical Group, Medical Group Providers nor Medical Group's employees or subcontractors have been: (a) charged with a criminal offense in connection with obtaining, attempting to obtain, or performing of a public (federal, state or local) contract or subcontract, (b) listed by a federal governmental agency as debarred, (c) proposed for Debarment or suspension or otherwise excluded from federal program participation, (d) been convicted of or had a civil judgment rendered against Medical Group, Medical Group Providers, Medical Group's employees or subcontractors regarding dishonesty or breach of trust, including but not limited to, the commission of a fraud including mail fraud or false representations, violation of a fiduciary relationship, violation of federal or state antitrust statutes, securities offenses, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; or (e) within a three (3) year period preceding the date of this Agreement, had one or more public transactions (federal, state or local) terminated for cause or default.

2. Medical Group acknowledges and agrees that Medical Group has a continuing obligation to notify HMO Blue in writing within seven (7) business days if any of the above-referenced representations change. Medical Group further acknowledges and agrees that any misrepresentation of Medical Group's status or any change in Medical Group's status at any time during the term of this Agreement may be grounds for immediate termination of this Agreement, at the sole discretion of HMO Blue.

N. **HMO Blue Credentialing Procedures**. Medical Group shall cooperate and comply with, and be subject to, HMO Blue credentialing and recredentialing policies and procedures. Medical Group further acknowledges and agrees, except as may be required by Applicable Laws, a Medical Group Provider will not become a Participating Provider in HMO Blue until approved by HMO Blue pursuant to such credentialing policies and procedures and that continued participation in HMO Blue is subject to the recredentialing process at intervals provided for in such policies and procedures.

O. **Capacity**. Each Member shall select a Primary Care Physician in accordance with the procedures set forth in the Membership Agreement. Medical Group and each Medical Group Provider who is a Primary Care Physician agree to accept Members who have selected or who have been assigned to the Primary Care Physician unless Medical Group notifies HMO Blue that the Primary Care Physician's entire practice is closed to new patients of HMO Blue as well as new patients of all other health plans or unless the Primary Care Physician's practice contains 300 Members. Medical Group must give HMO Blue not less than ninety (90) day prior Notice of closing a Primary Care Physician's practice to new Members. Notwithstanding practice closure, Medical Group agrees to accept all existing patients who are or become Members. Medical Group agrees that HMO Blue shall have no obligation to guarantee any minimum number of Members to Medical Group and that Medical Group shall accept all patients enrolling as HMO Blue Members.

P. **Medical Group Subcontracts with Physicians and Providers.**

1. Medical Group shall furnish to HMO Blue in advance of its use the standard form of all subcontracts between Medical Group and any Medical Group Providers, including any material changes to such forms, in accordance with Applicable Laws and the Provider Manual. In addition, Medical Group shall provide to HMO Blue the executed signature page of each such contract and any material changes to such contract. Medical Group will ensure such Medical Group Providers comply with all terms and conditions set forth in the Membership Agreement and this Agreement.

2. Contracts between Medical Group and Medical Group Providers must contain provisions requiring such Medical Group Providers to comply with the provisions of this Agreement, and the Provider Manual where applicable, and must allow such Medical Group Providers to terminate such contracts on ninety (90) days advance Notice, and may not contain restrictions on such Provider's right to contract directly, or indirectly, through another medical group, with HMO Blue after termination of such Medical Group Provider's contract with Medical Group.

PART III. OBLIGATIONS OF HMO BLUE

A. **Provider Manual**. HMO Blue shall make available to Medical Group the Provider Manual. The Provider Manual may be revised by HMO Blue from time to time and in accordance with this Agreement. Where practicable, HMO Blue shall use best efforts to provide advance Notice to Medical Group of substantive changes to the Provider Manual.

B. **Identification Cards**. HMO Blue shall issue identification cards to Members.

C. **Membership List**. If applicable, HMO Blue shall notify Medical Group of Designated Members selecting Medical Group as their Primary Care Physician and will provide membership lists to Medical Group as set forth in the Provider Manual.

D. **Assignment of Members**. If a Member does not select a Primary Care Physician at the time of application or enrollment, HMO Blue may assign Member to a Primary Care Physician. If HMO Blue elects to assign Member, the assignment shall be made in a manner that results in a fair and equal distribution of Members among Primary Care Physicians. If applicable, HMO Blue shall notify Medical Group of Designated Member's assignment within thirty (30) working days of the assignment.

E. **Service Preauthorizations**. HMO Blue shall Preauthorize Covered Services as set forth in the Provider Manual and in accordance with provisions of this Agreement.

F. **Administrative Services**. HMO Blue shall be responsible for all administrative activities necessary or required for the operation of a health maintenance organization. Such activities shall include, but are not limited to, marketing, advertising, customer service, underwriting, establishment and collection of premiums, maintenance of membership (non-medical) records, accounting, maintenance of a medical management information system and negotiation of contracts with Providers of Covered Services.

G. **Advisory Review Panel**. HMO Blue may establish one or more health services delivery advisory review panels to advise HMO Blue on a variety of issues. Medical Group Providers may be requested from time to time by HMO Blue to serve as members on such panels.

H. **Credentialing**. HMO Blue shall administer a credentialing and recredentialing program pursuant to which the credentials of Provider applicants are reviewed and approved for acceptance as Participating Providers.

I. **Complaints.** HMO Blue will establish and maintain a complaint procedure as required by the Provider Manual and Applicable Laws.

PART IV. COMPENSATION

A. **Payment**.

1. **Claims Payment**. HMO Blue or Payer shall pay Medical Group for Covered Services rendered to Members less any applicable Member Copayments, Coinsurance or Deductible amounts as described in **Attachment A, Compensation/Claims Submission**. Medical Group shall accept such compensation, and any applicable Member Copayment, Coinsurance or Deductible as Medical Group's only compensation for Covered Services. HMO Blue or Payer shall make such payment for services within forty-five (45) days of receipt of Clean Claims in a nonelectronic format or within thirty (30) days of receipt of Clean Claims that are electronically submitted. If the Health Plan is a secondary insurer, then a claim must include the amount paid as a covered claim by the primary insurer to be a Clean Claim. Any dispute arising from such payment shall be resolved in accordance with **Part X, General Provisions, Section I, Dispute Resolution**.

2. **Recovery of Overpayments and Underpayments.**

a. In the event that HMO Blue determines an overpayment, including a duplicate payment, has

been made, Medical Group and/or Medical Group Provider agrees to promptly make repayment to HMO Blue or Payer when requested. If Medical Group and/or Medical Group Provider fail to make such repayment or appeal such determination within the time period specified in Applicable Laws, Medical Group and/or Medical Group Provider shall allow overpayments to be deducted from future payments, for the same or different Members, with an explanation of the action taken.

b. Overpayments determined by Medical Group and/or Medical Group Provider on a claim or claims, including duplicate payments, shall be refunded promptly to HMO Blue, but in no event later than thirty (30) days following such determination.

c. Any underpayments shall be added to future payments by HMO Blue to Medical Group and/or Medical Group Provider.

d. Any dispute arising from a deduction or payment with respect to an overpayment or underpayment shall be resolved in accordance with the Provider complaint procedures set forth in **Part II, Obligations of Medical Group, Section H, HMO Blue Complaint Procedures**.

3. **Deadline for Reconsideration**. Requests for reconsideration of claims payment determination must be in writing, include all pertinent information, and sent as directed and within the deadline, all as specified in the Provider Manual.

B. **Copayments, Coinsurance and Deductibles**. The collection of Member Copayments, Coinsurance or Deductible amounts is the sole responsibility of Medical Group Provider. Medical Group shall require Medical Group Providers to diligently pursue, and have responsibility for, collection of any applicable Copayment, Coinsurance or Deductible amount from Members and shall in no event offer, publicize or advertise any waiver or other reduction of any Copayment, Coinsurance or Deductible amount unless specifically authorized in writing by HMO Blue. All Copayments, Coinsurance and Deductible amounts shall be as specified in the Membership Agreement, and the amounts of the Copayments, Coinsurance or Deductible which Medical Group Provider is authorized to collect from the Member shall not exceed the amounts so specified.

C. **Claims and Encounter Data**. Medical Group shall submit complete and properly executed claims or encounter information to HMO Blue within the required filing period, as described in **Attachment A, Compensation/Claims Submission**.

D. **Member Nonliability and Hold Harmless**.

1. Medical Group hereby agrees that in no event, including, but not limited to, non-payment by HMO Blue or Payer, insolvency of HMO Blue or Payer or breach of this Agreement, shall Medical Group or Medical Group Providers bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against Member or persons other than HMO Blue acting on Member's behalf for Covered Services. This provision shall not prohibit collection of supplemental charges or Copayments, Coinsurance or Deductible amounts payable in accordance with the terms of Member's Membership Agreement.

2. Medical Group further agrees that: (a) this provision shall survive the termination of this Agreement regardless of the cause giving rise to termination and shall be construed to be for the benefit of the Member; and (b) this provision supersedes any oral or written contrary agreement now existing or hereafter entered into between Medical Group or a Medical Group Provider and Member or persons acting on their behalf.

3. Any modifications, additions or deletions to the provisions of this section shall become effective on a date no earlier than fifteen (15) days after the Commissioner of Insurance has received written notice of such proposed changes.

E. **Services Included in Medical Group Compensation**. Compensation by HMO Blue for Covered Services provided by Medical Group within the scope of Medical Group's practice or license is inclusive of the cost of incidental services in support of such Covered Services. Compensation for such incidental services may not be billed separately by Medical Group or another Provider or other entity; provided that professional services necessary for the treatment of the Member that require the use of equipment that is supplied or arranged for by Medical Group may be billed separately by the person providing those professional services. Only Medical Group may bill HMO Blue for all services provided to Member at Medical Group's or Medical Group Provider's facility.

F. **Billing for Non-Covered Services**. In the event that HMO Blue determines and informs Medical Group that a proposed service is not a Covered Service, including but not limited to services that are determined to be experimental/investigational or not Medically Necessary, Medical Group must inform the Member in writing in advance of the service being rendered that the service is a non-Covered Service in order to be allowed under this Agreement to bill the Member for the service rendered. The Member must also acknowledge this disclosure in writing and agree to accept the service as a non-Covered Service billable directly to the Member. In the event that the Member's benefits are exhausted, Medical Group may continue to provide treatment to the Member if the Member agrees in writing to pay for those services; provided, however, that Medical Group may not charge the Member more than the amount allowed as described in Attachment A.

G. **Third Party Collections**. Medical Group shall cooperate with HMO Blue in the collection on HMO Blue's behalf of third party payments including workers' compensation, third party liens and other third party liability according to the procedures set forth in the Provider Manual. Medical Group agrees that Medical Group or Medical Group Provider will file claims and encounter information with HMO Blue even if Medical Group believes or knows that there is third party liability and the existence of third party liability will not affect Medical Group's or Medical Group Provider's total compensation for Covered Services.

H. **Coordination of Benefits**. Medical Group shall comply with the requirements of Applicable Laws and the Provider Manual regarding Covered Services involving coordination of benefits. Medical Group agrees to submit applicable claims and encounter information concerning other carriers to HMO Blue even if Medical Group believes that coordination of benefits may apply and HMO Blue is not the primary carrier.

PART V. QUALITY IMPROVEMENT AND UTILIZATION MANAGEMENT

A. **HMO Blue Responsibilities**. HMO Blue shall conduct peer review, quality improvement and the UM Program in accordance with Applicable Laws. HMO Blue's UM Program may include the establishment of advisory review panels to conduct quality of care and utilization review activities in accordance with Applicable Laws. All HMO Blue quality improvement and UM forms, records and other information shall remain the property of HMO Blue and shall remain confidential.

B. **Medical Group Responsibilities**. Medical Group agrees to comply with and be subject to the quality improvement program and the UM Program conducted by HMO Blue and cooperate with peer review activities, all as set forth in the Provider Manual, and to promote Member participation in HMO Blue disease management programs as applicable. These programs may be revised from time to time, and may include, but are not limited to, Preauthorization of elective Inpatient services, concurrent review of Inpatient lengths of stay, review of referrals, internal peer review and external audit systems. Medical Group shall have sole authority and responsibility for the care of any Member who is a patient of Medical Group.

C. **Shared Records**. Upon request, Medical Group shall make available to HMO Blue's quality improvement and utilization review committee any records of Medical Group's quality improvement and utilization review activities pertaining to Members. HMO Blue will protect the confidentiality of information that is the product of Medical Group's peer review process.

PART VI. RECORDS

A. **Member Record**. Medical Group and Medical Group Providers shall establish and maintain an accurate medical record, for each Member with whom Medical Group Providers have an encounter that, at a minimum, shall include such information about the Member and a description of all services rendered to the Member as dictated by generally accepted medical and surgical practices and standards and as required by the Provider Manual ("Medical Record"). Medical Group Provider shall maintain accurate financial books and records, including electronic records, concerning Covered Services provided to each Member, including any charges to and payments received from the Member by Medical Group ("Financial Record"). Medical Group shall maintain the Medical Records and Financial Records for a period of at least ten (10) years after the records cease to be active records. The obligations of Medical Group to maintain and provide access to records under this **Part VI. Records**, does not cease upon termination of this Agreement without cause or for any cause.

B. **Access to Medical Records**. Subject to compliance with Applicable Laws and professional standards regarding the confidentiality of Medical Records, Medical Group and Medical Group Provider shall:

1. Provide HMO Blue, upon request and at no charge, copies of specified sections of Member Medical Records that are in the custody of Medical Group or Medical Group Provider;

2. Upon five (5) days advance notice or such shorter notice as may be reasonably required by the circumstances, allow HMO Blue authorized personnel access to inspect and copy Medical Records on Medical Group's premises during regular business hours;

3. Transmit information from Member's Medical Records by telephone to HMO Blue for purposes of Preauthorization or other UM activities or quality improvement; and

4. Provide copies of specified sections of a Member's Medical Record, upon reasonable request and at no charge, to any other Provider treating such Member.

C. **Access to Financial Records**. Upon five (5) days advance notice, or such shorter notice as may be reasonably required by the circumstances, HMO Blue shall have access to inspect, audit and copy all Financial Records during regular business hours. Medical Group shall maintain Financial Records and provide copies of such information to HMO Blue, upon HMO Blue's reasonable request, at no charge.

D. **Regulatory Compliance**. Medical Group shall maintain such records and information and provide them to the Texas Department of Insurance and other applicable regulatory agencies as may be necessary for compliance by HMO Blue with Applicable Laws. All such records shall be open to inspection during regular business hours by state and federal authorities.

PART VII. INSURANCE AND INDEMNIFICATION

A. **Medical Group Insurance**. Medical Group and each Medical Group Provider agree to maintain such policies of general and professional liability insurance as are necessary to insure Medical Group, Medical Group Providers and their employees or subcontractors against any claims for damages arising by reason of personal injuries or death occasioned directly or indirectly in connection with the performance by Medical Group, Medical Group Provider, or any Medical Group employees or subcontractors of Medical Group's obligations under this Agreement. HMO Blue determines the limits of coverage necessary.

B. **Certificates**. Certificates of insurance or other evidence indicating the term and extent of the insurance required by **Part VII, Section A, Medical Group Insurance**, shall be provided by Medical Group to HMO Blue upon HMO Blue's request.

C. **HMO Blue Insurance**. HMO Blue shall procure and maintain such policies of general and professional liability and other insurance, which may include self-insurance, as shall be necessary to insure HMO Blue and HMO Blue's employees against any claim or claims for damages arising by reason of personal injuries or death occasioned directly or indirectly in connection with the performance of any services by HMO Blue, the use of any property and facilities provided by HMO Blue, and activities performed by HMO Blue in connection with this Agreement.

D. **Indemnification.** Medical Group and HMO Blue understand that this Agreement is not one to insure and/or indemnify and shall not be so construed. Each party shall be solely responsible for its own negligence, acts or omissions.

PART VIII. TERM AND TERMINATION

A. **Term**. This Agreement shall be effective as of the Effective Date and shall continue until otherwise terminated in accordance with this Agreement.

B. **Termination Notice Period**.

1. Either party may terminate this Agreement at any time without cause or for any cause by giving the other party at least ninety (90) days advance Notice.

2. Medical Group may terminate this Agreement upon thirty (30) days advance Notice to be given within thirty (30) days following Medical Group's receipt from HMO Blue of information concerning a decrease in compensation, or the posting of such information on the Blue Cross and Blue Shield Web site, pursuant to **Part X, Section E, Compensation Information**.

C. **Immediate Termination or Suspension**. HMO Blue may, in its sole discretion, immediately suspend or terminate this Agreement, or may suspend or terminate the participation of Medical Group Provider, upon Notice by HMO Blue to Medical Group if there is a threat of imminent harm to patient health, action against Medical Group's or Medical Group Provider's license to practice, or fraud or malfeasance, including without limiting the foregoing any of the following:

1. Failure to comply with the requirements contained in **Part II, Obligations of Medical Group, Section C, Standard of Care**, including:

   a. Suspension, surrender, or revocation of Medical Group's or Medical Group Provider's narcotics number or license to practice medicine or render services in any state;

   b. Professional or other conduct by Medical Group, Medical Group Provider, or Medical Group employee or subcontractor, which is detrimental to patient welfare and care;

   c. Conviction of Medical Group, Medical Group Provider, or Medical Group employee or subcontractor, of a felony involving lying, cheating, stealing, abuse of controlled substances, or sexual misconduct.

2. Becoming subject to the grounds for termination set forth in **Part II, Obligations of Medical Group, Section M, Medical Group Status**.

D. **Review of Termination**. In the event of termination of Medical Group by HMO Blue, if Medical Group is terminated for reasons other than at Medical Group's request, HMO Blue shall provide a written explanation to Medical Group of the reason(s) for termination. Except in a case of termination under **Part VIII, Section C, Immediate Termination or Suspension**, Medical Group may, within thirty (30) days following the Notice of termination, request in writing that a review be conducted by HMO Blue's advisory review panel and HMO Blue will conduct such a review consistent with Applicable Laws. Within sixty (60) days following receipt of Medical Group's written request for review, HMO Blue will notify Medical Group of HMO Blue's review decision. At Medical Group's request, Medical Group shall be entitled to an expedited review of such termination by HMO Blue's advisory review panel. At Medical Group's request, HMO Blue will provide Medical Group with a copy of the recommendation of the advisory review panel. The decision of the advisory review panel must be considered by, but is not binding upon, HMO Blue.

E. **Effect of Termination**. As of the date of termination, this Agreement shall be considered of no further force or effect and each of the parties shall be relieved and discharged from this Agreement except that:

1. Termination shall not affect any rights or obligations hereunder which have previously accrued or shall hereafter arise with respect to any occurrence prior to termination and such rights and obligations shall continue to be governed by the terms of this Agreement.

2. Termination of this Agreement shall not release Medical Group from the obligation to continue ongoing treatment under the terms of this Agreement and in accordance with the dictates of medical prudence, of a Member of "special circumstance," as defined by Applicable Laws, including but not limited to, Members with a disability, acute condition or life-threatening illness, or Members past the 24th week of pregnancy, or HMO Blue or Payer from the obligation to reimburse Medical Group for such Covered Services at the rate set forth in this Agreement. Special circumstance shall be identified by Medical Group, who must request that the Member be permitted to continue under Medical Group's care and who must agree not to seek payment from Member for any amounts for which Member would not be responsible if the Agreement had not terminated. Disputes regarding continuity of care will be resolved according to the dispute resolution procedures set forth in the Provider Manual and this Agreement. Medical Group's and HMO Blue's obligations hereunder shall continue until the earlier of the appropriate transfer of Member's care to another Participating Provider or the expiration of ninety (90) days from the effective date of termination of the Agreement. Additionally, Medical Group's and HMO Blue's obligations hereunder shall continue up to nine (9) months in the case of a Member who at the time of the termination has been diagnosed with a terminal illness and shall extend through delivery of a child, immediate postpartum care, and the follow-up checkup within the first six (6) weeks of delivery for a Member who, at the time of the termination, is past the 24th week of pregnancy. Medical Group agrees to cooperate in the referral of Members to other Participating Providers in order to assure continuation of care. In the event that HMO Blue has not used due diligence to make alternative care arrangements available to Member within ninety (90) days after receipt by HMO Blue of Notice from Medical Group or Member, and such arrangements are not

available to Member within such ninety (90) day period, HMO Blue shall thereafter compensate Medical Group for continued care at the HMO Blue allowable amount for comparable services provided by a comparable Provider that is not a Participating Provider. Nothing herein shall be construed as requiring HMO Blue to agree to cover continued care rendered by Medical Group that HMO Blue deems unfit to care for Members by reason of incompetence or unprofessional behavior or otherwise.

3. Medical Group agrees, at HMO Blue's option, to provide Covered Services to Members assigned or referred to Medical Group during the notice period set forth in **Part VIII, Section B**, including any Members who become eligible during such period under the terms of the Member's Membership Agreement and in accordance with the terms of this Agreement. Medical Group shall be compensated for Covered Services rendered in accordance with this Section and the fees set forth in Attachment A of this Agreement, until appropriate transfer of Members is achieved or alternate compensation for Covered Services acceptable to Medical Group has been determined.

4. In the event of termination of the Agreement, HMO Blue will provide reasonable advance Notice to Members receiving care from Medical Group of the impending termination, except that if Medical Group is terminated for a reason other than at the request of Medical Group and has made a timely request for review by an advisory review panel, HMO Blue will not notify Members of Medical Group's termination prior to the time the advisory review panel makes a formal recommendation. If Medical Group is terminated or suspended immediately pursuant to **Part VIII, Section C, Immediate Termination or Suspension**, HMO Blue may notify Members immediately. Medical Group agrees to cooperate with HMO Blue and upon request to provide reasonable assistance to effect such Notice.

F. **Termination Effective Date for Primary Care Physicians**. Except for termination of this Agreement pursuant to **Part VIII, Section C, Immediate Termination or Suspension**, the termination of this Agreement if Medical Group includes Medical Group Primary Care Physicians, or the termination of the participation of a Medical Group Primary Care Physician under this Agreement, shall be effective the last day of a month.

PART IX. RELATIONSHIP OF PARTIES

A. **Independent Contractors**. None of the provisions of this Agreement are intended to create nor shall be deemed or construed to create any relationship between HMO Blue and Medical Group other than that of independent entities contracting with each other hereunder solely for the purpose of effecting the provisions of this Agreement. Neither of the parties hereto, nor any of their respective employees, shall be construed to be the agent, employer or representative of the other. None of the provisions of this Agreement shall be construed to in any way limit HMO Blue's authority or responsibility to comply with all regulatory requirements.

B. **Blue Cross and Blue Shield Association**. Medical Group hereby expressly acknowledges that this Agreement constitutes a contract solely between Medical Group and HMO Blue, which is an independent corporation operating under a license from the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans, (the "Association") permitting HMO Blue to use the Blue Cross and Blue Shield Service Marks in the state of Texas, and that HMO Blue is not contracting as the agent of the Association. Medical Group further acknowledges and agrees that Medical Group has not entered into this Agreement based upon representations by any person other than HMO Blue and that no person, entity, or organization other than HMO Blue shall be held accountable or liable to Medical Group for any of HMO Blue's obligations to Medical Group created under this Agreement. This paragraph shall not create any additional obligations whatsoever on the part of HMO Blue other than those obligations created under other provisions of this Agreement.

C. **No Third Party Beneficiary**. This Agreement is entered into by and between Medical Group and HMO Blue solely for their benefit. Except for **Part IV, Compensation, Section D, Member Nonliability and Hold Harmless**, there is no intent by either party to (a) create or establish any third party beneficiary status or (b) increase the rights of any Member or any other person, firm or other entity not a party to this Agreement with respect to the duties of either party to any person or create any rights on behalf of any person with respect to either party.

PART X. GENERAL PROVISIONS

A. **Administrative Functions.** HMO Blue and Medical Group acknowledge that HMO Blue may delegate certain responsibilities or activities that are provided for in this Agreement.

B. **AFHC Program**. Medical Group acknowledges and agrees that, pursuant to the AFHC Program, Medical Group shall provide Covered Services to Members covered through the AFHC Program while such Members are in the HMO Blue Service Area set forth in this Agreement and subject to the same terms and conditions of this Agreement as are applicable to provision of Covered Services to other Members.

C. **Assignment.** No part of this Agreement, or any rights, duties or obligations described herein, shall be assigned, encumbered or delegated except as expressly provided for in this Agreement without the prior express written consent of both parties. If Medical Group is a Delegated Entity, it shall not undergo a substantial change of ownership or a merger without the prior express written consent of HMO Blue. Notwithstanding the foregoing, HMO Blue, without Medical Group's consent, may validly assign this Agreement to any affiliate of HMO Blue. HMO Blue's standing or routine contractual arrangements for the acquisition and use of facilities, services, supplies, equipment and personnel from other parties shall not constitute an assignment under this Agreement.

D. **Captions.** The captions contained herein are for reference purposes only and shall not affect the meaning of this Agreement.

E. **Compensation Information**. Medical Group is entitled, upon written request, and in accordance with Applicable Laws, to all information necessary to determine that Medical Group is being compensated in accordance with the terms of this Agreement. Medical Group may consult the Blue Cross and Blue Shield of Texas Web site for further information and instructions.

F. **Compliance**. Each party shall comply with Applicable Laws, and with applicable provisions of the Provider Manual.

G. **Confidentiality of Proprietary Information.** Each of the parties and the parties' employees shall maintain in confidence during the term of this Agreement and thereafter, except as otherwise required by Applicable Laws: (1) all Member information including medical information, learned through the operation of this Agreement, (2) all confidential Provider information, including information disclosed as part of the peer review process, (3) quality assurance and utilization review information, (4) all financial information related to this Agreement, (5) all proprietary business information that has been identified as confidential and maintained as confidential by the other party, (6) the provisions of any amendment to this Agreement that would have been protected as confidential had they originally been contained herein, and (7) any other information required to be maintained in confidence by Applicable Law (collectively "Confidential Information"), unless disclosure of a specific part of the Confidential Information is otherwise required to accomplish the purposes of this Agreement and is permitted by Applicable Laws. Each of the parties and the parties' employees shall use best efforts to safeguard and protect Confidential Information against any unauthorized disclosure by any person and shall refrain from using or allowing any other person to use Confidential Information in any way that is considered detrimental to the other party or the Member. The parties each hereby acknowledge that the remedy at law for a breach of this Confidentiality provision of this Agreement will be inadequate and the non-breaching party shall be entitled to injunctive relief to enforce these provisions of this Agreement in addition to any other remedy the non-breaching party may have.

H. **Cooperation of Parties**. Medical Group and HMO Blue agree to meet and confer in good faith on common problems including, but not limited to, problems concerning utilization of services, credentialing, Preauthorization, encounters/claims or reporting procedures and information and forms provided to Medical Group for use in conjunction with Members.

I. **Dispute Resolution.** HMO Blue or Medical Group, as the case may be, shall give Notice to the other of the existence of a dispute. In order to avoid the cost and time consuming nature of litigation, any dispute between HMO Blue and Medical Group arising out of, relating to, involving the interpretation of, or in any other way pertaining to this Agreement or any prior Agreement between HMO Blue and Medical Group shall be resolved using alternative dispute resolution mechanisms instead of litigation. HMO Blue and Medical Group agree and acknowledge that it is their mutual intention that this provision be construed broadly so as to provide for mediation and/or arbitration of all disputes arising out of their relationship as third-party Payer and Medical Group. The parties further agree that resolution of any dispute pursuant to this Agreement shall be in accordance with the procedures

detailed below.

1. **External Review Process**.

   Medical Group may elect to subject certain disputes to an external review process ("External Review Election") as follows:

   a. Subject to the provisions of the Provider Manual, Medical Group may elect to subject certain disputes regarding claim payment to the Billing Dispute External Review Process as described therein. The resulting determination with respect to payment of any claims that are the subject of disputes so submitted shall be binding on the parties and not be subject to the other provisions contained herein for dispute resolution.

   b. Subject to the provisions of the Provider Manual, Medical Group may, if Medical Group is acting on behalf of a Member, elect to subject certain disputes concerning a determination by HMO Blue that a service is not or will not be a Covered Service because it is not Medically Necessary or is experimental or investigational in nature ("Adverse Determination") to the External Review process described in the Provider Manual. The resulting determination with respect to the appropriateness of such Adverse Determination shall be binding on the parties and not be subject to the other provisions contained herein for dispute resolution.

2. **Initial Resolution by Meeting or Mediation of Dispute**. If Medical Group has not made an External Review Election, and HMO Blue and Medical Group mutually agree that a meeting to attempt to resolve the dispute would be advantageous, representatives of HMO Blue and Medical Group shall meet not later than thirty (30) calendar days after delivery of the Initial Notice in order to attempt to resolve the dispute. Subsequent meetings may be held, if mutually agreed. If no meeting is mutually agreed, or if the dispute is not resolved at any meetings held, the party giving the Initial Notice shall submit the dispute to mediation by an organization or company specializing in providing neutral, third-party mediators. The mediation process shall be coordinated by the submitting party with the mediator and shall be subject to the following agreed-upon conditions:

   a. The parties agree to participate in the mediation in good faith;

   b. The parties agree to have present at the mediation one or more individuals with decision-making authority regarding the matters in dispute. Either party may, at that party's option, be represented by counsel. Medical Group may, at Medical Group's option, also have present at the mediation a representative of any professional society in which Medical Group is a member;

   c. The mediation will be held within sixty (60) days of the submission to mediation unless the parties mutually agree on a later date. The mediation will be held in one of the following cities, which is closest to the principal office of Medical Group, to be designated in writing by Medical Group, unless HMO Blue and Medical Group mutually agree to an alternative location: Abilene, Amarillo, Austin, Corpus Christi, Dallas, El Paso, Houston, Lubbock, Lufkin, Midland, Odessa, San Angelo, San Antonio, Texarkana, Waco, Wichita Falls, and Brownsville;

   d. The parties shall each bear their own costs and shall each pay one-half of the mediator's fees and costs, unless the mediator determines that one party did not participate in the mediation in good faith, in which case that party shall pay all of the mediator's fees and costs;

   e. The parties agree that the obligation to mediate (but not the obligation to arbitrate) is not applicable to any dispute that was pending in any court on the Effective Date of this Agreement, or that had been submitted to binding arbitration on or before the Effective Date of this Agreement.

3. **Binding Arbitration.** In the event Medical Group has not made an External Review Election and mediation is not successful in resolving the dispute, either HMO Blue or Medical Group may submit the dispute to final and binding arbitration under the commercial rules and regulations of the American Health Lawyers Association, subject to the following:

   a. The arbitration shall be conducted by a single arbitrator selected by the parties from a list furnished by the American Health Lawyers Association. If the parties are unable to agree on an arbitrator from the list, the arbitrator shall be appointed by the American Health Lawyers Association;

b. The arbitrator shall be required to render a written decision resolving all disputes, and designating one party as the "prevailing party";

c. Except in the case of fraud, no arbitration decision may require any adjustment in compensation or payments respecting any dispute involving services rendered more than eighteen (18) months prior to receipt of the Initial Notice;

d. The costs of arbitration, including the arbitrator's fee and any reporting or other costs, but excluding lawyers', consultants' and witness fees, shall be borne by the non-prevailing party unless the arbitrator determines as part of the award that such allocation is inequitable under the totality of the circumstances. In the event that the dispute in arbitration concerns the appropriateness of HMO Blue's adjudications of claims, the party challenging the adjudications shall have the initial burden of proving that there is a reasonable probability that the disputed claims adjudications were incorrect adversely to that party. When the other party reasonably determines that it is required in its defense, or is required by the discovery process or otherwise by law, to research the basis for the adjudications of challenged claims for which such reasonable probability has not been proven, the other party shall be awarded the administrative cost for such research for each such claim that is found in the arbitration proceeding, after such research, not to have been adjudicated incorrectly adversely to the challenging party;

e. The arbitration hearing will be held in one of the following cities, to be designated in writing by Medical Group, which is closest to the principal office of Medical Group, to be designated in writing by Medical Group unless HMO Blue and Medical Group mutually agree to an alternate location; Abilene, Amarillo, Austin, Corpus Christi, Dallas, El Paso, Houston, Lubbock, Lufkin, Midland, Odessa, San Angelo, San Antonio, Texarkana, Waco, Wichita Falls, and Brownsville;

f. Medical Group acknowledges that this arbitration provision precludes Medical Group from filing an action at law or in equity and from having any dispute covered by this Agreement resolved by a judge or a jury. Medical Group further acknowledges that this arbitration provision precludes Medical Group from participating in a class action filed by any other Medical Group or any other plaintiff claiming to represent Medical Group or Medical Group's interest. Medical Group agrees to opt-out of any class action filed against HMO Blue that raises claims covered by this Agreement to arbitrate, including, but not limited to, class actions that are currently pending.

4. **Exceptions.** The foregoing in this **Part X, Section I, Dispute Resolution**, to the contrary notwithstanding, the provisions thereof shall not be applicable to the following:

a. Any legal proceeding brought by a third party against HMO Blue, Medical Group or any Medical Group Provider (a "Defendant"), as well as any cross claim or third-party claim by such Defendant against HMO Blue, Medical Group or Medical Group Provider.

b. The rate of compensation payable to Medical Group for Covered Services pursuant to **Part IV, Compensation**.

c. Termination of this Agreement pursuant to **Part VIII, Section B, Termination Notice Period**.

J. **Entire Agreement**. This Agreement, together with any attachments hereto contains the entire understanding between the parties and supersedes all prior agreements, either oral or in writing, with respect to the subject matter hereof. In the event of any conflict between the provisions of the attachments to this Agreement and the provisions of this Agreement other than the attachments and addenda, the provisions of the attachments and addenda shall prevail.

K. **Force Majeure**. No party will be liable for any failure to timely perform obligations under this Agreement if prevented from doing so by a cause or causes beyond commercially reasonable control including, but not limited to, acts of God or nature, fires, floods, storms, earthquakes, riots, strikes, wars or restraints of government.

L. **Genders and Numbers**. Use of the masculine, feminine or neuter gender and the singular or plural numbers shall be deemed to include the others whenever the context so indicates or requires.

M. **Governing Law**. This Agreement shall be governed in all respects by the laws of the state of Texas as well as any regulations promulgated thereunder except as otherwise required by Applicable Laws.

N. **Modifications**. This Agreement may be amended and the Provider Manual may be revised as follows:

1. This Agreement may be amended by mutual written agreement of the parties. Notwithstanding the foregoing, however, HMO Blue may amend this Agreement and/or any attachment to the Agreement as follows:

   a. upon thirty (30) days prior Notice to Medical Group or such longer time period as may be required by Applicable Laws when the amendment is not materially adverse to Medical Group. In such event Medical Group may terminate this Agreement by giving Notice of such termination to HMO Blue within thirty (30) days of Medical Group's receipt of such Notice of amendment, to be effective no earlier than thirty (30) days after such termination Notice is given; or

   b. upon ninety (90) days prior Notice when the amendment is materially adverse to Medical Group. In such event, Medical Group may terminate this Agreement by giving Notice of such termination to HMO Blue within thirty (30) days of Medical Group's receipt of such Notice of amendment, to be effective no earlier than the end of such amendment Notice period, unless within sixty-five (65) days following the date of such amendment Notice HMO Blue gives Notice to Medical Group that HMO Blue will not carry into effect such amendment.

   Medical Group's failure to give Notice of termination to HMO Blue within thirty (30) days of Medical Group's receipt of a Notice of amendment shall constitute agreement to and acceptance of such amendment by Medical Group. The amendment shall be effective on the effective date provided in HMO Blue's Notice of amendment, provided that the amendment required by Applicable Laws shall be effective no later than the date required by such law or regulation and may be implemented beginning on that date by HMO Blue.

2. The Provider Manual may be revised by HMO Blue from time to time, or upon ninety (90) days prior Notice when the revision is materially adverse to Medical Group. In such event, Medical Group may terminate this Agreement by giving Notice of such termination to HMO Blue within thirty (30) days of Medical Group's receipt of such Notice of revision, to be effective no earlier than the end of such revision Notice period, unless within sixty-five (65) days following the date of such revision Notice HMO Blue gives Notice to Medical Group that HMO Blue will not apply such revision to Medical Group.

   Medical Group's failure to give Notice of termination to HMO Blue within thirty (30) days of Medical Group's receipt of a Notice of Provider Manual revision shall constitute agreement to and acceptance of such revision by Medical Group. The revision shall be effective on the effective date provided in HMO Blue's Notice of Provider Manual revision, provided the revision required by Applicable Laws shall be effective no later than the date required by such law or regulation and may be implemented beginning on that date by HMO Blue.

O. **No Solicitation.** Medical Group shall not, and Medical Group shall use best efforts to assure that Medical Group Providers shall not solicit, influence or induce or attempt to solicit, influence or induce any Member to disenroll from any Health Plan or enroll in any other health care plan that would require such Member to disenroll from a Health Plan. Furthermore, Medical Group and Medical Group Providers shall not solicit, influence or induce employers or other entities with which HMO Blue has entered into agreements to provide health care benefits to cease doing business with HMO Blue or diminish or otherwise affect their business relationship with HMO Blue. HMO Blue shall not solicit, influence or induce or attempt to solicit, influence or induce any Member not to select Medical Group as Member's Primary Care Physician. The assignment by HMO Blue of new Members to Primary Care Physicians other than Medical Group shall not be deemed to be a breach of the foregoing.

P. **Partial Invalidity**. If for any reason any provision of this Agreement is held invalid, the remaining provisions shall remain in full force and effect.

Q. **Patient Communications**. Nothing contained in this Agreement is intended to prohibit or discourage Medical Group from discussing with or communicating in good faith to a current, prospective or former patient, or patient's designee, information or opinions regarding: (1) the patient's health care, including, but not limited to, the patient's medical condition or treatment options, including

alternative medications, regardless of HMO Blue coverage limitations; or (2) the provisions, terms, requirements or services of HMO Blue as they relate to the medical needs of the patient.

R. **Retaliation.** HMO Blue acknowledges and agrees not to engage in any retaliatory action against Medical Group, including termination of this Agreement, because Medical Group has, on behalf of a Member, reasonably filed a complaint against HMO Blue or has appealed a decision of HMO Blue.

S. **Self-Funded Plans.** Medical Group will provide services to persons ("Enrollees") enrolled in those employer-funded health benefit plans ("Self-Funded Plans"), for which HMO Blue provides administrative services and network access and management, on the same terms and conditions as Medical Group provides such services to Members. Medical Group will be compensated for providing services to Enrollees using the same methodology and on the same terms and conditions as are applicable for services provided to Members. Medical Group acknowledges and agrees that HMO Blue provides administrative and network management services but does not underwrite the Self-Funded Plans' benefits. The Self-Funded Plans, and not HMO Blue, have sole financial responsibility for all benefits for Self-Funded Plan Enrollees.

T. **Use of HMO Blue Name**. Medical Group agrees not to use the names, symbols, marketing names, trademarks or service marks of HMO Blue in any advertising or promotional material or literature without the express, prior, written consent of HMO Blue and will cease any and all usage previously consented to upon withdrawal by HMO Blue of such consent or termination of the Agreement.

U. **Waiver of Breach**. The waiver of any breach of this Agreement by either party shall not constitute a continuing waiver of any subsequent breach of either the same or any other provision of this Agreement.

AMENDMENT TO
BLUE CROSS AND BLUE SHIELD OF TEXAS,
A DIVISION OF HEALTH CARE SERVICE CORPORATION

MEDICAL GROUP AGREEMENT
FOR HMO NETWORK PARTICIPATION

This Amendment ("Amendment") is entered into by and between Blue Cross and Blue Shield of Texas, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company ("HMO Blue") and HIDALGO COUNTY HEALTH DEPARTMENT (" Medical Group ").

WHEREAS, HMO Blue and Medical Group have entered into that certain Medical Group Agreement "Agreement"); and

WHEREAS, HMO Blue and Medical Group mutually desire to amend the Agreement as set forth herein.

NOW, THEREFORE, the parties hereto agree as follows:

The Agreement is amended as set forth in Attachment I hereto.

The provisions of this Amendment shall be treated as strictly confidential under the confidentiality provisions of the Agreement.

Except as modified by this Amendment, the Agreement remains unchanged and in full force and effect.

Multiple Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned has executed this Amendment to be effective as of the Effective Date set forth below.

HMO BLUE

A scanned, imaged, electronic, photocopy or stamp of the signatures hereunder shall have the same force and effect as an originally executed signature

Authorized Signature:



Name: M. Shannon Stansbury

Title: Vice President, Network Management

Date: _____

Effective Date: _____

AMENDMENT TO MEDICAL GROUP AGREEMENT

ATTACHMENT I

The Agreement is amended as follows:

1. The following definitions are added to the Agreement:

   Hospital Acquired Conditions (HAC) – means serious preventable medical events which have been identified by the Centers for Medicare Services (CMS) that should never occur in a hospital and as may be more fully described in the Provider Manual.

   Never Events – means, as defined by the National Quality Forum (NQF), adverse events that are serious, but largely preventable, and of concern to both the public and health care providers and as may be more fully described in the Provider Manual.

2. The Member Nonliability and Hold Harmless provision of the Compensation section is amended to add a new paragraph as follows:

   In addition, Medical Group who is responsible in whole or in part for the Never Event or HAC agrees that in no event shall Medical Group bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against Member for identified Never Event or HAC.

3. The Compensation section is amended to include the following new provisions:

   HAC and Never Events. Medical Group shall comply with the standards adopted by HMO Blue for HACs and Never Events as set forth in this Agreement and as may be more fully described in the Provider Manual.

   Disallowance of Services. Any disallowance of Inpatient services as a result of any utilization review, quality assurance or peer review activity, identified Never Event, or identified HAC shall be deducted from HMO Blue's payment obligations to Medical Group who is responsible in whole or in part for the Never Event or HAC. Medical Group has the right to appeal any such decision. All appeals must be in writing and submitted to HMO Blue.

MEDICAL GROUP AGREEMENT -- ATTACHMENT A

COMPENSATION / CLAIMS SUBMISSION

A. **Compensation.** Medical Group agrees to accept as compensation for Covered Services the lesser of (1) billed charges or (2) the fee for such service per the then current HMO Blue fee schedule, less any applicable Copayments, Coinsurance or Deductible amounts.

B. **Claims Submission.** Medical Group must submit a claim for Covered Services to HMO Blue or Payer not later than the 180th day after the date Medical Group provides the medical care or the health care services for which the claim is made. For a claim for which coordination of payments applies, the 180-day period does not begin for submission of the claim to the secondary Payer until Medical Group receives notice of the payment or denial from the primary Payer. If Medical Group fails to submit a claim in compliance with this paragraph, Medical Group forfeits the right to payment unless Medical Group has certified that the failure to timely submit the claim is a result of a catastrophic event.

Claims may be submitted (1) electronically in the CMS National Standard Format (NSF) or the current version of the ANSI 837 format or (2) on a completed current version of the applicable CMS claim form.

Medical Group may not submit a duplicate claim prior to the 46th day (for non-electronically filed claims) or the 31st day (for claims filed electronically) after the date the original claim is presumed to be received by HMO Blue. As used herein, "duplicate claim" means any claim submitted by a physician or provider for the same health care service provided to a particular individual on a particular date of service that was included in a previously submitted claim. The term does not include corrected claims.

HMO Blue and HMO Blue's clearinghouse may not refuse to process or pay an electronically submitted Clean Claim because the claim is submitted together with or in a Batch Submission with a claim that is deficient. As used herein, the term "Batch Submission" means a group of electronic claims submitted for processing at the same time within a HIPAA standard ASC X12N837 Transaction Set and identified by a batch control number.

Mike Escaname

From: Josephine L. Ramirez <josephine.ramirez@da.co.hidalgo.tx.us>
Sent: Wednesday, June 20, 2012 2:49 PM
To: 'Mike Escaname'
Cc: eddie.olivarez@hchd.org; lydia.serna@hchd.org; 'Connie Sanchez'
Subject: RE: BCBSTX GROUP AGREEMENT: HIDALGO COUNTY HEALTH DEPARTMENT - Request for Review

Mike,

I have reviewed the agreements. At the outset, they both identify the Hidalgo County Health Department as a professional entity which is not correct. I would suggest revising this language to indentify the HCHD as a governmental entity. Otherwise, I approve as to the form of the agreements.

Josephine Ramirez Solis
Assistant Criminal District Attorney
County Affairs Section
Office of Criminal District Attorney
Hidalgo County, Texas
100 N Closner Rm 303
Edinburg, TX 78539
(956) 318-2313 ext. 3823
(956) 318-2079 FAX
josephine.ramirez@da.co.hidalgo.tx.us

****

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****

From: Mike Escaname [mailto:miguel.escaname@hchd.org]
Sent: Wednesday, June 13, 2012 4:45 PM
To: josephine.ramirez@da.co.hidalgo.tx.us
Cc: eddie.olivarez@hchd.org; lydia.serna@hchd.org; 'Connie Sanchez'
Subject: BCBSTX GROUP AGREEMENT: HIDALGO COUNTY HEALTH DEPARTMENT - Request for Review

Hello Josephine:

We have placed an item on CC Agenda set for June 26, 2012 requesting authorization for Hidalgo County Health & Human Services Dept. to participate in the Blue Cross Blue Shield Professional Provider Network. (ref. AI-32816).

The intent is to offer health services to clients that are covered by Blue Cross Blue Shield health insurance.

This email contains two Agreements with their corresponding Attachment A which will require signature from our County Judge if this request is approved.

The two Agreements and their Attachments are, basically, slightly different health plans that Blue Cross Blue Shield offers. They are labeled in the attachment section of this email as:

- PPO Medical Group Core
- PPO Medical Group A
- HMO Medical Group Core
- HMO Medical Group A

Additionally, I must mention and direct your attention to the highlighted statement below. We inquired with the Blue Cross Blue Shield representative as to the statement which indicates that the title of the person signing must be have one of the titles listed. We informed the representative that our County Judge would be signing and that his title is Hidalgo County Judge; She stated that we can include the title of County Judge; however, the title needed to be followed by one of the titles listed below. She recommended we type "**Administrator**" next to Hidalgo County Judge.

Failure to include one of the titles listed below would cause our Agreements not to get processed.

We'd appreciate if you can review the Agreements and advise whether you approve as to form.

Please let Mr. Olivarez or me know if you have any questions or require additional information.

Thanks,

Mike Escaname
Budget Manager
Hidalgo County Health & Human Services Dept.
1304 S. 25th St
Edinburg, Texas 78539
956-383-6221

From: eddie.olivarez [mailto:eddie.olivarez@hchd.org]
Sent: Tuesday, June 12, 2012 9:00 PM
To: Mike Escaname (mike.escaname@hchd.org); lydia.serna@hchd.org; connie.sanchez@hchd.org; sandra.garza@hchd.org (sandra.garza@hchd.org)
Subject: Fwd: BCBSTX GROUP AGREEMENT: HIDALGO COUNTY HEALTH DEPARTMENT

VERY IMPORTANT

Eduardo Olivarez
Chief Administrative Officer
Hidalgo County Health & Human Services
1304 South 25th Ave.
Edinburg, Texas 78542

956-383-8858 Office
eddie.olivarez@hchd.org
Twitter.com/hidalgohealth

---- Original Message ----
From: PPNCorpusChristi@bcbstx.com
Sent: 6/12/2012 2:54:14 PM
To: eddie.olivarez@hchd.org
Subject: BCBSTX GROUP AGREEMENT: HIDALGO COUNTY HEALTH DEPARTMENT

We have received your online Contract Request form. Enclosed are group **BCBSTX** managed care agreement(s). We have also included the BCBSTX Credentialing Request form which will provide the necessary information to order the Universal Provider Datasource (UPD) from Council for Affordable Quality Healthcare (CAQH)* for each of your group providers. Once agreements are signed, fax all signature pages and the completed Credentialing Request Form to **(361) 852-0624**.

In order for agreements to be accepted by BCBSTX, they must be signed and titled by one of the following representatives. Even if a provider is the sole owner, the contract still needs to reflect one of the following titles:

- **President**
- **Chief Executive Officer**
- **Executive Director**
- **Managing Director**
- **Administrator**

Step 1 - Get BCBSTX Provider Record

Before claims submission, your new provider needs to be assigned a BCBSTX Provider Record ID. Please complete the Group Member Information Form and fax to number listed on the form. After faxing you may wish to verify your fax was received by BCBSTX by calling (972) 996-9610, option 3.

IMPORTANT : Once you receive notification of your provider number please call our office so that we may guide you to the second step.

***Attached is a checklist titled BCBSTX Group Provider Worksheet which you may find helpful.

Additional Credentialing Forms
Please review the following categories to determine if additional documents are needed for credentialing. If appropriate fax the document to (361) 852-0624.

Physicians - Applicant must have admitting clinical privileges at network hospitals. If no admitting privileges exist, please complete the attached Hospital Referral Letter and fax to (361) 852-0624.

Behavioral Health Providers - Applicants must complete and submit the Behavioral Health Checklist and fax to (361) 852-0624.

*For more information regarding **CAQH**, please visit our website at http://www.bcbstx.com/provider/credentialing_process.htm or call the CAQH help desk at (888) 599-1771.

BCBSTX Professional Provider Network Department
(361) 878-1623

HCSC Company Disclaimer

The information contained in this communication is confidential, private, proprietary, or otherwise privileged and is intended only for the use of the addressee. Unauthorized use, disclosure, distribution or copying is strictly prohibited and may be unlawful. If you have received this communication in error, please notify the sender immediately at (312) 653-6000 in Illinois; (800)835-8699 in New Mexico; (918)560-3500 in Oklahoma; or (972)766-6900 in Texas.

AI-32827 **Health & Human Services Dept. 7. D.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Eddie Olivarez **Submitted By:** Mike Escaname, HEALTH & HUMAN SERVICES DEPT.

Department: HEALTH & HUMAN SERVICES DEPT.

Information

CAPTION

Requesting authorization for Hidalgo County Health & Human Services Dept. to participate in the United Healthcare Business Associate Agreement.

BACKGROUND

Fiscal Impact

FISCAL YEAR: 2012 **ACCT. #:** N/A

FUNDS AVAILABLE Y/N?: N **MATCHING FUNDS Y/N?:** N

BUDGETARY IMPACT:

No impact to budget.

Attachments

1

2

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/13/2012 04:46 PM
Manuel Chapa	Manuel Chapa	06/14/2012 02:55 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Mike Escaname Started On: 06/13/2012 04:37 PM

Final Approval Date: 06/22/2012

Mike Escaname

From: Josephine L. Ramirez <josephine.ramirez@da.co.hidalgo.tx.us>
Sent: Wednesday, June 20, 2012 3:53 PM
To: 'Mike Escaname'
Cc: michael.garza@da.co.hidalgo.tx.us; eddie.olivarez@hchd.org; 'Belinda A. Medrano'
Subject: RE: United Healthcare - BAA AGreement for Surveillance

Mike,
I have reviewed the attached agreement. The HCHD needs to be identified as a party and the appropriate signatory information needs to be included. Otherwise, I approve as to the form of the agreement.

Josephine Ramirez Solis
Assistant Criminal District Attorney
County Affairs Section
Office of Criminal District Attorney
Hidalgo County, Texas
100 N Closner Rm 303
Edinburg, TX 78539
(956) 318-2313 ext. 3823
(956) 318-2079 FAX
josephine.ramirez@da.co.hidalgo.tx.us

****

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****

From: Mike Escaname [mailto:miguel.escaname@hchd.org]
Sent: Tuesday, June 19, 2012 3:36 PM
To: josephine.ramirez@da.co.hidalgo.tx.us
Cc: michael.garza@da.co.hidalgo.tx.us; eddie.olivarez@hchd.org; Belinda A. Medrano
Subject: United Healthcare - BAA AGreement for Surveillance

Hello Josephine:

We have placed an item on CC Agenda set for June 26, 2012 requesting authorization for Hidalgo County Health & Human Services Dept. to participate in the United Healthcare Business Associate Agreement. (ref. AI-32827).

We'd appreciate if you can review the Agreements and advise whether you approve as to form.

Please let Mr. Olivarez or me know if you have any questions or require additional information.

Thanks,

Mike Escaname

Budget Manager
Hidalgo County Health & Human Services Dept.
1304 S. 25th St
Edinburg, Texas 78539
956-383-6221

From: eddie.olivarez [mailto:eddie.olivarez@hchd.org]
Sent: Wednesday, June 13, 2012 1:34 PM
To: mike.escaname@hchd.org
Subject: Fwd: FW: United Healthcare - BAA AGreement for Surveillance

check this out

Eduardo Olivarez
Chief Administrative Officer
Hidalgo County Health & Human Services
1304 South 25th Ave.
Edinburg, Texas 78542

956-383-8858 Office
eddie.olivarez@hchd.org
Twitter.com/hidalgohealth

---- Original Message ----
From: "Hernandez, Sofia" <sofia.hernandez@uhc.com>
Sent: 5/8/2012 11:47:16 AM
To: eddie.olivarez@hchd.org
Subject: FW: United Healthcare - BAA AGreement for Surveillance

Eddie, just resending this for your review and Crain's. See you later today.

From: Yukon, Norine
Sent: Monday, March 05, 2012 5:17 PM
To: eddie.olivarez@hchd.org

UnitedHealthcare Community Plan of Texas

BUSINESS ASSOCIATE AGREEMENT

THIS BUSINESS ASSOCIATE AGREEMENT ("Agreement") is by and between UnitedHealthcare Community Plan of Texas, L.L.C. ("UnitedHealthcare") and Hidalgo County Health & Human Services Dept. ("Business Associate"). This Agreement is effective June 26, 2012 ("Effective Date").

1. **Definitions**. Terms used but not otherwise defined in this Agreement shall have the meaning ascribed in Sections 160.103 and 164.501, or elsewhere, in the Regulations.

    a. **"*Business Associate Functions*"** means functions performed by Business Associate on behalf of UnitedHealthcare in the course of providing services to UnitedHealthcare.

    b. **"*HIPAA*"** means the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996, 42 U.S.C. § 1320d to 1320d-7, and future amendments thereto, and the Regulations issued thereunder.

    c. **"*Protected Health Information*"** or **"*PHI*"** means protected health information, as defined in 45 C.F.R. § 164.501, which is created, received or used by Business Associate in the performance of one or more Business Associate Functions for UnitedHealthcare.

    d. **"*ePHI*"** means PHI that is maintained or transmitted in electronic media.

    e. **"*Regulations*"** means the final Regulations implementing the privacy or security provisions of HIPAA, as amended from time to time. The Regulations are presently codified at 45 C.FR. Parts 160, 162 and 164.

    f. **"*Security Incident*"** means the attempted or successful unauthorized access, use, disclosure, modification or destruction of information or interference with system operations in an information system affecting ePHl.

    g. **"*Unsecured PHI*"** means PHI that has not been rendered unusable, unreadable, or indecipherable to unauthorized individuals by one or more of the methods outlined by the Department of Health and Human Services in 45 C.F.R. § 160 and § 164.

2. **Purpose**. In the performance of services on behalf of UnitedHealthcare, and in order for Business Associate to use, disclose or create Protected Health Information pursuant to the engagement of Business Associate by UnitedHealthcare, Business Associate is a Business Associate of

UnitedHealthcare as that term is defined in the Regulations. Accordingly, Business Associate and UnitedHealthcare mutually agree to the terms of this Agreement to obtain satisfactory written contractual assurances from Business Associate that it will appropriately safeguard such Protected Health Information and to comply with the requirements of HIPAA and the Regulations.

3. **Permitted Uses and Disclosures of Protected Health Information**. Business Associate shall only use and disclose Protected Health Information for the following purposes:

    a. To perform its Business Associate Functions permitted under any agreement with UnitedHealthcare and this Agreement, which shall specifically include the accumulation and analysis of data relating to communicable disease(s).

    b. As needed for the proper management and administration of Business Associate and to carry out the legal responsibilities of Business Associate.

    c. To provide data aggregation services to UnitedHealthcare as permitted by 45 C.F.R. Part 164.504(e)(2)(i)(B).

4. **Special Conditions on Disclosure for Business Associates Purposes**. Business Associate may *disclose* Protected Health Information to another party for a reason described in subparagraph 31b, if one of the following two conditions is met:

    a. The disclosure must *be required by law,*

    b. Business Associate must obtain *reasonable assurances* from the person to whom the Protected Health Information is disclosed that such person will safeguard the Protected Health Information and further use and disclose it only as required by law or for the purpose for which Business Associate disclosed it to such person; and such person must agree in writing to notify Business Associate of any instances of which it is aware in which the confidentiality of Protected Health Information has been breached.

5. **Assurances of Business Associate**. As an express condition of performing Business Associate Functions, Business Associate agrees to the following:

    a. Comply with the requirements of Title XII, Subtitle D of the Health Information Technology for Economic and Clinical Health (HITECH) Act, codified at 42 U.S.C. §§ 172921-17954, which are applicable to Business Associate, and comply with all regulations issued by the Department of Health and Human Services (HHS) to implement the HITECH Act, as of the date by which Business Associate is required to comply with the

HITECH Act and the related regulations. Such requirements are hereby incorporated by reference into this Business Associate Agreement.

b. Use and disclose Protected Health Information only as permitted or required by this Agreement, or as otherwise required by law. Business Associate shall not use or disclose PHI in a manner that would violate any applicable law if done by UnitedHealthcare.

c. Develop and use appropriate administrative, technical and physical safeguards to preserve the integrity and confidentiality of, and to prevent use or disclosure of Protected Health Information other than as provided for in this Agreement. Business Associate agrees that these safeguards will meet any applicable requirements set forth in the Regulations.

d. Report to UnitedHealthcare's designated privacy official, without unreasonable delay (but in no event longer than twenty (20) days) after discovery by Business Associate, any use or disclosure of PHI not provided for in this Agreement or not permitted under the Regulations, including any impermissible use or disclosure that is a breach of Unsecured PHI, together with any remedial or mitigating action taken or proposed to be taken with respect thereto. Business Associate shall conduct a risk assessment with respect to any impermissible access, acquisition, use or disclosure to determine if there is a significant risk of financial, reputational or other harm to the individual whose PHI was impermissibly acquired, accessed, used or disclosed. Business Associate shall notify the UnitedHealthcare of any such impermissible use or disclosure, including the following information in such notice:

    i. A brief description of how the impermissible access, acquisition, use or disclosure occurred and how and when it was discovered.

    ii. A description of whether Unsecured PHI was involved in the impermissible access, acquisition, use or disclosure, and the results of Business Associate's risk assessment.

    iii. The steps Business Associate is taking to further investigate the impermissible access, acquisition, use or disclosure, to mitigate losses, and to protect against further impermissible access, acquisition, use or disclosure.

e. Mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of this Agreement, and cooperate with UnitedHealthcare in its efforts to mitigate any harmful effects of any such unauthorized disclosure.

f. In performing Business Associate Functions, make reasonable efforts to use, disclose or request only the Minimum Necessary Protected Health Information to accomplish the intended purpose of the use, disclosure or request.

g. Make its internal practices, books and records relating to the use and/or disclosure of Protected Health Information available to the Secretary of Health and Human Services or his or her designee for purposes of determining UnitedHealthcare's compliance with the Regulations.

h. Ensure that all agents and contractors who will create, receive, use or disclose Protected Health Information agree in writing to adhere to the same restrictions and conditions on the use and/or disclosure of Protected Health Information that apply to Business Associate hereunder.

i. Limit the use and disclosure of PHI for purposes described in this Agreement to the minimum necessary to perform the required function. Business Associate shall comply with any additional requirements for the determination of minimum necessary as are required from time to time by the Regulations, as amended.

6. **Security Assurances of Business Associate**. If Business Associate will create, receive, maintain or transmit ePHI on behalf of UnitedHealthcare, it further agrees to:

   a. Implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of ePHI.

   b. Ensure that any agent, including a subcontractor, to whom it provides ePHI, or with whom it contracts to create, receive, maintain or transmit ePHI, agrees to implement reasonable and appropriate safeguards to protect such ePHI.

   c. Report to Covered Entity any Security Incident of which Business Associate becomes aware.

   d. Comply with any other required provision of the Regulations, as amended by the HITECH Act or further statutory or regulatory amendment.

7. **Obligations With Respect to Individual Rights**.

   a. Access. Business Associate and UnitedHealthcare agree that Business Associate will provide access to Protected Health Information maintained by Business Associate on UnitedHealthcare's behalf, as required by 45 C.F.R. §164.524. Upon UnitedHealthcare's written or electronic request or

the direct request of a Covered Person or the Covered Person's Personal Representative, Business Associate will make available for inspection and obtaining copies by the Covered Person (or the Covered Person's Personal Representative), any Protected Health Information about the Covered Person created or received for or from UnitedHealthcare in Business Associate's custody or control contained in a Designated Record Set (as defined in the Regulations), so that UnitedHealthcare may meet its access obligations under HIPAA.

b. Amendment. Business Associate and UnitedHealthcare agree that Business Associate will, when directed by UnitedHealthcare, amend Protected Health Information contained in a Designated Record Set (as defined in the Regulations) by Business Associate, in accordance with the requirements of 45 C.F.R. § 164.526. Business Associate shall notify UnitedHealthcare within three (3) business days of any direct request by a Covered Person to amend Protected Health Information maintained by Business Associate and shall cooperate with UnitedHealthcare in handling such request.

c. Accounting. Business Associate shall log or otherwise track those disclosures of Protected Health Information by Business Associate which are subject to the Covered Person's right to an accounting under § 164.526 of the Regulations, and report such disclosures to UnitedHealthcare in form and manner specified by UnitedHealthcare from time to time. Business Associate shall notify UnitedHealthcare within three (3) business days of any direct request by a Covered Person to an accounting of disclosures.

d. Restriction Requests. Business Associate shall comply with any voluntary restriction on use or disclosure of Protected Health Information accepted by UnitedHealthcare under § 164.522(a) of the Regulations which is properly communicated to Business Associate. Business Associate shall notify UnitedHealthcare within three (3) business days of any direct request by a Covered Person for a voluntary restriction on use or disclosure.

e. Confidential Communications. Business Associate shall comply with any request by Covered Persons under § 164.522(b) of the Regulations to receive communications of Protected Health Information by alternative means or at alternative locations which is properly communicated to Business Associate. Business Associate shall notify UnitedHealthcare within three (3) business days of any request by a Covered Person for confidential communications.

8. **Return or Destruction of Protected Health Information**. Business Associate shall return to UnitedHealthcare or destroy (and not retain a copy) all

Protected Health Information in its possession, upon the termination of the engagement or as soon as such Protected Health Information is no longer needed by Business Associate to perform its responsibilities thereunder, whichever comes first, and require its agents and contractors to do likewise. To the extent that return or destruction is not feasible, the protections of this Agreement shall remain in effect for so long as Business Associate or its agents or contractors have possession of or access to such Protected Health Information, and Business Associate agrees to limit further uses and disclosures of Protected Health Information to those purposes which make return or destruction infeasible.

9. **Responsibilities of UnitedHealthcare**. UnitedHealthcare agrees to:

    a. Notify Business Associate if UnitedHealthcare agrees to any voluntary restrictions on the use or disclosure of Protected Health Information under § 164.522(a) of the Regulations which will affect Business Associate's use or disclosure of Protected Health Information under the engagement.

    b. Notify Business Associate of any reasonable requests by individuals under § 164.522(b) of the Regulations to receive communications of Protected Health Information by alternative means or at alternative locations if such requests will affect Business Associate's services,

    c. Provide Business Associate with a copy of any amendment to Protected Health Information which is accepted by UnitedHealthcare under §164.526 of the Regulations which UnitedHealthcare believes will apply to Protected Health Information maintained by Business Associate in Designated Record Sets.

10. **Supervening Law**. Upon the enactment of any law or regulation affecting the use or disclosure of Protected Health Information, or the publication of any decision of a court of the United States or of this state relating to any such law, or the publication of any interpretive policy or opinion of any governmental agency charged with the enforcement of any such law or regulation, UnitedHealthcare may, by written notice to Business Associate, amend this Agreement in such manner as it determines necessary to comply with such law or regulation. If Business Associate disagrees with any such amendment, Business Associate shall so notify UnitedHealthcare in writing within thirty (30) days of UnitedHealthcare's notice. If the parties are unable to agree on an amendment within thirty (30) days thereafter, either of them may terminate the engagement or representation on not less than thirty (30) days' written notice to the other.

11. **Term and Termination**.

    a. Term. This Agreement shall become effective on the Effective Date and shall continue in effect until all obligations of the parties have been met, including return or destruction of all Protected Health Information in

Business Associate's possession (or in the possession of Business Associate's agents and/or contractors), unless sooner terminated as provided herein. It is expressly agreed that the terms and conditions of this Agreement designed to safeguard Protected Health Information shall survive expiration or other termination of the engagement or representation and shall continue in effect until Business Associate has performed all obligations under this Agreement.

b. Termination by UnitedHealthcare. UnitedHealthcare may immediately terminate the engagement or representation, if UnitedHealthcare makes the determination that Business Associate has breached a material term of this Agreement. Alternatively, UnitedHealthcare may choose to provide Business Associate with written notice of the existence of an alleged material breach, and afford Business Associate an opportunity to cure the alleged material breach upon mutually agreeable terms. Failure to take reasonable steps to cure is grounds for immediate termination of this Agreement.

c. Termination by Business Associate. If Business Associate determines that UnitedHealthcare has breached a material term of this Agreement, Business Associate shall notify UnitedHealthcare and provide UnitedHealthcare an opportunity to cure the alleged material breach upon mutually agreeable terms. Failure of UnitedHealthcare to take reasonable steps to cure the breach is grounds for the immediate termination of this Agreement.

d. Return/Destruction Infeasible. In the event Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide UnitedHealthcare with notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the parties that return or destruction of Protected Health Information is infeasible, Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health information. Business Associate shall only be required to return or destroy Protected Health Information when it is feasible to do so.

12. **Miscellaneous**. The following miscellaneous provisions shall apply throughout the term of this Agreement:

a. Survival. The respective rights and obligations of Business Associate and UnitedHealthcare hereunder shall survive termination of this Agreement according to the terms hereof and the obligations imposed on UnitedHealthcare under HIPAA.

b. Interpretation; Amendment. This Agreement shall be interpreted and applied in a manner consistent with UnitedHealthcare's obligations under HIPAA. Except as provided In Section 10, all amendments shall be in writing and signed by the parties.

c. Waiver. A waiver with respect to one event shall not be construed as continuing, or as a bar to or waiver of any right or remedy as to subsequent events.

d. No Third-Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the parties and their respective successors or assigns, any rights, remedies or obligations hereunder.

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed in its name and on its behalf.

UNITEDHEALTHCARE COMMUNITY PLAN OF TEXAS, L.L.C.	**Hidalgo County Health & Human Services Dept.**
By: _____	By: _____
Title: _____	Title: _Hidalgo County Judge_____
Date: _____	Date: _____

AI-32788 **Emergency Management 8. A.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Oscar Montoya **Submitted By:** SANDRA DELEON, COUNTY JUDGE

Department: COUNTY JUDGE

Information

CAPTION

Authorization and approval to accept a revision to the performance period which will be from August 1, 2010 to July 31, 2012 for the 2010 Homeland Security Grant Program from the Texas Division of Emergency Management, with authority for County Judge to sign the required documentation.

BACKGROUND

This Grant was approved and accepted by the Hidalgo County Commissioners Court on March 20, 2012 (AI-31429). The initial Grant Adjustment Notice from the Texas Department of Public Safety stated the performance period for the grant was from August 1, 2010 to October 31, 2012. This was an error on their behalf and have provided us with a corrected ending date now being presented for approval and acceptance.

This grant was initially awarded to Hidalgo County Emergency Management by Texas Division of Emergency Management on behalf of the Linn San Manuel Volunteer Fire Department based on the recommendations of the Lower Rio Grande Valley Development Council Homeland Security Advisory Committee. Due to time constraints, we have been unable to maintain constant contact with the Chief to continue with the procurement process. We have requested a change of scope be made to continue to utilize these funds. The HSAC Members decided to reallocate the funds to purchase uninterruptable power supplies for Willacy County and the remaining funds will be utilized for the Alamo Fire Department to purchase items for the Regional Structural Collapse Team. This is a reimbursable grant and we will follow the procurement policies set forth by the county's Purchasing Department.

Fiscal Impact

FISCAL YEAR: 2 **ACCT. #:** 2-1283-429-10-300-028-2-XXX

FUNDS AVAILABLE Y/N?: Y **MATCHING FUNDS Y/N?:**

BUDGETARY IMPACT:

No Fiscal Impact. Performance Period revision only.

Attachments

backup

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/12/2012 11:47 AM
Roland Garcia	Rolando Garcia	06/22/2012 08:42 AM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: SANDRA DELEON Started On: 06/12/2012 09:31 AM

Final Approval Date: 06/22/2012

Texas Homeland Security State Administrative Agency

FAX SHEET

DATE: June 5, 2012

TO:	**Belinda Alvarez**
	Hidalgo County
PHONE #:	**956-318-2615**
FAX #:	**956-289-7889**
CC:	

FROM:	Arturo O. Mendez
PHONE #:	512-377-0022
FAX #:	**512-206-3137**

REMARKS: o Urgent o For your review o Reply ASAP o Please Comment

Ms. Goddard,,

Attached please find the completed SF-122 and HOO Forms for your review.

If you have any questions or need more information, please feel free to give me a call.

Thank You,

Arturo O. Mendez

Number of Pages (including cover sheet): 18

Texas Department of Public Safety

2010 Grant Adjustment Notice
for

Hidalgo County

Date of Award
May 3, 2012

1. Sub-Recipient Name and Address	2. Prepared by: Saba, Sherry	3. SAA Award Number: 10-GA 48215-04

Judge Ramon Garcia
Hidalgo County
1615 S. Closner STE J
Edinburg, TX 78539

4. Federal Grant Information

Federal Grant Title:	**Homeland Security Grant Program (HSGP) State Homeland Security Program(SHSP)**
Federal Grant Award Number:	2010-SS-T0-0008
Date Federal Grant Awarded to TxDPS:	August 1, 2010
Federal Granting Agency:	Department of Homeland Security FEMA Grant Programs Directorate

5. Award Amount and Grant Breakdowns

SHSP Award Amount (Federal)

CFDA: 97.073

$5,015.32

Grant Period:	
From: Aug 1, 2010	To: Jul 31, 2012

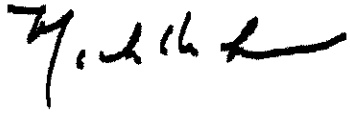
(The SAA must receive all invoices by the end of grant period)

6. Statutory Authority for Grant: This project is supported under Department of Homeland Security Appropriations Act, 2010 (Public Law 111-83).

7. Method of Payment: Primary method is reimbursement.

8. Debarment/Suspension Certification: The Sub-Recipient certifies that the sub-recipient and its contractors/vendors are not debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded by any federal department or agency and do not appear in the Excluded Parties List System at http://www.epls.gov.2.8.9029.0

9. Agency Approval

Approving TxDPS Official:	Signature of TxDPS Official:
Machelle Pharr Deputy Assistant Director State Administrative Agency Texas Department of Public Safety	

10. Sub-Recipient Acceptance

I have read and understand the attached Terms and Conditions.

Type name and title of Authorized Sub-Recipient official:	Signature of Sub-Recipient Official:

11. Enter Employer Identification Number (EIN) / Federal Tax Identification Number:	12. Date Signed :

13. DUE DATE: **June 17, 2012**

Signed award and Direct Deposit Form (if applicable) must be returned to TxDPS on or before the above due date.

2010 TERMS AND CONDITIONS

Instructions:

The Sub-recipient must:

1. *Fill in the contact information and sign the Sub-Recipient Award*
2. *Certify they have read and understand the Terms and Conditions by initialing the bottom of each page.*
3. *Fill in the contact information located on Page 4.*
4. *Certify to the statements provided in Exhibits A and B and C located at the back of this document by filling in contact information and signing both exhibits.*
5. *Return all documents to the SAA in accordance with the date provided in the transmittal letter and/or in the agreement.*

Parties to Sub-recipient Agreement

This Sub-recipient Agreement (includes the Sub-recipient Award and the Terms and Conditions) is made and entered into by and between the Department of Public Safety / State Administrative Agency, (DPS/SAA) an agency of the State of Texas, hereinafter referred to as "DPS/SAA," and the funds recipient, hereinafter referred to as the "Sub-recipient." Furthermore, DPS/SAA and the Sub-recipient are collectively hereinafter referred to as the "Parties." The Sub-recipient Agreement is only an offer until the Sub-recipient returns the signed copy of the 2010 Sub-recipient Agreement in accordance with the date provided in the transmittal letter and/or in the agreement Sub-recipient Agreement Award.

Sub-recipient must not assign or transfer any interest in this Sub-recipient Agreement without the express, prior written consent of the SAA.

Overview, and Performance Standards

All allocations and use of funds under this grant must be in accordance with the FY 2010 Guidelines and Application Kit for the Federal Grant Title specified on the Sub-recipient Agreement Award. All award Sub-recipients are required to have read, understood and accepted the FY 2010 Guidance and Application Kit as binding.

Standard of Performance. The Sub-recipient shall perform all activities and projects entered into the SAA web-based grants management system approved by its Regional Planning Group / Urban Area Working Group and/or by the State Administrative Agency (SAA) as applicable. The Sub-recipient shall perform all activities in accordance with all terms, provisions and requirements set forth in this Sub-recipient agreement, Terms and Conditions and the following Exhibits located at the end of this document:

1. Assurance – Non-Construction Programs, hereinafter referred to as "**Exhibit A**"
2. Assurance – Construction Programs, hereinafter referred to as "**Exhibit B**"
3. Certification, hereinafter referred to as "**Exhibit C**"

Failure to Perform. In the event the Sub-recipient fails to implement the project(s) entered into the SAA web-based grants management system, or comply with any of this Sub-recipient agreement's provisions, in addition to the remedies specified in this Sub-recipient agreement, the Sub-recipient is liable to DPS/SAA for an amount not to exceed the award amount of this Sub-recipient agreement and may be barred from applying for or receiving additional DHS/FEMA grant program funds or any other federal program funds administered by DPS/SAA until repayment to DPS/SAA is made and any other compliance or audit finding is satisfactorily resolved.

Initial _____ Date _____

DPS/SAA Obligations

Measure of Liability. DPS/SAA shall not be liable to the Sub-recipient for any costs incurred by the Sub-recipient that are not allowable costs.

Sub-recipient Agreement Funds Defined and Limit of Liability. The term "Sub-recipient agreement funds" as used in this Sub-recipient agreement means funds provided by DPS/SAA under the DHS/FEMA grant programs. The term "Sub-recipient's funds" or match funds as used in this Sub-recipient agreement means funds provided by the Sub-recipient.

Notwithstanding any other provision of this Sub-recipient agreement, the total of all payments and other obligations incurred by DPS/SAA under this Sub-recipient agreement shall not exceed the Total Award Amount listed on the cover page of the Sub-recipient agreement.

Sub-recipient shall contribute the match funds listed on the Sub-recipient Award page.

Excess Payments. The Sub-recipient shall refund to DPS/SAA any sum of Sub-recipient agreement funds that has been paid to the Sub-recipient by DPS/SAA or that DPS/SAA determines has resulted in overpayment to the Sub-recipient or that DPS/SAA determines has not been spent by the Sub-recipient in accordance with this Sub-recipient agreement. No refund payment(s) may be made from local, state or federal grant funds unless repayment with grant funds is specifically permitted by statute or regulation. The Sub-recipient shall make such refund to DPS/SAA within thirty (30) days after DPS/SAA requests such refund.

Suspension

In the event the Sub-recipient fails to comply with any of this Sub-recipient Agreement's terms, DPS/SAA may, upon written notification to the Sub-recipient, suspend this Sub-recipient agreement in whole or in part, withhold payments to the Sub-recipient and prohibit the Sub-recipient from incurring additional obligations of Sub-recipient agreement funds.

Termination

DPS/SAA's Right to Terminate. DPS/SAA shall have the right to terminate this Sub-recipient agreement, in whole or in part, at any time before the end of the Performance Period, whenever DPS/SAA determines that the Sub-recipient has failed to comply with any of this Sub-recipient agreement's terms. DPS/SAA shall notify the Sub-recipient in writing prior to the thirtieth (30th) day preceding the termination of such determination and include:

1. the reasons for such termination;
2. the effective date of such termination; and
3. in the case of partial termination, the portion of the Sub-recipient agreement to be terminated.

Appeal will be made to the Deputy Director of Homeland Security, Department of Public Safety.

Enforcement

In taking an enforcement action, the awarding agency will provide the sub-recipient an opportunity for such hearing, appeal, or other administrative proceeding to which the sub-recipient is entitled under any statute or regulation applicable to the action involved.

Initial _____ Date _____

Conflict of Interest

No employee, officer or agent of the sub-recipient shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.

Monitoring

Sub-recipients will be monitored periodically by federal or state agencies, both programmatically and financially, to ensure that project goals, objectives, performance requirement, timelines, milestone completion, budget, and other related program criteria are being met.

DPS/SAA reserves the right to perform periodic office-based and/or on-site monitoring of the Sub-recipient's compliance with this Sub-recipient agreement's terms and conditions and of the adequacy and timeliness of the Sub-recipient's performance pursuant to this Sub-recipient agreement. After each monitoring visit, DPS/SAA shall provide the Sub-recipient with a written report of the monitor's findings. If the monitoring report notes deficiencies in the Sub-recipient's performance under this Sub-recipient agreement's terms, the monitoring report shall include requirements for the timely correction of such deficiencies by the Sub-recipient. Failure by the Sub-recipient to take action specified in the monitoring report may be cause for this Sub-recipient agreement's suspension or termination pursuant to the Suspension and/or Termination Section.

Audit

Audit of Federal and State Funds. The Sub-recipient shall arrange for the performance of an annual financial and compliance audit of Sub-recipient agreement funds received and performances rendered under this Sub-recipient agreement as required by the Single Audit Act (OMB Circular A – 133; 44 C.F.R. 13.26) and as outlined in Exhibit A. The Sub-recipient will also comply, as applicable, with Texas Government Code, Chapter 783, 1 TAC 5.141.et.seq. and the Uniform Grant Management Standards (UGMS), State Uniform Administrative Requirements for Grants and Cooperative Agreements.

DPS/SAA's Right to Audit. DPS/SAA reserves the right to conduct a financial and compliance audit of Sub-recipient agreement funds received and performances rendered under this Sub-recipient agreement. The Sub-recipient agrees to permit DPS/SAA or its authorized representative to audit the Sub-recipient's records. The sub-recipient shall provide any documents, materials or information necessary to facilitate such audit.

Sub-recipient's Liability for Disallowed Costs. The Sub-recipient understands and agrees that it shall be liable to DPS/SAA for any costs disallowed pursuant to financial and compliance audit(s) of Sub-recipient agreement funds. The Sub-recipient further understands and agrees that reimbursement to DPS/SAA of such disallowed costs shall be paid by the Sub-recipient from funds that were not provided or otherwise made available to the Sub-recipient pursuant to this Sub-recipient agreement or any other federal contract.

Sub-recipient's Facilitation of Audit. The Sub-recipient shall take such action to facilitate the performance of such audit(s) conducted pursuant to this Section as DPS/SAA may require of the Sub-recipient. The Sub-recipient shall ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through the Sub-recipient and the requirement to cooperate is included in any subcontract it awards.

Other Requirements

A. During the performance period of this grant, Sub-recipients must maintain an Emergency Management Plan at the Intermediate Level of planning preparedness or higher, as prescribed by the Texas Division of Emergency Management (TDEM) . This may be accomplished by a jurisdiction maintaining its own emergency management plan or participating in an inter-jurisdictional emergency management program that meets the required standards. If TDEM identifies deficiencies in the Sub-recipient's plan, Sub-recipient will correct deficiencies within 60 days of receiving notice of such deficiencies from TDEM.

Initial _____ Date _____

B. Projects identified in the SAA web-based grant management system must identify and relate to the goals and objectives indicated by the applicable approved project investments for the period of performance of the grant.

C. During the performance period of this grant, Sub-recipient agrees that it will participate in a legally-adopted county and/or regional mutual aid agreement.

D. During the performance period, the Sub-recipient must be a registered user of the Texas Regional Response Network (TRRN) and identify all major resources such as vehicles and trailers, equipment costing $5,000 or more and specialized teams/response units equipped and/or trained using grant funds (i.e. hazardous material, decontamination, search and rescue, etc.). This registration is to ensure jurisdictions or organizations are prepared to make grant funded resources available to other jurisdictions through mutual aid.

E. Sub-recipients must submit Fiscal Year 2010 Indirect Cost Allocation Plan signed by Cognizant Agency - "Cognizant agency" means the Federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals developed under 2 CFR part 225 on behalf of all Federal agencies. OMB publishes a listing of cognizant agencies. Plan should be forwarded to the SAA along with the Planning and Administration Grant Budget Form.

F. Council of Governments (COG) will follow guidelines listed in the SAA FY 10 COG Statement of Work.

G. Sub-recipient acknowledges that FEMA National Preparedness Directorate reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and authorize others to use, for Federal government purposes: (1) the copyright in any work developed under an award or sub-award; and (2) any rights of copyright to which a recipient or Sub-recipient purchases ownership with Federal support. The sub-recipient agrees to consult with DPS/SAA regarding the allocation of any patent rights that arise from, or are purchased with, this funding.

Closing the Grant

A. The Sub-recipient must have expended all grant funds and submitted expenditure reimbursement requests and any invoices by the end of the performance period listed on the sub-recipient agreement.

B. DPS/SAA will close a sub-award after receiving Sub-recipient's final performance report indicating that all approved work has been completed and all funds have been disbursed, completing a review to confirm the accuracy of the reported information, and reconciling actual costs to awards modifications and payments. If the close out review and reconciliation indicates that the Sub-recipient is owed additional funds, DPS/SAA will send the final payment automatically to the Sub-recipient. If the Sub-recipient did not use all the funds received, DPS/SAA will issue a Grant Adjustment Notice (GAN) to recover the unused funds.

C. At the completion of the sub-recipient's performance period, DPS/SAA will de-obligate all uncommitted / unexpended funds.

Restrictions, Disclaimers and Notices

A. In cases where local funding is established by a COG or UASI, governing board, the release of funds by DPS/SAA is contingent upon funding allocation approval by the governing board.

B. Notwithstanding any other agreement provisions, the parties hereto understand and agree that DPS/SAA's obligations under this agreement are contingent upon the receipt of adequate funds to meet DPS/SAA's liabilities hereunder, except as required by IECGP and HSGP grants. DPS/SAA shall not be liable to the Sub-recipient for costs under this Agreement which exceed the amount specified in the Notice of Sub-recipient Award.

C. All notices or communication required or permitted to be given by either party hereunder shall be deemed sufficiently given if mailed by registered mail or certified mail, return receipt requested, or sent by overnight courier, such as Federal Express, to the other party at its respective address set forth below or to the Point of Contact listed for the sub-recipient in the SAA Grants Management System shall be deemed received the following business day.

Initial _____ Date _____

DPS/SAA Contact Information
Deputy Director, Homeland Security Texas Department of Public Safety State Administrative Agency P.O. Box 4087 Austin, TX 78773-0220

Sub-Recipient Contact Information (Please Fill-In Contact Information below)
Name: Title: Agency: Address:

Uniform Administrative Requirements, Cost Principals and Audit Requirements

Except as specifically modified by law or this Sub-recipient agreement's provisions, the Sub-recipient shall administer the award through compliance with the most recent version of all applicable Laws and Regulations. A non-exclusive list is provided below

A. Administrative Requirements

1. 44 C.F.R. Part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments;
2. 2 C.F.R. Part 215, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations (OMB Circular A-110).

B. Cost Principles

1. 2 C.F.R. Part 225, Cost Principles for State, Local and Indian Tribal Governments (OMB Circular A-87)
2. 2 C.F.R. Part 220, Cost Principles for Education Institutions (OMB Circular A-21)
3. 2 C.F.R. Part 230, Cost Principles for Non-Profit Organizations (OMB Circular A-122)
4. Federal Acquisition Regulations (FAR) Subpart 31.2, Contracts with Commercial Organizations

C. Audit Requirements – OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

D. Sub- recipient understands and agrees that it cannot use any federal funds, either directly or indirectly, in support of the enactment, repeal, modification or adoption of any law, regulation or policy, at any level of government, without the express prior written approval of FEMA.

E. The sub-recipient agrees that all allocations and use of funds under this grant will be in accordance with the applicable FY2010 Grant Program Guidance and Application Kit.

F. The recipient must provide information to FEMA to assist with the legally-required environmental planning and historic preservation (EHP) review and to ensure compliance with applicable EHP laws and Executive Orders (EO). These EHP requirements include but are not limited to National Environmental Policy Act, National Historic Preservation Act, Endangered Species Act, EO 11988 – Floodplain Management, EO 11990 – Protection of Wetlands, and EO 12898 – Environmental Justice. The recipient must comply with all Federal, State, and local EHP requirements and obtain applicable permits and clearances.

Recipient shall not undertake any activity from the project that would result in ground disturbance, facility modification, or relates to the use of sonar equipment without the prior approval of FEMA. These include but are not limited to communications towers, physical security enhancements involving ground disturbance, new construction, and modifications to buildings that are 50 years old or older. Recipient must comply with all mitigation or treatment measures required for the project as the result of FEMA's EHP review. Any changes to an approved project description will require re-evaluation for compliance with EHP requirements before the project can proceed. If ground disturbing activities occur during project implementation, the recipient must ensure monitoring of ground disturbance and if any potential archeological resources are discovered, the recipient will immediately cease construction in that area and notify FEMA and the appropriate State Historical Preservation Office. Initiation of these activities prior to completion of FEMA's EHP review will result in a non-compliance finding and may not be eligible for grant funding.

G. Sub-recipient shall also comply with all other federal, state, and local laws and regulations applicable to this Sub-recipient agreement's activities and performances rendered by the Sub-recipient including but not limited to the laws and the regulations promulgated in State Administrative Agency Information Bulletins, and Texas Uniform Grants Management Standards (UGMS).

H. The sub-recipient(s) must, in addition to the assurances, comply and require each of its subcontractors employed in the completion of the project to comply with all applicable statutes, regulations, executive orders, OMB circulars, terms and conditions of the award, and the approved application.

Initial _____ Date _____

Retention and Accessibility of Records

Retention of Records. The Sub-recipient shall maintain fiscal records and supporting documentation for all expenditures of Sub-recipient agreement funds pursuant to the applicable OMB Circular and this Sub-recipient agreement. The Sub-recipient shall retain these records and any supporting documentation for the greater of three (3) years from the completion of this project's public objective, including program requirements and financial obligations, or the period of time required by other applicable laws and regulations. Sub-recipient shall comply with 44 CFR Section 13.42 and UGMS §-__.42

Access to Records. The Sub-recipient shall give the United States Department of Homeland Security (DHS), the Comptroller General of the United States, the Texas State Auditor, DPS/SAA, or any of their duly authorized representatives, access to and the right to examine all books, accounts, records, reports, files, other papers, things or property belonging to or in use by the Sub-recipient pertaining to this Sub-recipient agreement including records concerning the past use of DHS/FEMA funds. Such rights to access shall continue as long as the records are retained by the Sub-recipient. The Sub-recipient agrees to maintain such records in an accessible location and to provide citizens reasonable access to such records consistent with the Texas Public Information Act, , and Texas Government Code Chapter 552.

Inclusion in Subcontracts. The Sub-recipient shall include the substance of this Section in all subcontracts.

Legal Authority

Signatory Authority. The Sub-recipient assures and guarantees that the Sub-recipient possesses the legal authority to enter into this Sub-recipient agreement, receive Sub-recipient agreement funds and to perform the services the Sub-recipient has obligated itself to perform pursuant to this Sub-recipient agreement.

Authorized Representative. The person or persons signing and executing this Sub-recipient agreement on the Sub-recipient's behalf do warrant and guarantee that he, she or they have been duly authorized by the Sub-recipient to execute this Sub-recipient agreement on the Sub-recipient's behalf and to validly and legally bind the Sub-recipient to all contractual terms, performances and provisions.

Conflicts in Requirements. If conflict exists between federal, state, or local requirements, the sub-recipient shall comply with the strictest requirement. .

Notice of Litigation and Claims

The Sub-recipient shall give DPS/SAA immediate notice in writing of any action, including any proceeding before an administrative agency, filed against the Sub-recipient arising out of the performance under this Sub-recipient agreement

Except as otherwise directed by DPS/SAA, the Sub-recipient shall furnish immediately to DPS/SAA copies of all documentation or pleadings received by the Sub-recipient with respect to such action or claim.

Non-Waiver of Defaults

ANY FAILURE OF DPS/SAA, AT ANY TIME, TO ENFORCE OR REQUIRE THE STRICT KEEPING AND PERFORMANCE OF ANY PROVISION OF THIS AGREEMENT WILL NOT CONSTITUTE A WAIVER OF SUCH PROVISION, AND WILL NOT AFFECT OR IMPAIR SAME OR THE RIGHT OF DPS/SAA AT ANY TIME TO AVAIL ITSELF OF SAME. A WAIVER DOES NOT BECOME EFFECTIVE UNLESS DPS/SAA EXPRESSLY AGREES TO SUCH WAIVER IN WRITING. ANY PAYMENT BY DPS/SAA SHALL NOT CONSTITUTE A WAIVER OR OTHERWISE IMPAIR OR PREJUDICE ANY RIGHT, POWER, PRIVILEGE, OR REMEDY AVAILABLE TO DPS/SAA TO ENFORCE ITS RIGHTS, AS SUCH RIGHTS, POWERS, PRIVILEGES, AND REMEDIES ARE SPECIFICALLY PRESERVED.

Initial _____ Date _____

Indemnity

AS PERMITTED BY LAW, SUB-RECIPIENT SHALL INDEMNIFY, DEFEND AND HOLD DPS/SAA AND THE STATE OF TEXAS (INCLUDING ITS DIRECTORS, COMMISSIONERS, EMPLOYEES, AGENTS AND THEIR SUCCESSORS) ("INDEMNITEES") HARMLESS FROM AND AGAINST ANY OF THE FOLLOWING THAT ARISE OUT OF OR RESULT FROM SUB-RECIPIENT'S NEGLIGENCE (ANY AND ALL), FAULT, ACT, FAILURE TO ACT, OMISSION, BREACH OF THIS AGREEMENT OR VIOLATION OF ANY STATE OR FEDERAL LAW AND/OR REGULATION, AS WELL AS ANY VIOLATION OF ANY MATTER MADE THE BASIS OF A TREATY AND/OR CONVENTION AND/OR AGREEMENT BETWEEN THE UNITED STATES AND ANOTHER NATION: CLAIMS; LAWSUITS; DAMAGES; LIABILITIES; PENALTIES; TAXES; FINES; INTEREST; EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS, INVESTIGATION COSTS AND ALL DIRECT OR INDIRECT COSTS OR EXPENSES INCURRED IN DEFENDING AGAINST ANY CLAIM, LAWSUIT, OR OTHER PROCEEDING, INCLUDING THOSE EXPENSES INCURRED IN ANY NEGOTIATION, SETTLEMENT, OR ALTERNATIVE DISPUTE RESOLUTION); ANY AND ALL DAMAGES, HOWEVER CHARACTERIZED, SUCH AS DIRECT, GENERAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL, PUNITIVE, OR SPECIAL DAMAGES OF ANY KIND (INCLUDING LOST REVENUES OR PROFITS, LOSS OF BUSINESS, LOSS OF USE, OR LOSS OF DATA) ARISING OUT OF OR IN CONNECTION WITH OR RELATED TO THIS AGREEMENT OR THE RIGHTS PROVIDED THEREIN.

IN ANY AND ALL CLAIMS AGAINST ANY OF THE INDEMNITEES BY ANY EMPLOYEE OF THE SUB-RECIPIENT OR ANY EMPLOYEE OF ITS SUBCONTRACTOR(S), THE INDEMNIFICATION OBLIGATION UNDER THIS AGREEMENT WILL NOT BE LIMITED IN ANY WAY BY THE AMOUNT OR TYPE OF DAMAGES, COMPENSATION, OR BENEFITS PAYABLE BY OR FOR THE SUB-RECIPIENT OR ANY OF ITS SUBCONTRACTOR(S) UNDER WORKER'S DISABILITY COMPENSATION ACTS, DISABILITY BENEFITS ACTS, OR OTHER EMPLOYEE BENEFITS ACTS.

SUB-RECIPIENT SHALL COORDINATE ITS DEFENSE AND ANY SETTLEMENT WITH THE ATTORNEY GENERAL FOR THE STATE OF TEXAS AS REQUESTED BY THE DPS/SAA. IN ANY SETTLEMENT, SUB-RECIPIENT MUST NOT MAKE ANY ADMISSION OF LIABILITY ON THE PART OF ANY OF THE INDEMNITEES.

THIS SECTION SHALL NOT BE CONSTRUED TO ELIMINATE OR REDUCE ANY OTHER INDEMNIFICATION, CONTRIBUTION OR RIGHT WHICH ANY OF THE INDEMNITEES HAVE BY LAW OR EQUITY.

THIS SECTION SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS AGREEMENT.

Changes and Amendments

Written Amendment. Except as specifically provided otherwise in this Sub-recipient agreement, any alterations, additions or deletions to this Sub-recipient agreement's terms shall be made through Grant Adjustment Notices generated by the SAA web-based grants management system and executed by the Parties.

Authority to Amend. During the period of this Sub-recipient agreement's performance DPS/SAA and/or FEMA may issue policy directives that serve to establish, interpret or clarify this Sub-recipient agreement's performance requirements. Such policy directives shall be promulgated by DPS/SAA or FEMA in the form of Information Bulletins and shall have the effect of qualifying this Sub-recipient agreement's terms and shall be binding upon the Sub-recipient as if written in the Sub-recipient agreement.

Effect of Changes in Federal and State Laws. Any alterations, additions, or deletions to this Sub-recipient agreement's terms that are required by the changes in federal and state laws or regulations are automatically incorporated into this Sub-recipient agreement without written amendment to this Sub-recipient agreement and shall become effective on the date designated by such law or regulation. . In the event FEMA or DPS/SAA determines that changes are necessary to the award document after an award has been made, including changes to period of performance or terms and conditions, recipients will be notified of the changes in writing. Once notification has been made, any subsequent request for funds will indicate sub-recipient acceptance of the changes to the award.

Initial _____ Date _____

Headings

Headings and captions of this Sub-recipient agreement's sections and paragraphs are only for convenience and reference. These headings and captions shall not affect or modify this Sub-recipient agreement's terms or be used to interpret or assist in the construction of this Sub-recipient agreement.

Venue

For purposes of litigation pursuant to this Sub-recipient agreement, venue shall lie in Travis County, Texas, and be governed by Texas Law.

Initial _____ Date _____

Special Conditions

2010 Operation Stonegarden (OPSG) Specific:

1) The recipient is prohibited from obligating or expending Operation Stonegarden (OPSG) funds provided through this award until each unique, specific or modified county level or equivalent Operational Order/Frag Operations Order with embedded estimated operational budget has been reviewed and approved through an official email notice issued by FEMA removing this special programmatic condition. The Operations Order approval process/structure is as follows: Operations Orders are submitted to (I) the appropriate Customs and Border Protection (CBP) Border Patrol (BP) Sector Headquarters (HQ); upon approval by the Sector HQ, forwarded through the Border Patrol Enforcement Transfer System (BPETS) system to (2) the OPSG Coordinator, CBP/BP Washington, DC and upon approval forwarded to (3) Federal Emergency Management Agency (FEMA), Grant Programs Directorate (GPD). Grant Development and Administration Division (GD&A). Notification of release of programmatic hold will be sent by FEMA via email to the State Administrative Agency (SAA) with a copy to OPSG Coordinator at CBP/BP HQ, Washington DC.

General:

1)

a) Provisions applicable to a sub-recipient that is a private entity.

i) You as a sub-recipient, your employees, may not:

(1) Engage in severe forms of trafficking in persons during the period of time that the award is in effect;

(2) Procure a commercial sex act during the period of time that the award is in effect: or

(3) Use forced labor in the performance of the award or sub-award under this award.

ii) We may unilaterally terminate this award, without penalty, if the sub-recipient that is a private entity:

(1) Is determined to have violated a prohibition in paragraph 1a of this award term; or

(2) Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition of this award term through conduct that is either:

(a) Associated with performance under this award; or

(b) Imputed to you or the sub-recipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, "OMB Guidelines to Agencies on Government Debarment and Suspension (Non-procurement)," as implemented at 2 CFR Part 3000.

b) Provisions applicable to a sub-recipient that is other than a private entity. We may unilaterally terminate this award, without penalty, if the sub-recipient that is a private entity:

i) Is determined to have violated a prohibition in paragraph 1a of this award term; or

ii) Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph a1 of this award term through conduct that is either:

(1) Associated with performance under this award; or

(2) Imputed to you or the sub-recipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, "OMB Guidelines to Agencies on Government Debarment and Suspension (Non-procurement)," as implemented at 2 CFR Part 3000.

c) Provisions applicable to any recipient:

i) You must inform us immediately of any information you received from any source alleging a violation of a prohibition in paragraph a1 of this award term.

ii) Our right to terminate unilaterally that is described in 1b or 2 of this section:

(1) Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104 (g), and

(2) Is in addition to all other remedies for noncompliance that are available to us under this award.

Initial _____ Date _____

iii) You must include the requirements of 1a of this award term in any sub-award you make to a private entity.

d) Definitions. For purposes of this award term:

i) "Employee" means either:

(1) An individual employed by a sub-recipient who is engaged in the performance of the project or program under this award: or

(2) Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.

ii) "Forced labor" means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

iii) "Private entity" means:

(1) Any entity other than a State, local government, Indian Tribe, or foreign public entities, as those terms are defined in 2 CFR 175.25.

(2) Includes:

(a) A non-profit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian Tribe at 2CFR 175.25(b).

(b) A for-profit organization

iv) "Severe forms of trafficking in persons," "commercial sex act," and "coercion" have the meaning given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

2)

a) Classified national security information as defined in Executive Order (EO) 12958, as amended, means information that has been determined pursuant to EO 12958 or any predecessor order to require protection against unauthorized disclosure and is marked to indicate its classified status when in documentary form.

b) No funding under this award shall be used to support a contract, sub-award, or other agreement for goods or services that will include access to classified national security information if the award recipient has not been approved for that access to such information

c) Where an award recipient has been approved for and has access to classified national security information, no funding under this award shall be used to support a contract, sub-award, or other agreement for goods or services that will include access to classified national security information by the contractor, sub-awardee, or other entity without prior written approval from the DHS Office of Security, Industrial Security Program Branch(ISBP), or an appropriate official within the Federal department or agency with whom the classified effort will be performed.

d) Such contracts, sub-awards, or other agreements shall be processed and administered in accordance with the DHS " Standard Operation Procedures, Classified Contracting by States and Local Entities," dated July 7, 20089: EO's 12829, 12959, 12968, as amended; the National Industrial Security Program Operating Manual (NISPOM); and /or other applicable implementing directives or instruction. All security requirement documents are located at: http;//www.dhs/gov/xopnbiz/grants/index.shtm.

e) Immediately upon determination by the award recipient that funding under this award will be used to support such a contract, sub-award, or other agreement, and prior to execution of any action to facilitate the acquisition of such a contract sub-award, or other agreement, the award recipient shall contact ISPB, or the appropriate Federal department or agency, for approval and processing instructions.

Please fill in the appropriate information and sign.

_____
Type Name of Authorized Official

_____
Title

_____
Sub-recipient Organization

_____
Signature of Authorized Official Date

Initial _____ Date _____

EXHIBIT A

ASSURANCES - NON-CONSTRUCTION PROGRAMS

As the duly authorized representative of the sub-recipient, I certify that the sub-recipient:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this agreement.

2. Will give the Department of Homeland Security, the Department of Public Safety, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.

3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.

5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).

6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681- 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee- 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which agreement for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction sub-agreements.

10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is $10,000 or more.

11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93- 205).

12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

Initial _____ Date _____

13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).

14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.

15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.

16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

Please fill in the appropriate information and sign.

Type Name of Authorized Official

Title

Sub-recipient Organization

Signature of Authorized Official Date

Initial _____ Date _____

EXHIBIT B

ASSURANCES - CONSTRUCTION PROGRAMS

As the duly authorized representative of the sub-recipient, I certify that the sub-recipient:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of project described in this agreement.

2. Will give the Department of Homeland Security, the Department of Public Safety, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.

3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure nondiscrimination during the useful life of the project.

4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.

5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.

6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.

7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).

9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based pain in construction or rehabilitation of residence structures.

10. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29) U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statue(s) under which agreement for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statue(s) which may apply to the agreement.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act(40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327- 333) regarding labor standards for federally-assisted construction sub-agreements.

14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is $10,000 or more.

Initial _____ Date _____

15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91- 190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).

16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq).

18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations and policies governing this program.

Please fill in the appropriate information and sign.

_____
Type Name of Authorized Official

_____
Title

_____
Sub-recipient Organization

_____
Signature of Authorized Official Date

Initial _____ Date _____

Exhibit C

Certifications

The undersigned, _____ (print), as the authorized official of _____ certifies the following to the best of his/her knowledge and belief.

A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee or a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, of modification of any Federal contract, grant, loan, or cooperative agreement.
B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee or a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL "Disclosure of Lobbying Activities," in accordance with its instructions

C. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontract, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

D. As required by Executive Order 12549, Debarment and Suspension, and implemented at 28C.F.R. Part 67, for prospective participants in primary covered transactions, as defined at 28C.F.R. Part 67, Section 67.510. (Federal Certification) The Sub-recipient certifies that it and its principals and vendors:

1. Are not debarred, suspended, proposed for debarment, declared ineligible, sentenced to a denial of Federal benefits by a State or Federal court, or voluntarily excluded from covered transactions by any Federal department or agency; Sub-recipients can access debarment information by going to www.epls.gov and the State Debarred Vendor List http://www.window.state.tx.us/prc http://www.window.state.tx.us/procurement/prog/vendor_performance/debarred/

2. Have not within a three-year period preceding this agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (D)(2) of this certification; and

4. Have not within a three-year period preceding this agreement had one or more public transactions (Federal, State, or local) terminated for cause or default; and

5. Where the sub-recipient is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this agreement. (Federal Certification)

E. The Sub-recipient certifies federal funds will be used to supplement existing funds, and will not replace (supplant) funds that have been appropriated for the same purpose. Sub-recipient may be required to supply documentation certifying that a reduction in non-federal resources occurred for reasons other than the receipt or expected receipt of federal funds.

F. Sub-recipient must comply with 2 CFR Part 180 Subpart C as a condition of receiving grant funds, and sub-recipient must require such compliance in any sub-grants or contract at the next tier.

G. Will comply with all applicable requirements of all other federal laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this program.

H. Drug-free Workplace Act, as amended, 41 U.S.C. §701 et seq. – Requires the recipient to publish a statement about its drug-free workplace program and give a copy of the statement to each employee (including consultants and temporary personnel) who will be involved in award-supported activities at any site where these activities will be carried out. Also, place(s) where work is being performed under the award (i.e., street address, city, state, and zip code) must be maintained on file. The recipient must notify the Grants Officer of any employee convicted of a violation of a criminal drug statute that occurs in the workplace. For additional information, see 44 CFR Part 17.

Initial _____ Date _____

l. Understands that failure to comply with any of the above assurances may result in suspension, termination or reduction of grant funds.

Please fill in the appropriate information and sign.

Type Name of Authorized Official

Title

Sub-recipient Organization

Signature of Authorized Official Date

Initial _____ Date _____

AI-32803 **IT Department 9. A.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted By: Griselda Salazar, IT DEPARTMENT

Department: IT DEPARTMENT

Information

CAPTION

Facilities Management:
Authorization to change employee name and change MDN through the County's membership/participation with CONTRACT: DIR-SDD-604 with awarded vendor VERIZON WIRELESS for the following:

Delete Name:	Delete Employee #:	Delete MDN:	Transferring to Employee:	Employee #:	MDN:
Fernando Martinez	186066	956-289-0197	Rogelio Salinas	137995	ISSUE NEW MDN

BACKGROUND

Attachments

Request Forms

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/13/2012 11:22 AM
Olga Garza	Olga Garza	06/15/2012 01:33 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Griselda Salazar Started On: 06/13/2012 10:48 AM

Final Approval Date: 06/22/2012

(956) 289-0197

WIRELESS DEVICE REQUEST FORM W.2011.2

TYPE OF REQUEST

County Owned Wireless Device:	Wireless Data Device:	Stipend:
☐ Office Use *or* ☐ Individual	☐ Data Card	☐ Cellular Telephone $50/mo
☐ Name Change	☐ Blackberry	☐ Data Pad $25/mo
☐ Equipment Change	☐ Other:	
☐ Plan Change		
☐ Delete Service		

COUNTY OWNED WIRELESS DEVICE

Office Use / Employee: Fernando Martinez Employee ID# 186066 Signature: [signature]

Department: Facilities Management Dept#: 220

Quantity: 1

Service: $_____/mo (x) ____ months = _____ Account: _____ 532

Service: $_____/mo (x) ____ months = _____ Account: _____ -619/664

Requisition Total: _____ **Requisition Number:** _____

STIPEND

(1) Employee: _____ Employee ID#_____ Signature: _____

Department: _____ Dept#: _____

Quantity: _____

Service: $_____/mo (x) ____ months = _____ Account: _____ -532

Total: _____

(2) Elected Official/Department Head Authorization for Request:

[signature] Signature | Valde Guerra Print Name | 5/18/12 Date

(3) Executive Office Authorization (Commissioner's Court Departments Only):

[signature] Signature | Valde Guerra Print Name | 5/18/12 Date

(4) IT DEPARTMENT ONLY:

Service Type Codes: Transfer equipment to Rogelio Salinas [signature]

Commissioner's Court Action: **Commissioner's Court Date:** 6/5/12

☐ **Approved Date:** _____ ☐ **Disapproved**

Current County cell phone policy stipulates that employees that have cell phones assigned to them will be taxed the value of the service. Please see the following IRS document for more information: http://www.irs.gov/govt/fslg/article/0,,id=167154,00.html, EXAMPLE 2.

Revised: 03/09/2011

WIRELESS DEVICE REQUEST FORM W.2011.2

TYPE OF REQUEST

County Owned Wireless Device:	Wireless Data Device:	Stipend:
☐ Office Use *or* ☐ Individual	☐ Data Card	☐ Cellular Telephone $50/mo
☑ Name Change	☐ Blackberry	☐ Data Pad $25/mo
☐ Equipment Change	☐ Other:	
☐ Plan Change		
☐ Delete Service		

COUNTY OWNED WIRELESS DEVICE

Office Use / Employee: Rogelio Salinas Employee ID#_____ Signature: Rogelio

Department: Facilities Mngt. Dept#: 220

Quantity: 1

Service: $_____/mo (x) ____ months = _____ Account [redacted] 2

Service: $_____/mo (x) ____ months = _____ Account:_____-619/664

Requisition Total:_____ **Requisition Number:**_____

STIPEND

(1) Employee: _____ Employee ID#_____ Signature:_____

Department:_____ Dept#:_____

Quantity:_____

Service: $_____/mo (x) ____ months = _____ Account:_____-532

Total:_____

(2) Elected Official/Department Head Authorization for Request:

Signature	Print Name	Date
	Valde Guerra	5/18/12

(3) Executive Office Authorization (Commissioner's Court Departments Only):

Signature	Print Name	Date
	Valde Guerra	5/18/12

(4) IT DEPARTMENT ONLY:

Service Type Codes: Assign new MDN

Commissioner's Court Action: **Commissioner's Court Date:** 6/5/12

☐ **Approved Date:** _____ ☐ **Disapproved**

Current County cell phone policy stipulates that employees that have cell phones assigned to them will be taxed the value of the service. Please see the following IRS document for more information: http://www.irs.gov/govt/fslg/article/0,,id=167154,00.html, EXAMPLE 2.

Revised: 03/09/2011

AI-32807 **IT Department 9. B.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted By: Griselda Salazar, IT DEPARTMENT

Department: IT DEPARTMENT

Information

CAPTION

Facilities Management:
Authorization and approval of current service plan through the County's membership/participation with CONTRACT: DIR-SDD-604 with VERIZON WIRELESS (Requisition# 209484) for the following:

Employee Name:	Employee ID:	Service Plan:	Service Plan Cost:	Months:	MDN:
Richard Sunday	175781	Unlimited Data Plan	$37.99 + $5.00 taxes/fees = $42.99 month	June-Dec 2010	956-929-0433

BACKGROUND

Fiscal Impact

FISCAL YEAR: 2012 **ACCT. #:** 2-1100-419-40-220-001-0-532

FUNDS AVAILABLE Y/N?: Y **MATCHING FUNDS Y/N?:**

BUDGETARY IMPACT:

Available funds as of 6/15/12.

Attachments

Request Form

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/14/2012 08:00 AM
Olga Garza	Olga Garza	06/15/2012 01:42 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Griselda Salazar Started On: 06/13/2012 11:02 AM

Final Approval Date: 06/22/2012

WIRELESS DEVICE REQUEST FORM W.2011.2

TYPE OF REQUEST

County Owned Wireless Device:	**Wireless Data Device:**	**Stipend:**
☐ Office Use *or* ☑ Individual	☑ Data Card	☐ Cellular Telephone $50/mo
☐ Name Change	☐ Blackberry	☐ Data Pad $25/mo
☐ Equipment Change	☐ Other:	
☐ Plan Change		
☐ Delete Service		

COUNTY OWNED WIRELESS DEVICE

Office Use / Employee: Richard Sunday Employee ID#: 75784 Signature: [signature]

Department: Facilities Mgmt Dept#: 220

Quantity: 1 956-929-0433

Service: $37.99 /mo (x) 12 months = 455.88 Account: 2-1100-413-40-220-0010-532

Service: $50.00 /mo (x) 12 months = 600.00 Account: 2-1100-413-40-220-0010-~~532~~ 619/664

Requisition Total: 730.83 **Requisition Number:** 009484

STIPEND

(1) Employee: _____ Employee ID#_____ Signature:_____

Department:_____ Dept#:_____

Quantity:_____

Service: $_____/mo (x) ____ months = _____ Account:_____-532

Total:_____

(2) Elected Official/Department Head Authorization for Request:

[signature] Julie Guerra 5/16/12

Signature Print Name Date

(3) Executive Office Authorization (Commissioner's Court Departments Only):

[signature] Julie Guerra 5/16/12

Signature Print Name Date

(4) IT DEPARTMENT ONLY:

Service Type Codes: Unlimited Data Plan

Commissioner's Court Action: **Commissioner's Court Date:** _____

☐ **Approved Date:** _____ ☐ **Disapproved**

Current County cell phone policy stipulates that employees that have cell phones assigned to them will be taxed the value of the service. Please see the following IRS document for more information. http://www.irs.gov/govt/fslg/article/0,,id=167154,00.html, EXAMPLE 2.

Revised: 03/09/2011

AI-32928 **IT Department 9. C.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted By: Griselda Salazar, IT DEPARTMENT

Department: IT DEPARTMENT

Information

CAPTION

Colonia Access Program:
Authorization to purchase new cellular phone service through the County's membership/participation with CONTRACT: DIR-SDD-1779 with awarded vendor VERIZON WIRELESS for the following:

Description:	Department:	Employee Name:	Employee #:	Service Plan:	Equipment Cost:
New Activation	Colonia Access Program	John Paul Lugo	115363	America's Choice II 600 Share Unl. IN NW+200 Txt/pix/flix @ $42.99 + $5.00 taxes/fees += $47.99/mo	Samsung Convoy 2 @ $0.

BACKGROUND

Fiscal Impact

FISCAL YEAR: 2012 **ACCT. #:** 2-1200-431-00-125-028-0-532

FUNDS AVAILABLE Y/N?: Y **MATCHING FUNDS Y/N?:** N

BUDGETARY IMPACT:

Funds available through Requisition# 217897 in the amount of $287.94 for Verizon Wireless.

Attachments

Backup

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/21/2012 08:05 AM
Erika Zamora	Erika Zamora	06/21/2012 10:29 AM
Auditor's Office	Arcilia Duran	06/21/2012 05:03 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Griselda Salazar Started On: 06/20/2012 03:57 PM

Final Approval Date: 06/22/2012

SERVICE PLAN, CALLING FEATURES, AND EQUIPMENT QUOTES

Wireless Proposal For Hidalgo County — **Date:** 6/20/2012

Rate Plan:	Line Count	Discounted Monthly Access	Unlimited Minutes (Y/N)	Included Minutes	Data Usage	Overage	Monthly Cost	Yearly Cost
AMERICAS CHOICE II 600 SHARE UNL IN NW+200 Txt/pix/flix 5512 0408	1	$42.99	N	600	0	$0.25	$42.99	$515.88
		$0.00	0	0	0	$0.00	$0.00	$0.00
		$0.00	0	0	0	$0.00	$0.00	$0.00
		$0.00	0	0	0	$0.00	$0.00	$0.00
		$0.00	0	0	0	$0.00	$0.00	$0.00
		$0.00	0	0	0	$0.00	$0.00	$0.00
Total	1	$42.99		600			$42.99	$515.88

Features 23% Discount applies to features of $24.99 and higher when combined with rate plans of $34.99 and higher.	Line Count	Discounted Monthly Access	Monthly Cost	Yearly Cost
		$0.00	$0.00	$0.00
		$0.00	$0.00	$0.00
		$0.00	$0.00	$0.00
		$0.00	$0.00	$0.00
		$0.00	$0.00	$0.00
		$0.00	$0.00	$0.00
Total	0	$0.00	$0.00	$0.00
RATE PLAN & FEATURE ESTIMATED ANNUAL COST				$515.88

Quarterly Device Promotions	Line Count	Cost per Unit		Total
Samsung Convoy 2 (PP $14.99+)	1	$0.00		$0.00
		$0.00		$0.00
		$0.00		$0.00
		$0.00		$0.00
		$0.00		$0.00
		$0.00		$0.00
Total	1	$0.00		$0.00
Device	**Line Count**	**Cost per Unit**		**Total**
		$0.00		$0.00
		$0.00		$0.00
		$0.00		$0.00
		$0.00		$0.00
		$0.00		$0.00
		$0.00		$0.00
Total	0	$0.00		$0.00
Accessory - 35% Off	**Line Count**	**Cost per Unit**	**Discount**	**Total**
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
Total	0	$0.00		$0.00
EQUIPMENT ESTIMATED COST				$0.00

INVESTMENT ESTIMATE	Total
Rate Plan & Feature Estimated Annual Cost:	$515.88
Equipment Estimated Cost:	$0.00
INVESTMENT TOTAL	$515.88

Additional Notes:

* Charge does not include roaming charges, minutes used over allowance, etc. Please consult with your Sales Representative for more information.
** Equipment pricing and availability is subject to change.
*** All applicable price plan and feature discounts have already been applied

Service Pricing provided is for Government Liability Accounts Only and is subject to the terms, provisions and conditions of the State of Texas Department of Information Resources (DIR) Contract No. DIR-SDD-1779 Coverage, service and offers not available in all areas. Full terms and conditions, along with additional price plans offered by Verizon Wireless can be found on the http://www.dir.state.tx.us/ internet website. Price quotes do not reflect Federal Universal Service, E911 and Regulatory Fees, charges, or pass-through assessments. Please see information on Regulatory Surcharges and Fees below for additional details.

All quotes contained in this proposal are subject to the terms and conditions of the State of Texas DIR contract. Your accounts must be in good standing with Verizon wireless to migrate your existing lines of service to the pricing offered in this proposal if your Agency currently has service with Verizon Wireless. Price Plan changes and discounts may take up to two bill cycles to appear on your Verizon Wireless billing statement for accounts transitioning to an approved State of Texas contract vehicle. As part of our compliance with FCC requirements, Verizon Wireless allows only GPS-compliant devices to be activated on our network. If your current device is not GPS-compliant you will not be able to activate service on our network with your existing equipment.

This Quotation is valid for ninety (90) days from date listed on quote (except for promotional pricing which may expire sooner). Data furnished in this document shall not be duplicated, used, or disclosed in whole or in part for any purpose other than to evaluate the document.

Requisition

Req # 00217897

PO #

Date: 06/14/12

Bill To: x
x

Vendor : 287024
VERIZON WIRELESS
P.O. BOX 660108
DALLAS TX 75266-0108

Ship To: COLONIA ACCESS PROGRAM
301 EAST STATE STREET
PHARR TX 78577

Contact: **MARCIE JACKSON**
956-787-1891

Contract No: **DIR-SDD-604**

Special Instructions:
REQ#1263

QUANTITY	UOM	DESCRIPTION	UNIT PRICE	AMOUNT
		OPTION TO INCREASE OR DECREASE P.O. CELLULAR PHONE FOR JOHN PAUL LUGO CAP COUNTY WIDE COORDINATOR DO NOT DUPLICATE ORDER		
6.00	MONTH	CO AMERICA'S CHOICE II 600 SHARE UNLIMTED IN NW5512 0408 ONE CELLULAR PHONE - $42.99 MONTHLY FEE TOTAL FOR CELL PHONE - JOHN PAUL LUGO	42.99	257.94
6.00	MONTH	CO $5.00 FOR FEDRAL TAXES AND FEES ON ONE CELL PHONE; $5.00 MONTHLY FEE WITH AMERICA'S CHOICE II 600 SHARE UNLIMITED PLAN	5.00	30.00
		Account No	Encumbrance	
		2-1200-431-00-125-028-0-532	287.94	
			Freight	.00
			Total	287.94
		BCAP CELL PHONE FOR JOHN PAUL LUGO		
		REPORT ROAD HAZARDS 1-866-HCR-SAFE OR 1-866-427-7233		

Authorized By: _____

WIRELESS DEVICE REQUEST FORM W.2011.2

TYPE OF REQUEST

County Owned Wireless Device:	Wireless Data Device:	Stipend:
☐ Office Use *or* ☒ Individual	☐ Data Card	☐ Cellular Telephone $50/mo
☐ Name Change	☐ Blackberry	☐ Data Pad $25/mo
☐ Equipment Change	☐ Other:	
☐ Plan Change		
☐ Delete Service		

COUNTY OWNED WIRELESS DEVICE

Office Use / Employee: JOHN PAUL LUGO Employee ID# 115363 Signature: John Paul Lugo

COLONIA ACCESS

Department: PROGRAM Dept#: 125

Quantity: 1

Service: $ 42.99 /mo (x) 6 months = $257.94 Account: 2-1200-431-00-125-028-0-532

Service: $ 5.00 /mo (x) 6 months = $30.00 Account: 2-1200-431-00-125-028-0-~~532~~ 564 532

Requisition Total: $287.94 **Requisition Number:** 217897

STIPEND

(1) Employee: _____ Employee ID#_____ Signature:_____

Department:_____ Dept#:_____

Quantity:_____

Service: $_____/mo (x) ____ months = _____ Account:_____-532

Total:_____

(2) Elected Official/Department Head Authorization for Request:

_____ Agapito Vargas June 15, 2012

Signature Print Name Date

(3) Executive Office Authorization (Commissioner's Court Departments Only):

_____ Valde Guerra 6/15/12

Signature Print Name Date

(4) IT DEPARTMENT ONLY:

Service Type Codes: New activation - America's Choice II 600D Share Unl. In NW + 200 txts

Commissioner's Court Action: **Commissioner's Court Date:** _____

☐ **Approved Date:** _____ ☐ **Disapproved**

Current County cell phone policy stipulates that employees that have cell phones assigned to them will be taxed the value of the service. Please see the following IRS document for more information: http://www.irs.gov/govt/fslg/article/0,,id=167154,00.html, EXAMPLE 2.

Revised: 03/09/2011

AI-32818 **Urban County 10. A.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Lupita Garcia **Submitted By:** Mary Flores, URBAN COUNTY

Department: URBAN COUNTY

Information

CAPTION

The Urban County Program requests approval of Sub-Recipient Agreements with the following for Program Year 25 (2012). (See attached exhibits)

Children's Advocacy Center	CAMP University
CASA of Hidalgo County	Easter Seals of the RGV
Food Bank of RGV	

BACKGROUND

Background:

Sub-Recipient Agency	Total Contract Amount
Children's Advocacy Center	$ 97,500.00
CAMP University	$ 60,000.00
CASA of Hidalgo County	$ 70,500.00
Easter Seals of the RGV	$ 10,000.00
Food Bank of RGV	$ 45,000.00

Attachments

Childrens Advocacy Center
CAMP University
Casa
Easter Seals
RGV Food Bank

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/13/2012 03:05 PM
Auditor's Office	Arcilia Duran	06/22/2012 02:29 PM
Dina Trevino	Merlen P. Munoz	06/22/2012 03:46 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Mary Flores Started On: 06/13/2012 02:46 PM

Final Approval Date: 06/22/2012

STATE OF TEXAS }
}
COUNTY OF HIDALGO }

SUBRECIPIENT AGREEMENT

This Agreement is made and entered into on this the 26th day of June, 20 12, by and between the COUNTY OF HIDALGO, Urban County Program, a political subdivision of the State of Texas, hereinafter referred to as **"ENTITY"**, and **CHILDREN'S ADVOCACY CENTER OF HIDALGO COUNTY, INC.** hereinafter referred to as **"SUBRECIPIENT".**

WITNESSETH

WHEREAS, **SUBRECIPIENT** desires to carry out eligible activities as described in the Statement of Work attached hereto as **Exhibit A** (the "Statement of Work**")**, to this Agreement, and permitted by Title I of the Housing and Community Development Act of 1992 (1992 Act) pursuant to the U. S. Department of Housing and Urban Development Community Development Block Grant Program Entitlement Grant Regulations and covered in 24 CFR 570.

WHEREAS, the **ENTITY** proposes to contract with **SUBRECIPIENT** in order that the eligible activities described in **Exhibit A** (the "Statement of Work**")** can be carried out for the benefit of residents in the ENTITY'S jurisdiction.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration the receipt of which is hereby acknowledged, the **ENTITY** and the **SUBRECIPIENT** do mutually agree as follows:

SECTION I
Rules and Regulations

The **SUBRECIPIENT** agrees to cooperate with the **ENTITY** in respect to the implementation of Community Development Block Grant CFDA No. 14.218 (CDBG) activities to be carried out by **SUBRECIPIENT** pursuant to 24 CFR Part 570 and other rules, regulations and decisions as may be made by the U. S. Department of Housing and Urban Development (HUD) or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG program funds.

SECTION II
Statement of Work

SUBRECIPIENT agrees to perform services as outlined in the Statement of Work for and in consideration of payment in the amount of **$ 97,500.00,** and as delineated in the Grant Budget and the Payment Schedule attached hereto as Exhibit B-1 (the "Grant Budget") and Exhibit B-2 (the "Payment Schedule").

SUBRECIPIENT agrees to notify **ENTITY**, in writing, prior to any changes in its Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"). SUBRECIPIENT shall obtain approval, in writing, from ENTITY prior to commencing work on any changes made to the Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity.

ENTITY shall not be liable for costs incurred or performances rendered by **SUBRECIPIENT** before commencement of this Agreement or after termination of this Agreement.

SUBRECIPIENT agrees to follow the schedule outlined in the Schedule of Activity of this Agreement, and shall notify **ENTITY**, in writing, prior to any changes, delays or departures from the Schedule of Activity. If **SUBRECIPIENT** demonstrates that delays or departure from the Schedule of Activity is due to circumstances beyond its control, **ENTITY** and **SUBRECIPIENT** may (but Entity shall not be required) to amend the Schedule of Activity.

SECTION III
Records and Reports

SUBRECIPIENT agrees to establish and maintain records and reports as outlined in the Records and Reports attached hereto as Exhibit D (the "Records and Reports") and agrees to make the Records and Reports available to the **ENTITY**, HUD, and any other local, state or federal entity or authority that may exercise jurisdiction over CDBG funds. Monthly performance reports must be submitted on or before the 15th of every month.

SECTION IV
Monitoring Visits

SUBRECIPIENT agrees that **ENTITY** shall conduct on-site monitoring visits to assure compliance with applicable Federal requirements and that performance goals are being achieved, if applicable, as per 24 CFR Part 85.40 (a) and 24 CFR Part 84.51(a). **SUBRECIPIENT** shall attend an orientation prior to the award of funds and prior to the first draw of funds. After each monitoring visit, **ENTITY** shall provide **SUBRECIPIENT** with a written report of the monitor's findings. If the monitoring reports note deficiencies in **SUBRECIPIENT's** performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by **SUBRECIPIENT**. Failure by **SUBRECIPIENT** to take action specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section X of this Agreement. In addition, **SUBRECIPIENT** shall give HUD, the Comptroller General of the United States, **ENTITY**, and any of their duly authorized representatives, unobstructed and full 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 **SUBRECIPIENT** pertaining to this Agreement.

SECTION V
Payment Requests and Program Income

SUBRECIPIENT agrees to follow administrative directions from the **ENTITY** regarding documenting and processing payment requests as defined in the Requests for Payments attached hereto as Exhibit E (the "Requests for Payments") of this Agreement.

SUBRECIPIENT shall submit final reimbursement request to **ENTITY** within fifteen (15) days (by June 15, 2012) of the Agreement termination date.

SUBRECIPIENT and **ENTITY** agree that if applicable, program income generated from the use of CDBG funds shall be retained by the **SUBRECIPIENT**. If the activity is partially assisted with CDBG funds, the **SUBRECIPIENT** agrees to pro-rate the gross income to reflect the percent of CDBG funds assisted in the activity. The **SUBRECIPIENT** is to provide to the **ENTITY** by the third Wednesday of each month an accounting of program income through Monthly Performance Reports outlined in the Records and Reports. The **ENTITY** is then required to report all CDBG program income earned, retained, and expended. The **SUBRECIPIENT** shall be allowed to use program income for the same or similar activities as generated by program income. Failure of the **SUBRECIPIENT** to report program income as required shall cause the **ENTITY** to require all program income to be recovered by the **ENTITY**.

SUBRECIPIENT and **ENTITY** agree that all unused CDBG funds at the end or termination of this agreement will be reallocated or reprogrammed by **ENTITY.**

SECTION VI
Religious Activities

The **SUBRECIPIENT** and **ENTITY** both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this Agreement be used for sectarian or religious activities.

SECTION VII
Other Program Requirements

SUBRECIPIENT agrees to comply with "Other Program Requirements" as listed in 24 CFR §570.600 through 611 except for those environmental review requirements listed as 24 CFR §570.604 and initiation of review process under the provisions of 24 CFR Part 52.

SECTION VIII
Uniform Administrative Requirements

Subrecipients, except subrecipients that are governmental entities, shall comply with the requirements and standards of OMB Circular No. A–122, "Cost Principles for Non-profit Organizations", or OMB Circular No. A–21, "Cost Principles for Educational Institutions", as applicable, and OMB Circular A–133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions" (as set forth in 24 CFR part 45). Audits shall be conducted annually. Such subrecipients shall also comply with the provisions of the Uniform Administrative requirements of OMB Circular A–110 (implemented at 24 CFR part 84, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations") or the related CDBG provisions, as specified in the other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions") and any subsequent amendments thereto.

Recipients and Subrecipients that are governmental entities (including public agencies) shall comply with the requirements and standards of OMB Circular No. A–87, "Cost Principles for State, Local, and Indian Tribal Governments"; OMB Circular A–133, "Audits of State and Local Governments" (implemented at 24 CFR part 44); and with sections of 24 CFR part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" or other related CDBG provision, as specified in the other Applicable Provisions attached hereto as Exhibit G (the "Other Applicable Provisions") and any subsequent amendments thereto.

SECTION IX
Audit Requirements

SUBRECIPIENT agrees to comply with the applicable requirements and standards as set forth in OMB Circular A-133, Audits of States, Local Governments and Non-Profit organizations.

SUBRECIPIENT agrees to furnish **ENTITY** with a current Financial Management Letter (financial statements) within six (6) months from the end of its fiscal year covering the period of this Agreement that includes detailed receipts and disbursement of payments to **SUBRECIPIENT** hereunder. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit a Financial Management Letter within the allotted time.**

However, if **SUBRECIPIENT** expends Five Hundred Thousand Dollars ($500,000.00) or more in federal funds, **SUBRECIPIENT** must, within nine (9) months from the end of its fiscal year, supply **ENTITY** with an audit of revenues and expenditures conducted by a certified public accountant. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit an audit within the allotted time.**

If the **SUBRECIPIENT** expends less than Five Hundred Thousand Dollars ($500,000.00) a year in federal awards, then they are exempt from the OMB Circular A-133 audit requirements for that year; however, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity and the General Accounting Office.

SUBRECIPIENT is required to submit a 990 Tax Return (Return of Organization Exempt from Income Tax) for the most recent fiscal year within six (6) months if submitting a Financial Management Letter or within nine (9) months if submitting a Financial Audit. If the Subrecipient is not classified as an exempt entity, the Subrecipient will not be awarded grant funds.

If applicable, **SUBRECIPIENT** agrees to cooperate with **ENTITY** relating to any inquiries regarding the Financial Audit or Financial Management Letter and **SUBRECIPIENT** acknowledges that a Financial Audit or Financial Management Letter shall be provided to **ENTITY** at the expense of the **SUBRECIPIENT.** Financial Audit or Financial Management Letter shall be available to **ENTITY** staff, and any and all applicable federal agencies, and be of unrestricted access, as listed in 24 CFR Part 85.42.

SECTION X
Suspension and Termination

SUBRECIPIENT understands that this Agreement may be suspended or terminated, in accordance with 24 CFR §85.43, if applicable, and 24 CFR §84.61, if the **SUBRECIPIENT** materially fails to comply with the provisions of this Agreement or the provisions so listed in the Statement of Work attached hereto as Exhibit A (the "Statement of Work"), the Grant Budget attached hereto as Exhibit B-1 (the "Grant Budget), the Payment Schedule attached hereto as Exhibit B-2 (the "Payment Schedule), the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"), the Records & Reports attached hereto as Exhibit D (the "Records & Reports"), the Request for Payments attached hereto as Exhibit E (the "Request for Payments"), Other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions"), and the Applicable Provisions - 24 CFR Part 85 attached hereto as Exhibit G (the "Other Applicable Provisions – 24 CFR Part 85").

If **SUBRECIPIENT** fails to fulfill in a timely and proper manner its obligations under this Agreement, or **SUBRECIPIENT** violates any of the Agreements or stipulations of this Agreement, then the **ENTITY** shall provide **SUBRECIPIENT** written notification of such non-performance. Such non-performance, (***i.e., timely submittal of monthly reports and/or reimbursements)***, may be the basis for immediate termination of this Agreement. Should any breach of contract (Agreement) relate to a violation of federal law or regulation that results in HUD demanding reimbursement from the **ENTITY OR SUBRECIPIENT** or its successor, the **ENTITY** may terminate this Agreement and seek reimbursement of all funds from **SUBRECIPIENT**. **SUBRECIPIENT** shall not be relieved of the liability to the **ENTITY** for damages sustained by the **ENTITY** by virtue of any breach of this contract (Agreement) by **SUBRECIPIENT** and **ENTITY** may withhold any payments to **SUBRECIPIENT** for violations of federal regulations or any breach of this Agreement. Should the **ENTITY** become aware of any activity by **SUBRECIPIENT,** which would jeopardize the **ENTITY'S** position with the U. S. Department of Housing and Urban Development (HUD) or which would cause a payback of federal funds, then the **ENTITY** may take appropriate action including injunctive relief against **SUBRECIPIENT** to prevent the transaction. The failure of the **ENTITY** to exercise any right shall in no

way constitute a waiver by the **ENTITY** to otherwise demand payment or seek any other relief in law or in equity to which it may be justly entitled.

It is expressly agreed that this Agreement may not be amended except upon the joint action of both the **ENTITY** and **CHILDREN'S ADVOCACY CENTER OF HIDALGO COUNTY, INC.**.

SECTION XI
Assets

SUBRECIPIENT shall not purchase any asset unless prior written approval is obtained from the **ENTITY** and such procurement shall be done in the form and manner so prescribed by the **ENTITY**.

Any asset acquired or improved in part or in whole with CDBG funds in excess of $25,000 must be used in an activity that meets one of the national objectives listed in 24 CFR §570.208 for a period of five (5) years after the expiration of this Agreement or a longer period if so determined by the **ENTITY**.

The disposition of any asset improved or acquired in part or in whole with CDBG funds by the **SUBRECIPIENT** must be done with prior written approval of the **ENTITY** and the **ENTITY** shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The **ENTITY** may, at its option, request that such asset be transferred to **ENTITY** if the asset is no longer being used to meet one of the national objectives or in any case where the **SUBRECIPIENT** no longer provides services shown on the Statement of Work.

SECTION XII
Indemnity Clause

SUBRECIPIENT agrees to hold **ENTITY** harmless from, and indemnify **ENTITY** from and defend **ENTITY** against any and all claims brought against **ENTITY** by employees or officers of **SUBRECIPIENT** or brought by any third person arising in any manner directly or indirectly from **SUBRECIPIENT** programs, activities or events conducted pursuant to this Agreement.

SUBRECIPIENT shall acquire, maintain and furnish to **ENTITY** a Certificate of Insurance as proof that it has secured and paid for policies of public liability and automobile insurance to cover all operations and services under this Agreement with limits of not less than $300,000.00 per occurrence, $300,000.00 aggregate, covering all risks incident to or in connection with the execution, performance, attempted performance or non-performance of this Agreement.

SECTION XIII
Procurement

SUBRECIPIENT agrees to follow the statues and rules governing the **ENTITY** in the procurement of services, supplies or non-real property in relation to **ENTITY-**funded projects. The legal standards that will apply include the procurement standards of the HIDALGO COUNTY Urban County Program, which includes 24 CFR Part 85.36, and the TEXAS COUNTY PURCHASING ACT.

SECTION XIV
Conflict of Interest

SUBRECIPIENT covenants that members of its organization or staff members who exercise influence on the decision-making process will not have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed in the Statement of Work, 24 CFR Part 570.611, 24 CFR Part 84.40-48, and 24 CFR Part 85.36.

SUBRECIPIENT agrees that no person who is an elected official, officer, director, employee, consultant, or agent of the **SUBRECIPIENT**'s organization or the **ENTITY**'s organization shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Statement of Work during their tenure or for a period of one year thereafter.

SUBRECIPIENT is responsible for repayment of funds associated with any conflict of interest that may occur either knowingly or unknowingly.

No **ENTITY** employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described in the Statement of Work.

SECTION XII
Legal Action and Venue

SUBRECIPIENT agrees to notify the **ENTITY** when a problem arises that may lead to legal action or claim against the **SUBRECIPIENT**. The **SUBRECIPIENT** agrees to furnish to the **ENTITY** any and all information with respect to such action or claim. The **SUBRECIPIENT** agrees not to take any action with respect to any legal action or claim sought against the **SUBRECIPIENT** without the advice and written consent of the **ENTITY**.

Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this Agreement shall lie exclusively in HIDALGO COUNTY.

SECTION XIII
Miscellaneous Provisions

Conflict with Applicable Law. Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

No Waiver. No waiver by **ENTITY** of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

Entire Agreement. This Agreement contains the entire contract between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by **ENTITY** and **SUBRECIPIENT**, and not otherwise.

Texas Law to Apply. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THIE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.

Notice. Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by electronic mail, or (iii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or (iv) sent by facsimile or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to **ENTITY**:

COUNTY OF HIDALGO
Urban County Program
1916 Tesoro Blvd.
Pharr, TX 78577
Email: ucp@ucp.co.hidalgo.tx.us
Phone # (956) 787-8127
Fax # (956) 787-5291

If to **SUBRECIPIENT**:

Children's Advocacy Center of Hidalgo County, Inc.
Attn: Victoria Medina
525 West Wisconsin Road
Edinburg, Texas 78539
email: victoria@cachidalgo.org
Phone: (956) 287-9754
Fax: (956) 287-9764

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the Unites States mail.

Additional Documents. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

Assignment. This Agreement shall not be assignable by **SUBRECIPIENT**. **ENTITY** may assign this Agreement without the consent of **SUBRECIPIENT**.

Headings. The headings and captions contained in this Agreement are solely for convenient reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

Gender and Number. All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate.

Authority to Execute. The execution and performance of this Agreement by **ENTITY** and **SUBRECIPIENT** have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of **ENTITY** and **SUBRECIPIENT** in accordance with its terms.

SECTION XVII
Effective Date

The effective date of this agreement shall be the **1st day of July 2012** such date being the date the HIDALGO COUNTY COMMISSIONERS' COURT approved entering into this Agreement with SUBRECIPIENT and shall terminate on the **31st day of May 2013.**

Approved and signed this _____ day of _____ 20___.

_____ _____

Print or Type Name of Authorized Official | Signature of Authorized Official

SUBRECIPIENT Name: Children's Advocacy Center of Hidalgo County, Inc.
Address: 525 West Wisconsin Road
City/State/Zip: Edinburg, Texas 78539
Federal I.D. # or Soc. Sec. #: 74-2963711
DUNS #:08-426-4410

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

_____ personally appeared before me and declared that he/she signed this application in the capacity designated, if any, and further states that, he/she has read the above application, and the statements therein contained are true.

Subscribed and sworn to before me this _____ day of_____, 20_____ .

_____
Notary - Signature

COUNTY OF HIDALGO – URBAN COUNTY PROGRAM

_____ _____

Witness: **Diana R. Serna, UCP Director**

APPROVED AS TO FORM
Atlas & Hall L.L.P.
By: Steve Crain
Date: June 21, 2011

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

The CAC provides coordinated team investigations, child forensic interviews, on-site sexual assault examinations, immediate crisis intervention counseling, case tracking and follow-up services using a multidisciplinary team (MDT) approach. The CAC additionally provides individual and group counseling for victims and family. All of these services are provided in a physically and psychologically safe child friendly environment. Additionally the CAC provides community outreach and education.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 30,000 Awarded By: **Precinct #1**

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Salaries

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

Child Forensic Interviews	**SANEs/Medical Examinations**
Immediate Crisis Intervention/therapy	**Criminal Justice Advocacy/Case review/Tracking**
Long Term Counseling for Victims & Family	**Referrals on site & off site as needed**
Assistance Filing Compensation Claims	**Accompaniment of Victims to (court) when possible**
Community Outreach/Presentations	**Victim/Family Follow Ups**

The center operates Monday to Friday, 8:00 a.m. to 5:00 p.m. and is on call evenings and weekends for emergencies.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: **Additional** ESL classes will be offered; new sports program will be created for the youth, etc.)

Funds will continue to meet Precinct #1 victim care and continue to provide and adequate and balanced level of services with the intention of increasing availability especially of mental health and physical/medical evaluation services at no cost to families. We anticipate a 10% increase in need and application of all program services.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

The program services and activities are exclusively for abused children presumed to be principally low and moderate income, both male and female between the ages of 2 to 17 years of age. The Center currently sees an average of 85 to 100 clients per month.

Section VII List all locations (physical address) where the funded service(s) will be provided.
Estrella's House, 525 W. Wisconsin Rd. Edinburg TX 78539

Exhibit B-1
GRANT BUDGET
Awarded by: Precinct 1

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
1. Salaries & Benefits (Family Advocates, Child Forensic Interviewers, Nurse, Physician, Therapist, Program Director, Community Outreach Coordinator, Executive Director)	$ 30,000
	$
	$
	$
	$
	$
TOTAL GRANT BUDGET:	**$ 30,000**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Precinct 1

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

201 2 - 201 3 For the Months of...	Estimated Amount Of Expenditures	Type of Budgeted Expenditures
July	$3,500	Salaries and Benefits
August	$3,000	Salaries and Benefits
September	$3,500	Salaries and Benefits
October	$2,500	Salaries and Benefits
November	$3,500	Salaries and Benefits
December	$2,000	Salaries and Benefits
January	$2,500	Salaries and Benefits
February	$2,000	Salaries and Benefits
March	$3,000	Salaries and Benefits
April	$2,500	Salaries and Benefits
May	$2,000	Salaries and Benefits
TOTAL:	**$30,000**	Salaries and Benefits

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Precinct 1

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

201_2_ - 201_3_ For the months of....	Number of Unduplicated Beneficiaries to be Serviced	Services Provided
July	20	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
August	20	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
September	20	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
October	10	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
November	20	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
December	10	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
January	20	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
February	10	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
March	20	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
April	15	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
May	10	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
Total for the Year:	**175**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

The CAC provides coordinated team investigations, child forensic interviews, on-site sexual assault examinations, immediate crisis intervention counseling, case tracking and follow-up services using a multidisciplinary team (MDT) approach. The CAC additionally provides individual and group counseling for victims and family. All of these services are provided in a physically and psychologically safe child friendly environment. Additionally the CAC provides community outreach and education.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 15,000 Awarded By: **Precinct #2**

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Salaries

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

Child Forensic Interviews	**SANEs/Medical Examinations**
Immediate Crisis Intervention/therapy	**Criminal Justice Advocacy/Case review/Tracking**
Long Term Counseling for Victims & Family	**Referrals on site & off site as needed**
Assistance Filing Compensation Claims	**Accompaniment of Victims to (court) when possible**
Community Outreach/Presentations	**Victim/Family Follow Ups**

The center operates Monday to Friday, 8:00 a.m. to 5:00 p.m. and is on call evenings and weekends for emergencies.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: **Additional** ESL classes will be offered; new sports program will be created for the youth, etc.)

Funds will continue to meet Precinct #2 victim care and continue to provide and adequate and balanced level of services with the intention of increasing availability especially of mental health and physical/medical evaluation services at no cost to families. We anticipate a 10% increase in need and application of all program services.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

The program services and activities are exclusively for abused children presumed to be principally low and moderate income, both male and female between the ages of 2 to 17 years of age. The Center currently sees an average of 85 to 100 clients per month.

Section VII List all locations (physical address) where the funded service(s) will be provided.
Estrella's House, 525 W. Wisconsin Rd. Edinburg TX 78539

Exhibit B-1
GRANT BUDGET
Awarded by: Precinct 2

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
2. Salaries & Benefits (Family Advocates, Child Forensic Interviewers, Nurse, Physician, Therapist, Program Director, Community Outreach Coordinator, Executive Director)	$15,000
	$
	$
	$
	$
	$
TOTAL GRANT BUDGET:	**$ 15,000**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Precinct 2

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

201_2_ - 201_3_ For the Months of...	Estimated Amount Of Expenditures	Type of Budgeted Expenditures
July	$1,500	Salaries and Benefits
August	$1,000	Salaries and Benefits
September	$1,250	Salaries and Benefits
October	$1,000	Salaries and Benefits
November	$1,250	Salaries and Benefits
December	$1,500	Salaries and Benefits
January	$1,500	Salaries and Benefits
February	$1,250	Salaries and Benefits
March	$1,250	Salaries and Benefits
April	$1,500	Salaries and Benefits
May	$2,000	Salaries and Benefits
TOTAL:	**$15,000**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Precinct 2

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

201 2 - 201 3 For the months of....	Number of Unduplicated Beneficiaries to be Serviced	Services Provided
July	10	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
August	5	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
September	10	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
October	5	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
November	5	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
December	5	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
January	10	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
February	10	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
March	5	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
April	10	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
May	10	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
Total for the Year:	**85**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

The CAC provides coordinated team investigations, child forensic interviews, on-site sexual assault examinations, immediate crisis intervention counseling, case tracking and follow-up services using a multidisciplinary team (MDT) approach. The CAC additionally provides individual and group counseling for victims and family. All of these services are provided in a physically and psychologically safe child friendly environment. Additionally the CAC provides community outreach and education.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 25,000 Awarded By: **Precinct #3**

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Salaries

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

Child Forensic Interviews	**SANEs/Medical Examinations**
Immediate Crisis Intervention/therapy	**Criminal Justice Advocacy/Case review/Tracking**
Long Term Counseling for Victims & Family	**Referrals on site & off site as needed**
Assistance Filing Compensation Claims	**Accompaniment of Victims to (court) when possible**
Community Outreach/Presentations	**Victim/Family Follow Ups**

The center operates Monday to Friday, 8:00 a.m. to 5:00 p.m. and is on call evenings and weekends for emergencies.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: **Additional** ESL classes will be offered; new sports program will be created for the youth, etc.)

Funds will continue to meet Precinct #3 victim care and continue to provide and adequate and balanced level of services with the intention of increasing availability especially of mental health and physical/medical evaluation services at no cost to families. We anticipate a 10% increase in need and application of all program services.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

The program services and activities are exclusively for abused children presumed to be principally low and moderate income, both male and female between the ages of 2 to 17 years of age. The Center currently sees an average of 85 to 100 clients per month.

Section VII List all locations (physical address) where the funded service(s) will be provided.
Estrella's House, 525 W. Wisconsin Rd. Edinburg TX 78539

Exhibit B-1
GRANT BUDGET
Awarded by: Precinct 3

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
3. Salaries & Benefits (Family Advocates, Child Forensic Interviewers, Nurse, Physician, Therapist, Program Director, Community Outreach Coordinator, Executive Director)	$25,000
	$
	$
	$
	$
	$
TOTAL GRANT BUDGET:	**$ 25,000**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Precinct 3

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	Estimated Amount Of Expenditures	Type of Budgeted Expenditures
July	$1,250	Salaries and Benefits
August	$1,500	Salaries and Benefits
September	$2,000	Salaries and Benefits
October	$1,500	Salaries and Benefits
November	$2,500	Salaries and Benefits
December	$3,000	Salaries and Benefits
January	$2,750	Salaries and Benefits
February	$3,000	Salaries and Benefits
March	$2,000	Salaries and Benefits
April	$3,000	Salaries and Benefits
May	$2,500	Salaries and Benefits
TOTAL:	**$25,000**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Precinct 3

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

201__ - 201___ For the months of....	Number of Unduplicated Beneficiaries to be Serviced	Services Provided
July	5	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
August	10	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
September	15	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
October	5	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
November	12	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
December	10	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
January	10	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
February	10	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
March	15	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
April	10	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
May	10	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
Total for the Year:	**112**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

The CAC provides coordinated team investigations, child forensic interviews, on-site sexual assault examinations, immediate crisis intervention counseling, case tracking and follow-up services using a multidisciplinary team (MDT) approach. The CAC additionally provides individual and group counseling for victims and family. All of these services are provided in a physically and psychologically safe child friendly environment. Additionally the CAC provides community outreach and education.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 17,500 Awarded By: **Precinct #4**

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Salaries

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

Child Forensic Interviews	**SANEs/Medical Examinations**
Immediate Crisis Intervention/therapy	**Criminal Justice Advocacy/Case review/Tracking**
Long Term Counseling for Victims & Family	**Referrals on site & off site as needed**
Assistance Filing Compensation Claims	**Accompaniment of Victims to (court) when possible**
Community Outreach/Presentations	**Victim/Family Follow Ups**

The center operates Monday to Friday, 8:00 a.m. to 5:00 p.m. and is on call evenings and weekends for emergencies.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: **Additional** ESL classes will be offered; new sports program will be created for the youth, etc.)

Funds will continue to meet Precinct #4 victim care and continue to provide and adequate and balanced level of services with the intention of increasing availability especially of mental health and physical/medical evaluation services at no cost to families. We anticipate a 10% increase in need and application of all program services.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

The program services and activities are exclusively for abused children presumed to be principally low and moderate income, both male and female between the ages of 2 to 17 years of age. The Center currently sees an average of 85 to 100 clients per month.

Section VII List all locations (physical address) where the funded service(s) will be provided.
Estrella's House, 525 W. Wisconsin Rd. Edinburg TX 78539

Exhibit B-1
GRANT BUDGET
Awarded by: Precinct 4

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
4. Salaries & Benefits (Family Advocates, Child Forensic Interviewers, Nurse, Physician, Therapist, Program Director, Community Outreach Coordinator, Executive Director)	$17,500
	$
	$
	$
	$
	$
TOTAL GRANT BUDGET:	**$ 17,500**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Precinct 4

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

201_2_ - 201_3_ For the Months of...	Estimated Amount Of Expenditures	Type of Budgeted Expenditures
July	$1,500	Salaries and Benefits
August	$1,500	Salaries and Benefits
September	$1,000	Salaries and Benefits
October	$1,000	Salaries and Benefits
November	$1,500	Salaries and Benefits
December	$1,250	Salaries and Benefits
January	$2,000	Salaries and Benefits
February	$1,250	Salaries and Benefits
March	$1,500	Salaries and Benefits
April	$2,500	Salaries and Benefits
May	$2,500	Salaries and Benefits
TOTAL:	**$17,500**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Precinct 4

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

201_2_ - 201_3_ For the months of....	Number of Unduplicated Beneficiaries to be Serviced	Services Provided
July	5	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
August	5	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
September	5	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
October	4	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
November	5	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
December	5	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
January	5	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
February	5	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
March	5	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
April	5	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
May	5	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
Total for the Year:	**54**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

The CAC provides coordinated team investigations, child forensic interviews, on-site sexual assault examinations, immediate crisis intervention counseling, case tracking and follow-up services using a multidisciplinary team (MDT) approach. The CAC additionally provides individual and group counseling for victims and family. All of these services are provided in a physically and psychologically safe child friendly environment. Additionally the CAC provides community outreach and education.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 10,000 Awarded By: **City of Mercedes**

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Salaries

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

Child Forensic Interviews	**SANEs/Medical Examinations**
Immediate Crisis Intervention/therapy	**Criminal Justice Advocacy/Case review/Tracking**
Long Term Counseling for Victims & Family	**Referrals on site & off site as needed**
Assistance Filing Compensation Claims	**Accompaniment of Victims to (court) when possible**
Community Outreach/Presentations	**Victim/Family Follow Ups**

The center operates Monday to Friday, 8:00 a.m. to 5:00 p.m. and is on call evenings and weekends for emergencies.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: **Additional** ESL classes will be offered; new sports program will be created for the youth, etc.)

Funds will continue to meet City of Mercedes victim care and continue to provide and adequate and balanced level of services with the intention of increasing availability especially of mental health and physical/medical evaluation services at no cost to families. We anticipate a 10% increase in need and application of all program services.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

The program services and activities are exclusively for abused children presumed to be principally low and moderate income, both male and female between the ages of 2 to 17 years of age. The Center currently sees an average of 85 to 100 clients per month.

Section VII List all locations (physical address) where the funded service(s) will be provided.

Estrella's House, 525 W. Wisconsin Rd. Edinburg TX 78539

Exhibit B-1
GRANT BUDGET
Awarded by: City of Mercedes

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
5. Salaries & Benefits (Family Advocates, Child Forensic Interviewers, Nurse, Physician, Therapist, Program Director, Community Outreach Coordinator, Executive Director)	$10,000
	$
	$
	$
	$
	$
TOTAL GRANT BUDGET:	**$ 10,000**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: City of Mercedes

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

201_2 - 201_3 For the Months of...	Estimated Amount Of Expenditures	Type of Budgeted Expenditures
July	$500	Salaries and Benefits
August	$1,000	Salaries and Benefits
September	$750	Salaries and Benefits
October	$500	Salaries and Benefits
November	$1,000	Salaries and Benefits
December	$500	Salaries and Benefits
January	$1,000	Salaries and Benefits
February	750	Salaries and Benefits
March	$1,000	Salaries and Benefits
April	$1,500	Salaries and Benefits
May	$1,500	Salaries and Benefits
TOTAL:	**$10,000**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: City of Mercedes

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

201__ - 201___ For the months of....	Number of Unduplicated Beneficiaries to be Serviced	Services Provided
July	5	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
August	6	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
September	5	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
October	5	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
November	5	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
December	5	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
January	5	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
February	5	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
March	7	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
April	10	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
May	7	Forensic interviews, crisis intervention, individual/family therapy, medical evaluations, victim/family follow-up, etc.
Total for the Year:	**65**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit D
RECORDS & REPORTS

REPORTS

A **Monthly Performance Report (Exhibit D - Activity Report)** must be submitted with each request for payment on or before the 15th of each month. Each activity report must include the following information:

- **Type of expenditures utilizing CDBG funds, type of service(s) provided and how the service met one of the HUD national objectives:**
  - Benefit to Low and Moderate Income Persons
  - Provides Decent Affordable Housing
  - Creates Economic Opportunities

  Number of persons assisted with New Access to service

  Number of persons assisted with Improved Access to service

  Number of low-mod beneficiaries served

  Ethnic Data

  Number of persons served living with a disability

  Number of female head of households served

  Income levels of persons or households with the categories of extremely low, low to moderate and non-low income.

- **Type of Outcome:**

  - **Availability/Accessibility**. Description of how services were made available or accessible to low and moderate income people, including persons with disabilities.

  - **Affordability**. How grant funds made the service affordable to low and moderate income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

  - **Sustainability**: **Promoting Livable or Viable Communities.** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

- **Other significant information** (such as special events, fundraisers, award ceremonies, etc.)Agency agrees to provide Entity with summaries of any events, fundraisers, and/or ceremonies held and provide photos of such events prior to the end date of the Agreement.

RECORDS **Cont. Exhibit D**

All records pertaining to each fiscal year of CDBG funds must be retained, from the date of submission of the COUNTY's Consolidated Annual Performance and Evaluation Report (CAPER) in which the specific activity is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 4-year period. In such cases, the records must be retained until completion of the action and resolution of all issues which arise from it or the end of the regular 4-year period, whichever is longer, except as provided below:

- Written agreements must be retained for four (4) years after the agreement terminates.
- If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
- In the event more than one exception applies to a particular record, the largest retention period shall apply to such record.

(a) Beneficiary Files

Subrecipient must maintain individual beneficiary files served utilizing CDBG funds. Such files must contain the following:

- Membership/registration Application
- Original Program Application (UCP self certification form)
- Physical address of residence

(b) Program Files

Subrecipient must maintain program files related to the Urban County Program CDBG award. Such files must contain the following:

- CDBG funding proposal letter to city and/or precinct
- Urban County Program Subrecipient Questionnaire, exhibits and supporting documentation
- Subrecipient Agreement
- Correspondence to and from Urban County
- Expenditure Reports
- Copies of reimbursement requests
- Monthly Performance Reports
- If applicable, fixed asset inventory list

(c) Financial Records

Subrecipient must maintain proper financial records.

(d) Program Income

Subrecipient must report program income earned, retained and expended to the Urban County Program that was generated by the use of the CDBG award.

Exhibit E
REQUEST FOR PAYMENTS

1. Subrecipient must submit **monthly** reimbursement requests as approved on the Schedule of Payment hereto attached as Exhibit B-2 (the "Schedule of Payment") **due on or before the 15th of each month.**

2. Subrecipient must inform Urban County in writing if the reimbursement request and/or monthly performance report will not be submitted by the due date.

3. Request for reimbursements that are submitted after the last working day of the month will be returned unpaid if the subrecipient did not comply with Request for Payments (2) hereto attached as Exhibit E (the "Request for Payments").

4. Urban County Program will return incorrect and/or incomplete reimbursement requests to the subrecipient as soon as possible in order for corrections to be made.

5. Subrecipient must submit the corrections and/or pending documentation no later than 10 days from notification by UCP. Should the subrecipient fail to submit the corrections within the allotted time, the RFP will be returned, and will NOT qualify for re-submission.

6. Subrecipient must submit May's reimbursement request and monthly performance report to the Urban County Program on or before June 15th.

7. May expenditures (equipment / supplies) must be invoiced and paid by May 31st to be eligible for reimbursement.

8. Subrecipient must submit all required documentation as stated on the UCP Reimbursement Checklist.

9. Should the Subrecipient fail to comply with timely submittals of monthly reimbursement requests and/or performance reports, the Urban County Program shall consider termination of the Subrecipient Agreement as per Section X "Suspension and Termination".

10. Subrecipient must submit a copy of the monthly reimbursement request and performance reports to the respective City and/or Precinct providing CDBG funds to the organization. Failure to submit copies may require pre-approval of the City and/or Precinct prior to Urban County processing the reimbursement request.

11. All reimbursement requests and reports submitted to Urban County must be originals signed with blue ink.

12. As per Section IV of this Agreement, the Urban County Program Monitoring Division will conduct on-site monitoring visits to ensure compliance with applicable Federal requirements and performance goals are being met.

13. Reimbursement requests are processed by Urban County on a first come first serve basis.

14. Payments to Subrecipients will only be mailed. Checks will not be allowed for pickup.

Checks are mailed eleven (11) days from the date the reimbursement request is submitted to the finance division, **only** after all documentation is reviewed, corrections are made, and all documentation is in order.

Exhibit F
Other Applicable Provisions
As stated in Section VIII
OMB Circular A–110 (implemented at 24 CFR part 84)
Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

(1) Subpart A—"General";

(2) Subpart B—"Pre-Award Requirements," except for §84.12, "Forms for Applying for Federal Assistance";

(3) Subpart C—"Post-Award Requirements," except for:

(i) Section 84.22, "Payment Requirements." Grantees shall follow the standards of §§85.20(b)(7) and 85.21 in making payments to subrecipients;

(ii) Section 84.23, "Cost Sharing and Matching";

(iii) Section 84.24, "Program Income." In lieu of §84.24, CDBG subrecipients shall follow §570.504;

(iv) Section 84.25, "Revision of Budget and Program Plans";

(v) Section 84.32, "Real Property." In lieu of §84.32, CDBG subrecipients shall follow §570.505;

(vi) Section 84.34(g), "Equipment." In lieu of the disposition provisions of §84.34(g), the following applies:

(A) In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and

(B) Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient;

(vii) Section 84.51 (b), (c), (d), (e), (f), (g), and (h), "Monitoring and Reporting Program Performance";

(viii) Section 84.52, "Financial Reporting";

(ix) Section 84.53(b), "Retention and access requirements for records." Section 84.53(b) applies with the following exceptions:

(A) The retention period referenced in §84.53(b) pertaining to individual CDBG activities shall be four years; and

(B) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;

(x) Section 84.61, "Termination." In lieu of the provisions of §84.61, CDBG subrecipients shall comply with §570.503(b)(7); and

(4) Subpart D—"After-the-Award Requirements," except for §84.71, "Closeout Procedures."

Exhibit G
Applicable Provisions - 24 CFR Part 85
As stated in Section VIII

Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"

(1) Section 85.3, "Definitions";

(2) Section 85.6, "Exceptions";

(3) Section 85.12, "Special grant or subgrant conditions for 'high-risk' grantees";

(4) Section 85.20, "Standards for financial management systems," except paragraph (a);

(5) Section 85.21, "Payment," except as modified by §570.513;

(6) Section 85.22, "Allowable costs";

(7) Section 85.26, "Non-federal audits";

(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;

(9) Section 85.33, "Supplies";

(10) Section 85.34, "Copyrights";

(11) Section 85.35, "Subawards to debarred and suspended parties";

(12) Section 85.36, "Procurement," except paragraph (a);

(13) Section 85.37, "Subgrants";

(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) through (d) and paragraph (f);

(15) Section 85.41, "Financial reporting," except paragraphs (a), (b), and (e);

(16) Section 85.42, "Retention and access requirements for records," except that the period shall be four years;

(17) Section 85.43, "Enforcement";

(18) Section 85.44, "Termination for convenience";

(19) Section 85.51 "Later disallowances and adjustments" and

(20) Section 85.52, "Collection of amounts due."

STATE OF TEXAS }
}
COUNTY OF HIDALGO }

SUBRECIPIENT AGREEMENT

This Agreement is made and entered into on this the 26th day of June, 20 12, by and between the COUNTY OF HIDALGO, Urban County Program, a political subdivision of the State of Texas, hereinafter referred to as **"ENTITY"**, and **CAMP UNIVERSITY** hereinafter referred to as **"SUBRECIPIENT".**

WITNESSETH

WHEREAS, **SUBRECIPIENT** desires to carry out eligible activities as described in the Statement of Work attached hereto as **Exhibit A** (the "Statement of Work**")**, to this Agreement, and permitted by Title I of the Housing and Community Development Act of 1992 (1992 Act) pursuant to the U. S. Department of Housing and Urban Development Community Development Block Grant Program Entitlement Grant Regulations and covered in 24 CFR 570.

WHEREAS, the **ENTITY** proposes to contract with **SUBRECIPIENT** in order that the eligible activities described in **Exhibit A** (the "Statement of Work**")** can be carried out for the benefit of residents in the ENTITY'S jurisdiction.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration the receipt of which is hereby acknowledged, the **ENTITY** and the **SUBRECIPIENT** do mutually agree as follows:

SECTION I
Rules and Regulations

The **SUBRECIPIENT** agrees to cooperate with the **ENTITY** in respect to the implementation of Community Development Block Grant CFDA No. 14.218 (CDBG) activities to be carried out by **SUBRECIPIENT** pursuant to 24 CFR Part 570 and other rules, regulations and decisions as may be made by the U. S. Department of Housing and Urban Development (HUD) or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG program funds.

SECTION II
Statement of Work

SUBRECIPIENT agrees to perform services as outlined in the Statement of Work for and in consideration of payment in the amount of **$60,000.00,** and as delineated in the Grant Budget and the Payment Schedule attached hereto as Exhibit B-1 (the "Grant Budget") and Exhibit B-2 (the "Payment Schedule").

SUBRECIPIENT agrees to notify **ENTITY**, in writing, prior to any changes in its Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"). SUBRECIPIENT shall obtain approval, in writing, from ENTITY prior to commencing work on any changes made to the Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity.

ENTITY shall not be liable for costs incurred or performances rendered by **SUBRECIPIENT** before commencement of this Agreement or after termination of this Agreement.

SUBRECIPIENT agrees to follow the schedule outlined in the Schedule of Activity of this Agreement, and shall notify **ENTITY**, in writing, prior to any changes, delays or departures from the Schedule of Activity. If **SUBRECIPIENT** demonstrates that delays or departure from the Schedule of Activity is due to circumstances beyond its control, **ENTITY** and **SUBRECIPIENT** may (but Entity shall not be required) to amend the Schedule of Activity.

SECTION III
Records and Reports

SUBRECIPIENT agrees to establish and maintain records and reports as outlined in the Records and Reports attached hereto as Exhibit D (the "Records and Reports") and agrees to make the Records and Reports available to the **ENTITY**, HUD, and any other local, state or federal entity or authority that may exercise jurisdiction over CDBG funds. Monthly performance reports must be submitted on or before the 15th of every month.

SECTION IV
Monitoring Visits

SUBRECIPIENT agrees that **ENTITY** shall conduct on-site monitoring visits to assure compliance with applicable Federal requirements and that performance goals are being achieved, if applicable, as per 24 CFR Part 85.40 (a) and 24 CFR Part 84.51(a). **SUBRECIPIENT** shall attend an orientation prior to the award of funds and prior to the first draw of funds. After each monitoring visit, **ENTITY** shall provide **SUBRECIPIENT** with a written report of the monitor's findings. If the monitoring reports note deficiencies in **SUBRECIPIENT's** performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by **SUBRECIPIENT**. Failure by **SUBRECIPIENT** to take action specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section X of this Agreement. In addition, **SUBRECIPIENT** shall give HUD, the Comptroller General of the United States, **ENTITY**, and any of their duly authorized representatives, unobstructed and full 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 **SUBRECIPIENT** pertaining to this Agreement.

SECTION V
Payment Requests and Program Income

SUBRECIPIENT agrees to follow administrative directions from the **ENTITY** regarding documenting and processing payment requests as defined in the Requests for Payments attached hereto as Exhibit E (the "Requests for Payments") of this Agreement.

SUBRECIPIENT shall submit final reimbursement request to **ENTITY** within fifteen (15) days (by June 15, 2012) of the Agreement termination date.

SUBRECIPIENT and **ENTITY** agree that if applicable, program income generated from the use of CDBG funds shall be retained by the **SUBRECIPIENT**. If the activity is partially assisted with CDBG funds, the **SUBRECIPIENT** agrees to pro-rate the gross income to reflect the percent of CDBG funds assisted in the activity. The **SUBRECIPIENT** is to provide to the **ENTITY** by the third Wednesday of each month an accounting of program income through Monthly Performance Reports outlined in the Records and Reports. The **ENTITY** is then required to report all CDBG program income earned, retained, and expended. The **SUBRECIPIENT** shall be allowed to use program income for the same or similar activities as generated by program income. Failure of the **SUBRECIPIENT** to report program income as required shall cause the **ENTITY** to require all program income to be recovered by the **ENTITY**.

SUBRECIPIENT and **ENTITY** agree that all unused CDBG funds at the end or termination of this agreement will be reallocated or reprogrammed by **ENTITY.**

SECTION VI
Religious Activities

The **SUBRECIPIENT** and **ENTITY** both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this Agreement be used for sectarian or religious activities.

SECTION VII
Other Program Requirements

SUBRECIPIENT agrees to comply with "Other Program Requirements" as listed in 24 CFR §570.600 through 611 except for those environmental review requirements listed as 24 CFR §570.604 and initiation of review process under the provisions of 24 CFR Part 52.

SECTION VIII
Uniform Administrative Requirements

Subrecipients, except subrecipients that are governmental entities, shall comply with the requirements and standards of OMB Circular No. A–122, "Cost Principles for Non-profit Organizations", or OMB Circular No. A–21, "Cost Principles for Educational Institutions", as applicable, and OMB Circular A–133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions" (as set forth in 24 CFR part 45). Audits shall be conducted annually. Such subrecipients shall also comply with the provisions of the Uniform Administrative requirements of OMB Circular A–110 (implemented at 24 CFR part 84, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations") or the related CDBG provisions, as specified in the other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions") and any subsequent amendments thereto.

Recipients and Subrecipients that are governmental entities (including public agencies) shall comply with the requirements and standards of OMB Circular No. A–87, "Cost Principles for State, Local, and Indian Tribal Governments"; OMB Circular A–133, "Audits of State and Local Governments" (implemented at 24 CFR part 44); and with sections of 24 CFR part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" or other related CDBG provision, as specified in the other Applicable Provisions attached hereto as Exhibit G (the "Other Applicable Provisions") and any subsequent amendments thereto.

SECTION IX
Audit Requirements

SUBRECIPIENT agrees to comply with the applicable requirements and standards as set forth in OMB Circular A-133, Audits of States, Local Governments and Non-Profit organizations.

SUBRECIPIENT agrees to furnish **ENTITY** with a current Financial Management Letter (financial statements) within six (6) months from the end of its fiscal year covering the period of this Agreement that includes detailed receipts and disbursement of payments to **SUBRECIPIENT** hereunder. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit a Financial Management Letter.**

However, if **SUBRECIPIENT** expends Five Hundred Thousand Dollars ($500,000.00) or more in federal funds, **SUBRECIPIENT** must, within nine (9) months from the end of its fiscal year, supply **ENTITY** with an audit of revenues and expenditures conducted by a certified public accountant. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit an audit within the allotted time.**

If the **SUBRECIPIENT** expends less than Five Hundred Thousand Dollars ($500,000.00) a year in federal awards, then they are exempt from the OMB Circular A-133 audit requirements for that year; however, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity and the General Accounting Office.

SUBRECIPIENT is required to submit a 990 Tax Return (Return of Organization Exempt from Income Tax) for the most recent fiscal year within six (6) months if submitting a Financial Management Letter or within nine (9) months if submitting a Financial Audit. If the Subrecipient is not classified as an exempt entity, the Subrecipient will not be awarded grant funds.

If applicable, **SUBRECIPIENT** agrees to cooperate with **ENTITY** relating to any inquiries regarding the Financial Audit or Financial Management Letter and **SUBRECIPIENT** acknowledges that a Financial Audit or

Financial Management Letter shall be provided to **ENTITY** at the expense of the **SUBRECIPIENT.** Financial Audit or Financial Management Letter shall be available to **ENTITY** staff, and any and all applicable federal agencies, and be of unrestricted access, as listed in 24 CFR Part 85.42.

SECTION X
Suspension and Termination

SUBRECIPIENT understands that this Agreement may be suspended or terminated, in accordance with 24 CFR §85.43, if applicable, and 24 CFR §84.61, if the **SUBRECIPIENT** materially fails to comply with the provisions of this Agreement or the provisions so listed in the Statement of Work attached hereto as Exhibit A (the "Statement of Work"), the Grant Budget attached hereto as Exhibit B-1 (the "Grant Budget), the Payment Schedule attached hereto as Exhibit B-2 (the "Payment Schedule), the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"), the Records & Reports attached hereto as Exhibit D (the "Records & Reports"), the Request for Payments attached hereto as Exhibit E (the "Request for Payments"), Other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions"), and the Applicable Provisions - 24 CFR Part 85 attached hereto as Exhibit G (the "Other Applicable Provisions – 24 CFR Part 85").

If **SUBRECIPIENT** fails to fulfill in a timely and proper manner its obligations under this Agreement, or **SUBRECIPIENT** violates any of the Agreements or stipulations of this Agreement, then the **ENTITY** shall provide **SUBRECIPIENT** written notification of such non-performance. Such non-performance, (***i.e., timely submittal of monthly reports and/or reimbursements)***, may be the basis for immediate termination of this Agreement. Should any breach of contract (Agreement) relate to a violation of federal law or regulation that results in HUD demanding reimbursement from the **ENTITY OR SUBRECIPIENT** or its successor, the **ENTITY** may terminate this Agreement and seek reimbursement of all funds from **SUBRECIPIENT**. **SUBRECIPIENT** shall not be relieved of the liability to the **ENTITY** for damages sustained by the **ENTITY** by virtue of any breach of this contract (Agreement) by **SUBRECIPIENT** and **ENTITY** may withhold any payments to **SUBRECIPIENT** for violations of federal regulations or any breach of this Agreement. Should the **ENTITY** become aware of any activity by **SUBRECIPIENT,** which would jeopardize the **ENTITY'S** position with the U. S. Department of Housing and Urban Development (HUD) or which would cause a payback of federal funds, then the **ENTITY** may take appropriate action including injunctive relief against **SUBRECIPIENT** to prevent the transaction. The failure of the **ENTITY** to exercise any right shall in no way constitute a waiver by the **ENTITY** to otherwise demand payment or seek any other relief in law or in equity to which it may be justly entitled.

It is expressly agreed that this Agreement may not be amended except upon the joint action of both the **ENTITY** and **_CAMP UNIVERSITY .**

SECTION XI
Assets

SUBRECIPIENT shall not purchase any asset unless prior written approval is obtained from the **ENTITY** and such procurement shall be done in the form and manner so prescribed by the **ENTITY**.

Any asset acquired or improved in part or in whole with CDBG funds in excess of $25,000 must be used in an activity that meets one of the national objectives listed in 24 CFR §570.208 for a period of five (5) years after the expiration of this Agreement or a longer period if so determined by the **ENTITY**.

The disposition of any asset improved or acquired in part or in whole with CDBG funds by the **SUBRECIPIENT** must be done with prior written approval of the **ENTITY** and the **ENTITY** shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The **ENTITY** may, at its option, request that such asset be transferred to **ENTITY** if the asset is no longer being used to meet one of the national objectives or in any case where the **SUBRECIPIENT** no longer provides services shown on the Statement of Work.

SECTION XII
Indemnity Clause

SUBRECIPIENT agrees to hold **ENTITY** harmless from, and indemnify **ENTITY** from and defend **ENTITY** against any and all claims brought against **ENTITY** by employees or officers of **SUBRECIPIENT** or brought by any third person arising in any manner directly or indirectly from **SUBRECIPIENT** programs, activities or events conducted pursuant to this Agreement.

SUBRECIPIENT shall acquire, maintain and furnish to **ENTITY** a Certificate of Insurance as proof that it has secured and paid for policies of public liability and automobile insurance to cover all operations and services under this Agreement with limits of not less than $300,000.00 per occurrence, $300,000.00 aggregate, covering all risks incident to or in connection with the execution, performance, attempted performance or non-performance of this Agreement.

SECTION XIII
Procurement

SUBRECIPIENT agrees to follow the statues and rules governing the **ENTITY** in the procurement of services, supplies or non-real property in relation to **ENTITY**-funded projects. The legal standards that will apply include the procurement standards of the HIDALGO COUNTY Urban County Program, which includes 24 CFR Part 85.36, and the TEXAS COUNTY PURCHASING ACT.

SECTION XIV
Conflict of Interest

SUBRECIPIENT covenants that members of its organization or staff members who exercise influence on the decision-making process will not have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed in the Statement of Work, 24 CFR Part 570.611, 24 CFR Part 84.40-48, and 24 CFR Part 85.36.

SUBRECIPIENT agrees that no person who is an elected official, officer, director, employee, consultant, or agent of the **SUBRECIPIENT**'s organization or the **ENTITY**'s organization shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Statement of Work during their tenure or for a period of one year thereafter.

SUBRECIPIENT is responsible for repayment of funds associated with any conflict of interest that may occur either knowingly or unknowingly.

No **ENTITY** employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described in the Statement of Work.

SECTION XII
Legal Action and Venue

SUBRECIPIENT agrees to notify the **ENTITY** when a problem arises that may lead to legal action or claim against the **SUBRECIPIENT**. The **SUBRECIPIENT** agrees to furnish to the **ENTITY** any and all information with respect to such action or claim. The **SUBRECIPIENT** agrees not to take any action with respect to any legal action or claim sought against the **SUBRECIPIENT** without the advice and written consent of the **ENTITY**.

Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this Agreement shall lie exclusively in HIDALGO COUNTY.

SECTION XIII
Miscellaneous Provisions

Conflict with Applicable Law. Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

No Waiver. No waiver by **ENTITY** of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

Entire Agreement. This Agreement contains the entire contract between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by **ENTITY** and **SUBRECIPIENT**, and not otherwise.

Texas Law to Apply. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THIE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.

Notice. Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by electronic mail, or (iii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or (iv) sent by facsimile or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to **ENTITY**:

COUNTY OF HIDALGO
Urban County Program
1916 Tesoro Blvd.
Pharr, TX 78577
Email: ucp@ucp.co.hidalgo.tx.us
Phone # (956) 787-8127
Fax # (956) 787-5291

If to **SUBRECIPIENT**:

CAMP University.
Attn: Ford Sasser
1400 N. 10TH Street
McAllen, Texas 78502
Email: f.sasser@riobk.com
Phone: (956) 270-3511
Fax: (956) 630-0862

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the Unites States mail.

Additional Documents. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

Assignment. This Agreement shall not be assignable by **SUBRECIPIENT**. **ENTITY** may assign this Agreement without the consent of **SUBRECIPIENT**.

Headings. The headings and captions contained in this Agreement are solely for convenient reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

Gender and Number. All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate.

Authority to Execute. The execution and performance of this Agreement by **ENTITY** and **SUBRECIPIENT** have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of **ENTITY** and **SUBRECIPIENT** in accordance with its terms.

SECTION XVII
Effective Date

The effective date of this agreement shall be the **1st day of July 2012** such date being the date the HIDALGO COUNTY COMMISSIONERS' COURT approved entering into this Agreement with SUBRECIPIENT and shall terminate on the **31st day of May 2013.**

Approved and signed this _____ day of _____ 20__.

_____ _____

Print or Type Name of Authorized Official Signature of Authorized Official

SUBRECIPIENT Name: CAMP University
Address: 1400 N. 10th Street
City/State/Zip: Mc Allen, Texas 78502
Federal I.D. # or Soc. Sec. #: 26-0811975
DUNS #: 023424036

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

_____ personally appeared before me and declared that he/she signed this application in the capacity designated, if any, and further states that, he/she has read the above application, and the statements therein contained are true.

Subscribed and sworn to before me this _____ day of_____, 20_____ .

_____
Notary - Signature

COUNTY OF HIDALGO – URBAN COUNTY PROGRAM

_____ _____

Witness: **Diana R. Serna, UCP Director**

APPROVED AS TO FORM
Atlas & Hall L.L.P.
By: Steve Crain
Date: June 21, 2011

Exhibit A
STATEMENT OF WORK
Pct # 1

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

These funds will provide for the reimbursements of salaries for staff providing direct services to adults with special needs. The training of social skills, community service, ob training, sports activities.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 30,000.00 Awarded By: Precinct # 1

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Expenditures include salaries and fringe benefits for staff providing direct services.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

Staff will assist young adults with training in social skills ect. Year round with both during the day and sometimes in the evening and / or weekend services.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: **Additional** ESL classes will be offered; new sports program will be created for the youth, etc.)

With the UCP Funds form Pct # 1 we will be able to provide services to young adults with Special needs within Hidalgo County Pct # 1 area.
We anticipate being able to service 4 additional due to the additional funding

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

The beneficiaries are all young adults with various mental disabilities. They are both male & female, they are all for Hidalgo County and 100% are low income.

Section VII List all locations (physical address) where the funded service(s) will be provided.
Primarily 1400 N. 10th Street although we do take many field trips. Associated with the direct training and sports activities

Exhibit B-1
GRANT BUDGET
Awarded by Pct # 1

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Salaries and fringe benefits for Education Specialist, Program Leader, Teacher Aids, Recreational Trainer, and other staff who provides direct services	$ 25,00.00
Supplies: equipment Such as: Computer systems and recreational equipment.	$ 5,000.00
	$
	$
TOTAL GRANT BUDGET:	**$ 30,000**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: __Pct # 1

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012- 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	$2272.72	Salaries
August	$2272.72	Salaries
September	$2272.72	Salaries
October	$7272.72	Salaries/ Equipment
November	$2272.72	Salaries
December	$2272.72	Salaries
January	$2272.72	Salaries
February	$2272.72	Salaries
March	$2272.72	Salaries
April	$2272.72	Salaries
May	$2272.80	Salaries
TOTAL:	**$30,000.00**	Salaries

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

The funds of $25,000.00 to C.A.M.P. University will be applied to salaries and benefits and $5.000.00 will be used to purchase sports equipment and computers for the utilization of the clients.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: ___Pct #1_

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 **For the months of....**	**Number of Unduplicated** **Beneficiaries to be Serviced**	**Services Provided**
July	0	
August	0	
September	1	Educational Recreational and self help services
October	0	Educational Recreational and self help services
November	1	Educational Recreational and self help services
December	0	Educational Recreational and self help services
January	1	Educational Recreational and self help services
February	0	Educational Recreational and self help services
March	1	Educational Recreational and self help services
April	0	Educational Recreational and self help services
May	0	Educational Recreational and self help services
Total for the Year:	**4**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Note: with the funds C.A.M.P. University will be able to serve 4 new clients within Pct# 1

Exhibit A
STATEMENT OF WORK
Pct #3

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

These funds will provide for the reimbursements of salaries for staff providing direct services to adults with special needs. The training of social skills, community service, ob training, sports activities.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 30,000.00 Awarded By: Precinct # 3

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Expenditures include salaries and fringe benefits for staff providing direct services.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

Staff will assist young adults with training in social skills ect. Year round with both during the day and sometimes in the evening and / or weekend services.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: **Additional** ESL classes will be offered; new sports program will be created for the youth, etc.)

With the UCP Funds form Pct #3 we will be able to provide services to young adults with Special needs within Hidalgo County Pct # 3 area. We anticipate being able to service 4 additional due to the additional funding

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

The beneficiaries are all young adults with various mental disabilities. They are both male & female, they are all for Hidalgo County and 100% are low income.

Section VII List all locations (physical address) where the funded service(s) will be provided.

Primarily 1400 N. 10th Street although we do take many field trips. Associated with the direct training and sports activities

Exhibit B-1
GRANT BUDGET
Awarded by Pct #3

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Salaries and fringe benefits for Education Specialist, Program Leader, Teacher Aids, Recreational Trainer, and other staff who provides direct services	$ 25,00.00
Supplies: equipment Such as: Computer systems and recreational equipment.	$ 5,000.00
	$
	$
TOTAL GRANT BUDGET:	**$ 30,000**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: __Pct # 3

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012- 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	$2272.72	Salaries
August	$2272.72	Salaries
September	$2272.72	Salaries
October	$7272.72	Salaries/ Equipment
November	$2272.72	Salaries
December	$2272.72	Salaries
January	$2272.72	Salaries
February	$2272.72	Salaries
March	$2272.72	Salaries
April	$2272.72	Salaries
May	$2272.80	Salaries
TOTAL:	**$30,000.00**	Salaries

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

The funds of $25,000.00 to C.A.M.P. University will be applied to salaries and benefits and $5.000.00 will be used to purchase sports equipment and computers for the utilization of the clients.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: ___Pct #3_

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 **For the months of....**	**Number of Unduplicated** **Beneficiaries to be Serviced**	**Services Provided**
July	0	
August	0	
September	1	Educational Recreational and self help services
October	0	Educational Recreational and self help services
November	1	Educational Recreational and self help services
December	0	Educational Recreational and self help services
January	1	Educational Recreational and self help services
February	0	Educational Recreational and self help services
March	1	Educational Recreational and self help services
April	0	Educational Recreational and self help services
May	0	Educational Recreational and self help services
Total for the Year:	**4**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Note: with the funds C.A.M.P. University will be able to serve 4 new clients within Pct# 3

Exhibit D
RECORDS & REPORTS

REPORTS

A **Monthly Performance Report (Exhibit D - Activity Report)** must be submitted with each request for payment on or before the 15th of each month. Each activity report must include the following information:

- **Type of expenditures utilizing CDBG funds, type of service(s) provided and how the service met one of the HUD national objectives:**
  - Benefit to Low and Moderate Income Persons
  - Provides Decent Affordable Housing
  - Creates Economic Opportunities

  Number of persons assisted with New Access to service

  Number of persons assisted with Improved Access to service

  Number of low-mod beneficiaries served

  Ethnic Data

  Number of persons served living with a disability

  Number of female head of households served

  Income levels of persons or households with the categories of extremely low, low to moderate and non-low income.

- **Type of Outcome:**

  - **Availability/Accessibility**. Description of how services were made available or accessible to low and moderate income people, including persons with disabilities.

  - **Affordability**. How grant funds made the service affordable to low and moderate income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

  - **Sustainability**: **Promoting Livable or Viable Communities.** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

- **Other significant information** (such as special events, fundraisers, award ceremonies, etc.)Agency agrees to provide Entity with summaries of any events, fundraisers, and/or ceremonies held and provide photos of such events prior to the end date of the Agreement.

RECORDS **Cont. Exhibit D**

All records pertaining to each fiscal year of CDBG funds must be retained, from the date of submission of the COUNTY's Consolidated Annual Performance and Evaluation Report (CAPER) in which the specific activity is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 4-year period. In such cases, the records must be retained until completion of the action and resolution of all issues which arise from it or the end of the regular 4-year period, whichever is longer, except as provided below:

- Written agreements must be retained for four (4) years after the agreement terminates.
- If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
- In the event more than one exception applies to a particular record, the largest retention period shall apply to such record.

(a) Beneficiary Files

Subrecipient must maintain individual beneficiary files served utilizing CDBG funds. Such files must contain the following:

- Membership/registration Application
- Original Program Application (UCP self certification form)
- Physical address of residence

(b) Program Files

Subrecipient must maintain program files related to the Urban County Program CDBG award. Such files must contain the following:

- CDBG funding proposal letter to city and/or precinct
- Urban County Program Subrecipient Questionnaire, exhibits and supporting documentation
- Subrecipient Agreement
- Correspondence to and from Urban County
- Expenditure Reports
- Copies of reimbursement requests
- Monthly Performance Reports
- If applicable, fixed asset inventory list

(c) Financial Records

Subrecipient must maintain proper financial records.

(d) Program Income

Subrecipient must report program income earned, retained and expended to the Urban County Program that was generated by the use of the CDBG award.

Exhibit E
REQUEST FOR PAYMENTS

1. Subrecipient must submit **monthly** reimbursement requests as approved on the Schedule of Payment hereto attached as Exhibit B-2 (the "Schedule of Payment") **due on or before the 15th of each month.**

2. Subrecipient must inform Urban County in writing if the reimbursement request and/or monthly performance report will not be submitted by the due date.

3. Request for reimbursements that are submitted after the last working day of the month will be returned unpaid if the subrecipient did not comply with Request for Payments (2) hereto attached as Exhibit E (the "Request for Payments").

4. Urban County Program will return incorrect and/or incomplete reimbursement requests to the subrecipient as soon as possible in order for corrections to be made.

5. Subrecipient must submit the corrections and/or pending documentation no later than 10 days from notification by UCP. Should the subrecipient fail to submit the corrections within the allotted time, the RFP will be returned, and will NOT qualify for re-submission.

6. Subrecipient must submit May's reimbursement request and monthly performance report to the Urban County Program on or before June 15th.

7. May expenditures (equipment / supplies) must be invoiced and paid by May 31st to be eligible for reimbursement.

8. Subrecipient must submit all required documentation as stated on the UCP Reimbursement Checklist.

9. Should the Subrecipient fail to comply with timely submittals of monthly reimbursement requests and/or performance reports, the Urban County Program shall consider termination of the Subrecipient Agreement as per Section X "Suspension and Termination".

10. Subrecipient must submit a copy of the monthly reimbursement request and performance reports to the respective City and/or Precinct providing CDBG funds to the organization. Failure to submit copies may require pre-approval of the City and/or Precinct prior to Urban County processing the reimbursement request.

11. All reimbursement requests and reports submitted to Urban County must be originals signed with blue ink.

12. As per Section IV of this Agreement, the Urban County Program Monitoring Division will conduct on-site monitoring visits to ensure compliance with applicable Federal requirements and performance goals are being met.

13. Reimbursement requests are processed by Urban County on a first come first serve basis.

14. Payments to Subrecipients will only be mailed. Checks will not be allowed for pickup.

Checks are mailed eleven (11) days from the date the reimbursement request is submitted to the finance division, **only** after all documentation is reviewed, corrections are made, and all documentation is in order.

Exhibit F
Other Applicable Provisions
As stated in Section VIII
OMB Circular A–110 (implemented at 24 CFR part 84)
Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

(1) Subpart A—"General";

(2) Subpart B—"Pre-Award Requirements," except for §84.12, "Forms for Applying for Federal Assistance";

(3) Subpart C—"Post-Award Requirements," except for:

(i) Section 84.22, "Payment Requirements." Grantees shall follow the standards of §§85.20(b)(7) and 85.21 in making payments to subrecipients;

(ii) Section 84.23, "Cost Sharing and Matching";

(iii) Section 84.24, "Program Income." In lieu of §84.24, CDBG subrecipients shall follow §570.504;

(iv) Section 84.25, "Revision of Budget and Program Plans";

(v) Section 84.32, "Real Property." In lieu of §84.32, CDBG subrecipients shall follow §570.505;

(vi) Section 84.34(g), "Equipment." In lieu of the disposition provisions of §84.34(g), the following applies:

(A) In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and

(B) Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient;

(vii) Section 84.51 (b), (c), (d), (e), (f), (g), and (h), "Monitoring and Reporting Program Performance";

(viii) Section 84.52, "Financial Reporting";

(ix) Section 84.53(b), "Retention and access requirements for records." Section 84.53(b) applies with the following exceptions:

(A) The retention period referenced in §84.53(b) pertaining to individual CDBG activities shall be four years; and

(B) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;

(x) Section 84.61, "Termination." In lieu of the provisions of §84.61, CDBG subrecipients shall comply with §570.503(b)(7); and

(4) Subpart D—"After-the-Award Requirements," except for §84.71, "Closeout Procedures."

Exhibit G
Applicable Provisions - 24 CFR Part 85
As stated in Section VIII

Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"

(1) Section 85.3, "Definitions";

(2) Section 85.6, "Exceptions";

(3) Section 85.12, "Special grant or subgrant conditions for 'high-risk' grantees";

(4) Section 85.20, "Standards for financial management systems," except paragraph (a);

(5) Section 85.21, "Payment," except as modified by §570.513;

(6) Section 85.22, "Allowable costs";

(7) Section 85.26, "Non-federal audits";

(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;

(9) Section 85.33, "Supplies";

(10) Section 85.34, "Copyrights";

(11) Section 85.35, "Subawards to debarred and suspended parties";

(12) Section 85.36, "Procurement," except paragraph (a);

(13) Section 85.37, "Subgrants";

(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) through (d) and paragraph (f);

(15) Section 85.41, "Financial reporting," except paragraphs (a), (b), and (e);

(16) Section 85.42, "Retention and access requirements for records," except that the period shall be four years;

(17) Section 85.43, "Enforcement";

(18) Section 85.44, "Termination for convenience";

(19) Section 85.51 "Later disallowances and adjustments" and

(20) Section 85.52, "Collection of amounts due."

STATE OF TEXAS }
}
COUNTY OF HIDALGO }

SUBRECIPIENT AGREEMENT

This Agreement is made and entered into on this the 26th day of June, 20 12, by and between the COUNTY OF HIDALGO, Urban County Program, a political subdivision of the State of Texas, hereinafter referred to as **"ENTITY"**, and **CASA OF HIDALGO COUNTY, INC.,** hereinafter referred to as **"SUBRECIPIENT".**

WITNESSETH

WHEREAS, **SUBRECIPIENT** desires to carry out eligible activities as described in the Statement of Work attached hereto as **Exhibit A** (the "Statement of Work**")**, to this Agreement, and permitted by Title I of the Housing and Community Development Act of 1992 (1992 Act) pursuant to the U. S. Department of Housing and Urban Development Community Development Block Grant Program Entitlement Grant Regulations and covered in 24 CFR 570.

WHEREAS, the **ENTITY** proposes to contract with **SUBRECIPIENT** in order that the eligible activities described in **Exhibit A** (the "Statement of Work**")** can be carried out for the benefit of residents in the ENTITY'S jurisdiction.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration the receipt of which is hereby acknowledged, the **ENTITY** and the **SUBRECIPIENT** do mutually agree as follows:

SECTION I
Rules and Regulations

The **SUBRECIPIENT** agrees to cooperate with the **ENTITY** in respect to the implementation of Community Development Block Grant CFDA No. 14.218 (CDBG) activities to be carried out by **SUBRECIPIENT** pursuant to 24 CFR Part 570 and other rules, regulations and decisions as may be made by the U. S. Department of Housing and Urban Development (HUD) or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG program funds.

SECTION II
Statement of Work

SUBRECIPIENT agrees to perform services as outlined in the Statement of Work for and in consideration of payment in the amount of **$ 70,500.00,** and as delineated in the Grant Budget and the Payment Schedule attached hereto as Exhibit B-1 (the "Grant Budget") and Exhibit B-2 (the "Payment Schedule").

SUBRECIPIENT agrees to notify **ENTITY**, in writing, prior to any changes in its Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"). SUBRECIPIENT shall obtain approval, in writing, from ENTITY prior to commencing work on any changes made to the Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity.

ENTITY shall not be liable for costs incurred or performances rendered by **SUBRECIPIENT** before commencement of this Agreement or after termination of this Agreement.

SUBRECIPIENT agrees to follow the schedule outlined in the Schedule of Activity of this Agreement, and shall notify **ENTITY**, in writing, prior to any changes, delays or departures from the Schedule of Activity. If **SUBRECIPIENT** demonstrates that delays or departure from the Schedule of Activity is due to circumstances beyond its control, **ENTITY** and **SUBRECIPIENT** may (but Entity shall not be required) to amend the Schedule of Activity.

SECTION III
Records and Reports

SUBRECIPIENT agrees to establish and maintain records and reports as outlined in the Records and Reports attached hereto as Exhibit D (the "Records and Reports") and agrees to make the Records and Reports available to the **ENTITY**, HUD, and any other local, state or federal entity or authority that may exercise jurisdiction over CDBG funds. Monthly performance reports must be submitted on or before the 15th of every month.

SECTION IV
Monitoring Visits

SUBRECIPIENT agrees that **ENTITY** shall conduct on-site monitoring visits to assure compliance with applicable Federal requirements and that performance goals are being achieved, if applicable, as per 24 CFR Part 85.40 (a) and 24 CFR Part 84.51(a). **SUBRECIPIENT** shall attend an orientation prior to the award of funds and prior to the first draw of funds. After each monitoring visit, **ENTITY** shall provide **SUBRECIPIENT** with a written report of the monitor's findings. If the monitoring reports note deficiencies in **SUBRECIPIENT's** performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by **SUBRECIPIENT**. Failure by **SUBRECIPIENT** to take action specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section X of this Agreement. In addition, **SUBRECIPIENT** shall give HUD, the Comptroller General of the United States, **ENTITY**, and any of their duly authorized representatives, unobstructed and full 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 **SUBRECIPIENT** pertaining to this Agreement.

SECTION V
Payment Requests and Program Income

SUBRECIPIENT agrees to follow administrative directions from the **ENTITY** regarding documenting and processing payment requests as defined in the Requests for Payments attached hereto as Exhibit E (the "Requests for Payments") of this Agreement.

SUBRECIPIENT shall submit final reimbursement request to **ENTITY** within fifteen (15) days (by June 15, 2012) of the Agreement termination date.

SUBRECIPIENT and **ENTITY** agree that if applicable, program income generated from the use of CDBG funds shall be retained by the **SUBRECIPIENT**. If the activity is partially assisted with CDBG funds, the **SUBRECIPIENT** agrees to pro-rate the gross income to reflect the percent of CDBG funds assisted in the activity. The **SUBRECIPIENT** is to provide to the **ENTITY** by the third Wednesday of each month an accounting of program income through Monthly Performance Reports outlined in the Records and Reports. The **ENTITY** is then required to report all CDBG program income earned, retained, and expended. The **SUBRECIPIENT** shall be allowed to use program income for the same or similar activities as generated by program income. Failure of the **SUBRECIPIENT** to report program income as required shall cause the **ENTITY** to require all program income to be recovered by the **ENTITY**.

SUBRECIPIENT and **ENTITY** agree that all unused CDBG funds at the end or termination of this agreement will be reallocated or reprogrammed by **ENTITY.**

SECTION VI
Religious Activities

The **SUBRECIPIENT** and **ENTITY** both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this Agreement be used for sectarian or religious activities.

SECTION VII
Other Program Requirements

SUBRECIPIENT agrees to comply with "Other Program Requirements" as listed in 24 CFR §570.600 through 611 except for those environmental review requirements listed as 24 CFR §570.604 and initiation of review process under the provisions of 24 CFR Part 52.

SECTION VIII
Uniform Administrative Requirements

Subrecipients, except subrecipients that are governmental entities, shall comply with the requirements and standards of OMB Circular No. A–122, "Cost Principles for Non-profit Organizations", or OMB Circular No. A–21, "Cost Principles for Educational Institutions", as applicable, and OMB Circular A–133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions" (as set forth in 24 CFR part 45). Audits shall be conducted annually. Such subrecipients shall also comply with the provisions of the Uniform Administrative requirements of OMB Circular A–110 (implemented at 24 CFR part 84, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations") or the related CDBG provisions, as specified in the other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions") and any subsequent amendments thereto.

Recipients and Subrecipients that are governmental entities (including public agencies) shall comply with the requirements and standards of OMB Circular No. A–87, "Cost Principles for State, Local, and Indian Tribal Governments"; OMB Circular A–133, "Audits of State and Local Governments" (implemented at 24 CFR part 44); and with sections of 24 CFR part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" or other related CDBG provision, as specified in the other Applicable Provisions attached hereto as Exhibit G (the "Other Applicable Provisions") and any subsequent amendments thereto.

SECTION IX
Audit Requirements

SUBRECIPIENT agrees to comply with the applicable requirements and standards as set forth in OMB Circular A-133, Audits of States, Local Governments and Non-Profit organizations.

SUBRECIPIENT agrees to furnish **ENTITY** with a current Financial Management Letter (financial statements) within six (6) months from the end of its fiscal year covering the period of this Agreement that includes detailed receipts and disbursement of payments to **SUBRECIPIENT** hereunder. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit a Financial Management Letter.**

However, if **SUBRECIPIENT** expends Five Hundred Thousand Dollars ($500,000.00) or more in federal funds, **SUBRECIPIENT** must, within nine (9) months from the end of its fiscal year, supply **ENTITY** with an audit of revenues and expenditures conducted by a certified public accountant. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit an audit within the allotted time.**

If the **SUBRECIPIENT** expends less than Five Hundred Thousand Dollars ($500,000.00) a year in federal awards, then they are exempt from the OMB Circular A-133 audit requirements for that year; however, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity and the General Accounting Office.

SUBRECIPIENT is required to submit a 990 Tax Return (Return of Organization Exempt from Income Tax) for the most recent fiscal year within six (6) months if submitting a Financial Management Letter or within nine (9) months if submitting a Financial Audit. If the Subrecipient is not classified as an exempt entity, the Subrecipient will not be awarded grant funds.

If applicable, **SUBRECIPIENT** agrees to cooperate with **ENTITY** relating to any inquiries regarding the Financial Audit or Financial Management Letter and **SUBRECIPIENT** acknowledges that a Financial Audit or

Financial Management Letter shall be provided to **ENTITY** at the expense of the **SUBRECIPIENT.** Financial Audit or Financial Management Letter shall be available to **ENTITY** staff, and any and all applicable federal agencies, and be of unrestricted access, as listed in 24 CFR Part 85.42.

SECTION X
Suspension and Termination

SUBRECIPIENT understands that this Agreement may be suspended or terminated, in accordance with 24 CFR §85.43, if applicable, and 24 CFR §84.61, if the **SUBRECIPIENT** materially fails to comply with the provisions of this Agreement or the provisions so listed in the Statement of Work attached hereto as Exhibit A (the "Statement of Work"), the Grant Budget attached hereto as Exhibit B-1 (the "Grant Budget), the Payment Schedule attached hereto as Exhibit B-2 (the "Payment Schedule), the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"), the Records & Reports attached hereto as Exhibit D (the "Records & Reports"), the Request for Payments attached hereto as Exhibit E (the "Request for Payments"), Other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions"), and the Applicable Provisions - 24 CFR Part 85 attached hereto as Exhibit G (the "Other Applicable Provisions – 24 CFR Part 85").

If **SUBRECIPIENT** fails to fulfill in a timely and proper manner its obligations under this Agreement, or **SUBRECIPIENT** violates any of the Agreements or stipulations of this Agreement, then the **ENTITY** shall provide **SUBRECIPIENT** written notification of such non-performance. Such non-performance, (***i.e., timely submittal of monthly reports and/or reimbursements)***, may be the basis for immediate termination of this Agreement. Should any breach of contract (Agreement) relate to a violation of federal law or regulation that results in HUD demanding reimbursement from the **ENTITY OR SUBRECIPIENT** or its successor, the **ENTITY** may terminate this Agreement and seek reimbursement of all funds from **SUBRECIPIENT**. **SUBRECIPIENT** shall not be relieved of the liability to the **ENTITY** for damages sustained by the **ENTITY** by virtue of any breach of this contract (Agreement) by **SUBRECIPIENT** and **ENTITY** may withhold any payments to **SUBRECIPIENT** for violations of federal regulations or any breach of this Agreement. Should the **ENTITY** become aware of any activity by **SUBRECIPIENT,** which would jeopardize the **ENTITY'S** position with the U. S. Department of Housing and Urban Development (HUD) or which would cause a payback of federal funds, then the **ENTITY** may take appropriate action including injunctive relief against **SUBRECIPIENT** to prevent the transaction. The failure of the **ENTITY** to exercise any right shall in no way constitute a waiver by the **ENTITY** to otherwise demand payment or seek any other relief in law or in equity to which it may be justly entitled.

It is expressly agreed that this Agreement may not be amended except upon the joint action of both the **ENTITY** and _**CASA OF HIDALGO COUNTY, INC.**_.

SECTION XI
Assets

SUBRECIPIENT shall not purchase any asset unless prior written approval is obtained from the **ENTITY** and such procurement shall be done in the form and manner so prescribed by the **ENTITY**.

Any asset acquired or improved in part or in whole with CDBG funds in excess of $25,000 must be used in an activity that meets one of the national objectives listed in 24 CFR §570.208 for a period of five (5) years after the expiration of this Agreement or a longer period if so determined by the **ENTITY**.

The disposition of any asset improved or acquired in part or in whole with CDBG funds by the **SUBRECIPIENT** must be done with prior written approval of the **ENTITY** and the **ENTITY** shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The **ENTITY** may, at its option, request that such asset be transferred to **ENTITY** if the asset is no longer being used to meet one of the national objectives or in any case where the **SUBRECIPIENT** no longer provides services shown on the Statement of Work.

SECTION XII
Indemnity Clause

SUBRECIPIENT agrees to hold **ENTITY** harmless from, and indemnify **ENTITY** from and defend **ENTITY** against any and all claims brought against **ENTITY** by employees or officers of **SUBRECIPIENT** or brought by any third person arising in any manner directly or indirectly from **SUBRECIPIENT** programs, activities or events conducted pursuant to this Agreement.

SUBRECIPIENT shall acquire, maintain and furnish to **ENTITY** a Certificate of Insurance as proof that it has secured and paid for policies of public liability and automobile insurance to cover all operations and services under this Agreement with limits of not less than $300,000.00 per occurrence, $300,000.00 aggregate, covering all risks incident to or in connection with the execution, performance, attempted performance or non-performance of this Agreement.

SECTION XIII
Procurement

SUBRECIPIENT agrees to follow the statues and rules governing the **ENTITY** in the procurement of services, supplies or non-real property in relation to **ENTITY-**funded projects. The legal standards that will apply include the procurement standards of the HIDALGO COUNTY Urban County Program, which includes 24 CFR Part 85.36, and the TEXAS COUNTY PURCHASING ACT.

SECTION XIV
Conflict of Interest

SUBRECIPIENT covenants that members of its organization or staff members who exercise influence on the decision-making process will not have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed in the Statement of Work, 24 CFR Part 570.611, 24 CFR Part 84.40-48, and 24 CFR Part 85.36.

SUBRECIPIENT agrees that no person who is an elected official, officer, director, employee, consultant, or agent of the **SUBRECIPIENT**'s organization or the **ENTITY**'s organization shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Statement of Work during their tenure or for a period of one year thereafter.

SUBRECIPIENT is responsible for repayment of funds associated with any conflict of interest that may occur either knowingly or unknowingly.

No **ENTITY** employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described in the Statement of Work.

SECTION XII
Legal Action and Venue

SUBRECIPIENT agrees to notify the **ENTITY** when a problem arises that may lead to legal action or claim against the **SUBRECIPIENT**. The **SUBRECIPIENT** agrees to furnish to the **ENTITY** any and all information with respect to such action or claim. The **SUBRECIPIENT** agrees not to take any action with respect to any legal action or claim sought against the **SUBRECIPIENT** without the advice and written consent of the **ENTITY**.

Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this Agreement shall lie exclusively in HIDALGO COUNTY.

SECTION XIII
Miscellaneous Provisions

Conflict with Applicable Law. Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

No Waiver. No waiver by **ENTITY** of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

Entire Agreement. This Agreement contains the entire contract between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by **ENTITY** and **SUBRECIPIENT**, and not otherwise.

Texas Law to Apply. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THIE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.

Notice. Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by electronic mail, or (iii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or (iv) sent by facsimile or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to **ENTITY**:

COUNTY OF HIDALGO
Urban County Program
1916 Tesoro Blvd.
Pharr, TX 78577
Email: ucp@ucp.co.hidalgo.tx.us
Phone # (956) 787-8127
Fax # (956) 787-5291

If to **SUBRECIPIENT**:

CASA of Hidalgo County Inc.
Attn: Linda Morales-Gonzalez, Executive Director
1001 South 10th Avenue
Edinburg, Texas 78539
email: lmorales@casaofhidalgo.com
Phone: (956) 381-0346
Fax: (956) 381-9232

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the Unites States mail.

Additional Documents. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

Assignment. This Agreement shall not be assignable by **SUBRECIPIENT**. **ENTITY** may assign this Agreement without the consent of **SUBRECIPIENT**.

Headings. The headings and captions contained in this Agreement are solely for convenient reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

Gender and Number. All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate.

Authority to Execute. The execution and performance of this Agreement by **ENTITY** and **SUBRECIPIENT** have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of **ENTITY** and **SUBRECIPIENT** in accordance with its terms.

SECTION XVII
Effective Date

The effective date of this agreement shall be the **1st day of July 2012** such date being the date the HIDALGO COUNTY COMMISSIONERS' COURT approved entering into this Agreement with SUBRECIPIENT and shall terminate on the **31st day of May 2013.**

Approved and signed this _____ day of _____ 20__.

_____ _____

Print or Type Name of Authorized Official Signature of Authorized Official

SUBRECIPIENT Name: CASA of Hidalgo County Inc.
Address: 1001 South 10th Avenue
City/State/Zip: Edinburg, Texas 78539
Federal I.D. # or Soc. Sec. #: 74-2722553
DUNS #: 105721265

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

_____ personally appeared before me and declared that he/she signed this application in the capacity designated, if any, and further states that, he/she has read the above application, and the statements therein contained are true.

Subscribed and sworn to before me this _____ day of_____, 20_____ .

_____
Notary - Signature

COUNTY OF HIDALGO – URBAN COUNTY PROGRAM

_____ _____

Witness: **Diana R. Serna, UCP Director**

APPROVED AS TO FORM
Atlas & Hall L.L.P.
By: Steve Crain
Date: June 21, 2011

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

CASA of Hidalgo County is a 501 C 3, not for profit organization. The Mission of CASA of Hidalgo County, Inc. is to speak for the best interests of the children in the courts by promoting and supporting quality volunteer representation to provide each child a safe, permanent and nurturing home. In their role as the child's advocate, volunteers make contact with family members, medical personnel, witnesses, attorneys, law enforcement, and any others who have had involvement in the child's case. The CASA will then make a recommendation to the judge as to how best to meet the child's interests.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 10,000 Awarded By: PCT1

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Staff providing a direct service to include but not limited to Executive Director, Case Supervisor, Case Manager and/or Advocate

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

Visit children in their designated placement either locally within Hidalgo County and/or out of out of Hidalgo County, observe child visitations, attend all staffing, write court reports, interview appropriate parties on all cases, acquires needed resources to assist all the CASA children, attend court hearings, ARD's at schools, inquire about client and family counseling, individual, group, and family therapy.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Continued services provided will benefit male and female children (ages 0 to 18) who primarily have been physically and/or sexually abused and neglected.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Number of approximate beneficiaries to be serviced 225. All CASA's children, ages 0 to 18, are victims of child abuse and neglect and are classified as presumed low income. The area of residency is Pct 1.

Section VII List all locations (physical address) where the funded service(s) will be provided.

Hidalgo County's Court House; Child Protection Court; Commissioner's Court; TDFPS; Foster Homes; out of town Residential Treatment Center's; Behavioral Centers/Hospitals; possible placements and/or relative placements (i.e. parents, neighbors, grandparent's homes), educational facilities; CASA office; and visit any entity associated with the children's' case.

Exhibit B-1
GRANT BUDGET
Awarded by: PCT 1

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Salary & Fringe benefits for staff providing a direct service to include, but not limited to the Executive Director, Case Supervisor, and Case Managers	$8,000
Mileage for staff and advocates/volunteers conducting home visits, court hearings etc… for Case Supervisor, Case Managers and Advocates	$2,000
TOTAL GRANT BUDGET:	**$ 10,000**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Pct. #1

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	$1000	Staff Salary, fringe. Staff and Advocate Mileage
August	$1000	Staff Salary, fringe. Staff and Advocate Mileage
September	$1000	Staff Salary, fringe. Staff and Advocate Mileage
October	$1000	Staff Salary, fringe. Staff and Advocate Mileage
November	$1000	Staff Salary, fringe. Staff and Advocate Mileage
December	$1000	Staff Salary, fringe. Staff and Advocate Mileage
January	$1000	Staff Salary, fringe. Staff and Advocate Mileage
February	$1000	Staff Salary, fringe. Staff and Advocate Mileage
March	$1000	Staff Salary, fringe. Staff and Advocate Mileage
April	$1000	Staff Salary, fringe. Staff and Advocate Mileage
May	$0	
TOTAL:	**$10,000**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Pct. #1

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	Number of Unduplicated Beneficiaries to be Serviced	Services Provided
July	130	Advocacy Referral
August	10	Advocacy Referral
September	5	Advocacy Referral
October	5	Advocacy Referral
November	10	Advocacy Referral
December	15	Advocacy Referral
January	10	Advocacy Referral
February	10	Advocacy Referral
March	10	Advocacy Referral
April	10	Advocacy Referral
May	10	Advocacy Referral
Total for the Year:	**225**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

CASA of Hidalgo County is a 501 C 3, not for profit organization. The Mission of CASA of Hidalgo County, Inc. is to speak for the best interests of the children in the courts by promoting and supporting quality volunteer representation to provide each child a safe, permanent and nurturing home. In their role as the child's advocate, volunteers make contact with family members, medical personnel, witnesses, attorneys, law enforcement, and any others who have had involvement in the child's case. The CASA will then make a recommendation to the judge as to how best to meet the child's interests.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 18,000 Awarded By: PCT2

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Staff providing a direct service to include but not limited to Executive Director, Case Supervisor, Case Manager and/or Advocate

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

Visit children in their designated placement either locally within Hidalgo County and/or out of out of Hidalgo County, observe child visitations, attend all staffing, write court reports, interview appropriate parties on all cases, acquires needed resources to assist all the CASA children, attend court hearings, ARD's at schools, inquire about client and family counseling, individual, group, and family therapy.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Continued services provided will benefit male and female children (ages 0 to 18) who primarily have been physically and/or sexually abused and neglected.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Number of approximate beneficiaries to be serviced 110. All CASA's children, ages 0 to 18, are victims of child abuse and neglect and are classified as presumed low income. The area of residency is Pct 2.

Section VII List all locations (physical address) where the funded service(s) will be provided.

Hidalgo County's Court House; Child Protection Court; Commissioner's Court; TDFPS; Foster Homes; out of town Residential Treatment Center's; Behavioral Centers/Hospitals; possible placements and/or relative placements (i.e. parents, neighbors, grandparent's homes), educational facilities; CASA office; and visit any entity associated with the children's' case.

Exhibit B-1
GRANT BUDGET
Awarded by: Pct. #2

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Salary & Fringe benefits for staff providing a direct service to include, but not limited to the Executive Director, Case Supervisor, and Case Managers	$15,000
Mileage for staff and advocates/volunteers conducting home visits, court hearings etc… for Case Supervisor, Case Managers and Advocates	$3,000
TOTAL GRANT BUDGET:	**$ 18,000**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Pct #2

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	Estimated Amount Of Expenditures	Type of Budgeted Expenditures
July	$1636.36	Staff Salary, fringe. Staff and Advocate Mileage
August	$1636.36	Staff Salary, fringe. Staff and Advocate Mileage
September	$1636.36	Staff Salary, fringe. Staff and Advocate Mileage
October	$1636.36	Staff Salary, fringe. Staff and Advocate Mileage
November	$1636.36	Staff Salary, fringe. Staff and Advocate Mileage
December	$1636.36	Staff Salary, fringe. Staff and Advocate Mileage
January	$1636.36	Staff Salary, fringe. Staff and Advocate Mileage
February	$1636.36	Staff Salary, fringe. Staff and Advocate Mileage
March	$1636.36	Staff Salary, fringe. Staff and Advocate Mileage
April	$1636.36	Staff Salary, fringe. Staff and Advocate Mileage
May	$1636.40	Staff Salary, fringe. Staff and Advocate Mileage
TOTAL:	**$18,000**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Pct. #2

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	Number of Unduplicated Beneficiaries to be Serviced	Services Provided
July	20	Advocacy Referral
August	10	Advocacy Referral
September	5	Advocacy Referral
October	10	Advocacy Referral
November	5	Advocacy Referral
December	5	Advocacy Referral
January	10	Advocacy Referral
February	15	Advocacy Referral
March	15	Advocacy Referral
April	15	Advocacy Referral
May	0	
Total for the Year:	**110**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

CASA of Hidalgo County is a 501 C 3, not for profit organization. The Mission of CASA of Hidalgo County, Inc. is to speak for the best interests of the children in the courts by promoting and supporting quality volunteer representation to provide each child a safe, permanent and nurturing home. In their role as the child's advocate, volunteers make contact with family members, medical personnel, witnesses, attorneys, law enforcement, and any others who have had involvement in the child's case. The CASA will then make a recommendation to the judge as to how best to meet the child's interests.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 35,000 Awarded By: PCT3

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Staff providing a direct service to include but not limited to Executive Director, Case Supervisor, Case Manager and/or Advocate

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

Visit children in their designated placement either locally within Hidalgo County and/or out of out of Hidalgo County, observe child visitations, attend all staffing, write court reports, interview appropriate parties on all cases, acquires needed resources to assist all the CASA children, attend court hearings, ARD's at schools, inquire about client and family counseling, individual, group, and family therapy.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Continued services provided will benefit male and female children (ages 0 to 18) who primarily have been physically and/or sexually abused and neglected.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Number of approximate beneficiaries to be serviced 100-110. All CASA's children, ages 0 to 18, are victims of child abuse and neglect and are classified as presumed low income. The area of residency is Pct 3.

Section VII List all locations (physical address) where the funded service(s) will be provided.

Hidalgo County's Court House; Child Protection Court; Commissioner's Court; TDFPS; Foster Homes; out of town Residential Treatment Center's; Behavioral Centers/Hospitals; possible placements and/or relative placements (i.e. parents, neighbors, grandparent's homes), educational facilities; CASA office; and visit any entity associated with the children's' case.

Exhibit B-1
GRANT BUDGET
Awarded by: Pct. #3

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Salary & Fringe benefits for staff providing a direct service to include, but not limited to the Executive Director, Case Supervisor, and Case Managers	$30,000
Mileage for staff and advocates/volunteers conducting home visits, court hearings etc… for Case Supervisor, Case Managers and Advocates	$5,000
TOTAL GRANT BUDGET:	**$ 35,000**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Pct. #3

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	Estimated Amount Of Expenditures	Type of Budgeted Expenditures
July	$ 3181.81	Staff Salary, fringe. Staff and Advocate Mileage
August	$ 3181.81	Staff Salary, fringe. Staff and Advocate Mileage
September	$ 3181.81	Staff Salary, fringe. Staff and Advocate Mileage
October	$ 3181.81	Staff Salary, fringe. Staff and Advocate Mileage
November	$ 3181.81	Staff Salary, fringe. Staff and Advocate Mileage
December	$ 3181.81	Staff Salary, fringe. Staff and Advocate Mileage
January	$ 3181.81	Staff Salary, fringe. Staff and Advocate Mileage
February	$ 3181.81	Staff Salary, fringe. Staff and Advocate Mileage
March	$ 3181.81	Staff Salary, fringe. Staff and Advocate Mileage
April	$ 3181.81	Staff Salary, fringe. Staff and Advocate Mileage
May	$3181.90	
TOTAL:	**$35,000**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Pct. #3

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	Number of Unduplicated Beneficiaries to be Serviced	Services Provided
July	85	Advocacy Referral
August	3	Advocacy Referral
September	0	Advocacy Referral
October	0	Advocacy Referral
November	3	Advocacy Referral
December	0	Advocacy Referral
January	5	Advocacy Referral
February	0	Advocacy Referral
March	5	Advocacy Referral
April	5	Advocacy Referral
May	4	Advocacy Referral
Total for the Year:	**110**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

CASA of Hidalgo County is a 501 C 3, not for profit organization. The Mission of CASA of Hidalgo County, Inc. is to speak for the best interests of the children in the courts by promoting and supporting quality volunteer representation to provide each child a safe, permanent and nurturing home. In their role as the child's advocate, volunteers make contact with family members, medical personnel, witnesses, attorneys, law enforcement, and any others who have had involvement in the child's case. The CASA will then make a recommendation to the judge as to how best to meet the child's interests.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 7,500 Awarded By: San Juan

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Staff providing a direct service to include but not limited to Executive Director, Case Supervisor, Case Manager and/or Advocate

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

Visit children in their designated placement either locally within Hidalgo County and/or out of out of Hidalgo County, observe child visitations, attend all staffing, write court reports, interview appropriate parties on all cases, acquires needed resources to assist all the CASA children, attend court hearings, ARD's at schools, inquire about client and family counseling, individual, group, and family therapy.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Continued services provided will benefit male and female children (ages 0 to 18) who primarily have been physically and/or sexually abused and neglected.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Number of approximate beneficiaries to be serviced 102. All CASA's children, ages 0 to 18, are victims of child abuse and neglect and are classified as presumed low income. The area of residency is San Juan.

Section VII List all locations (physical address) where the funded service(s) will be provided.

Hidalgo County's Court House; Child Protection Court; Commissioner's Court; TDFPS; Foster Homes; out of town Residential Treatment Center's; Behavioral Centers/Hospitals; possible placements and/or relative placements (i.e. parents, neighbors, grandparent's homes), educational facilities; CASA office; and visit any entity associated with the children's' case.

Exhibit B-1
GRANT BUDGET
Awarded by: San Juan

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	BUDGETED AMOUNT
Salary & Fringe benefits for staff providing a direct service to include, but not limited to the Executive Director, Case Supervisor, and Case Managers	$6,500
Mileage for staff and advocates/volunteers conducting home visits, court hearings etc… for Case Supervisor, Case Managers and Advocates	$1,000
TOTAL GRANT BUDGET:	**$ 7,500**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: San Juan

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	Estimated Amount Of Expenditures	Type of Budgeted Expenditures
July	$681.81	Staff Salary, fringe. Staff and Advocate Mileage
August	$681.81	Staff Salary, fringe. Staff and Advocate Mileage
September	$681.81	Staff Salary, fringe. Staff and Advocate Mileage
October	$681.81	Staff Salary, fringe. Staff and Advocate Mileage
November	$681.81	Staff Salary, fringe. Staff and Advocate Mileage
December	$681.81	Staff Salary, fringe. Staff and Advocate Mileage
January	$681.81	Staff Salary, fringe. Staff and Advocate Mileage
February	$681.81	Staff Salary, fringe. Staff and Advocate Mileage
March	$681.81	Staff Salary, fringe. Staff and Advocate Mileage
April	$681.81	Staff Salary, fringe. Staff and Advocate Mileage
May	$681.90	Staff Salary, fringe. Staff and Advocate Mileage
TOTAL:	**$7,500**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: San Juan

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	Number of Unduplicated Beneficiaries to be Serviced	Services Provided
July	26	Advocacy Referral
August	5	Advocacy Referral
September	5	Advocacy Referral
October	6	Advocacy Referral
November	0	Advocacy Referral
December	10	Advocacy Referral
January	10	Advocacy Referral
February	10	Advocacy Referral
March	10	Advocacy Referral
April	10	Advocacy Referral
May	10	Advocacy Referral
Total for the Year:	**102**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit D
RECORDS & REPORTS

REPORTS

A **Monthly Performance Report (Exhibit D - Activity Report)** must be submitted with each request for payment on or before the 15th of each month. Each activity report must include the following information:

- **Type of expenditures utilizing CDBG funds, type of service(s) provided and how the service met one of the HUD national objectives:**
  - Benefit to Low and Moderate Income Persons
  - Provides Decent Affordable Housing
  - Creates Economic Opportunities

  Number of persons assisted with New Access to service

  Number of persons assisted with Improved Access to service

  Number of low-mod beneficiaries served

  Ethnic Data

  Number of persons served living with a disability

  Number of female head of households served

  Income levels of persons or households with the categories of extremely low, low to moderate and non-low income.

- **Type of Outcome:**

  - **Availability/Accessibility**. Description of how services were made available or accessible to low and moderate income people, including persons with disabilities.

  - **Affordability**. How grant funds made the service affordable to low and moderate income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

  - **Sustainability**: **Promoting Livable or Viable Communities.** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

- **Other significant information** (such as special events, fundraisers, award ceremonies, etc.)Agency agrees to provide Entity with summaries of any events, fundraisers, and/or ceremonies held and provide photos of such events prior to the end date of the Agreement.

RECORDS **Cont. Exhibit D**

All records pertaining to each fiscal year of CDBG funds must be retained, from the date of submission of the COUNTY's Consolidated Annual Performance and Evaluation Report (CAPER) in which the specific activity is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 4-year period. In such cases, the records must be retained until completion of the action and resolution of all issues which arise from it or the end of the regular 4-year period, whichever is longer, except as provided below:

- Written agreements must be retained for four (4) years after the agreement terminates.
- If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
- In the event more than one exception applies to a particular record, the largest retention period shall apply to such record.

(a) Beneficiary Files

Subrecipient must maintain individual beneficiary files served utilizing CDBG funds. Such files must contain the following:

- Membership/registration Application
- Original Program Application (UCP self certification form)
- Physical address of residence

(b) Program Files

Subrecipient must maintain program files related to the Urban County Program CDBG award. Such files must contain the following:

- CDBG funding proposal letter to city and/or precinct
- Urban County Program Subrecipient Questionnaire, exhibits and supporting documentation
- Subrecipient Agreement
- Correspondence to and from Urban County
- Expenditure Reports
- Copies of reimbursement requests
- Monthly Performance Reports
- If applicable, fixed asset inventory list

(c) Financial Records

Subrecipient must maintain proper financial records.

(d) Program Income

Subrecipient must report program income earned, retained and expended to the Urban County Program that was generated by the use of the CDBG award.

Exhibit E
REQUEST FOR PAYMENTS

1. Subrecipient must submit **monthly** reimbursement requests as approved on the Schedule of Payment hereto attached as Exhibit B-2 (the "Schedule of Payment") **due on or before the 15th of each month.**

2. Subrecipient must inform Urban County in writing if the reimbursement request and/or monthly performance report will not be submitted by the due date.

3. Request for reimbursements that are submitted after the last working day of the month will be returned unpaid if the subrecipient did not comply with Request for Payments (2) hereto attached as Exhibit E (the "Request for Payments").

4. Urban County Program will return incorrect and/or incomplete reimbursement requests to the subrecipient as soon as possible in order for corrections to be made.

5. Subrecipient must submit the corrections and/or pending documentation no later than 10 days from notification by UCP. Should the subrecipient fail to submit the corrections within the allotted time, the RFP will be returned, and will NOT qualify for re-submission.

6. Subrecipient must submit May's reimbursement request and monthly performance report to the Urban County Program on or before June 15th.

7. May expenditures (equipment / supplies) must be invoiced and paid by May 31st to be eligible for reimbursement.

8. Subrecipient must submit all required documentation as stated on the UCP Reimbursement Checklist.

9. Should the Subrecipient fail to comply with timely submittals of monthly reimbursement requests and/or performance reports, the Urban County Program shall consider termination of the Subrecipient Agreement as per Section X "Suspension and Termination".

10. Subrecipient must submit a copy of the monthly reimbursement request and performance reports to the respective City and/or Precinct providing CDBG funds to the organization. Failure to submit copies may require pre-approval of the City and/or Precinct prior to Urban County processing the reimbursement request.

11. All reimbursement requests and reports submitted to Urban County must be originals signed with blue ink.

12. As per Section IV of this Agreement, the Urban County Program Monitoring Division will conduct on-site monitoring visits to ensure compliance with applicable Federal requirements and performance goals are being met.

13. Reimbursement requests are processed by Urban County on a first come first serve basis.

14. Payments to Subrecipients will only be mailed. Checks will not be allowed for pickup.

Checks are mailed eleven (11) days from the date the reimbursement request is submitted to the finance division, **only** after all documentation is reviewed, corrections are made, and all documentation is in order.

Exhibit F
Other Applicable Provisions
As stated in Section VIII
OMB Circular A–110 (implemented at 24 CFR part 84)
Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

(1) Subpart A—"General";

(2) Subpart B—"Pre-Award Requirements," except for §84.12, "Forms for Applying for Federal Assistance";

(3) Subpart C—"Post-Award Requirements," except for:

(i) Section 84.22, "Payment Requirements." Grantees shall follow the standards of §§85.20(b)(7) and 85.21 in making payments to subrecipients;

(ii) Section 84.23, "Cost Sharing and Matching";

(iii) Section 84.24, "Program Income." In lieu of §84.24, CDBG subrecipients shall follow §570.504;

(iv) Section 84.25, "Revision of Budget and Program Plans";

(v) Section 84.32, "Real Property." In lieu of §84.32, CDBG subrecipients shall follow §570.505;

(vi) Section 84.34(g), "Equipment." In lieu of the disposition provisions of §84.34(g), the following applies:

(A) In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and

(B) Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient;

(vii) Section 84.51 (b), (c), (d), (e), (f), (g), and (h), "Monitoring and Reporting Program Performance";

(viii) Section 84.52, "Financial Reporting";

(ix) Section 84.53(b), "Retention and access requirements for records." Section 84.53(b) applies with the following exceptions:

(A) The retention period referenced in §84.53(b) pertaining to individual CDBG activities shall be four years; and

(B) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;

(x) Section 84.61, "Termination." In lieu of the provisions of §84.61, CDBG subrecipients shall comply with §570.503(b)(7); and

(4) Subpart D—"After-the-Award Requirements," except for §84.71, "Closeout Procedures."

Exhibit G
Applicable Provisions - 24 CFR Part 85
As stated in Section VIII

Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"

(1) Section 85.3, "Definitions";

(2) Section 85.6, "Exceptions";

(3) Section 85.12, "Special grant or subgrant conditions for 'high-risk' grantees";

(4) Section 85.20, "Standards for financial management systems," except paragraph (a);

(5) Section 85.21, "Payment," except as modified by §570.513;

(6) Section 85.22, "Allowable costs";

(7) Section 85.26, "Non-federal audits";

(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;

(9) Section 85.33, "Supplies";

(10) Section 85.34, "Copyrights";

(11) Section 85.35, "Subawards to debarred and suspended parties";

(12) Section 85.36, "Procurement," except paragraph (a);

(13) Section 85.37, "Subgrants";

(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) through (d) and paragraph (f);

(15) Section 85.41, "Financial reporting," except paragraphs (a), (b), and (e);

(16) Section 85.42, "Retention and access requirements for records," except that the period shall be four years;

(17) Section 85.43, "Enforcement";

(18) Section 85.44, "Termination for convenience";

(19) Section 85.51 "Later disallowances and adjustments" and

(20) Section 85.52, "Collection of amounts due."

STATE OF TEXAS }
}
COUNTY OF HIDALGO }

SUBRECIPIENT AGREEMENT

This Agreement is made and entered into on this the 26th day of June, 20 12, by and between the COUNTY OF HIDALGO, Urban County Program, a political subdivision of the State of Texas, hereinafter referred to as **"ENTITY"**, and **EASTER SEALS RIO GRANDE VALLEY**, hereinafter referred to as **"SUBRECIPIENT".**

WITNESSETH

WHEREAS, **SUBRECIPIENT** desires to carry out eligible activities as described in the Statement of Work attached hereto as **Exhibit A** (the "Statement of Work**")**, to this Agreement, and permitted by Title I of the Housing and Community Development Act of 1992 (1992 Act) pursuant to the U. S. Department of Housing and Urban Development Community Development Block Grant Program Entitlement Grant Regulations and covered in 24 CFR 570.

WHEREAS, the **ENTITY** proposes to contract with **SUBRECIPIENT** in order that the eligible activities described in **Exhibit A** (the "Statement of Work**")** can be carried out for the benefit of residents in the ENTITY'S jurisdiction.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration the receipt of which is hereby acknowledged, the **ENTITY** and the **SUBRECIPIENT** do mutually agree as follows:

SECTION I
Rules and Regulations

The **SUBRECIPIENT** agrees to cooperate with the **ENTITY** in respect to the implementation of Community Development Block Grant CFDA No. 14.218 (CDBG) activities to be carried out by **SUBRECIPIENT** pursuant to 24 CFR Part 570 and other rules, regulations and decisions as may be made by the U. S. Department of Housing and Urban Development (HUD) or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG program funds.

SECTION II
Statement of Work

SUBRECIPIENT agrees to perform services as outlined in the Statement of Work for and in consideration of payment in the amount of **$10,000.00,** and as delineated in the Grant Budget and the Payment Schedule attached hereto as Exhibit B-1 (the "Grant Budget") and Exhibit B-2 (the "Payment Schedule").

SUBRECIPIENT agrees to notify **ENTITY**, in writing, prior to any changes in its Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"). SUBRECIPIENT shall obtain approval, in writing, from ENTITY prior to commencing work on any changes made to the Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity.

ENTITY shall not be liable for costs incurred or performances rendered by **SUBRECIPIENT** before commencement of this Agreement or after termination of this Agreement.

SUBRECIPIENT agrees to follow the schedule outlined in the Schedule of Activity of this Agreement, and shall notify **ENTITY**, in writing, prior to any changes, delays or departures from the Schedule of Activity. If **SUBRECIPIENT** demonstrates that delays or departure from the Schedule of Activity is due to circumstances beyond its control, **ENTITY** and **SUBRECIPIENT** may (but Entity shall not be required) to amend the Schedule of Activity.

SECTION III
Records and Reports

SUBRECIPIENT agrees to establish and maintain records and reports as outlined in the Records and Reports attached hereto as Exhibit D (the "Records and Reports") and agrees to make the Records and Reports available to the **ENTITY**, HUD, and any other local, state or federal entity or authority that may exercise jurisdiction over CDBG funds. Monthly performance reports must be submitted on or before the 15th of every month.

SECTION IV
Monitoring Visits

SUBRECIPIENT agrees that **ENTITY** shall conduct on-site monitoring visits to assure compliance with applicable Federal requirements and that performance goals are being achieved, if applicable, as per 24 CFR Part 85.40 (a) and 24 CFR Part 84.51(a). **SUBRECIPIENT** shall attend an orientation prior to the award of funds and prior to the first draw of funds. After each monitoring visit, **ENTITY** shall provide **SUBRECIPIENT** with a written report of the monitor's findings. If the monitoring reports note deficiencies in **SUBRECIPIENT's** performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by **SUBRECIPIENT**. Failure by **SUBRECIPIENT** to take action specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section X of this Agreement. In addition, **SUBRECIPIENT** shall give HUD, the Comptroller General of the United States, **ENTITY**, and any of their duly authorized representatives, unobstructed and full 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 **SUBRECIPIENT** pertaining to this Agreement.

SECTION V
Payment Requests and Program Income

SUBRECIPIENT agrees to follow administrative directions from the **ENTITY** regarding documenting and processing payment requests as defined in the Requests for Payments attached hereto as Exhibit E (the "Requests for Payments") of this Agreement.

SUBRECIPIENT shall submit final reimbursement request to **ENTITY** within fifteen (15) days (by June 15, 2012) of the Agreement termination date.

SUBRECIPIENT and **ENTITY** agree that if applicable, program income generated from the use of CDBG funds shall be retained by the **SUBRECIPIENT**. If the activity is partially assisted with CDBG funds, the **SUBRECIPIENT** agrees to pro-rate the gross income to reflect the percent of CDBG funds assisted in the activity. The **SUBRECIPIENT** is to provide to the **ENTITY** by the third Wednesday of each month an accounting of program income through Monthly Performance Reports outlined in the Records and Reports. The **ENTITY** is then required to report all CDBG program income earned, retained, and expended. The **SUBRECIPIENT** shall be allowed to use program income for the same or similar activities as generated by program income. Failure of the **SUBRECIPIENT** to report program income as required shall cause the **ENTITY** to require all program income to be recovered by the **ENTITY**.

SUBRECIPIENT and **ENTITY** agree that all unused CDBG funds at the end or termination of this agreement will be reallocated or reprogrammed by **ENTITY.**

SECTION VI
Religious Activities

The **SUBRECIPIENT** and **ENTITY** both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this Agreement be used for sectarian or religious activities.

SECTION VII
Other Program Requirements

SUBRECIPIENT agrees to comply with "Other Program Requirements" as listed in 24 CFR §570.600 through 611 except for those environmental review requirements listed as 24 CFR §570.604 and initiation of review process under the provisions of 24 CFR Part 52.

SECTION VIII
Uniform Administrative Requirements

Subrecipients, except subrecipients that are governmental entities, shall comply with the requirements and standards of OMB Circular No. A–122, "Cost Principles for Non-profit Organizations", or OMB Circular No. A–21, "Cost Principles for Educational Institutions", as applicable, and OMB Circular A–133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions" (as set forth in 24 CFR part 45). Audits shall be conducted annually. Such subrecipients shall also comply with the provisions of the Uniform Administrative requirements of OMB Circular A–110 (implemented at 24 CFR part 84, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations") or the related CDBG provisions, as specified in the other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions") and any subsequent amendments thereto.

Recipients and Subrecipients that are governmental entities (including public agencies) shall comply with the requirements and standards of OMB Circular No. A–87, "Cost Principles for State, Local, and Indian Tribal Governments"; OMB Circular A–133, "Audits of State and Local Governments" (implemented at 24 CFR part 44); and with sections of 24 CFR part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" or other related CDBG provision, as specified in the other Applicable Provisions attached hereto as Exhibit G (the "Other Applicable Provisions") and any subsequent amendments thereto.

SECTION IX
Audit Requirements

SUBRECIPIENT agrees to comply with the applicable requirements and standards as set forth in OMB Circular A-133, Audits of States, Local Governments and Non-Profit organizations.

SUBRECIPIENT agrees to furnish **ENTITY** with a current Financial Management Letter (financial statements) within six (6) months from the end of its fiscal year covering the period of this Agreement that includes detailed receipts and disbursement of payments to **SUBRECIPIENT** hereunder. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit a Financial Management Letter.**

However, if **SUBRECIPIENT** expends Five Hundred Thousand Dollars ($500,000.00) or more in federal funds, **SUBRECIPIENT** must, within nine (9) months from the end of its fiscal year, supply **ENTITY** with an audit of revenues and expenditures conducted by a certified public accountant. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit an audit within the allotted time.**

If the **SUBRECIPIENT** expends less than Five Hundred Thousand Dollars ($500,000.00) a year in federal awards, then they are exempt from the OMB Circular A-133 audit requirements for that year; however, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity and the General Accounting Office.

SUBRECIPIENT is required to submit a 990 Tax Return (Return of Organization Exempt from Income Tax) for the most recent fiscal year within six (6) months if submitting a Financial Management Letter or within nine (9) months if submitting a Financial Audit. If the Subrecipient is not classified as an exempt entity, the Subrecipient will not be awarded grant funds.

If applicable, **SUBRECIPIENT** agrees to cooperate with **ENTITY** relating to any inquiries regarding the Financial Audit or Financial Management Letter and **SUBRECIPIENT** acknowledges that a Financial Audit or Financial Management Letter shall be provided to **ENTITY** at the expense of the **SUBRECIPIENT.** Financial Audit or Financial Management Letter shall be available to **ENTITY** staff, and any and all applicable federal agencies, and be of unrestricted access, as listed in 24 CFR Part 85.42.

SECTION X
Suspension and Termination

SUBRECIPIENT understands that this Agreement may be suspended or terminated, in accordance with 24 CFR §85.43, if applicable, and 24 CFR §84.61, if the **SUBRECIPIENT** materially fails to comply with the provisions of this Agreement or the provisions so listed in the Statement of Work attached hereto as Exhibit A (the "Statement of Work"), the

Grant Budget attached hereto as Exhibit B-1 (the "Grant Budget), the Payment Schedule attached hereto as Exhibit B-2 (the "Payment Schedule), the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"), the Records & Reports attached hereto as Exhibit D (the "Records & Reports"), the Request for Payments attached hereto as Exhibit E (the "Request for Payments"), Other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions"), and the Applicable Provisions - 24 CFR Part 85 attached hereto as Exhibit G (the "Other Applicable Provisions – 24 CFR Part 85").

If **SUBRECIPIENT** fails to fulfill in a timely and proper manner its obligations under this Agreement, or **SUBRECIPIENT** violates any of the Agreements or stipulations of this Agreement, then the **ENTITY** shall provide **SUBRECIPIENT** written notification of such non-performance. Such non-performance, (***i.e., timely submittal of monthly reports and/or reimbursements)***, may be the basis for immediate termination of this Agreement. Should any breach of contract (Agreement) relate to a violation of federal law or regulation that results in HUD demanding reimbursement from the **ENTITY OR SUBRECIPIENT** or its successor, the **ENTITY** may terminate this Agreement and seek reimbursement of all funds from **SUBRECIPIENT**. **SUBRECIPIENT** shall not be relieved of the liability to the **ENTITY** for damages sustained by the **ENTITY** by virtue of any breach of this contract (Agreement) by **SUBRECIPIENT** and **ENTITY** may withhold any payments to **SUBRECIPIENT** for violations of federal regulations or any breach of this Agreement. Should the **ENTITY** become aware of any activity by **SUBRECIPIENT,** which would jeopardize the **ENTITY'S** position with the U. S. Department of Housing and Urban Development (HUD) or which would cause a payback of federal funds, then the **ENTITY** may take appropriate action including injunctive relief against **SUBRECIPIENT** to prevent the transaction. The failure of the **ENTITY** to exercise any right shall in no way constitute a waiver by the **ENTITY** to otherwise demand payment or seek any other relief in law or in equity to which it may be justly entitled.

It is expressly agreed that this Agreement may not be amended except upon the joint action of both the **ENTITY** and the **EASTER SEALS RIO GRANDE VALLEY.**

SECTION XI
Assets

SUBRECIPIENT shall not purchase any asset unless prior written approval is obtained from the **ENTITY** and such procurement shall be done in the form and manner so prescribed by the **ENTITY**.

Any asset acquired or improved in part or in whole with CDBG funds in excess of $25,000 must be used in an activity that meets one of the national objectives listed in 24 CFR §570.208 for a period of five (5) years after the expiration of this Agreement or a longer period if so determined by the **ENTITY**.

The disposition of any asset improved or acquired in part or in whole with CDBG funds by the **SUBRECIPIENT** must be done with prior written approval of the **ENTITY** and the **ENTITY** shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The **ENTITY** may, at its option, request that such asset be transferred to **ENTITY** if the asset is no longer being used to meet one of the national objectives or in any case where the **SUBRECIPIENT** no longer provides services shown on the Statement of Work.

SECTION XII
Indemnity Clause

SUBRECIPIENT agrees to hold **ENTITY** harmless from, and indemnify **ENTITY** from and defend **ENTITY** against any and all claims brought against **ENTITY** by employees or officers of **SUBRECIPIENT** or brought by any third person arising in any manner directly or indirectly from **SUBRECIPIENT** programs, activities or events conducted pursuant to this Agreement.

SUBRECIPIENT shall acquire, maintain and furnish to **ENTITY** a Certificate of Insurance as proof that it has secured and paid for policies of public liability and automobile insurance to cover all operations and services under this Agreement with limits of not less than $300,000.00 per occurrence, $300,000.00 aggregate, covering all risks incident to or in connection with the execution, performance, attempted performance or non-performance of this Agreement.

SECTION XIII
Procurement

SUBRECIPIENT agrees to follow the statues and rules governing the **ENTITY** in the procurement of services, supplies or non-real property in relation to **ENTITY**-funded projects. The legal standards that will apply include the procurement standards of the HIDALGO COUNTY Urban County Program, which includes 24 CFR Part 85.36, and the TEXAS COUNTY PURCHASING ACT.

SECTION XIV
Conflict of Interest

SUBRECIPIENT covenants that members of its organization or staff members who exercise influence on the decision-making process will not have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed in the Statement of Work, 24 CFR Part 570.611, 24 CFR Part 84.40-48, and 24 CFR Part 85.36.

SUBRECIPIENT agrees that no person who is an elected official, officer, director, employee, consultant, or agent of the **SUBRECIPIENT**'s organization or the **ENTITY**'s organization shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Statement of Work during their tenure or for a period of one year thereafter.

SUBRECIPIENT is responsible for repayment of funds associated with any conflict of interest that may occur either knowingly or unknowingly.

No **ENTITY** employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described in the Statement of Work.

SECTION XII
Legal Action and Venue

SUBRECIPIENT agrees to notify the **ENTITY** when a problem arises that may lead to legal action or claim against the **SUBRECIPIENT**. The **SUBRECIPIENT** agrees to furnish to the **ENTITY** any and all information with respect to such action or claim. The **SUBRECIPIENT** agrees not to take any action with respect to any legal action or claim sought against the **SUBRECIPIENT** without the advice and written consent of the **ENTITY**.

Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this Agreement shall lie exclusively in HIDALGO COUNTY.

SECTION XIII
Miscellaneous Provisions

Conflict with Applicable Law. Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

No Waiver. No waiver by **ENTITY** of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

Entire Agreement. This Agreement contains the entire contract between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by **ENTITY** and **SUBRECIPIENT**, and not otherwise.

Texas Law to Apply. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THIE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.

Notice. Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by electronic mail, or (iii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or (iv) sent by facsimile or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to **ENTITY**:

COUNTY OF HIDALGO
Urban County Program
1916 Tesoro Blvd.
Pharr, TX 78577
Email: ucp@ucp.co.hidalgo.tx.us
Phone # (956) 787-8127
Fax # (956) 787-5291

If to **SUBRECIPIENT**:

Easter Seals Rio Grande Valley.
c/o Patricia Rosenlund, Executive Director
P.O. Box 489
McAllen, Texas 78505
Phone #: (956) 631-9171
Fax #: (956) 683-0448
Email: prosenlund@easterseals-rgv.org

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the Unites States mail.

Additional Documents. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

Assignment. This Agreement shall not be assignable by **SUBRECIPIENT**. **ENTITY** may assign this Agreement without the consent of **SUBRECIPIENT**.

Headings. The headings and captions contained in this Agreement are solely for convenient reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

Gender and Number. All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate.

Authority to Execute. The execution and performance of this Agreement by **ENTITY** and **SUBRECIPIENT** have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of **ENTITY** and **SUBRECIPIENT** in accordance with its terms.

SECTION XVII
Effective Date

The effective date of this agreement shall be the **1st day of July 2012** such date being the date the HIDALGO COUNTY COMMISSIONERS' COURT approved entering into this Agreement with SUBRECIPIENT and shall terminate on the **31st day of May 2013.**

Approved and signed this _____ day of _____ 20___.

_____ _____
Print or Type Name of Authorized Official Signature of Authorized Official

SUBRECIPIENT Name: Easter Seals Rio Grande Valley
Address: 1217 Houston Street
City/State/Zip: McAllen, Texas 78505
Federal I.D. # or Soc. Sec. #:74-1233800
DUNS #: 086278751

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

_____ personally appeared before me and declared that he/she signed this application in the capacity designated, if any, and further states that, he/she has read the above application, and the statements therein contained are true.

Subscribed and sworn to before me this _____ day of_____, 20_____ .

_____
Notary - Signature

COUNTY OF HIDALGO – URBAN COUNTY PROGRAM

_____ _____
Witness: **Diana R. Serna, UCP Director**

APPROVED AS TO FORM
Atlas & Hall L.L.P.
By: Steve Crain
Date: June 21, 2011

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

CDBG funding will be used to provide rehab therapy services for low-income individuals. Services include occupational, physical, speech therapy and services from the work reintegration program based on the individual client's specific treatment plan. The client typically undergoes 30 to 45 minutes of supervised therapy per visit.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 10,000.00 Awarded By: Precinct 1

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

The CDBG funds will be used to provide direct therapy services. Therapy services include, occupational, physical, speech/language therapy, and services for the work reintegration program. Following eligibility determination, clients are scheduled for therapy appointments with Evolutions Therapy Center, an Easter Seals contract provider. Clients participate in therapy and are followed through service coordination for continuous progress updates toward treatment goals.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

The therapy services provided by CDBG funding includes therapy evaluations and therapy treatment services (OT, PT, ST. and work reintegration). Clients have a medical referral from their physician for recommended therapy. Following the evaluation, therapy frequency and scheduling is determined by the unique therapeutic needs of the patient. The therapy center is open Monday – Friday, 8:00- 5:00.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

The Easter Seals donated services program provides therapy services as funding is available. The CDBG funding will expedite the service of Precinct 1 clients.The increased funding will allow additional services and clients to have access to therapy services. All clients are assessed for eligibility (low income) prior to the onset of service.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Precinct 1 residents, who are between the ages of 3 and older needing therapy services due to illness, injury or birth condition, will benefit from this funding. All Clients are assessed for potential eligibility in other funding programs before accessing the CDBG funds. Due to the unique needs of each client, their individual treatment progress and variables related to therapy outcomes, we estimate/budget that each client will access approximately 35 units or $1,000 of the funds. Again, each client's needs are different and the therapy process is individual.

Section VII List all locations (physical address) where the funded service(s) will be provided.

Evolutions Therapy LLC, 5225 S. McColl, Edinburg, Tx. 78539 (therapy services)Easter Seals Rio Grande Valley, 1217 Houston Street, McAllen TX 78505 (intake)

Exhibit B-1
GRANT BUDGET
Awarded by: Pct. #1

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Units for physical therapy, occupational therapy, speech/language therapy, evaluations, and work reintegration program.	$10,000.00
	$
	$
	$
	$
	$
TOTAL GRANT BUDGET:	**$ 10,000.00**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Pct. #1

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012- 2013 For the Months of...	Estimated Amount Of Expenditures	Type of Budgeted Expenditures
July	$900.00	Therapy services including PT,OT,S/L, Evaluations, and Work Reintegration Program
August	$900.00	Therapy services including PT,OT,S/L, Evaluations, and Work Reintegration Program
September	$900.00	Therapy services including PT,OT,S/L, Evaluations, and Work Reintegration Program
October	$900.00	Therapy services including PT,OT,S/L, Evaluations, and Work Reintegration Program.
November	$900.00	Therapy services including PT,OT,S/L, Evaluations, and Work Reintegration Program
December	$900.00	Therapy services including PT,OT,S/L, Evaluations, and Work Reintegration Program
January	$900.00	Therapy services including PT,OT,S/L, Evaluations, and Work Reintegration Program
February	$900.00	Therapy services including PT,OT,S/L, Evaluations, and Work Reintegration Program
March	$900.00	Therapy services including PT,OT,S/L, Evaluations, and Work Reintegration Program
April	$900.00	Therapy services including PT,OT,S/L, Evaluations, and Work Reintegration Program
May	$1000.00	Therapy services including PT,OT,S/L, Evaluations, and Work Reintegration Program
TOTAL:	**$10,000.00**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule ,must be requested when the the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Pct. #1

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	Number of Unduplicated Beneficiaries to be Serviced	Services Provided
July	1	Therapy services including PT,OT,S/L, Evaluations, and Work Reintegration Program
August		
September	1	Therapy services including PT,OT,S/L, Evaluations, and Work Reintegration Program
October		
November	1	Therapy services including PT,OT,S/L, Evaluations, and Work Reintegration Program
December		
January	1	Therapy services including PT,OT,S/L, Evaluations, and Work Reintegration Program
February		
March	1	Therapy services including PT,OT,S/L, Evaluations, and Work Reintegration Program
April		
May		
Total for the Year:	**5**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit D
RECORDS & REPORTS

REPORTS

A **Monthly Performance Report (Exhibit D - Activity Report)** must be submitted with each request for payment on or before the 15th of each month. Each activity report must include the following information:

- **Type of expenditures utilizing CDBG funds, type of service(s) provided and how the service met one of the HUD national objectives:**
  - Benefit to Low and Moderate Income Persons
  - Provides Decent Affordable Housing
  - Creates Economic Opportunities

  Number of persons assisted with New Access to service

  Number of persons assisted with Improved Access to service

  Number of low-mod beneficiaries served

  Ethnic Data

  Number of persons served living with a disability

  Number of female head of households served

  Income levels of persons or households with the categories of extremely low, low to moderate and non-low income.

- **Type of Outcome:**

  - **Availability/Accessibility**. Description of how services were made available or accessible to low and moderate income people, including persons with disabilities.

  - **Affordability**. How grant funds made the service affordable to low and moderate income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

  - **Sustainability**: **Promoting Livable or Viable Communities.** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

- **Other significant information** (such as special events, fundraisers, award ceremonies, etc.)Agency agrees to provide Entity with summaries of any events, fundraisers, and/or ceremonies held and provide photos of such events prior to the end date of the Agreement.

RECORDS **Cont. Exhibit D**

All records pertaining to each fiscal year of CDBG funds must be retained, from the date of submission of the COUNTY's Consolidated Annual Performance and Evaluation Report (CAPER) in which the specific activity is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 4-year period. In such cases, the records must be retained until completion of the action and resolution of all issues which arise from it or the end of the regular 4-year period, whichever is longer, except as provided below:

- Written agreements must be retained for four (4) years after the agreement terminates.
- If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
- In the event more than one exception applies to a particular record, the largest retention period shall apply to such record.

(a) Beneficiary Files

Subrecipient must maintain individual beneficiary files served utilizing CDBG funds. Such files must contain the following:

- Membership/registration Application
- Original Program Application (UCP self certification form)
- Physical address of residence

(b) Program Files

Subrecipient must maintain program files related to the Urban County Program CDBG award. Such files must contain the following:

- CDBG funding proposal letter to city and/or precinct
- Urban County Program Subrecipient Questionnaire, exhibits and supporting documentation
- Subrecipient Agreement
- Correspondence to and from Urban County
- Expenditure Reports
- Copies of reimbursement requests
- Monthly Performance Reports
- If applicable, fixed asset inventory list

(c) Financial Records

Subrecipient must maintain proper financial records.

(d) Program Income

Subrecipient must report program income earned, retained and expended to the Urban County Program that was generated by the use of the CDBG award.

Exhibit E
REQUEST FOR PAYMENTS

1. Subrecipient must submit **monthly** reimbursement requests as approved on the Schedule of Payment hereto attached as Exhibit B-2 (the "Schedule of Payment") **due on or before the 15th of each month.**

2. Subrecipient must inform Urban County in writing if the reimbursement request and/or monthly performance report will not be submitted by the due date.

3. Request for reimbursements that are submitted after the last working day of the month will be returned unpaid if the subrecipient did not comply with Request for Payments (2) hereto attached as Exhibit E (the "Request for Payments").

4. Urban County Program will return incorrect and/or incomplete reimbursement requests to the subrecipient as soon as possible in order for corrections to be made.

5. Subrecipient must submit the corrections and/or pending documentation no later than 10 days from notification by UCP. Should the subrecipient fail to submit the corrections within the allotted time, the RFP will be returned, and will NOT qualify for re-submission.

6. Subrecipient must submit May's reimbursement request and monthly performance report to the Urban County Program on or before June 15th.

7. May expenditures (equipment / supplies) must be invoiced and paid by May 31st to be eligible for reimbursement.

8. Subrecipient must submit all required documentation as stated on the UCP Reimbursement Checklist.

9. Should the Subrecipient fail to comply with timely submittals of monthly reimbursement requests and/or performance reports, the Urban County Program shall consider termination of the Subrecipient Agreement as per Section X "Suspension and Termination".

10. Subrecipient must submit a copy of the monthly reimbursement request and performance reports to the respective City and/or Precinct providing CDBG funds to the organization. Failure to submit copies may require pre-approval of the City and/or Precinct prior to Urban County processing the reimbursement request.

11. All reimbursement requests and reports submitted to Urban County must be originals signed with blue ink.

12. As per Section IV of this Agreement, the Urban County Program Monitoring Division will conduct on-site monitoring visits to ensure compliance with applicable Federal requirements and performance goals are being met.

13. Reimbursement requests are processed by Urban County on a first come first serve basis.

14. Payments to Subrecipients will only be mailed. Checks will not be allowed for pickup.

Checks are mailed eleven (11) days from the date the reimbursement request is submitted to the finance division, **only** after all documentation is reviewed, corrections are made, and all documentation is in order.

Exhibit F
Other Applicable Provisions
As stated in Section VIII
OMB Circular A–110 (implemented at 24 CFR part 84)
Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

(1) Subpart A—"General";

(2) Subpart B—"Pre-Award Requirements," except for §84.12, "Forms for Applying for Federal Assistance";

(3) Subpart C—"Post-Award Requirements," except for:

(i) Section 84.22, "Payment Requirements." Grantees shall follow the standards of §§85.20(b)(7) and 85.21 in making payments to subrecipients;

(ii) Section 84.23, "Cost Sharing and Matching";

(iii) Section 84.24, "Program Income." In lieu of §84.24, CDBG subrecipients shall follow §570.504;

(iv) Section 84.25, "Revision of Budget and Program Plans";

(v) Section 84.32, "Real Property." In lieu of §84.32, CDBG subrecipients shall follow §570.505;

(vi) Section 84.34(g), "Equipment." In lieu of the disposition provisions of §84.34(g), the following applies:

(A) In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and

(B) Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient;

(vii) Section 84.51 (b), (c), (d), (e), (f), (g), and (h), "Monitoring and Reporting Program Performance";

(viii) Section 84.52, "Financial Reporting";

(ix) Section 84.53(b), "Retention and access requirements for records." Section 84.53(b) applies with the following exceptions:

(A) The retention period referenced in §84.53(b) pertaining to individual CDBG activities shall be four years; and

(B) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;

(x) Section 84.61, "Termination." In lieu of the provisions of §84.61, CDBG subrecipients shall comply with §570.503(b)(7); and

(4) Subpart D—"After-the-Award Requirements," except for §84.71, "Closeout Procedures."

Exhibit G
Applicable Provisions - 24 CFR Part 85
As stated in Section VIII

Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"

(1) Section 85.3, "Definitions";

(2) Section 85.6, "Exceptions";

(3) Section 85.12, "Special grant or subgrant conditions for 'high-risk' grantees";

(4) Section 85.20, "Standards for financial management systems," except paragraph (a);

(5) Section 85.21, "Payment," except as modified by §570.513;

(6) Section 85.22, "Allowable costs";

(7) Section 85.26, "Non-federal audits";

(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;

(9) Section 85.33, "Supplies";

(10) Section 85.34, "Copyrights";

(11) Section 85.35, "Subawards to debarred and suspended parties";

(12) Section 85.36, "Procurement," except paragraph (a);

(13) Section 85.37, "Subgrants";

(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) through (d) and paragraph (f);

(15) Section 85.41, "Financial reporting," except paragraphs (a), (b), and (e);

(16) Section 85.42, "Retention and access requirements for records," except that the period shall be four years;

(17) Section 85.43, "Enforcement";

(18) Section 85.44, "Termination for convenience";

(19) Section 85.51 "Later disallowances and adjustments" and

(20) Section 85.52, "Collection of amounts due."

STATE OF TEXAS }
}
COUNTY OF HIDALGO }

SUBRECIPIENT AGREEMENT

This Agreement is made and entered into on this the 26th day of June, 20 12, by and between the COUNTY OF HIDALGO, Urban County Program, a political subdivision of the State of Texas, hereinafter referred to as **"ENTITY"**, and **FOOD BANK OF THE RIO GRANDE VALLEY, INC.** hereinafter referred to as **"SUBRECIPIENT".**

WITNESSETH

WHEREAS, **SUBRECIPIENT** desires to carry out eligible activities as described in the Statement of Work attached hereto as **Exhibit A** (the "Statement of Work**")**, to this Agreement, and permitted by Title I of the Housing and Community Development Act of 1992 (1992 Act) pursuant to the U. S. Department of Housing and Urban Development Community Development Block Grant Program Entitlement Grant Regulations and covered in 24 CFR 570.

WHEREAS, the **ENTITY** proposes to contract with **SUBRECIPIENT** in order that the eligible activities described in **Exhibit A** (the "Statement of Work**")** can be carried out for the benefit of residents in the ENTITY'S jurisdiction.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration the receipt of which is hereby acknowledged, the **ENTITY** and the **SUBRECIPIENT** do mutually agree as follows:

SECTION I
Rules and Regulations

The **SUBRECIPIENT** agrees to cooperate with the **ENTITY** in respect to the implementation of Community Development Block Grant CFDA No. 14.218 (CDBG) activities to be carried out by **SUBRECIPIENT** pursuant to 24 CFR Part 570 and other rules, regulations and decisions as may be made by the U. S. Department of Housing and Urban Development (HUD) or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG program funds.

SECTION II
Statement of Work

SUBRECIPIENT agrees to perform services as outlined in the Statement of Work for and in consideration of payment in the amount of **$ 45,000.00,** and as delineated in the Grant Budget and the Payment Schedule attached hereto as Exhibit B-1 (the "Grant Budget") and Exhibit B-2 (the "Payment Schedule").

SUBRECIPIENT agrees to notify **ENTITY**, in writing, prior to any changes in its Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"). SUBRECIPIENT shall obtain approval, in writing, from ENTITY prior to commencing work on any changes made to the Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity.

ENTITY shall not be liable for costs incurred or performances rendered by **SUBRECIPIENT** before commencement of this Agreement or after termination of this Agreement.

SUBRECIPIENT agrees to follow the schedule outlined in the Schedule of Activity of this Agreement, and shall notify **ENTITY**, in writing, prior to any changes, delays or departures from the Schedule of Activity. If **SUBRECIPIENT** demonstrates that delays or departure from the Schedule of Activity is due to circumstances beyond its control, **ENTITY** and **SUBRECIPIENT** may (but Entity shall not be required) to amend the Schedule of Activity.

SECTION III
Records and Reports

SUBRECIPIENT agrees to establish and maintain records and reports as outlined in the Records and Reports attached hereto as Exhibit D (the "Records and Reports") and agrees to make the Records and Reports available to the **ENTITY**, HUD, and any other local, state or federal entity or authority that may exercise jurisdiction over CDBG funds. Monthly performance reports must be submitted on or before the 15th of every month.

SECTION IV
Monitoring Visits

SUBRECIPIENT agrees that **ENTITY** shall conduct on-site monitoring visits to assure compliance with applicable Federal requirements and that performance goals are being achieved, if applicable, as per 24 CFR Part 85.40 (a) and 24 CFR Part 84.51(a). **SUBRECIPIENT** shall attend an orientation prior to the award of funds and prior to the first draw of funds. After each monitoring visit, **ENTITY** shall provide **SUBRECIPIENT** with a written report of the monitor's findings. If the monitoring reports note deficiencies in **SUBRECIPIENT's** performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by **SUBRECIPIENT**. Failure by **SUBRECIPIENT** to take action specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section X of this Agreement. In addition, **SUBRECIPIENT** shall give HUD, the Comptroller General of the United States, **ENTITY**, and any of their duly authorized representatives, unobstructed and full 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 **SUBRECIPIENT** pertaining to this Agreement.

SECTION V
Payment Requests and Program Income

SUBRECIPIENT agrees to follow administrative directions from the **ENTITY** regarding documenting and processing payment requests as defined in the Requests for Payments attached hereto as Exhibit E (the "Requests for Payments") of this Agreement.

SUBRECIPIENT shall submit final reimbursement request to **ENTITY** within fifteen (15) days (by June 15, 2011) of the Agreement termination date.

SUBRECIPIENT and **ENTITY** agree that if applicable, program income generated from the use of CDBG funds shall be retained by the **SUBRECIPIENT**. If the activity is partially assisted with CDBG funds, the **SUBRECIPIENT** agrees to pro-rate the gross income to reflect the percent of CDBG funds assisted in the activity. The **SUBRECIPIENT** is to provide to the **ENTITY** by the third Wednesday of each month an accounting of program income through Monthly Performance Reports outlined in the Records and Reports. The **ENTITY** is then required to report all CDBG program income earned, retained, and expended. The **SUBRECIPIENT** shall be allowed to use program income for the same or similar activities as generated by program income. Failure of the **SUBRECIPIENT** to report program income as required shall cause the **ENTITY** to require all program income to be recovered by the **ENTITY**.

SUBRECIPIENT and **ENTITY** agree that all unused CDBG funds at the end or termination of this agreement will be reallocated or reprogrammed by **ENTITY.**

SECTION VI
Religious Activities

The **SUBRECIPIENT** and **ENTITY** both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this Agreement be used for sectarian or religious activities.

SECTION VII
Other Program Requirements

SUBRECIPIENT agrees to comply with "Other Program Requirements" as listed in 24 CFR §570.600 through 611 except for those environmental review requirements listed as 24 CFR §570.604 and initiation of review process under the provisions of 24 CFR Part 52.

SECTION VIII
Uniform Administrative Requirements

Subrecipients, except subrecipients that are governmental entities, shall comply with the requirements and standards of OMB Circular No. A–122, "Cost Principles for Non-profit Organizations", or OMB Circular No. A–21, "Cost Principles for Educational Institutions", as applicable, and OMB Circular A–133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions" (as set forth in 24 CFR part 45). Audits shall be conducted annually. Such subrecipients shall also comply with the provisions of the Uniform Administrative requirements of OMB Circular A–110 (implemented at 24 CFR part 84, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations") or the related CDBG provisions, as specified in the other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions") and any subsequent amendments thereto.

Recipients and Subrecipients that are governmental entities (including public agencies) shall comply with the requirements and standards of OMB Circular No. A–87, "Cost Principles for State, Local, and Indian Tribal Governments"; OMB Circular A–133, "Audits of State and Local Governments" (implemented at 24 CFR part 44); and with sections of 24 CFR part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" or other related CDBG provision, as specified in the other Applicable Provisions attached hereto as Exhibit G (the "Other Applicable Provisions") and any subsequent amendments thereto.

SECTION IX
Audit Requirements

SUBRECIPIENT agrees to comply with the applicable requirements and standards as set forth in OMB Circular A-133, Audits of States, Local Governments and Non-Profit organizations.

SUBRECIPIENT agrees to furnish **ENTITY** with a current Financial Management Letter (financial statements) within six (6) months from the end of its fiscal year covering the period of this Agreement that includes detailed receipts and disbursement of payments to **SUBRECIPIENT** hereunder. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit a Financial Management Letter.**

However, if **SUBRECIPIENT** expends Five Hundred Thousand Dollars ($500,000.00) or more in federal funds, **SUBRECIPIENT** must, within nine (9) months from the end of its fiscal year, supply **ENTITY** with an audit of revenues and expenditures conducted by a certified public accountant. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit an audit within the allotted time.**

If the **SUBRECIPIENT** expends less than Five Hundred Thousand Dollars ($500,000.00) a year in federal awards, then they are exempt from the OMB Circular A-133 audit requirements for that year; however, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity and the General Accounting Office.

SUBRECIPIENT is required to submit a 990 Tax Return (Return of Organization Exempt from Income Tax) for the most recent fiscal year within six (6) months if submitting a Financial Management Letter or within nine (9) months if submitting a Financial Audit. If the Subrecipient is not classified as an exempt entity, the Subrecipient will not be awarded grant funds.

If applicable, **SUBRECIPIENT** agrees to cooperate with **ENTITY** relating to any inquiries regarding the Financial Audit or Financial Management Letter and **SUBRECIPIENT** acknowledges that a Financial Audit or Financial Management Letter shall be provided to **ENTITY** at the expense of the **SUBRECIPIENT.** Financial

Audit or Financial Management Letter shall be available to **ENTITY** staff, and any and all applicable federal agencies, and be of unrestricted access, as listed in 24 CFR Part 85.42.

SECTION X
Suspension and Termination

SUBRECIPIENT understands that this Agreement may be suspended or terminated, in accordance with 24 CFR §85.43, if applicable, and 24 CFR §84.61, if the **SUBRECIPIENT** materially fails to comply with the provisions of this Agreement or the provisions so listed in the Statement of Work attached hereto as Exhibit A (the "Statement of Work"), the Grant Budget attached hereto as Exhibit B-1 (the "Grant Budget), the Payment Schedule attached hereto as Exhibit B-2 (the "Payment Schedule), the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"), the Records & Reports attached hereto as Exhibit D (the "Records & Reports"), the Request for Payments attached hereto as Exhibit E (the "Request for Payments"), Other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions"), and the Applicable Provisions - 24 CFR Part 85 attached hereto as Exhibit G (the "Other Applicable Provisions – 24 CFR Part 85").

If **SUBRECIPIENT** fails to fulfill in a timely and proper manner its obligations under this Agreement, or **SUBRECIPIENT** violates any of the Agreements or stipulations of this Agreement, then the **ENTITY** shall provide **SUBRECIPIENT** written notification of such non-performance. Such non-performance, (***i.e., timely submittal of monthly reports and/or reimbursements)***, may be the basis for immediate termination of this Agreement. Should any breach of contract (Agreement) relate to a violation of federal law or regulation that results in HUD demanding reimbursement from the **ENTITY OR SUBRECIPIENT** or its successor, the **ENTITY** may terminate this Agreement and seek reimbursement of all funds from **SUBRECIPIENT**. **SUBRECIPIENT** shall not be relieved of the liability to the **ENTITY** for damages sustained by the **ENTITY** by virtue of any breach of this contract (Agreement) by **SUBRECIPIENT** and **ENTITY** may withhold any payments to **SUBRECIPIENT** for violations of federal regulations or any breach of this Agreement. Should the **ENTITY** become aware of any activity by **SUBRECIPIENT,** which would jeopardize the **ENTITY'S** position with the U. S. Department of Housing and Urban Development (HUD) or which would cause a payback of federal funds, then the **ENTITY** may take appropriate action including injunctive relief against **SUBRECIPIENT** to prevent the transaction. The failure of the **ENTITY** to exercise any right shall in no way constitute a waiver by the **ENTITY** to otherwise demand payment or seek any other relief in law or in equity to which it may be justly entitled.

It is expressly agreed that this Agreement may not be amended except upon the joint action of both the **ENTITY** and the **FOOD BANK OF THE RIO GRANDE VALLEY, INC.**

SECTION XI
Assets

SUBRECIPIENT shall not purchase any asset unless prior written approval is obtained from the **ENTITY** and such procurement shall be done in the form and manner so prescribed by the **ENTITY**.

Any asset acquired or improved in part or in whole with CDBG funds in excess of $25,000 must be used in an activity that meets one of the national objectives listed in 24 CFR §570.208 for a period of five (5) years after the expiration of this Agreement or a longer period if so determined by the **ENTITY**.

The disposition of any asset improved or acquired in part or in whole with CDBG funds by the **SUBRECIPIENT** must be done with prior written approval of the **ENTITY** and the **ENTITY** shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The **ENTITY** may, at its option, request that such asset be transferred to **ENTITY** if the asset is no longer being used to meet one of the national objectives or in any case where the **SUBRECIPIENT** no longer provides services shown on the Statement of Work.

SECTION XII
Indemnity Clause

SUBRECIPIENT agrees to hold **ENTITY** harmless from, and indemnify **ENTITY** from and defend **ENTITY** against any and all claims brought against **ENTITY** by employees or officers of **SUBRECIPIENT** or brought by any third person arising in any manner directly or indirectly from **SUBRECIPIENT** programs, activities or events conducted pursuant to this Agreement.

SUBRECIPIENT shall acquire, maintain and furnish to **ENTITY** a Certificate of Insurance as proof that it has secured and paid for policies of public liability and automobile insurance to cover all operations and services under this Agreement with limits of not less than $300,000.00 per occurrence, $300,000.00 aggregate, covering all risks incident to or in connection with the execution, performance, attempted performance or non-performance of this Agreement.

SECTION XIII
Procurement

SUBRECIPIENT agrees to follow the statues and rules governing the **ENTITY** in the procurement of services, supplies or non-real property in relation to **ENTITY-**funded projects. The legal standards that will apply include the procurement standards of the HIDALGO COUNTY Urban County Program, which includes 24 CFR Part 85.36, and the TEXAS COUNTY PURCHASING ACT.

SECTION XIV
Conflict of Interest

SUBRECIPIENT covenants that members of its organization or staff members who exercise influence on the decision-making process will not have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed in the Statement of Work, 24 CFR Part 570.611, 24 CFR Part 84.40-48, and 24 CFR Part 85.36.

SUBRECIPIENT agrees that no person who is an elected official, officer, director, employee, consultant, or agent of the **SUBRECIPIENT**'s organization or the **ENTITY**'s organization shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Statement of Work during their tenure or for a period of one year thereafter.

SUBRECIPIENT is responsible for repayment of funds associated with any conflict of interest that may occur either knowingly or unknowingly.

No **ENTITY** employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described in the Statement of Work.

SECTION XII
Legal Action and Venue

SUBRECIPIENT agrees to notify the **ENTITY** when a problem arises that may lead to legal action or claim against the **SUBRECIPIENT**. The **SUBRECIPIENT** agrees to furnish to the **ENTITY** any and all information with respect to such action or claim. The **SUBRECIPIENT** agrees not to take any action with respect to any legal action or claim sought against the **SUBRECIPIENT** without the advice and written consent of the **ENTITY**.

Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this Agreement shall lie exclusively in HIDALGO COUNTY.

SECTION XIII
Miscellaneous Provisions

Conflict with Applicable Law. Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

No Waiver. No waiver by **ENTITY** of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

Entire Agreement. This Agreement contains the entire contract between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by **ENTITY** and **SUBRECIPIENT**, and not otherwise.

Texas Law to Apply. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THIE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.

Notice. Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by electronic mail, or (iii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or (iv) sent by facsimile or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to **ENTITY**:

COUNTY OF HIDALGO
Urban County Program
1916 Tesoro Blvd.
Pharr, TX 78577
Email: ucp@bizrgv.rr.com
Phone # (956) 787-8127
Fax # (956) 787-5291

If to **SUBRECIPIENT**:

Food Bank of the Rio Grande Valley, Inc.
Attn: Terri Drefke, Executive Director
P.O. Box 6251
McAllen, Texas 78502
terrid@foodbankrgv.com
Phone: (956) 682-8101
Fax: (956) 682-7921

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the Unites States mail.

Additional Documents. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

Assignment. This Agreement shall not be assignable by **SUBRECIPIENT**. **ENTITY** may assign this Agreement without the consent of **SUBRECIPIENT**.

Headings. The headings and captions contained in this Agreement are solely for convenient reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

Gender and Number. All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate.

Authority to Execute. The execution and performance of this Agreement by **ENTITY** and **SUBRECIPIENT** have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of **ENTITY** and **SUBRECIPIENT** in accordance with its terms.

SECTION XVII
Effective Date

The effective date of this agreement shall be the **1st day of July 2012**such date being the date the HIDALGO COUNTY COMMISSIONERS' COURT approved entering into this Agreement with SUBRECIPIENT and shall terminate on the **31st day of May 2013.**

Approved and signed this _____ day of _____ 20__.

_____ _____
Print or Type Name of Authorized Official Signature of Authorized Official

SUBRECIPIENT Name: Food Bank of the Rio Grande Valley, Inc.
Address: P.O. Box 6251
City/State/Zip: McAllen, Texas 78502
Federal I.D. # or Soc. Sec. #: 74-2421560
DUNS #: 78-659-4614

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

_____ personally appeared before me and declared that he/she signed this application in the capacity designated, if any, and further states that, he/she has read the above application, and the statements therein contained are true.

Subscribed and sworn to before me this _____ day of_____, 20_____ .

_____
Notary - Signature

COUNTY OF HIDALGO – URBAN COUNTY PROGRAM

_____ _____
Witness: **Diana R. Serna, UCP Director**

APPROVED AS TO FORM
Atlas & Hall L.L.P.
By: Steve Crain
Date: June 21, 2011

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

Provide Nutritious Food Supplies and reduce the food insecurity to the needy.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 10,000 Awarded By: Precinct 1 LaVilla

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Continue food distribution to eligible recipients.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

Food distribution will be in the form of "client Choice", food distribution to eligible recipients the 3rd Wednesday of the month from 9:00am-2:00pm. Iglesia Rosa de Saron will be conducting the food distribution.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Monthly distribution of commodities plus emergency assistance will be made available.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Families, Adults, Seniors, Children and Homeless of all ages and gender who are low-income residents within Precinct 1 surrounding outside the city limits of LaVilla.

Section VII List all locations (physical address) where the funded service(s) will be provided.

Boys and Girls Club of LaVilla 320 West 2nd Street, LaVilla, Texas 78562.

Exhibit B-1
GRANT BUDGET
Awarded by: Pct #1- La Villa

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Food	$10,000
TOTAL GRANT BUDGET:	$10,000

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Pct #1- La Villa

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	909.00	Food
August	909.00	Food
September	909.00	Food
October	909.00	Food
November	909.00	Food
December	909.00	Food
January	909.00	Food
February	909.00	Food
March	909.00	Food
April	909.00	Food
May	910.00	Food
TOTAL:	**$10,000**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Pct #1- La Villa

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	400	Food
August	300	Food
September	200	Food
October	100	Food
November	100	Food
December	50	Food
January	50	Food
February	25	Food
March	25	Food
April	25	Food
May	25	Food
Total for the Year:	**1300**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

Provide Nutritious Food Supplies and reduce the food insecurity to the needy.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 10,000 Awarded By: Precinct 1 Elsa

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Continue food distribution to eligible recipients.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

Food distribution will be in the form of "Client Choice", food distribution to eligible recipients the 2nd Saturday of the month from 7am-1pm.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Emergency assistance is always available, home deliveries to the elderly, disabled and those lacking transportation.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Families, Adults, Seniors, Children and Homeless of all ages and gender who are low-income residents within the Precinct 1 boundaries.

Section VII List all locations (physical address) where the funded service(s) will be provided.

Delta Food Pantry 309 W. 3rd Ave, Elsa, Texas 78543 and home deliveries to the elderly, disabled and to those who lack transportation.

Exhibit B-1
GRANT BUDGET
Awarded by: Pct #1- Elsa

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Food	$10,000
TOTAL GRANT BUDGET:	$10,000

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Pct #1- Elsa

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	909.00	Food
August	909.00	Food
September	909.00	Food
October	909.00	Food
November	909.00	Food
December	909.00	Food
January	909.00	Food
February	909.00	Food
March	909.00	Food
April	909.00	Food
May	910.00	Food
TOTAL:	**$10,000**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Pct #1- Elsa

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	400	Food
August	400	Food
September	200	Food
October	100	Food
November	100	Food
December	50	Food
January	50	Food
February	25	Food
March	25	Food
April	25	Food
May	25	Food
Total for the Year:	**1400**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

Provide Nutritious Food Supplies and reduce the food insecurity to the needy.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 10,000 Awarded By: City of Elsa

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Continue food distribution to eligible recipients.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

Food distribution will be in the form of "Client Choice", food distribution to eligible recipients the 2nd Saturday of the month from 7am-1pm.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Emergency assistance is always available, home deliveries to the elderly, disabled and those lacking transportation.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Families, Adults, Seniors, Children and Homeless of all ages and gender who are low-income residents of the City of Elsa.

Section VII List all locations (physical address) where the funded service(s) will be provided.

Delta Food Pantry 309 W. 3rd Ave, Elsa, Texas 78543 and home deliveries to the elderly, disabled and to those who lack transportation.

Exhibit B-1
GRANT BUDGET
Awarded by: City of Elsa

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Food	$10,000
TOTAL GRANT BUDGET:	$10,000

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: City of Elsa

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	909.00	Food
August	909.00	Food
September	909.00	Food
October	909.00	Food
November	909.00	Food
December	909.00	Food
January	909.00	Food
February	909.00	Food
March	909.00	Food
April	909.00	Food
May	910.00	Food
TOTAL:	**$10,000**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: City of Elsa

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	400	Food
August	400	Food
September	200	Food
October	100	Food
November	100	Food
December	50	Food
January	50	Food
February	25	Food
March	25	Food
April	25	Food
May	25	Food
Total for the Year:	**1400**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

Provide Nutritious Food Supplies and reduce the food insecurity to the needy.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 15,000 Awarded By: City of La Villa

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Continue food distribution to eligible recipients.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

Food distribution will be in the form of "client Choice", food distribution to eligible recipients the 3rd Wednesday of the month from 9:00am-2:00pm. Iglesia Rosa de Saron will be conducting the food distribution.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Monthly distribution of commodities plus emergency assistance will be made available.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Families, Adults, Seniors, Children and Homeless of all ages and gender who are low-income residents within the city limits of La Villa.

Section VII List all locations (physical address) where the funded service(s) will be provided.

Boys and Girls Club of La Villa 320 West 2nd Street, La Villa, Texas 78562.

Exhibit B-1
GRANT BUDGET
Awarded by: _____

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Food	$15,000
TOTAL GRANT BUDGET:	$15,000

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: _____

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	1363.00	Food
August	1363.00	Food
September	1363.00	Food
October	1363.00	Food
November	1363.00	Food
December	1363.00	Food
January	1363.00	Food
February	1363.00	Food
March	1363.00	Food
April	1363.00	Food
May	1370.00	Food
TOTAL:	**$15,000**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: _____

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 **For the months of....**	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	400	Food
August	200	Food
September	200	Food
October	100	Food
November	100	Food
December	50	Food
January	50	Food
February	25	Food
March	25	Food
April	25	Food
May	25	Food
Total for the Year:	**1200**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit D
RECORDS & REPORTS

REPORTS

A **Monthly Performance Report (Exhibit D - Activity Report)** must be submitted with each request for payment on or before the 15th of each month. Each activity report must include the following information:

- **Type of expenditures utilizing CDBG funds, type of service(s) provided and how the service met one of the HUD national objectives:**
  - Benefit to Low and Moderate Income Persons
  - Provides Decent Affordable Housing
  - Creates Economic Opportunities

  Number of persons assisted with New Access to service

  Number of persons assisted with Improved Access to service

  Number of low-mod beneficiaries served

  Ethnic Data

  Number of persons served living with a disability

  Number of female head of households served

  Income levels of persons or households with the categories of extremely low, low to moderate and non-low income.

- **Type of Outcome:**

  - **Availability/Accessibility**. Description of how services were made available or accessible to low and moderate income people, including persons with disabilities.

  - **Affordability**. How grant funds made the service affordable to low and moderate income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

  - **Sustainability**: **Promoting Livable or Viable Communities.** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

- **Other significant information** (such as special events, fundraisers, award ceremonies, etc.)Agency agrees to provide Entity with summaries of any events, fundraisers, and/or ceremonies held and provide photos of such events prior to the end date of the Agreement.

RECORDS **Cont. Exhibit D**

All records pertaining to each fiscal year of CDBG funds must be retained, from the date of submission of the COUNTY's Consolidated Annual Performance and Evaluation Report (CAPER) in which the specific activity is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 4-year period. In such cases, the records must be retained until completion of the action and resolution of all issues which arise from it or the end of the regular 4-year period, whichever is longer, except as provided below:

- Written agreements must be retained for four (4) years after the agreement terminates.
- If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
- In the event more than one exception applies to a particular record, the largest retention period shall apply to such record.

(a) Beneficiary Files

Subrecipient must maintain individual beneficiary files served utilizing CDBG funds. Such files must contain the following:

- Membership/registration Application
- Original Program Application (UCP self certification form)
- Physical address of residence

(b) Program Files

Subrecipient must maintain program files related to the Urban County Program CDBG award. Such files must contain the following:

- CDBG funding proposal letter to city and/or precinct
- Urban County Program Subrecipient Questionnaire, exhibits and supporting documentation
- Subrecipient Agreement
- Correspondence to and from Urban County
- Expenditure Reports
- Copies of reimbursement requests
- Monthly Performance Reports
- If applicable, fixed asset inventory list

(c) Financial Records

Subrecipient must maintain proper financial records.

(d) Program Income

Subrecipient must report program income earned, retained and expended to the Urban County Program that was generated by the use of the CDBG award.

Exhibit E
REQUEST FOR PAYMENTS

1. Subrecipient must submit **monthly** reimbursement requests as approved on the Schedule of Payment hereto attached as Exhibit B-2 (the "Schedule of Payment") **due on or before the 15th of each month.**

2. Subrecipient must inform Urban County in writing if the reimbursement request and/or monthly performance report will not be submitted by the due date.

3. Request for reimbursements that are submitted after the last working day of the month will be returned unpaid if the subrecipient did not comply with Request for Payments (2) hereto attached as Exhibit E (the "Request for Payments").

4. Urban County Program will return incorrect and/or incomplete reimbursement requests to the subrecipient as soon as possible in order for corrections to be made.

5. Subrecipient must submit the corrections and/or pending documentation no later than 10 days from notification by UCP. Should the subrecipient fail to submit the corrections within the allotted time, the RFP will be returned, and will NOT qualify for re-submission.

6. Subrecipient must submit May's reimbursement request and monthly performance report to the Urban County Program on or before June 15th.

7. May expenditures (equipment / supplies) must be invoiced and paid by May 31st to be eligible for reimbursement.

8. Subrecipient must submit all required documentation as stated on the UCP Reimbursement Checklist.

9. Should the Subrecipient fail to comply with timely submittals of monthly reimbursement requests and/or performance reports, the Urban County Program shall consider termination of the Subrecipient Agreement as per Section X "Suspension and Termination".

10. Subrecipient must submit a copy of the monthly reimbursement request and performance reports to the respective City and/or Precinct providing CDBG funds to the organization. Failure to submit copies may require pre-approval of the City and/or Precinct prior to Urban County processing the reimbursement request.

11. All reimbursement requests and reports submitted to Urban County must be originals signed with blue ink.

12. As per Section IV of this Agreement, the Urban County Program Monitoring Division will conduct on-site monitoring visits to ensure compliance with applicable Federal requirements and performance goals are being met.

13. Reimbursement requests are processed by Urban County on a first come first serve basis.

14. Payments to Subrecipients will only be mailed. Checks will not be allowed for pickup.

Checks are mailed eleven (11) days from the date the reimbursement request is submitted to the finance division, **only** after all documentation is reviewed, corrections are made, and all documentation is in order.

Exhibit F
Other Applicable Provisions
As stated in Section VIII
OMB Circular A–110 (implemented at 24 CFR part 84)
Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

(1) Subpart A—"General";

(2) Subpart B—"Pre-Award Requirements," except for §84.12, "Forms for Applying for Federal Assistance";

(3) Subpart C—"Post-Award Requirements," except for:

(i) Section 84.22, "Payment Requirements." Grantees shall follow the standards of §§85.20(b)(7) and 85.21 in making payments to subrecipients;

(ii) Section 84.23, "Cost Sharing and Matching";

(iii) Section 84.24, "Program Income." In lieu of §84.24, CDBG subrecipients shall follow §570.504;

(iv) Section 84.25, "Revision of Budget and Program Plans";

(v) Section 84.32, "Real Property." In lieu of §84.32, CDBG subrecipients shall follow §570.505;

(vi) Section 84.34(g), "Equipment." In lieu of the disposition provisions of §84.34(g), the following applies:

(A) In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and

(B) Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient;

(vii) Section 84.51 (b), (c), (d), (e), (f), (g), and (h), "Monitoring and Reporting Program Performance";

(viii) Section 84.52, "Financial Reporting";

(ix) Section 84.53(b), "Retention and access requirements for records." Section 84.53(b) applies with the following exceptions:

(A) The retention period referenced in §84.53(b) pertaining to individual CDBG activities shall be four years; and

(B) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;

(x) Section 84.61, "Termination." In lieu of the provisions of §84.61, CDBG subrecipients shall comply with §570.503(b)(7); and

(4) Subpart D—"After-the-Award Requirements," except for §84.71, "Closeout Procedures."

Exhibit G
Applicable Provisions - 24 CFR Part 85
As stated in Section VIII

Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"

(1) Section 85.3, "Definitions";

(2) Section 85.6, "Exceptions";

(3) Section 85.12, "Special grant or subgrant conditions for 'high-risk' grantees";

(4) Section 85.20, "Standards for financial management systems," except paragraph (a);

(5) Section 85.21, "Payment," except as modified by §570.513;

(6) Section 85.22, "Allowable costs";

(7) Section 85.26, "Non-federal audits";

(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;

(9) Section 85.33, "Supplies";

(10) Section 85.34, "Copyrights";

(11) Section 85.35, "Subawards to debarred and suspended parties";

(12) Section 85.36, "Procurement," except paragraph (a);

(13) Section 85.37, "Subgrants";

(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) through (d) and paragraph (f);

(15) Section 85.41, "Financial reporting," except paragraphs (a), (b), and (e);

(16) Section 85.42, "Retention and access requirements for records," except that the period shall be four years;

(17) Section 85.43, "Enforcement";

(18) Section 85.44, "Termination for convenience";

(19) Section 85.51 "Later disallowances and adjustments" and

(20) Section 85.52, "Collection of amounts due."

AI-32685 **Urban County 10. B.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Frank Martinez **Submitted By:** Mary Flores, URBAN COUNTY

Department: URBAN COUNTY

Information

CAPTION

The Urban County Program is requesting the County's approval and payment of an origination of 1% in order to renew an existing $500,000 Line of Credit with First National Bank of Edinburg for the Colonia Construction Grant.

BACKGROUND

The purpose of the Line of Credit is to help finance the cost of construction and general administration expenses prior to reimbursement from the Texas Department of Housing and Community Affairs, Texas Department of Rural Affairs and/or Texas Department of Agriculture. The County will have to pay the 1 % from their General Fund.

Fiscal Impact

FISCAL YEAR: 2012 **ACCT. #:** 2-1100-463-00-250-001-0-890

FUNDS AVAILABLE Y/N?: Y **MATCHING FUNDS Y/N?:** N

BUDGETARY IMPACT:

Attachments

Resolution Line of Credit

Form Review

Inbox	Reviewed By	Date
Budget & Management	Ivan Cantu	06/06/2012 01:57 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Mary Flores Started On: 06/05/2012 02:41 PM

Final Approval Date: 06/22/2012

RESOLUTION RENEWING A LINE OF CREDIT

WHEREAS, Hidalgo County Urban County Program has been awarded grants from the Texas Department of Housing and Community Affairs (TDHCA), Texas Department of Rural Affairs (TDRA), Texas Department of Agriculture (TDA), and from the U.S. Department of Housing and Urban Development (HUD);

WHEREAS, there is a need to renew an existing line of credit in the amount of $500,000.00 for the purposes related to the administration and on-going business of these programs; and

WHEREAS, any amounts obtained from the line of credit will be re-paid directly from the corresponding TDHCA, TDRA, TDA or HUD programs.

THEREFORE, BE IT RESOLVED by the Commissioners' Court of Hidalgo County that the Urban County Program is authorized to renew a Line of Credit with the First National Bank of Edinburg, Texas in the amount of $500,000.00 at an interest rate so specified in the County's depository contract with First National Bank of Edinburg.

Signed the _____day of _____, 2012

_____

County Judge

Attest:

_____

County Clerk

AI-32824 **Urban County 10. C.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Ester Garcia **Submitted By:** Mary Flores, URBAN COUNTY

Department: URBAN COUNTY

Information

CAPTION

1. Urban County Program (UCP) is requesting Commissioner's Court consideration and approval to appoint the UCP Executive Director as the Program Compliance Officer to ensure compliance for the following:
a. Compliance Officer(s) regarding nondiscrimination requirements contained in the Department of Housing and Urban Development (HUD) regulations implementing Section 504 & Equal Opportunity/Fair Housing Officer(s),
b. Labor Standards Officer(s) for HUD, General Land Office (GLO), Texas Department of Agriculture (TDA), and the Texas Department of Housing and Community Affairs (TDHCA) projects, and
2. Consideration and approval to authorize the County Judge to sign any and all documents associated with the compliance officer appointments.

BACKGROUND

As required by the State of Texas, the Hidalgo County Urban County Program must appoint compliance officers to ensure compliance with the following: (1) Section 504 which prohibits disability discrimination by any program or activity that receives federal/state funds, (2) the designation of a Labor Standards Officer to ensure compliance with all applicable Federal labor standards provisions on contracts covered by Davis-Bacon requirements and to act for and in liaison with TxCDBG. Please see attached forms be used for the designation of officers.

Attachments

Designation Form for Section 504

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/13/2012 04:45 PM
Auditor's Office	Arcilia Duran	06/22/2012 02:09 PM
Dina Trevino	Merlen P. Munoz	06/22/2012 03:47 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Mary Flores Started On: 06/13/2012 04:12 PM

Final Approval Date: 06/22/2012

A1008

Designation Form for Section 504 and Equal Opportunity/Fair Housing Officer

City/County: _____ TxCDBG Contract #_____

Address: _____

_____

_____

Telephone Number: _____

****

I, _____, do hereby appoint_____,

(Chief Elected Official) (Name and Title)

as the Fair Housing/Equal Opportunity/Section 504 Standards Officer for the City/County of _____

The Fair Housing/Equal Opportunity/Section 504 Standards Officer shall be responsible for the oversight and compliance of fair housing and equal opportunity activities to be performed by the City/County of _____, as required by the Texas Community Development Block Grant Program Contract No._____.

The Fair Housing/Equal Opportunity/Section 504 Standards Officer is responsible for being familiar with and adhering to all civil rights laws and regulations pertaining to the Texas Community Development Block Grant Program, including those described in the TxCDBG Implementation Manual and those listed on Exhibit D of the TxCDBG contract.

Fair Housing/Equal Opportunity/Section 504 Standards Officer:_____

(Signature)

Appointed by:_____ Date: _____

(Signature)

Appointment of Labor Standards Officer

A701

(Submit form to Labors@tdra.state.tx.us)

Grant Recipient: _____ Contract No: _____

I, _____ hereby appoint _____
(Print Mayor/County Judge) (Print Name)

as the Labor Standards Officer for the aforementioned contract. The appointed Labor Standards Officer is assigned to oversee the labor portion of the contract and will be responsible for assuring compliance with all requirements under **Chapter 7 of the TxCDBG Project Implementation Manual**.

Appointed Labor Standards Officer Name:					
Address:					
City:		State:		Zip:	
Telephone Number:		Fax Number:			

I acknowledge the appointment and duties of Labor Standards Officer.

Signature: _____ Date: _____
(Labor Standards Officer)

Appointed by: _____ Title: _____
(Print Mayor/County Judge)

Signature: _____ Date: _____
(Mayor/County Judge)

AI-32823 **Urban County 10. D.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Ester Garcia **Submitted By:** Mary Flores, URBAN COUNTY

Department: URBAN COUNTY

Information

CAPTION

Urban County Program (UCP) is requesting Commissioner's Court consideration and approval of appointing the Urban County Program, Executive Director as the Self Help Center (SHC) Coordinator:

Consideration and approval to authorize the County Judge to act as the County's Executive Officer and Authorized Representative in all matters pertaining to the County's participation in the Texas Community Development Program, Texas Department of Housing and Community Affairs (TDHCA)-Office of Colonia Initiatives (OCI) Self Help Center Fund application(s).

BACKGROUND

The purpose of the SHC is to improve the general living conditions of colonia residents in the designated Colonia SHC area and to assist individuals and families of low-income to finance, refinance, construct, improve or maintain a safe, suitable home in service area or in another area approved by TDHCA. The UCP Executive shall ensure the County's compliance with rules/regulations as required by TDHCA-OCI for the Self Help Center.

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/13/2012 04:17 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Mary Flores Started On: 06/13/2012 04:07 PM

Final Approval Date: 06/22/2012

AI-32821 **Urban County 10. E.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Lupita Garcia **Submitted By:** Mary Flores, URBAN COUNTY

Department: URBAN COUNTY

Information

CAPTION

Requesting approval of Urban County Program Interlocal Agreements with (16) member City Consortium for Urban County Program Year 25 (2012) and authorization for Hidalgo County Judge Ramon Garcia to sign any and all agreements.

BACKGROUND

In order to ensure the proper expenditures of CDBG funds, as outlined in 24 CFR Part 570 and other related federal rules and regulations as they apply, an Interlocal Agreement must be formally executed on an annual basis between the County of Hidalgo and each member of the Urban County Program. Interlocal Agreements will be executed with the following cities:

Alamo	Alton	Donna	Edcouch	Elsa
Granjeno	Hidalgo	La Joya	La Villa	Mercedes
Palmview	Peñitas	Progreso	San Juan	Sullivan City
Weslaco				

Attachments

Alamo
Alton
Donna
Edcouch
Elsa
Granjeno
Hidalgo
La Joya
La Villa
Mercedes
Palmview
Penitas
Progreso
San Juan
Sullivan City
Weslaco
1

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/13/2012 04:16 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Mary Flores Started On: 06/13/2012 03:55 PM

Final Approval Date: 06/22/2012

2012 INTERLOCAL AGREEMENT

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This Interlocal Agreement, made and entered into by and between the County of Hidalgo, a political subdivision of the State of Texas, hereafter referred to as the "County" and the **City of Alamo**, a municipal corporation under the laws of the State of Texas, hereafter referred to as "City".

WITNESSETH

WHEREAS, the Department of Housing and Urban Development made a Determination of Essential Powers on November 16, 1987 which depicts Hidalgo County as having the "essential powers" to carry out community renewal and lower income housing assistance in the County, and

WHEREAS, the Department of Housing and Urban Development formally allocated **$7,639,061.00** of Fiscal Year **2012** Community Development Block Grant (CDBG) Funds under Grant No. **B-12-UC-48-0501** to County, and

WHEREAS, the City and County have entered into a Cooperation Agreement which allows the County to use the City's population as the basis for qualification as an Urban County, and

WHEREAS, both the County and the City need to set out basic administrative understandings for the proper expenditure of CDBG funds as set out in 24 CFR. 570 and other related federal rules and regulations as they apply to Subrecipients.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the County and the City do mutually agree as follows:

SECTION I
Rules and Regulations

The City agrees to cooperate with the County in respect to the implementation of CDBG activities to be carried out in the City's jurisdiction as per 24 CFR 570 and other rules, regulations and decisions as may be made by the Department of Housing and Urban Development or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG funds. Both City and County agree and understand that the County is the grantee for the CDBG funds and the City is subject to all rules and regulations governing Subrecipients under 24 CFR 570.

SECTION II
Applicability of Uniform
Administrative Requirements

The County understands that it is responsible for the maintenance, retention, accessibility and public disclosure of all records, expenditures and files as may be promulgated for the administration of CDBG funds and as may be required by 24 CFR 570 and the "Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments." (24 CFR Part 85) or any variation as may be approved by HUD The City agrees to work with the County to make available all data, information and records as may be necessary for the proper accounting of all CDBG expenditures and activities. A description of City and County responsibilities can be found in Exhibit B MATRIX. City agrees to make all records available to the County and shall not be the custodian of any official records or information.

City agrees to comply with OMB Circular No. A-87, "Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally Recognized Indian Tribal Governments,: OMB Circular A-133, "Audits of State and Local Governments" (implemented at 24 CFR Part 44) and with the following sections of 24 CFR Part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government":

(1) Section 85.3, "Definitions";
(2) Section 85.6, "Exceptions";
(3) Section 85.12, Special grant or subgrant conditions for "high-risk "grantees";
(4) Section 85.20, "Standards for financial management systems," except paragraph (a);
(5) Section 85.21, "Payment," except as modified by SS570.513;
(6) Section 85.22, "Allowable costs";
(7) Section 85.26, "Non-federal audits"
(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;
(9) Section 85.33, "Supplies";
(10) Section 85.34, "Copyrights";
(11) Section 85.35, "Subawards to debarred and suspended parties";
(12) Section 85.36, "Procurement," except paragraph (a);
(13) Section 85.37, "Subgrants";
(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) - (d) and (f);
(15) Section 85.41, "Financial Reporting." except paragraphs (a), (b), and (e);
(16) Section 85.42, "Retention and access requirements for records";
(17) Section 85.43, "Enforcement";
(18) Section 85.44, "Termination for convenience";
(19) Section 85.51, "Later disallowances and adjustments"; and
(20) Section 85.52, "Collection of amounts due."

Not withstanding the requirements of OMB Circular A-133; the City agrees to submit a yearly Certified City Financial Audit regardless of the dollar amount expended in that fiscal year in the time and manner prescribed by the County.

SECTION III
Other Program Requirements

The City agrees to comply with "Other Program Requirements" as listed in Exhibit D (24 CFR 570.600-611) except for the environmental responsibilities outlined at 24 CFR 570.604 and the review process under Executive Order 12372.

SECTION IV
Allocation

The City understands that the Urban County allocation has been set at **$7,639,061.00** for **Fiscal Year 2012** and that City's allotment has been set at **$278,900.00** The City agrees to cooperate with the county in the expenditure of these funds for the activities so described in Exhibit A of this Agreement ant that Exhibit A is an integral part of this Agreement.

The City further agrees to inform the County on any changes in scope, funding or location of the activities listed on Exhibit A prior to executing any change. Any changes proposed by City must be approved by the County in reference to eligibility, program compliance and citizen participation requirements.

City and County mutually agree that the City shall have four (4) fiscal years to properly expend or cause to be expended, according to all applicable rules and regulations, all funds allocated to it in **Fiscal Year 2012**. In consideration for the same, the City agrees not to have more than 1.5 times its annual allocation in its line of credit by **April 30, 2013** Funds in excess of the 1.5 standards shall be subject to the Recapture Policy of the Urban County Program. The County shall recapture any and all unobligated funds that a City fails to expend or obligate by **June 30, 2013** and shall expend such unobligated funds as it may deem appropriate.

SECTION V
Access

The City and County both agree to give the Department of Housing and Urban Development, the Inspector General, the Comptroller General of the United States, or any of its authorized representatives, access to and the right to examine, excerpt and transcribe all books, accounts, records, reports, files and other papers, things, or property belonging to or in use by the City or County for a period as such records are legally required to be maintained by the City or County.

SECTION VI
Monitoring

The County reserves the right to carry out regular and periodic field inspections to ensure compliance with the requirements of this Agreement. City shall attend a compliance seminar after the award of funds and prior to the first draw. After each monitoring visit, County shall provide City with a written report of the monitor's inspection. If the monitoring report finds deficiencies in City's performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by City. Failure by City to take action as specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section XIV of this Agreement.

SECTION VII
Conflict of Interest

In compliance with 24 CFR 611, the City and County both covenant that no member of their respective governing bodies nor any staff member who exercises influence on the decision making process, presently has or will have any interest, direct or indirect, with any person, corporation**,** company or association that is hired to carry out any of the activities so listed on Exhibit A or will receive federal assistance from any activity.

The City and County both agree that no person who is an elected official, employee, consultant, or agent of the City or County shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Exhibit A during their tenure or for a period of one year thereafter.

No City or County employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described on Exhibit A.

Code of Conduct Certification attached to this agreement must be signed by elected officials, employees, consultants, or agents to the City. (See attachment 1A)

SECTION VIII
Religious Activities

The City and County both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this program be used for sectarian or religious activities.

SECTION IX
Real and Property Assets

The City and County agree that any property, real or personal, duly acquired with CDBG funds allocated to City shall become property of the City and shall be afforded the same maintenance and protection as other City property. City and County further agree that any real or personal property acquired shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

City agrees not to purchase any real or personal assets unless so permitted by the County and such procurement shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

The City agrees to maintain any real or personal asset in a prudent manner so as to ensure its useful life and to protect the federal government's interest in such real or personal asset from the perils of fire, storm, flood or theft through insurance coverage in the amount as may be deemed prudent by County. Failure to secure such protection shall be cause for termination of this agreement.

Any asset acquired or improved in part or in whole with CDBG funds must be used in an activity that is eligible and meets one of the national objectives listed in 24 CFR 570.208. Any asset acquired or improved in part or in whole with CDBG funds in excess of $ 25,000 must be used for the CDBG activity so planned including the beneficiaries of such use. Any change in use or beneficiaries must be subject to the citizen participation requirements and approved by the County.

Should any use of an asset not qualify as meeting one of the national objectives or is not an eligible use under 24 CFR 570.200, the City shall reimburse the County the amount of the current fair market value of the asset less any portion thereof attributable to expenditures of non-CDBG funds in the acquisition or improvement of the asset.

The above requirements attributed to assets over $ 25,000 shall remain in force for a period of five years after the final closeout of the County's participation in the Urban County Program. The disposition of any asset improved or acquired in part or in whole with CDBG funds by the City must be done with prior approval of the County and the County shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The County may, at its option, request that such asset be transferred to the County if the asset is no longer being used to meet one of the national objectives or in any case where the City no longer uses the asset for its intended use.

SECTION X
Jurisdiction

The City and County agree to accept the jurisdiction of the Department of Housing and Urban Development in matters relating to the proper administration of programs and the proper expenditure of CDBG funds.

The City and County agree that the County is responsible for the proper administration of programs and the proper expenditure of CDBG funds and recognize that the County will be responsible for audit or programmatic findings or exceptions made by the HUD or any other agency that may exercise jurisdiction over HUD or any other agency that may exercise jurisdiction over HUD funds or programs.

In cases of an audit finding or exception based on action or inaction, representation or misrepresentation of the City, the City agrees to resolve such audit finding or exception for and on behalf of the County. Remedial actions that may be taken for the resolution of an audit finding or exception are defined in 24 CFR 570.910 and include the withholding of funds to the City for any outstanding finding(s) or exception(s). Exhibit-E

The City understands and agrees this Interlocal Agreement shall remain in full force and effect until the Department of Housing and Urban Development has closed this Program Year **(B-12-UC-48-0501)** and accepted any resolutions to any and all audit or programmatic finding(s) or concern(s).

SECTION XI
Payment Requests and Program Income

The City agrees to follow administrative directions from the County in the areas of documenting and processing payment requests. The City further agrees to allow the County to make all payments and to account for all program income from any of its CDBG activities that may generate program income as outlined in this Section.

The City and County agree that program income generated from any approved CDBG project shall be retained by the City as long as such City provides the County by the 15th of each month, an accounting as may be required by the County of program income earned, retained, and expended by the City. The City shall be allowed to use the program income for the same or similar activities as generated the program income. Failure of the City to report program income as required shall cause the County to require all program income to be recovered by the County.

SECTION XII
Section 108 Loan Guarantee

County and City both agree that they may implement certain eligible activities as outlined in 24 CFR 570.703 with loan funds from the Section 108 Loan Guarantee Program as described in 24 CFR 570.700-709 approved and adopted November 6, 1991 (Vol. 56, No. 215 Federal Register).

The County and City will be allowed to submit an application for such funds per funding year in an amount less than three times its current allocation. Should the City or County submit more than one application during any combination of years, the cumulative amount of loan funds requested shall not exceed the total amount of five years of the current allocation. The City agrees that it will bear the full expense of obtaining Section 108 financing for the period of the repayment of Section 108 funds.

The County and City agree that they will maintain a legal binding relationship with each other under the terms of this Agreement and all previously signed Cooperation Agreement if the City wishes to participate in the Section 108 Loan Guarantee Program for the full term of the Section 108 Loan Agreement. The City agrees to pledge its current and future CDBG allocation and other security consideration as may be required, depending on the project risk, as security for the Section 108 Loan and such security pledge shall not bind or affect other cities' allocation in the Urban County Program.

Such legal binding relationship and security pledge shall remain in full force and effect for the full term of the Section 108 Loan Guarantee agreement and this agreement shall survive for the term of the Section 108 Loan. Details of any current Section 108 loan is included herein as Exhibit "C" if applicable.

SECTION XIII
Legal Action

The City agrees to notify the County when a problem arises that may lead to any legal action or claim against the City and/or County. The City agrees to furnish to the County any information with respect to such action or claim. The City agrees not to take any action with respect to any legal matter or claim sought against the City and/or County without advice and consent of the County.

SECTION XIV
Suspension and Termination

City understands that this agreement may be suspended or terminated in accordance with 24 CFR 85.43 if the City materially fails to comply with the provisions of this agreement or the provisions so listed on Exhibits A through E. Termination for convenience may be implemented in accordance to the provisions listed in 24 CFR 85.44.

SECTION XV
Changes or Amendments

The City agrees to notify the County on any changes or amendments that it may desire or need to carry out the CDBG program in its area. All changes or amendments must first obtain approval from the County prior to implementation. All changes or amendments must conform to all federal rules and regulations applicable to the CDBG program.

SECTION XVI
Essential Powers

The City agrees that the County has the essential powers to implement any aspect of those activities identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy inclusive of specific projects identified in the annual One-Year Action Plan and subsequent amendments. The City further agrees to allow the County the authority to initiate, undertake and implement said projects within its jurisdictional boundaries without further notice to City by County for all projects identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy, Annual Action Plan and subsequent amendments to the Plans herein incorporated by reference.

Approved and signed this ____ Day of _____, 2012.

ATTEST:

Arturo Guajardo, Jr. **County Clerk**	**Ramon Garcia,** **Hidalgo County Judge**

ATTEST:

CITY SECRETARY	**MAYOR**

DATE

Approved by: _____
Steve Crain, Legal Counsel

2012 INTERLOCAL AGREEMENT

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This Interlocal Agreement, made and entered into by and between the County of Hidalgo, a political subdivision of the State of Texas, hereafter referred to as the "County" and the **City of Alton**, a municipal corporation under the laws of the State of Texas, hereafter referred to as "City".

WITNESSETH

WHEREAS, the Department of Housing and Urban Development made a Determination of Essential Powers on November 16, 1987 which depicts Hidalgo County as having the "essential powers" to carry out community renewal and lower income housing assistance in the County, and

WHEREAS, the Department of Housing and Urban Development formally allocated **$7,639,061.00** of Fiscal Year **2012** Community Development Block Grant (CDBG) Funds under Grant No. **B-12-UC-48-0501** to County, and

WHEREAS, the City and County have entered into a Cooperation Agreement which allows the County to use the City's population as the basis for qualification as an Urban County, and

WHEREAS, both the County and the City need to set out basic administrative understandings for the proper expenditure of CDBG funds as set out in 24 CFR. 570 and other related federal rules and regulations as they apply to Subrecipients.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the County and the City do mutually agree as follows:

SECTION I
Rules and Regulations

The City agrees to cooperate with the County in respect to the implementation of CDBG activities to be carried out in the City's jurisdiction as per 24 CFR 570 and other rules, regulations and decisions as may be made by the Department of Housing and Urban Development or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG funds. Both City and County agree and understand that the County is the grantee for the CDBG funds and the City is subject to all rules and regulations governing Subrecipients under 24 CFR 570.

SECTION II
Applicability of Uniform
Administrative Requirements

The County understands that it is responsible for the maintenance, retention, accessibility and public disclosure of all records, expenditures and files as may be promulgated for the administration of CDBG funds and as may be required by 24 CFR 570 and the "Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments." (24 CFR Part 85) or any variation as may be approved by HUD The City agrees to work with the County to make available all data, information and records as may be necessary for the proper accounting of all CDBG expenditures and activities. A description of City and County responsibilities can be found in Exhibit B MATRIX. City agrees to make all records available to the County and shall not be the custodian of any official records or information.

City agrees to comply with OMB Circular No. A-87, "Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally Recognized Indian Tribal Governments,: OMB Circular A-133, "Audits of State and Local Governments" (implemented at 24 CFR Part 44) and with the following sections of 24 CFR Part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government":

(1) Section 85.3, "Definitions";
(2) Section 85.6, "Exceptions";
(3) Section 85.12, Special grant or subgrant conditions for "high-risk "grantees";
(4) Section 85.20, "Standards for financial management systems," except paragraph (a);
(5) Section 85.21, "Payment," except as modified by SS570.513;
(6) Section 85.22, "Allowable costs";
(7) Section 85.26, "Non-federal audits"
(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;
(9) Section 85.33, "Supplies";
(10) Section 85.34, "Copyrights";
(11) Section 85.35, "Subawards to debarred and suspended parties";
(12) Section 85.36, "Procurement," except paragraph (a);
(13) Section 85.37, "Subgrants";
(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) - (d) and (f);
(15) Section 85.41, "Financial Reporting." except paragraphs (a), (b), and (e);
(16) Section 85.42, "Retention and access requirements for records";
(17) Section 85.43, "Enforcement";
(18) Section 85.44, "Termination for convenience";
(19) Section 85.51, "Later disallowances and adjustments"; and
(20) Section 85.52, "Collection of amounts due."

Not withstanding the requirements of OMB Circular A-133; the City agrees to submit a yearly Certified City Financial Audit regardless of the dollar amount expended in that fiscal year in the time and manner prescribed by the County.

SECTION III
Other Program Requirements

The City agrees to comply with "Other Program Requirements" as listed in Exhibit D (24 CFR 570.600-611) except for the environmental responsibilities outlined at 24 CFR 570.604 and the review process under Executive Order 12372.

SECTION IV
Allocation

The City understands that the Urban County allocation has been set at **$7,639,061.00** for **Fiscal Year 2012** and that City's allotment has been set at **$278,900.00** The City agrees to cooperate with the county in the expenditure of these funds for the activities so described in Exhibit A of this Agreement ant that Exhibit A is an integral part of this Agreement.

The City further agrees to inform the County on any changes in scope, funding or location of the activities listed on Exhibit A prior to executing any change. Any changes proposed by City must be approved by the County in reference to eligibility, program compliance and citizen participation requirements.

City and County mutually agree that the City shall have four (4) fiscal years to properly expend or cause to be expended, according to all applicable rules and regulations, all funds allocated to it in **Fiscal Year 2012**. In consideration for the same, the City agrees not to have more than 1.5 times its annual allocation in its line of credit by **April 30, 2013** Funds in excess of the 1.5 standards shall be subject to the Recapture Policy of the Urban County Program. The County shall recapture any and all unobligated funds that a City fails to expend or obligate by **June 30, 2013** and shall expend such unobligated funds as it may deem appropriate.

SECTION V
Access

The City and County both agree to give the Department of Housing and Urban Development, the Inspector General, the Comptroller General of the United States, or any of its authorized representatives, access to and the right to examine, excerpt and transcribe all books, accounts, records, reports, files and other papers, things, or property belonging to or in use by the City or County for a period as such records are legally required to be maintained by the City or County.

SECTION VI
Monitoring

The County reserves the right to carry out regular and periodic field inspections to ensure compliance with the requirements of this Agreement. City shall attend a compliance seminar after the award of funds and prior to the first draw. After each monitoring visit, County shall provide City with a written report of the monitor's inspection. If the monitoring report finds deficiencies in City's performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by City. Failure by City to take action as specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section XIV of this Agreement.

SECTION VII
Conflict of Interest

In compliance with 24 CFR 611, the City and County both covenant that no member of their respective governing bodies nor any staff member who exercises influence on the decision making process, presently has or will have any interest, direct or indirect, with any person, corporation**,** company or association that is hired to carry out any of the activities so listed on Exhibit A or will receive federal assistance from any activity.

The City and County both agree that no person who is an elected official, employee, consultant, or agent of the City or County shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Exhibit A during their tenure or for a period of one year thereafter.

No City or County employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described on Exhibit A.

Code of Conduct Certification attached to this agreement must be signed by elected officials, employees, consultants, or agents to the City. (See attachment 1A)

SECTION VIII
Religious Activities

The City and County both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this program be used for sectarian or religious activities.

SECTION IX
Real and Property Assets

The City and County agree that any property, real or personal, duly acquired with CDBG funds allocated to City shall become property of the City and shall be afforded the same maintenance and protection as other City property. City and County further agree that any real or personal property acquired shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

City agrees not to purchase any real or personal assets unless so permitted by the County and such procurement shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

The City agrees to maintain any real or personal asset in a prudent manner so as to ensure its useful life and to protect the federal government's interest in such real or personal asset from the perils of fire, storm, flood or theft through insurance coverage in the amount as may be deemed prudent by County. Failure to secure such protection shall be cause for termination of this agreement.

Any asset acquired or improved in part or in whole with CDBG funds must be used in an activity that is eligible and meets one of the national objectives listed in 24 CFR 570.208. Any asset acquired or improved in part or in whole with CDBG funds in excess of $ 25,000 must be used for the CDBG activity so planned including the beneficiaries of such use. Any change in use or beneficiaries must be subject to the citizen participation requirements and approved by the County.

Should any use of an asset not qualify as meeting one of the national objectives or is not an eligible use under 24 CFR 570.200, the City shall reimburse the County the amount of the current fair market value of the asset less any portion thereof attributable to expenditures of non-CDBG funds in the acquisition or improvement of the asset.

The above requirements attributed to assets over $ 25,000 shall remain in force for a period of five years after the final closeout of the County's participation in the Urban County Program. The disposition of any asset improved or acquired in part or in whole with CDBG funds by the City must be done with prior approval of the County and the County shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The County may, at its option, request that such asset be transferred to the County if the asset is no longer being used to meet one of the national objectives or in any case where the City no longer uses the asset for its intended use.

SECTION X
Jurisdiction

The City and County agree to accept the jurisdiction of the Department of Housing and Urban Development in matters relating to the proper administration of programs and the proper expenditure of CDBG funds.

The City and County agree that the County is responsible for the proper administration of programs and the proper expenditure of CDBG funds and recognize that the County will be responsible for audit or programmatic findings or exceptions made by the HUD or any other agency that may exercise jurisdiction over HUD or any other agency that may exercise jurisdiction over HUD funds or programs.

In cases of an audit finding or exception based on action or inaction, representation or misrepresentation of the City, the City agrees to resolve such audit finding or exception for and on behalf of the County. Remedial actions that may be taken for the resolution of an audit finding or exception are defined in 24 CFR 570.910 and include the withholding of funds to the City for any outstanding finding(s) or exception(s). Exhibit-E

The City understands and agrees this Interlocal Agreement shall remain in full force and effect until the Department of Housing and Urban Development has closed this Program Year **(B-12-UC-48-0501)** and accepted any resolutions to any and all audit or programmatic finding(s) or concern(s).

SECTION XI
Payment Requests and Program Income

The City agrees to follow administrative directions from the County in the areas of documenting and processing payment requests. The City further agrees to allow the County to make all payments and to account for all program income from any of its CDBG activities that may generate program income as outlined in this Section.

The City and County agree that program income generated from any approved CDBG project shall be retained by the City as long as such City provides the County by the 15th of each month, an accounting as may be required by the County of program income earned, retained, and expended by the City. The City shall be allowed to use the program income for the same or similar activities as generated the program income. Failure of the City to report program income as required shall cause the County to require all program income to be recovered by the County.

SECTION XII
Section 108 Loan Guarantee

County and City both agree that they may implement certain eligible activities as outlined in 24 CFR 570.703 with loan funds from the Section 108 Loan Guarantee Program as described in 24 CFR 570.700-709 approved and adopted November 6, 1991 (Vol. 56, No. 215 Federal Register).

The County and City will be allowed to submit an application for such funds per funding year in an amount less than three times its current allocation. Should the City or County submit more than one application during any combination of years, the cumulative amount of loan funds requested shall not exceed the total amount of five years of the current allocation. The City agrees that it will bear the full expense of obtaining Section 108 financing for the period of the repayment of Section 108 funds.

The County and City agree that they will maintain a legal binding relationship with each other under the terms of this Agreement and all previously signed Cooperation Agreement if the City wishes to participate in the Section 108 Loan Guarantee Program for the full term of the Section 108 Loan Agreement. The City agrees to pledge its current and future CDBG allocation and other security consideration as may be required, depending on the project risk, as security for the Section 108 Loan and such security pledge shall not bind or affect other cities' allocation in the Urban County Program.

Such legal binding relationship and security pledge shall remain in full force and effect for the full term of the Section 108 Loan Guarantee agreement and this agreement shall survive for the term of the Section 108 Loan. Details of any current Section 108 loan is included herein as Exhibit "C" if applicable.

SECTION XIII
Legal Action

The City agrees to notify the County when a problem arises that may lead to any legal action or claim against the City and/or County. The City agrees to furnish to the County any information with respect to such action or claim. The City agrees not to take any action with respect to any legal matter or claim sought against the City and/or County without advice and consent of the County.

SECTION XIV
Suspension and Termination

City understands that this agreement may be suspended or terminated in accordance with 24 CFR 85.43 if the City materially fails to comply with the provisions of this agreement or the provisions so listed on Exhibits A through E. Termination for convenience may be implemented in accordance to the provisions listed in 24 CFR 85.44.

SECTION XV
Changes or Amendments

The City agrees to notify the County on any changes or amendments that it may desire or need to carry out the CDBG program in its area. All changes or amendments must first obtain approval from the County prior to implementation. All changes or amendments must conform to all federal rules and regulations applicable to the CDBG program.

SECTION XVI
Essential Powers

The City agrees that the County has the essential powers to implement any aspect of those activities identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy inclusive of specific projects identified in the annual One-Year Action Plan and subsequent amendments. The City further agrees to allow the County the authority to initiate, undertake and implement said projects within its jurisdictional boundaries without further notice to City by County for all projects identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy, Annual Action Plan and subsequent amendments to the Plans herein incorporated by reference.

Approved and signed this ____ Day of _____, 2012.

ATTEST:

Arturo Guajardo, Jr. **County Clerk**	**Ramon Garcia,** **Hidalgo County Judge**

ATTEST:

CITY SECRETARY	**MAYOR**

DATE

Approved by: _____
Steve Crain, Legal Counsel

2012 INTERLOCAL AGREEMENT

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This Interlocal Agreement, made and entered into by and between the County of Hidalgo, a political subdivision of the State of Texas, hereafter referred to as the "County" and the **City of Donna**, a municipal corporation under the laws of the State of Texas, hereafter referred to as "City".

WITNESSETH

WHEREAS, the Department of Housing and Urban Development made a Determination of Essential Powers on November 16, 1987 which depicts Hidalgo County as having the "essential powers" to carry out community renewal and lower income housing assistance in the County, and

WHEREAS, the Department of Housing and Urban Development formally allocated **$7,639,061.00** of Fiscal Year **2012** Community Development Block Grant (CDBG) Funds under Grant No. **B-12-UC-48-0501** to County, and

WHEREAS, the City and County have entered into a Cooperation Agreement which allows the County to use the City's population as the basis for qualification as an Urban County, and

WHEREAS, both the County and the City need to set out basic administrative understandings for the proper expenditure of CDBG funds as set out in 24 CFR. 570 and other related federal rules and regulations as they apply to Subrecipients.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the County and the City do mutually agree as follows:

SECTION I
Rules and Regulations

The City agrees to cooperate with the County in respect to the implementation of CDBG activities to be carried out in the City's jurisdiction as per 24 CFR 570 and other rules, regulations and decisions as may be made by the Department of Housing and Urban Development or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG funds. Both City and County agree and understand that the County is the grantee for the CDBG funds and the City is subject to all rules and regulations governing Subrecipients under 24 CFR 570.

SECTION II
Applicability of Uniform
Administrative Requirements

The County understands that it is responsible for the maintenance, retention, accessibility and public disclosure of all records, expenditures and files as may be promulgated for the administration of CDBG funds and as may be required by 24 CFR 570 and the "Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments." (24 CFR Part 85) or any variation as may be approved by HUD The City agrees to work with the County to make available all data, information and records as may be necessary for the proper accounting of all CDBG expenditures and activities. A description of City and County responsibilities can be found in Exhibit B MATRIX. City agrees to make all records available to the County and shall not be the custodian of any official records or information.

City agrees to comply with OMB Circular No. A-87, "Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally Recognized Indian Tribal Governments,: OMB Circular A-133, "Audits of State and Local Governments" (implemented at 24 CFR Part 44) and with the following sections of 24 CFR Part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government":

(1) Section 85.3, "Definitions";
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(3) Section 85.12, Special grant or subgrant conditions for "high-risk "grantees";
(4) Section 85.20, "Standards for financial management systems," except paragraph (a);
(5) Section 85.21, "Payment," except as modified by SS570.513;
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(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;
(9) Section 85.33, "Supplies";
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(12) Section 85.36, "Procurement," except paragraph (a);
(13) Section 85.37, "Subgrants";
(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) - (d) and (f);
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(16) Section 85.42, "Retention and access requirements for records";
(17) Section 85.43, "Enforcement";
(18) Section 85.44, "Termination for convenience";
(19) Section 85.51, "Later disallowances and adjustments"; and
(20) Section 85.52, "Collection of amounts due."

Not withstanding the requirements of OMB Circular A-133; the City agrees to submit a yearly Certified City Financial Audit regardless of the dollar amount expended in that fiscal year in the time and manner prescribed by the County.

SECTION III
Other Program Requirements

The City agrees to comply with "Other Program Requirements" as listed in Exhibit D (24 CFR 570.600-611) except for the environmental responsibilities outlined at 24 CFR 570.604 and the review process under Executive Order 12372.

SECTION IV
Allocation

The City understands that the Urban County allocation has been set at **$7,639,061.00** for **Fiscal Year 2012** and that City's allotment has been set at **$278,900.00** The City agrees to cooperate with the county in the expenditure of these funds for the activities so described in Exhibit A of this Agreement ant that Exhibit A is an integral part of this Agreement.

The City further agrees to inform the County on any changes in scope, funding or location of the activities listed on Exhibit A prior to executing any change. Any changes proposed by City must be approved by the County in reference to eligibility, program compliance and citizen participation requirements.

City and County mutually agree that the City shall have four (4) fiscal years to properly expend or cause to be expended, according to all applicable rules and regulations, all funds allocated to it in **Fiscal Year 2012**. In consideration for the same, the City agrees not to have more than 1.5 times its annual allocation in its line of credit by **April 30, 2013** Funds in excess of the 1.5 standards shall be subject to the Recapture Policy of the Urban County Program. The County shall recapture any and all unobligated funds that a City fails to expend or obligate by **June 30, 2013** and shall expend such unobligated funds as it may deem appropriate.

SECTION V
Access

The City and County both agree to give the Department of Housing and Urban Development, the Inspector General, the Comptroller General of the United States, or any of its authorized representatives, access to and the right to examine, excerpt and transcribe all books, accounts, records, reports, files and other papers, things, or property belonging to or in use by the City or County for a period as such records are legally required to be maintained by the City or County.

SECTION VI
Monitoring

The County reserves the right to carry out regular and periodic field inspections to ensure compliance with the requirements of this Agreement. City shall attend a compliance seminar after the award of funds and prior to the first draw. After each monitoring visit, County shall provide City with a written report of the monitor's inspection. If the monitoring report finds deficiencies in City's performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by City. Failure by City to take action as specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section XIV of this Agreement.

SECTION VII
Conflict of Interest

In compliance with 24 CFR 611, the City and County both covenant that no member of their respective governing bodies nor any staff member who exercises influence on the decision making process, presently has or will have any interest, direct or indirect, with any person, corporation**,** company or association that is hired to carry out any of the activities so listed on Exhibit A or will receive federal assistance from any activity.

The City and County both agree that no person who is an elected official, employee, consultant, or agent of the City or County shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Exhibit A during their tenure or for a period of one year thereafter.

No City or County employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described on Exhibit A.

Code of Conduct Certification attached to this agreement must be signed by elected officials, employees, consultants, or agents to the City. (See attachment 1A)

SECTION VIII
Religious Activities

The City and County both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this program be used for sectarian or religious activities.

SECTION IX
Real and Property Assets

The City and County agree that any property, real or personal, duly acquired with CDBG funds allocated to City shall become property of the City and shall be afforded the same maintenance and protection as other City property. City and County further agree that any real or personal property acquired shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

City agrees not to purchase any real or personal assets unless so permitted by the County and such procurement shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

The City agrees to maintain any real or personal asset in a prudent manner so as to ensure its useful life and to protect the federal government's interest in such real or personal asset from the perils of fire, storm, flood or theft through insurance coverage in the amount as may be deemed prudent by County. Failure to secure such protection shall be cause for termination of this agreement.

Any asset acquired or improved in part or in whole with CDBG funds must be used in an activity that is eligible and meets one of the national objectives listed in 24 CFR 570.208. Any asset acquired or improved in part or in whole with CDBG funds in excess of $ 25,000 must be used for the CDBG activity so planned including the beneficiaries of such use. Any change in use or beneficiaries must be subject to the citizen participation requirements and approved by the County.

Should any use of an asset not qualify as meeting one of the national objectives or is not an eligible use under 24 CFR 570.200, the City shall reimburse the County the amount of the current fair market value of the asset less any portion thereof attributable to expenditures of non-CDBG funds in the acquisition or improvement of the asset.

The above requirements attributed to assets over $ 25,000 shall remain in force for a period of five years after the final closeout of the County's participation in the Urban County Program. The disposition of any asset improved or acquired in part or in whole with CDBG funds by the City must be done with prior approval of the County and the County shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The County may, at its option, request that such asset be transferred to the County if the asset is no longer being used to meet one of the national objectives or in any case where the City no longer uses the asset for its intended use.

SECTION X
Jurisdiction

The City and County agree to accept the jurisdiction of the Department of Housing and Urban Development in matters relating to the proper administration of programs and the proper expenditure of CDBG funds.

The City and County agree that the County is responsible for the proper administration of programs and the proper expenditure of CDBG funds and recognize that the County will be responsible for audit or programmatic findings or exceptions made by the HUD or any other agency that may exercise jurisdiction over HUD or any other agency that may exercise jurisdiction over HUD funds or programs.

In cases of an audit finding or exception based on action or inaction, representation or misrepresentation of the City, the City agrees to resolve such audit finding or exception for and on behalf of the County. Remedial actions that may be taken for the resolution of an audit finding or exception are defined in 24 CFR 570.910 and include the withholding of funds to the City for any outstanding finding(s) or exception(s). Exhibit-E

The City understands and agrees this Interlocal Agreement shall remain in full force and effect until the Department of Housing and Urban Development has closed this Program Year **(B-12-UC-48-0501)** and accepted any resolutions to any and all audit or programmatic finding(s) or concern(s).

SECTION XI
Payment Requests and Program Income

The City agrees to follow administrative directions from the County in the areas of documenting and processing payment requests. The City further agrees to allow the County to make all payments and to account for all program income from any of its CDBG activities that may generate program income as outlined in this Section.

The City and County agree that program income generated from any approved CDBG project shall be retained by the City as long as such City provides the County by the 15th of each month, an accounting as may be required by the County of program income earned, retained, and expended by the City. The City shall be allowed to use the program income for the same or similar activities as generated the program income. Failure of the City to report program income as required shall cause the County to require all program income to be recovered by the County.

SECTION XII
Section 108 Loan Guarantee

County and City both agree that they may implement certain eligible activities as outlined in 24 CFR 570.703 with loan funds from the Section 108 Loan Guarantee Program as described in 24 CFR 570.700-709 approved and adopted November 6, 1991 (Vol. 56, No. 215 Federal Register).

The County and City will be allowed to submit an application for such funds per funding year in an amount less than three times its current allocation. Should the City or County submit more than one application during any combination of years, the cumulative amount of loan funds requested shall not exceed the total amount of five years of the current allocation. The City agrees that it will bear the full expense of obtaining Section 108 financing for the period of the repayment of Section 108 funds.

The County and City agree that they will maintain a legal binding relationship with each other under the terms of this Agreement and all previously signed Cooperation Agreement if the City wishes to participate in the Section 108 Loan Guarantee Program for the full term of the Section 108 Loan Agreement. The City agrees to pledge its current and future CDBG allocation and other security consideration as may be required, depending on the project risk, as security for the Section 108 Loan and such security pledge shall not bind or affect other cities' allocation in the Urban County Program.

Such legal binding relationship and security pledge shall remain in full force and effect for the full term of the Section 108 Loan Guarantee agreement and this agreement shall survive for the term of the Section 108 Loan. Details of any current Section 108 loan is included herein as Exhibit "C" if applicable.

SECTION XIII
Legal Action

The City agrees to notify the County when a problem arises that may lead to any legal action or claim against the City and/or County. The City agrees to furnish to the County any information with respect to such action or claim. The City agrees not to take any action with respect to any legal matter or claim sought against the City and/or County without advice and consent of the County.

SECTION XIV
Suspension and Termination

City understands that this agreement may be suspended or terminated in accordance with 24 CFR 85.43 if the City materially fails to comply with the provisions of this agreement or the provisions so listed on Exhibits A through E. Termination for convenience may be implemented in accordance to the provisions listed in 24 CFR 85.44.

SECTION XV
Changes or Amendments

The City agrees to notify the County on any changes or amendments that it may desire or need to carry out the CDBG program in its area. All changes or amendments must first obtain approval from the County prior to implementation. All changes or amendments must conform to all federal rules and regulations applicable to the CDBG program.

SECTION XVI
Essential Powers

The City agrees that the County has the essential powers to implement any aspect of those activities identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy inclusive of specific projects identified in the annual One-Year Action Plan and subsequent amendments. The City further agrees to allow the County the authority to initiate, undertake and implement said projects within its jurisdictional boundaries without further notice to City by County for all projects identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy, Annual Action Plan and subsequent amendments to the Plans herein incorporated by reference.

Approved and signed this ____ Day of _____, 2012.

ATTEST:

Arturo Guajardo, Jr. **County Clerk**	**Ramon Garcia,** **Hidalgo County Judge**

ATTEST:

CITY SECRETARY	**MAYOR**

DATE

Approved by: _____
Steve Crain, Legal Counsel

2012 INTERLOCAL AGREEMENT

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This Interlocal Agreement, made and entered into by and between the County of Hidalgo, a political subdivision of the State of Texas, hereafter referred to as the "County" and the **City of Edcouch**, a municipal corporation under the laws of the State of Texas, hereafter referred to as "City".

WITNESSETH

WHEREAS, the Department of Housing and Urban Development made a Determination of Essential Powers on November 16, 1987 which depicts Hidalgo County as having the "essential powers" to carry out community renewal and lower income housing assistance in the County, and

WHEREAS, the Department of Housing and Urban Development formally allocated **$7,639,061.00** of Fiscal Year **2012** Community Development Block Grant (CDBG) Funds under Grant No. **B-12-UC-48-0501** to County, and

WHEREAS, the City and County have entered into a Cooperation Agreement which allows the County to use the City's population as the basis for qualification as an Urban County, and

WHEREAS, both the County and the City need to set out basic administrative understandings for the proper expenditure of CDBG funds as set out in 24 CFR. 570 and other related federal rules and regulations as they apply to Subrecipients.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the County and the City do mutually agree as follows:

SECTION I
Rules and Regulations

The City agrees to cooperate with the County in respect to the implementation of CDBG activities to be carried out in the City's jurisdiction as per 24 CFR 570 and other rules, regulations and decisions as may be made by the Department of Housing and Urban Development or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG funds. Both City and County agree and understand that the County is the grantee for the CDBG funds and the City is subject to all rules and regulations governing Subrecipients under 24 CFR 570.

SECTION II
Applicability of Uniform
Administrative Requirements

The County understands that it is responsible for the maintenance, retention, accessibility and public disclosure of all records, expenditures and files as may be promulgated for the administration of CDBG funds and as may be required by 24 CFR 570 and the "Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments." (24 CFR Part 85) or any variation as may be approved by HUD The City agrees to work with the County to make available all data, information and records as may be necessary for the proper accounting of all CDBG expenditures and activities. A description of City and County responsibilities can be found in Exhibit B MATRIX. City agrees to make all records available to the County and shall not be the custodian of any official records or information.

City agrees to comply with OMB Circular No. A-87, "Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally Recognized Indian Tribal Governments,: OMB Circular A-133, "Audits of State and Local Governments" (implemented at 24 CFR Part 44) and with the following sections of 24 CFR Part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government":

(1) Section 85.3, "Definitions";
(2) Section 85.6, "Exceptions";
(3) Section 85.12, Special grant or subgrant conditions for "high-risk "grantees";
(4) Section 85.20, "Standards for financial management systems," except paragraph (a);
(5) Section 85.21, "Payment," except as modified by SS570.513;
(6) Section 85.22, "Allowable costs";
(7) Section 85.26, "Non-federal audits"
(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;
(9) Section 85.33, "Supplies";
(10) Section 85.34, "Copyrights";
(11) Section 85.35, "Subawards to debarred and suspended parties";
(12) Section 85.36, "Procurement," except paragraph (a);
(13) Section 85.37, "Subgrants";
(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) - (d) and (f);
(15) Section 85.41, "Financial Reporting." except paragraphs (a), (b), and (e);
(16) Section 85.42, "Retention and access requirements for records";
(17) Section 85.43, "Enforcement";
(18) Section 85.44, "Termination for convenience";
(19) Section 85.51, "Later disallowances and adjustments"; and
(20) Section 85.52, "Collection of amounts due."

Not withstanding the requirements of OMB Circular A-133; the City agrees to submit a yearly Certified City Financial Audit regardless of the dollar amount expended in that fiscal year in the time and manner prescribed by the County.

SECTION III
Other Program Requirements

The City agrees to comply with "Other Program Requirements" as listed in Exhibit D (24 CFR 570.600-611) except for the environmental responsibilities outlined at 24 CFR 570.604 and the review process under Executive Order 12372.

SECTION IV
Allocation

The City understands that the Urban County allocation has been set at **$7,639,061.00** for **Fiscal Year 2012** and that City's allotment has been set at **$278,900.00** The City agrees to cooperate with the county in the expenditure of these funds for the activities so described in Exhibit A of this Agreement ant that Exhibit A is an integral part of this Agreement.

The City further agrees to inform the County on any changes in scope, funding or location of the activities listed on Exhibit A prior to executing any change. Any changes proposed by City must be approved by the County in reference to eligibility, program compliance and citizen participation requirements.

City and County mutually agree that the City shall have four (4) fiscal years to properly expend or cause to be expended, according to all applicable rules and regulations, all funds allocated to it in **Fiscal Year 2012**. In consideration for the same, the City agrees not to have more than 1.5 times its annual allocation in its line of credit by **April 30, 2013** Funds in excess of the 1.5 standards shall be subject to the Recapture Policy of the Urban County Program. The County shall recapture any and all unobligated funds that a City fails to expend or obligate by **June 30, 2013** and shall expend such unobligated funds as it may deem appropriate.

SECTION V
Access

The City and County both agree to give the Department of Housing and Urban Development, the Inspector General, the Comptroller General of the United States, or any of its authorized representatives, access to and the right to examine, excerpt and transcribe all books, accounts, records, reports, files and other papers, things, or property belonging to or in use by the City or County for a period as such records are legally required to be maintained by the City or County.

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SECTION VII
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In compliance with 24 CFR 611, the City and County both covenant that no member of their respective governing bodies nor any staff member who exercises influence on the decision making process, presently has or will have any interest, direct or indirect, with any person, corporation**,** company or association that is hired to carry out any of the activities so listed on Exhibit A or will receive federal assistance from any activity.

The City and County both agree that no person who is an elected official, employee, consultant, or agent of the City or County shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Exhibit A during their tenure or for a period of one year thereafter.

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Code of Conduct Certification attached to this agreement must be signed by elected officials, employees, consultants, or agents to the City. (See attachment 1A)

SECTION VIII
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The City and County both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this program be used for sectarian or religious activities.

SECTION IX
Real and Property Assets

The City and County agree that any property, real or personal, duly acquired with CDBG funds allocated to City shall become property of the City and shall be afforded the same maintenance and protection as other City property. City and County further agree that any real or personal property acquired shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

City agrees not to purchase any real or personal assets unless so permitted by the County and such procurement shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

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Should any use of an asset not qualify as meeting one of the national objectives or is not an eligible use under 24 CFR 570.200, the City shall reimburse the County the amount of the current fair market value of the asset less any portion thereof attributable to expenditures of non-CDBG funds in the acquisition or improvement of the asset.

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SECTION X
Jurisdiction

The City and County agree to accept the jurisdiction of the Department of Housing and Urban Development in matters relating to the proper administration of programs and the proper expenditure of CDBG funds.

The City and County agree that the County is responsible for the proper administration of programs and the proper expenditure of CDBG funds and recognize that the County will be responsible for audit or programmatic findings or exceptions made by the HUD or any other agency that may exercise jurisdiction over HUD or any other agency that may exercise jurisdiction over HUD funds or programs.

In cases of an audit finding or exception based on action or inaction, representation or misrepresentation of the City, the City agrees to resolve such audit finding or exception for and on behalf of the County. Remedial actions that may be taken for the resolution of an audit finding or exception are defined in 24 CFR 570.910 and include the withholding of funds to the City for any outstanding finding(s) or exception(s). Exhibit-E

The City understands and agrees this Interlocal Agreement shall remain in full force and effect until the Department of Housing and Urban Development has closed this Program Year **(B-12-UC-48-0501)** and accepted any resolutions to any and all audit or programmatic finding(s) or concern(s).

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The City and County agree that program income generated from any approved CDBG project shall be retained by the City as long as such City provides the County by the 15th of each month, an accounting as may be required by the County of program income earned, retained, and expended by the City. The City shall be allowed to use the program income for the same or similar activities as generated the program income. Failure of the City to report program income as required shall cause the County to require all program income to be recovered by the County.

SECTION XII
Section 108 Loan Guarantee

County and City both agree that they may implement certain eligible activities as outlined in 24 CFR 570.703 with loan funds from the Section 108 Loan Guarantee Program as described in 24 CFR 570.700-709 approved and adopted November 6, 1991 (Vol. 56, No. 215 Federal Register).

The County and City will be allowed to submit an application for such funds per funding year in an amount less than three times its current allocation. Should the City or County submit more than one application during any combination of years, the cumulative amount of loan funds requested shall not exceed the total amount of five years of the current allocation. The City agrees that it will bear the full expense of obtaining Section 108 financing for the period of the repayment of Section 108 funds.

The County and City agree that they will maintain a legal binding relationship with each other under the terms of this Agreement and all previously signed Cooperation Agreement if the City wishes to participate in the Section 108 Loan Guarantee Program for the full term of the Section 108 Loan Agreement. The City agrees to pledge its current and future CDBG allocation and other security consideration as may be required, depending on the project risk, as security for the Section 108 Loan and such security pledge shall not bind or affect other cities' allocation in the Urban County Program.

Such legal binding relationship and security pledge shall remain in full force and effect for the full term of the Section 108 Loan Guarantee agreement and this agreement shall survive for the term of the Section 108 Loan. Details of any current Section 108 loan is included herein as Exhibit "C" if applicable.

SECTION XIII
Legal Action

The City agrees to notify the County when a problem arises that may lead to any legal action or claim against the City and/or County. The City agrees to furnish to the County any information with respect to such action or claim. The City agrees not to take any action with respect to any legal matter or claim sought against the City and/or County without advice and consent of the County.

SECTION XIV
Suspension and Termination

City understands that this agreement may be suspended or terminated in accordance with 24 CFR 85.43 if the City materially fails to comply with the provisions of this agreement or the provisions so listed on Exhibits A through E. Termination for convenience may be implemented in accordance to the provisions listed in 24 CFR 85.44.

SECTION XV
Changes or Amendments

The City agrees to notify the County on any changes or amendments that it may desire or need to carry out the CDBG program in its area. All changes or amendments must first obtain approval from the County prior to implementation. All changes or amendments must conform to all federal rules and regulations applicable to the CDBG program.

SECTION XVI
Essential Powers

The City agrees that the County has the essential powers to implement any aspect of those activities identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy inclusive of specific projects identified in the annual One-Year Action Plan and subsequent amendments. The City further agrees to allow the County the authority to initiate, undertake and implement said projects within its jurisdictional boundaries without further notice to City by County for all projects identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy, Annual Action Plan and subsequent amendments to the Plans herein incorporated by reference.

Approved and signed this ____ Day of _____, 2012.

ATTEST:

Arturo Guajardo, Jr. **County Clerk**	**Ramon Garcia,** **Hidalgo County Judge**

ATTEST:

CITY SECRETARY	**MAYOR**

DATE

Approved by: _____
Steve Crain, Legal Counsel

2012 INTERLOCAL AGREEMENT

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This Interlocal Agreement, made and entered into by and between the County of Hidalgo, a political subdivision of the State of Texas, hereafter referred to as the "County" and the **City of Elsa,** a municipal corporation under the laws of the State of Texas, hereafter referred to as "City".

WITNESSETH

WHEREAS, the Department of Housing and Urban Development made a Determination of Essential Powers on November 16, 1987 which depicts Hidalgo County as having the "essential powers" to carry out community renewal and lower income housing assistance in the County, and

WHEREAS, the Department of Housing and Urban Development formally allocated **$7,639,061.00** of Fiscal Year **2012** Community Development Block Grant (CDBG) Funds under Grant No. **B-12-UC-48-0501** to County, and

WHEREAS, the City and County have entered into a Cooperation Agreement which allows the County to use the City's population as the basis for qualification as an Urban County, and

WHEREAS, both the County and the City need to set out basic administrative understandings for the proper expenditure of CDBG funds as set out in 24 CFR. 570 and other related federal rules and regulations as they apply to Subrecipients.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the County and the City do mutually agree as follows:

SECTION I
Rules and Regulations

The City agrees to cooperate with the County in respect to the implementation of CDBG activities to be carried out in the City's jurisdiction as per 24 CFR 570 and other rules, regulations and decisions as may be made by the Department of Housing and Urban Development or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG funds. Both City and County agree and understand that the County is the grantee for the CDBG funds and the City is subject to all rules and regulations governing Subrecipients under 24 CFR 570.

SECTION II
Applicability of Uniform
Administrative Requirements

The County understands that it is responsible for the maintenance, retention, accessibility and public disclosure of all records, expenditures and files as may be promulgated for the administration of CDBG funds and as may be required by 24 CFR 570 and the "Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments." (24 CFR Part 85) or any variation as may be approved by HUD The City agrees to work with the County to make available all data, information and records as may be necessary for the proper accounting of all CDBG expenditures and activities. A description of City and County responsibilities can be found in Exhibit B MATRIX. City agrees to make all records available to the County and shall not be the custodian of any official records or information.

City agrees to comply with OMB Circular No. A-87, "Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally Recognized Indian Tribal Governments,: OMB Circular A-133, "Audits of State and Local Governments" (implemented at 24 CFR Part 44) and with the following sections of 24 CFR Part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government":

(1) Section 85.3, "Definitions";
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(3) Section 85.12, Special grant or subgrant conditions for "high-risk "grantees";
(4) Section 85.20, "Standards for financial management systems," except paragraph (a);
(5) Section 85.21, "Payment," except as modified by SS570.513;
(6) Section 85.22, "Allowable costs";
(7) Section 85.26, "Non-federal audits"
(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;
(9) Section 85.33, "Supplies";
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(11) Section 85.35, "Subawards to debarred and suspended parties";
(12) Section 85.36, "Procurement," except paragraph (a);
(13) Section 85.37, "Subgrants";
(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) - (d) and (f);
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(16) Section 85.42, "Retention and access requirements for records";
(17) Section 85.43, "Enforcement";
(18) Section 85.44, "Termination for convenience";
(19) Section 85.51, "Later disallowances and adjustments"; and
(20) Section 85.52, "Collection of amounts due."

Not withstanding the requirements of OMB Circular A-133; the City agrees to submit a yearly Certified City Financial Audit regardless of the dollar amount expended in that fiscal year in the time and manner prescribed by the County.

SECTION III
Other Program Requirements

The City agrees to comply with "Other Program Requirements" as listed in Exhibit D (24 CFR 570.600-611) except for the environmental responsibilities outlined at 24 CFR 570.604 and the review process under Executive Order 12372.

SECTION IV
Allocation

The City understands that the Urban County allocation has been set at **$7,639,061.00** for **Fiscal Year 2012** and that City's allotment has been set at **$278,900.00** The City agrees to cooperate with the county in the expenditure of these funds for the activities so described in Exhibit A of this Agreement ant that Exhibit A is an integral part of this Agreement.

The City further agrees to inform the County on any changes in scope, funding or location of the activities listed on Exhibit A prior to executing any change. Any changes proposed by City must be approved by the County in reference to eligibility, program compliance and citizen participation requirements.

City and County mutually agree that the City shall have four (4) fiscal years to properly expend or cause to be expended, according to all applicable rules and regulations, all funds allocated to it in **Fiscal Year 2012**. In consideration for the same, the City agrees not to have more than 1.5 times its annual allocation in its line of credit by **April 30, 2013** Funds in excess of the 1.5 standards shall be subject to the Recapture Policy of the Urban County Program. The County shall recapture any and all unobligated funds that a City fails to expend or obligate by **June 30, 2013** and shall expend such unobligated funds as it may deem appropriate.

SECTION V
Access

The City and County both agree to give the Department of Housing and Urban Development, the Inspector General, the Comptroller General of the United States, or any of its authorized representatives, access to and the right to examine, excerpt and transcribe all books, accounts, records, reports, files and other papers, things, or property belonging to or in use by the City or County for a period as such records are legally required to be maintained by the City or County.

SECTION VI
Monitoring

The County reserves the right to carry out regular and periodic field inspections to ensure compliance with the requirements of this Agreement. City shall attend a compliance seminar after the award of funds and prior to the first draw. After each monitoring visit, County shall provide City with a written report of the monitor's inspection. If the monitoring report finds deficiencies in City's performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by City. Failure by City to take action as specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section XIV of this Agreement.

SECTION VII
Conflict of Interest

In compliance with 24 CFR 611, the City and County both covenant that no member of their respective governing bodies nor any staff member who exercises influence on the decision making process, presently has or will have any interest, direct or indirect, with any person, corporation**,** company or association that is hired to carry out any of the activities so listed on Exhibit A or will receive federal assistance from any activity.

The City and County both agree that no person who is an elected official, employee, consultant, or agent of the City or County shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Exhibit A during their tenure or for a period of one year thereafter.

No City or County employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described on Exhibit A.

Code of Conduct Certification attached to this agreement must be signed by elected officials, employees, consultants, or agents to the City. (See attachment 1A)

SECTION VIII
Religious Activities

The City and County both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this program be used for sectarian or religious activities.

SECTION IX
Real and Property Assets

The City and County agree that any property, real or personal, duly acquired with CDBG funds allocated to City shall become property of the City and shall be afforded the same maintenance and protection as other City property. City and County further agree that any real or personal property acquired shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

City agrees not to purchase any real or personal assets unless so permitted by the County and such procurement shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

The City agrees to maintain any real or personal asset in a prudent manner so as to ensure its useful life and to protect the federal government's interest in such real or personal asset from the perils of fire, storm, flood or theft through insurance coverage in the amount as may be deemed prudent by County. Failure to secure such protection shall be cause for termination of this agreement.

Any asset acquired or improved in part or in whole with CDBG funds must be used in an activity that is eligible and meets one of the national objectives listed in 24 CFR 570.208. Any asset acquired or improved in part or in whole with CDBG funds in excess of $ 25,000 must be used for the CDBG activity so planned including the beneficiaries of such use. Any change in use or beneficiaries must be subject to the citizen participation requirements and approved by the County.

Should any use of an asset not qualify as meeting one of the national objectives or is not an eligible use under 24 CFR 570.200, the City shall reimburse the County the amount of the current fair market value of the asset less any portion thereof attributable to expenditures of non-CDBG funds in the acquisition or improvement of the asset.

The above requirements attributed to assets over $ 25,000 shall remain in force for a period of five years after the final closeout of the County's participation in the Urban County Program. The disposition of any asset improved or acquired in part or in whole with CDBG funds by the City must be done with prior approval of the County and the County shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The County may, at its option, request that such asset be transferred to the County if the asset is no longer being used to meet one of the national objectives or in any case where the City no longer uses the asset for its intended use.

SECTION X
Jurisdiction

The City and County agree to accept the jurisdiction of the Department of Housing and Urban Development in matters relating to the proper administration of programs and the proper expenditure of CDBG funds.

The City and County agree that the County is responsible for the proper administration of programs and the proper expenditure of CDBG funds and recognize that the County will be responsible for audit or programmatic findings or exceptions made by the HUD or any other agency that may exercise jurisdiction over HUD or any other agency that may exercise jurisdiction over HUD funds or programs.

In cases of an audit finding or exception based on action or inaction, representation or misrepresentation of the City, the City agrees to resolve such audit finding or exception for and on behalf of the County. Remedial actions that may be taken for the resolution of an audit finding or exception are defined in 24 CFR 570.910 and include the withholding of funds to the City for any outstanding finding(s) or exception(s). Exhibit-E

The City understands and agrees this Interlocal Agreement shall remain in full force and effect until the Department of Housing and Urban Development has closed this Program Year **(B-12-UC-48-0501)** and accepted any resolutions to any and all audit or programmatic finding(s) or concern(s).

SECTION XI
Payment Requests and Program Income

The City agrees to follow administrative directions from the County in the areas of documenting and processing payment requests. The City further agrees to allow the County to make all payments and to account for all program income from any of its CDBG activities that may generate program income as outlined in this Section.

The City and County agree that program income generated from any approved CDBG project shall be retained by the City as long as such City provides the County by the 15th of each month, an accounting as may be required by the County of program income earned, retained, and expended by the City. The City shall be allowed to use the program income for the same or similar activities as generated the program income. Failure of the City to report program income as required shall cause the County to require all program income to be recovered by the County.

SECTION XII
Section 108 Loan Guarantee

County and City both agree that they may implement certain eligible activities as outlined in 24 CFR 570.703 with loan funds from the Section 108 Loan Guarantee Program as described in 24 CFR 570.700-709 approved and adopted November 6, 1991 (Vol. 56, No. 215 Federal Register).

The County and City will be allowed to submit an application for such funds per funding year in an amount less than three times its current allocation. Should the City or County submit more than one application during any combination of years, the cumulative amount of loan funds requested shall not exceed the total amount of five years of the current allocation. The City agrees that it will bear the full expense of obtaining Section 108 financing for the period of the repayment of Section 108 funds.

The County and City agree that they will maintain a legal binding relationship with each other under the terms of this Agreement and all previously signed Cooperation Agreement if the City wishes to participate in the Section 108 Loan Guarantee Program for the full term of the Section 108 Loan Agreement. The City agrees to pledge its current and future CDBG allocation and other security consideration as may be required, depending on the project risk, as security for the Section 108 Loan and such security pledge shall not bind or affect other cities' allocation in the Urban County Program.

Such legal binding relationship and security pledge shall remain in full force and effect for the full term of the Section 108 Loan Guarantee agreement and this agreement shall survive for the term of the Section 108 Loan. Details of any current Section 108 loan is included herein as Exhibit "C" if applicable.

SECTION XIII
Legal Action

The City agrees to notify the County when a problem arises that may lead to any legal action or claim against the City and/or County. The City agrees to furnish to the County any information with respect to such action or claim. The City agrees not to take any action with respect to any legal matter or claim sought against the City and/or County without advice and consent of the County.

SECTION XIV
Suspension and Termination

City understands that this agreement may be suspended or terminated in accordance with 24 CFR 85.43 if the City materially fails to comply with the provisions of this agreement or the provisions so listed on Exhibits A through E. Termination for convenience may be implemented in accordance to the provisions listed in 24 CFR 85.44.

SECTION XV
Changes or Amendments

The City agrees to notify the County on any changes or amendments that it may desire or need to carry out the CDBG program in its area. All changes or amendments must first obtain approval from the County prior to implementation. All changes or amendments must conform to all federal rules and regulations applicable to the CDBG program.

SECTION XVI
Essential Powers

The City agrees that the County has the essential powers to implement any aspect of those activities identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy inclusive of specific projects identified in the annual One-Year Action Plan and subsequent amendments. The City further agrees to allow the County the authority to initiate, undertake and implement said projects within its jurisdictional boundaries without further notice to City by County for all projects identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy, Annual Action Plan and subsequent amendments to the Plans herein incorporated by reference.

Approved and signed this ____ Day of _____, 2012.

ATTEST:

Arturo Guajardo, Jr. **County Clerk**	**Ramon Garcia,** **Hidalgo County Judge**

ATTEST:

CITY SECRETARY	**MAYOR**

DATE

Approved by: _____
Steve Crain, Legal Counsel

2012 INTERLOCAL AGREEMENT

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This Interlocal Agreement, made and entered into by and between the County of Hidalgo, a political subdivision of the State of Texas, hereafter referred to as the "County" and the **City of Granjeno**, a municipal corporation under the laws of the State of Texas, hereafter referred to as "City".

WITNESSETH

WHEREAS, the Department of Housing and Urban Development made a Determination of Essential Powers on November 16, 1987 which depicts Hidalgo County as having the "essential powers" to carry out community renewal and lower income housing assistance in the County, and

WHEREAS, the Department of Housing and Urban Development formally allocated **$7,639,061.00** of Fiscal Year **2012** Community Development Block Grant (CDBG) Funds under Grant No. **B-12-UC-48-0501** to County, and

WHEREAS, the City and County have entered into a Cooperation Agreement which allows the County to use the City's population as the basis for qualification as an Urban County, and

WHEREAS, both the County and the City need to set out basic administrative understandings for the proper expenditure of CDBG funds as set out in 24 CFR. 570 and other related federal rules and regulations as they apply to Subrecipients.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the County and the City do mutually agree as follows:

SECTION I
Rules and Regulations

The City agrees to cooperate with the County in respect to the implementation of CDBG activities to be carried out in the City's jurisdiction as per 24 CFR 570 and other rules, regulations and decisions as may be made by the Department of Housing and Urban Development or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG funds. Both City and County agree and understand that the County is the grantee for the CDBG funds and the City is subject to all rules and regulations governing Subrecipients under 24 CFR 570.

SECTION II
Applicability of Uniform
Administrative Requirements

The County understands that it is responsible for the maintenance, retention, accessibility and public disclosure of all records, expenditures and files as may be promulgated for the administration of CDBG funds and as may be required by 24 CFR 570 and the "Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments." (24 CFR Part 85) or any variation as may be approved by HUD The City agrees to work with the County to make available all data, information and records as may be necessary for the proper accounting of all CDBG expenditures and activities. A description of City and County responsibilities can be found in Exhibit B MATRIX. City agrees to make all records available to the County and shall not be the custodian of any official records or information.

City agrees to comply with OMB Circular No. A-87, "Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally Recognized Indian Tribal Governments,: OMB Circular A-133, "Audits of State and Local Governments" (implemented at 24 CFR Part 44) and with the following sections of 24 CFR Part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government":

(1) Section 85.3, "Definitions";
(2) Section 85.6, "Exceptions";
(3) Section 85.12, Special grant or subgrant conditions for "high-risk "grantees";
(4) Section 85.20, "Standards for financial management systems," except paragraph (a);
(5) Section 85.21, "Payment," except as modified by SS570.513;
(6) Section 85.22, "Allowable costs";
(7) Section 85.26, "Non-federal audits"
(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;
(9) Section 85.33, "Supplies";
(10) Section 85.34, "Copyrights";
(11) Section 85.35, "Subawards to debarred and suspended parties";
(12) Section 85.36, "Procurement," except paragraph (a);
(13) Section 85.37, "Subgrants";
(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) - (d) and (f);
(15) Section 85.41, "Financial Reporting." except paragraphs (a), (b), and (e);
(16) Section 85.42, "Retention and access requirements for records";
(17) Section 85.43, "Enforcement";
(18) Section 85.44, "Termination for convenience";
(19) Section 85.51, "Later disallowances and adjustments"; and
(20) Section 85.52, "Collection of amounts due."

Not withstanding the requirements of OMB Circular A-133; the City agrees to submit a yearly Certified City Financial Audit regardless of the dollar amount expended in that fiscal year in the time and manner prescribed by the County.

SECTION III
Other Program Requirements

The City agrees to comply with "Other Program Requirements" as listed in Exhibit D (24 CFR 570.600-611) except for the environmental responsibilities outlined at 24 CFR 570.604 and the review process under Executive Order 12372.

SECTION IV
Allocation

The City understands that the Urban County allocation has been set at **$7,639,061.00** for **Fiscal Year 2012** and that City's allotment has been set at **$278,900.00** The City agrees to cooperate with the county in the expenditure of these funds for the activities so described in Exhibit A of this Agreement ant that Exhibit A is an integral part of this Agreement.

The City further agrees to inform the County on any changes in scope, funding or location of the activities listed on Exhibit A prior to executing any change. Any changes proposed by City must be approved by the County in reference to eligibility, program compliance and citizen participation requirements.

City and County mutually agree that the City shall have four (4) fiscal years to properly expend or cause to be expended, according to all applicable rules and regulations, all funds allocated to it in **Fiscal Year 2012**. In consideration for the same, the City agrees not to have more than 1.5 times its annual allocation in its line of credit by **April 30, 2013** Funds in excess of the 1.5 standards shall be subject to the Recapture Policy of the Urban County Program. The County shall recapture any and all unobligated funds that a City fails to expend or obligate by **June 30, 2013** and shall expend such unobligated funds as it may deem appropriate.

SECTION V
Access

The City and County both agree to give the Department of Housing and Urban Development, the Inspector General, the Comptroller General of the United States, or any of its authorized representatives, access to and the right to examine, excerpt and transcribe all books, accounts, records, reports, files and other papers, things, or property belonging to or in use by the City or County for a period as such records are legally required to be maintained by the City or County.

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Monitoring

The County reserves the right to carry out regular and periodic field inspections to ensure compliance with the requirements of this Agreement. City shall attend a compliance seminar after the award of funds and prior to the first draw. After each monitoring visit, County shall provide City with a written report of the monitor's inspection. If the monitoring report finds deficiencies in City's performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by City. Failure by City to take action as specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section XIV of this Agreement.

SECTION VII
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In compliance with 24 CFR 611, the City and County both covenant that no member of their respective governing bodies nor any staff member who exercises influence on the decision making process, presently has or will have any interest, direct or indirect, with any person, corporation**,** company or association that is hired to carry out any of the activities so listed on Exhibit A or will receive federal assistance from any activity.

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The City and County agree that any property, real or personal, duly acquired with CDBG funds allocated to City shall become property of the City and shall be afforded the same maintenance and protection as other City property. City and County further agree that any real or personal property acquired shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

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SECTION X
Jurisdiction

The City and County agree to accept the jurisdiction of the Department of Housing and Urban Development in matters relating to the proper administration of programs and the proper expenditure of CDBG funds.

The City and County agree that the County is responsible for the proper administration of programs and the proper expenditure of CDBG funds and recognize that the County will be responsible for audit or programmatic findings or exceptions made by the HUD or any other agency that may exercise jurisdiction over HUD or any other agency that may exercise jurisdiction over HUD funds or programs.

In cases of an audit finding or exception based on action or inaction, representation or misrepresentation of the City, the City agrees to resolve such audit finding or exception for and on behalf of the County. Remedial actions that may be taken for the resolution of an audit finding or exception are defined in 24 CFR 570.910 and include the withholding of funds to the City for any outstanding finding(s) or exception(s). Exhibit-E

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The County and City agree that they will maintain a legal binding relationship with each other under the terms of this Agreement and all previously signed Cooperation Agreement if the City wishes to participate in the Section 108 Loan Guarantee Program for the full term of the Section 108 Loan Agreement. The City agrees to pledge its current and future CDBG allocation and other security consideration as may be required, depending on the project risk, as security for the Section 108 Loan and such security pledge shall not bind or affect other cities' allocation in the Urban County Program.

Such legal binding relationship and security pledge shall remain in full force and effect for the full term of the Section 108 Loan Guarantee agreement and this agreement shall survive for the term of the Section 108 Loan. Details of any current Section 108 loan is included herein as Exhibit "C" if applicable.

SECTION XIII
Legal Action

The City agrees to notify the County when a problem arises that may lead to any legal action or claim against the City and/or County. The City agrees to furnish to the County any information with respect to such action or claim. The City agrees not to take any action with respect to any legal matter or claim sought against the City and/or County without advice and consent of the County.

SECTION XIV
Suspension and Termination

City understands that this agreement may be suspended or terminated in accordance with 24 CFR 85.43 if the City materially fails to comply with the provisions of this agreement or the provisions so listed on Exhibits A through E. Termination for convenience may be implemented in accordance to the provisions listed in 24 CFR 85.44.

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The City agrees to notify the County on any changes or amendments that it may desire or need to carry out the CDBG program in its area. All changes or amendments must first obtain approval from the County prior to implementation. All changes or amendments must conform to all federal rules and regulations applicable to the CDBG program.

SECTION XVI
Essential Powers

The City agrees that the County has the essential powers to implement any aspect of those activities identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy inclusive of specific projects identified in the annual One-Year Action Plan and subsequent amendments. The City further agrees to allow the County the authority to initiate, undertake and implement said projects within its jurisdictional boundaries without further notice to City by County for all projects identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy, Annual Action Plan and subsequent amendments to the Plans herein incorporated by reference.

Approved and signed this ____ Day of _____, 2012.

ATTEST:

Arturo Guajardo, Jr. **County Clerk**	**Ramon Garcia,** **Hidalgo County Judge**

ATTEST:

CITY SECRETARY	**MAYOR**

DATE

Approved by: _____
Steve Crain, Legal Counsel

2012 INTERLOCAL AGREEMENT

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This Interlocal Agreement, made and entered into by and between the County of Hidalgo, a political subdivision of the State of Texas, hereafter referred to as the "County" and the **City of Hidalgo,** a municipal corporation under the laws of the State of Texas, hereafter referred to as "City".

WITNESSETH

WHEREAS, the Department of Housing and Urban Development made a Determination of Essential Powers on November 16, 1987 which depicts Hidalgo County as having the "essential powers" to carry out community renewal and lower income housing assistance in the County, and

WHEREAS, the Department of Housing and Urban Development formally allocated **$7,639,061.00** of Fiscal Year **2012** Community Development Block Grant (CDBG) Funds under Grant No. **B-12-UC-48-0501** to County, and

WHEREAS, the City and County have entered into a Cooperation Agreement which allows the County to use the City's population as the basis for qualification as an Urban County, and

WHEREAS, both the County and the City need to set out basic administrative understandings for the proper expenditure of CDBG funds as set out in 24 CFR. 570 and other related federal rules and regulations as they apply to Subrecipients.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the County and the City do mutually agree as follows:

SECTION I
Rules and Regulations

The City agrees to cooperate with the County in respect to the implementation of CDBG activities to be carried out in the City's jurisdiction as per 24 CFR 570 and other rules, regulations and decisions as may be made by the Department of Housing and Urban Development or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG funds. Both City and County agree and understand that the County is the grantee for the CDBG funds and the City is subject to all rules and regulations governing Subrecipients under 24 CFR 570.

SECTION II
Applicability of Uniform
Administrative Requirements

The County understands that it is responsible for the maintenance, retention, accessibility and public disclosure of all records, expenditures and files as may be promulgated for the administration of CDBG funds and as may be required by 24 CFR 570 and the "Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments." (24 CFR Part 85) or any variation as may be approved by HUD The City agrees to work with the County to make available all data, information and records as may be necessary for the proper accounting of all CDBG expenditures and activities. A description of City and County responsibilities can be found in Exhibit B MATRIX. City agrees to make all records available to the County and shall not be the custodian of any official records or information.

City agrees to comply with OMB Circular No. A-87, "Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally Recognized Indian Tribal Governments,: OMB Circular A-133, "Audits of State and Local Governments" (implemented at 24 CFR Part 44) and with the following sections of 24 CFR Part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government":

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(19) Section 85.51, "Later disallowances and adjustments"; and
(20) Section 85.52, "Collection of amounts due."

Not withstanding the requirements of OMB Circular A-133; the City agrees to submit a yearly Certified City Financial Audit regardless of the dollar amount expended in that fiscal year in the time and manner prescribed by the County.

SECTION III
Other Program Requirements

The City agrees to comply with "Other Program Requirements" as listed in Exhibit D (24 CFR 570.600-611) except for the environmental responsibilities outlined at 24 CFR 570.604 and the review process under Executive Order 12372.

SECTION IV
Allocation

The City understands that the Urban County allocation has been set at **$7,639,061.00** for **Fiscal Year 2012** and that City's allotment has been set at **$278,900.00** The City agrees to cooperate with the county in the expenditure of these funds for the activities so described in Exhibit A of this Agreement ant that Exhibit A is an integral part of this Agreement.

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City and County mutually agree that the City shall have four (4) fiscal years to properly expend or cause to be expended, according to all applicable rules and regulations, all funds allocated to it in **Fiscal Year 2012**. In consideration for the same, the City agrees not to have more than 1.5 times its annual allocation in its line of credit by **April 30, 2013** Funds in excess of the 1.5 standards shall be subject to the Recapture Policy of the Urban County Program. The County shall recapture any and all unobligated funds that a City fails to expend or obligate by **June 30, 2013** and shall expend such unobligated funds as it may deem appropriate.

SECTION V
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The City and County both agree to give the Department of Housing and Urban Development, the Inspector General, the Comptroller General of the United States, or any of its authorized representatives, access to and the right to examine, excerpt and transcribe all books, accounts, records, reports, files and other papers, things, or property belonging to or in use by the City or County for a period as such records are legally required to be maintained by the City or County.

SECTION VI
Monitoring

The County reserves the right to carry out regular and periodic field inspections to ensure compliance with the requirements of this Agreement. City shall attend a compliance seminar after the award of funds and prior to the first draw. After each monitoring visit, County shall provide City with a written report of the monitor's inspection. If the monitoring report finds deficiencies in City's performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by City. Failure by City to take action as specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section XIV of this Agreement.

SECTION VII
Conflict of Interest

In compliance with 24 CFR 611, the City and County both covenant that no member of their respective governing bodies nor any staff member who exercises influence on the decision making process, presently has or will have any interest, direct or indirect, with any person, corporation**,** company or association that is hired to carry out any of the activities so listed on Exhibit A or will receive federal assistance from any activity.

The City and County both agree that no person who is an elected official, employee, consultant, or agent of the City or County shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Exhibit A during their tenure or for a period of one year thereafter.

No City or County employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described on Exhibit A.

Code of Conduct Certification attached to this agreement must be signed by elected officials, employees, consultants, or agents to the City. (See attachment 1A)

SECTION VIII
Religious Activities

The City and County both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this program be used for sectarian or religious activities.

SECTION IX
Real and Property Assets

The City and County agree that any property, real or personal, duly acquired with CDBG funds allocated to City shall become property of the City and shall be afforded the same maintenance and protection as other City property. City and County further agree that any real or personal property acquired shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

City agrees not to purchase any real or personal assets unless so permitted by the County and such procurement shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

The City agrees to maintain any real or personal asset in a prudent manner so as to ensure its useful life and to protect the federal government's interest in such real or personal asset from the perils of fire, storm, flood or theft through insurance coverage in the amount as may be deemed prudent by County. Failure to secure such protection shall be cause for termination of this agreement.

Any asset acquired or improved in part or in whole with CDBG funds must be used in an activity that is eligible and meets one of the national objectives listed in 24 CFR 570.208. Any asset acquired or improved in part or in whole with CDBG funds in excess of $ 25,000 must be used for the CDBG activity so planned including the beneficiaries of such use. Any change in use or beneficiaries must be subject to the citizen participation requirements and approved by the County.

Should any use of an asset not qualify as meeting one of the national objectives or is not an eligible use under 24 CFR 570.200, the City shall reimburse the County the amount of the current fair market value of the asset less any portion thereof attributable to expenditures of non-CDBG funds in the acquisition or improvement of the asset.

The above requirements attributed to assets over $ 25,000 shall remain in force for a period of five years after the final closeout of the County's participation in the Urban County Program. The disposition of any asset improved or acquired in part or in whole with CDBG funds by the City must be done with prior approval of the County and the County shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The County may, at its option, request that such asset be transferred to the County if the asset is no longer being used to meet one of the national objectives or in any case where the City no longer uses the asset for its intended use.

SECTION X
Jurisdiction

The City and County agree to accept the jurisdiction of the Department of Housing and Urban Development in matters relating to the proper administration of programs and the proper expenditure of CDBG funds.

The City and County agree that the County is responsible for the proper administration of programs and the proper expenditure of CDBG funds and recognize that the County will be responsible for audit or programmatic findings or exceptions made by the HUD or any other agency that may exercise jurisdiction over HUD or any other agency that may exercise jurisdiction over HUD funds or programs.

In cases of an audit finding or exception based on action or inaction, representation or misrepresentation of the City, the City agrees to resolve such audit finding or exception for and on behalf of the County. Remedial actions that may be taken for the resolution of an audit finding or exception are defined in 24 CFR 570.910 and include the withholding of funds to the City for any outstanding finding(s) or exception(s). Exhibit-E

The City understands and agrees this Interlocal Agreement shall remain in full force and effect until the Department of Housing and Urban Development has closed this Program Year **(B-12-UC-48-0501)** and accepted any resolutions to any and all audit or programmatic finding(s) or concern(s).

SECTION XI
Payment Requests and Program Income

The City agrees to follow administrative directions from the County in the areas of documenting and processing payment requests. The City further agrees to allow the County to make all payments and to account for all program income from any of its CDBG activities that may generate program income as outlined in this Section.

The City and County agree that program income generated from any approved CDBG project shall be retained by the City as long as such City provides the County by the 15th of each month, an accounting as may be required by the County of program income earned, retained, and expended by the City. The City shall be allowed to use the program income for the same or similar activities as generated the program income. Failure of the City to report program income as required shall cause the County to require all program income to be recovered by the County.

SECTION XII
Section 108 Loan Guarantee

County and City both agree that they may implement certain eligible activities as outlined in 24 CFR 570.703 with loan funds from the Section 108 Loan Guarantee Program as described in 24 CFR 570.700-709 approved and adopted November 6, 1991 (Vol. 56, No. 215 Federal Register).

The County and City will be allowed to submit an application for such funds per funding year in an amount less than three times its current allocation. Should the City or County submit more than one application during any combination of years, the cumulative amount of loan funds requested shall not exceed the total amount of five years of the current allocation. The City agrees that it will bear the full expense of obtaining Section 108 financing for the period of the repayment of Section 108 funds.

The County and City agree that they will maintain a legal binding relationship with each other under the terms of this Agreement and all previously signed Cooperation Agreement if the City wishes to participate in the Section 108 Loan Guarantee Program for the full term of the Section 108 Loan Agreement. The City agrees to pledge its current and future CDBG allocation and other security consideration as may be required, depending on the project risk, as security for the Section 108 Loan and such security pledge shall not bind or affect other cities' allocation in the Urban County Program.

Such legal binding relationship and security pledge shall remain in full force and effect for the full term of the Section 108 Loan Guarantee agreement and this agreement shall survive for the term of the Section 108 Loan. Details of any current Section 108 loan is included herein as Exhibit "C" if applicable.

SECTION XIII
Legal Action

The City agrees to notify the County when a problem arises that may lead to any legal action or claim against the City and/or County. The City agrees to furnish to the County any information with respect to such action or claim. The City agrees not to take any action with respect to any legal matter or claim sought against the City and/or County without advice and consent of the County.

SECTION XIV
Suspension and Termination

City understands that this agreement may be suspended or terminated in accordance with 24 CFR 85.43 if the City materially fails to comply with the provisions of this agreement or the provisions so listed on Exhibits A through E. Termination for convenience may be implemented in accordance to the provisions listed in 24 CFR 85.44.

SECTION XV
Changes or Amendments

The City agrees to notify the County on any changes or amendments that it may desire or need to carry out the CDBG program in its area. All changes or amendments must first obtain approval from the County prior to implementation. All changes or amendments must conform to all federal rules and regulations applicable to the CDBG program.

SECTION XVI
Essential Powers

The City agrees that the County has the essential powers to implement any aspect of those activities identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy inclusive of specific projects identified in the annual One-Year Action Plan and subsequent amendments. The City further agrees to allow the County the authority to initiate, undertake and implement said projects within its jurisdictional boundaries without further notice to City by County for all projects identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy, Annual Action Plan and subsequent amendments to the Plans herein incorporated by reference.

Approved and signed this ____ Day of _____, 2012.

ATTEST:

Arturo Guajardo, Jr. **County Clerk**	**Ramon Garcia,** **Hidalgo County Judge**

ATTEST:

CITY SECRETARY	**MAYOR**

DATE

Approved by: _____
Steve Crain, Legal Counsel

2012 INTERLOCAL AGREEMENT

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This Interlocal Agreement, made and entered into by and between the County of Hidalgo, a political subdivision of the State of Texas, hereafter referred to as the "County" and the **City of La Joya,** a municipal corporation under the laws of the State of Texas, hereafter referred to as "City".

WITNESSETH

WHEREAS, the Department of Housing and Urban Development made a Determination of Essential Powers on November 16, 1987 which depicts Hidalgo County as having the "essential powers" to carry out community renewal and lower income housing assistance in the County, and

WHEREAS, the Department of Housing and Urban Development formally allocated **$7,639,061.00** of Fiscal Year **2012** Community Development Block Grant (CDBG) Funds under Grant No. **B-12-UC-48-0501** to County, and

WHEREAS, the City and County have entered into a Cooperation Agreement which allows the County to use the City's population as the basis for qualification as an Urban County, and

WHEREAS, both the County and the City need to set out basic administrative understandings for the proper expenditure of CDBG funds as set out in 24 CFR. 570 and other related federal rules and regulations as they apply to Subrecipients.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the County and the City do mutually agree as follows:

SECTION I
Rules and Regulations

The City agrees to cooperate with the County in respect to the implementation of CDBG activities to be carried out in the City's jurisdiction as per 24 CFR 570 and other rules, regulations and decisions as may be made by the Department of Housing and Urban Development or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG funds. Both City and County agree and understand that the County is the grantee for the CDBG funds and the City is subject to all rules and regulations governing Subrecipients under 24 CFR 570.

SECTION II
Applicability of Uniform
Administrative Requirements

The County understands that it is responsible for the maintenance, retention, accessibility and public disclosure of all records, expenditures and files as may be promulgated for the administration of CDBG funds and as may be required by 24 CFR 570 and the "Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments." (24 CFR Part 85) or any variation as may be approved by HUD The City agrees to work with the County to make available all data, information and records as may be necessary for the proper accounting of all CDBG expenditures and activities. A description of City and County responsibilities can be found in Exhibit B MATRIX. City agrees to make all records available to the County and shall not be the custodian of any official records or information.

City agrees to comply with OMB Circular No. A-87, "Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally Recognized Indian Tribal Governments,: OMB Circular A-133, "Audits of State and Local Governments" (implemented at 24 CFR Part 44) and with the following sections of 24 CFR Part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government":

(1) Section 85.3, "Definitions";
(2) Section 85.6, "Exceptions";
(3) Section 85.12, Special grant or subgrant conditions for "high-risk "grantees";
(4) Section 85.20, "Standards for financial management systems," except paragraph (a);
(5) Section 85.21, "Payment," except as modified by SS570.513;
(6) Section 85.22, "Allowable costs";
(7) Section 85.26, "Non-federal audits"
(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;
(9) Section 85.33, "Supplies";
(10) Section 85.34, "Copyrights";
(11) Section 85.35, "Subawards to debarred and suspended parties";
(12) Section 85.36, "Procurement," except paragraph (a);
(13) Section 85.37, "Subgrants";
(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) - (d) and (f);
(15) Section 85.41, "Financial Reporting." except paragraphs (a), (b), and (e);
(16) Section 85.42, "Retention and access requirements for records";
(17) Section 85.43, "Enforcement";
(18) Section 85.44, "Termination for convenience";
(19) Section 85.51, "Later disallowances and adjustments"; and
(20) Section 85.52, "Collection of amounts due."

Not withstanding the requirements of OMB Circular A-133; the City agrees to submit a yearly Certified City Financial Audit regardless of the dollar amount expended in that fiscal year in the time and manner prescribed by the County.

SECTION III
Other Program Requirements

The City agrees to comply with "Other Program Requirements" as listed in Exhibit D (24 CFR 570.600-611) except for the environmental responsibilities outlined at 24 CFR 570.604 and the review process under Executive Order 12372.

SECTION IV
Allocation

The City understands that the Urban County allocation has been set at **$7,639,061.00** for **Fiscal Year 2012** and that City's allotment has been set at **$278,900.00** The City agrees to cooperate with the county in the expenditure of these funds for the activities so described in Exhibit A of this Agreement ant that Exhibit A is an integral part of this Agreement.

The City further agrees to inform the County on any changes in scope, funding or location of the activities listed on Exhibit A prior to executing any change. Any changes proposed by City must be approved by the County in reference to eligibility, program compliance and citizen participation requirements.

City and County mutually agree that the City shall have four (4) fiscal years to properly expend or cause to be expended, according to all applicable rules and regulations, all funds allocated to it in **Fiscal Year 2012**. In consideration for the same, the City agrees not to have more than 1.5 times its annual allocation in its line of credit by **April 30, 2013** Funds in excess of the 1.5 standards shall be subject to the Recapture Policy of the Urban County Program. The County shall recapture any and all unobligated funds that a City fails to expend or obligate by **June 30, 2013** and shall expend such unobligated funds as it may deem appropriate.

SECTION V
Access

The City and County both agree to give the Department of Housing and Urban Development, the Inspector General, the Comptroller General of the United States, or any of its authorized representatives, access to and the right to examine, excerpt and transcribe all books, accounts, records, reports, files and other papers, things, or property belonging to or in use by the City or County for a period as such records are legally required to be maintained by the City or County.

SECTION VI
Monitoring

The County reserves the right to carry out regular and periodic field inspections to ensure compliance with the requirements of this Agreement. City shall attend a compliance seminar after the award of funds and prior to the first draw. After each monitoring visit, County shall provide City with a written report of the monitor's inspection. If the monitoring report finds deficiencies in City's performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by City. Failure by City to take action as specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section XIV of this Agreement.

SECTION VII
Conflict of Interest

In compliance with 24 CFR 611, the City and County both covenant that no member of their respective governing bodies nor any staff member who exercises influence on the decision making process, presently has or will have any interest, direct or indirect, with any person, corporation**,** company or association that is hired to carry out any of the activities so listed on Exhibit A or will receive federal assistance from any activity.

The City and County both agree that no person who is an elected official, employee, consultant, or agent of the City or County shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Exhibit A during their tenure or for a period of one year thereafter.

No City or County employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described on Exhibit A.

Code of Conduct Certification attached to this agreement must be signed by elected officials, employees, consultants, or agents to the City. (See attachment 1A)

SECTION VIII
Religious Activities

The City and County both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this program be used for sectarian or religious activities.

SECTION IX
Real and Property Assets

The City and County agree that any property, real or personal, duly acquired with CDBG funds allocated to City shall become property of the City and shall be afforded the same maintenance and protection as other City property. City and County further agree that any real or personal property acquired shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

City agrees not to purchase any real or personal assets unless so permitted by the County and such procurement shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

The City agrees to maintain any real or personal asset in a prudent manner so as to ensure its useful life and to protect the federal government's interest in such real or personal asset from the perils of fire, storm, flood or theft through insurance coverage in the amount as may be deemed prudent by County. Failure to secure such protection shall be cause for termination of this agreement.

Any asset acquired or improved in part or in whole with CDBG funds must be used in an activity that is eligible and meets one of the national objectives listed in 24 CFR 570.208. Any asset acquired or improved in part or in whole with CDBG funds in excess of $ 25,000 must be used for the CDBG activity so planned including the beneficiaries of such use. Any change in use or beneficiaries must be subject to the citizen participation requirements and approved by the County.

Should any use of an asset not qualify as meeting one of the national objectives or is not an eligible use under 24 CFR 570.200, the City shall reimburse the County the amount of the current fair market value of the asset less any portion thereof attributable to expenditures of non-CDBG funds in the acquisition or improvement of the asset.

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SECTION X
Jurisdiction

The City and County agree to accept the jurisdiction of the Department of Housing and Urban Development in matters relating to the proper administration of programs and the proper expenditure of CDBG funds.

The City and County agree that the County is responsible for the proper administration of programs and the proper expenditure of CDBG funds and recognize that the County will be responsible for audit or programmatic findings or exceptions made by the HUD or any other agency that may exercise jurisdiction over HUD or any other agency that may exercise jurisdiction over HUD funds or programs.

In cases of an audit finding or exception based on action or inaction, representation or misrepresentation of the City, the City agrees to resolve such audit finding or exception for and on behalf of the County. Remedial actions that may be taken for the resolution of an audit finding or exception are defined in 24 CFR 570.910 and include the withholding of funds to the City for any outstanding finding(s) or exception(s). Exhibit-E

The City understands and agrees this Interlocal Agreement shall remain in full force and effect until the Department of Housing and Urban Development has closed this Program Year **(B-12-UC-48-0501)** and accepted any resolutions to any and all audit or programmatic finding(s) or concern(s).

SECTION XI
Payment Requests and Program Income

The City agrees to follow administrative directions from the County in the areas of documenting and processing payment requests. The City further agrees to allow the County to make all payments and to account for all program income from any of its CDBG activities that may generate program income as outlined in this Section.

The City and County agree that program income generated from any approved CDBG project shall be retained by the City as long as such City provides the County by the 15th of each month, an accounting as may be required by the County of program income earned, retained, and expended by the City. The City shall be allowed to use the program income for the same or similar activities as generated the program income. Failure of the City to report program income as required shall cause the County to require all program income to be recovered by the County.

SECTION XII
Section 108 Loan Guarantee

County and City both agree that they may implement certain eligible activities as outlined in 24 CFR 570.703 with loan funds from the Section 108 Loan Guarantee Program as described in 24 CFR 570.700-709 approved and adopted November 6, 1991 (Vol. 56, No. 215 Federal Register).

The County and City will be allowed to submit an application for such funds per funding year in an amount less than three times its current allocation. Should the City or County submit more than one application during any combination of years, the cumulative amount of loan funds requested shall not exceed the total amount of five years of the current allocation. The City agrees that it will bear the full expense of obtaining Section 108 financing for the period of the repayment of Section 108 funds.

The County and City agree that they will maintain a legal binding relationship with each other under the terms of this Agreement and all previously signed Cooperation Agreement if the City wishes to participate in the Section 108 Loan Guarantee Program for the full term of the Section 108 Loan Agreement. The City agrees to pledge its current and future CDBG allocation and other security consideration as may be required, depending on the project risk, as security for the Section 108 Loan and such security pledge shall not bind or affect other cities' allocation in the Urban County Program.

Such legal binding relationship and security pledge shall remain in full force and effect for the full term of the Section 108 Loan Guarantee agreement and this agreement shall survive for the term of the Section 108 Loan. Details of any current Section 108 loan is included herein as Exhibit "C" if applicable.

SECTION XIII
Legal Action

The City agrees to notify the County when a problem arises that may lead to any legal action or claim against the City and/or County. The City agrees to furnish to the County any information with respect to such action or claim. The City agrees not to take any action with respect to any legal matter or claim sought against the City and/or County without advice and consent of the County.

SECTION XIV
Suspension and Termination

City understands that this agreement may be suspended or terminated in accordance with 24 CFR 85.43 if the City materially fails to comply with the provisions of this agreement or the provisions so listed on Exhibits A through E. Termination for convenience may be implemented in accordance to the provisions listed in 24 CFR 85.44.

SECTION XV
Changes or Amendments

The City agrees to notify the County on any changes or amendments that it may desire or need to carry out the CDBG program in its area. All changes or amendments must first obtain approval from the County prior to implementation. All changes or amendments must conform to all federal rules and regulations applicable to the CDBG program.

SECTION XVI
Essential Powers

The City agrees that the County has the essential powers to implement any aspect of those activities identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy inclusive of specific projects identified in the annual One-Year Action Plan and subsequent amendments. The City further agrees to allow the County the authority to initiate, undertake and implement said projects within its jurisdictional boundaries without further notice to City by County for all projects identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy, Annual Action Plan and subsequent amendments to the Plans herein incorporated by reference.

Approved and signed this ____ Day of _____, 2012.

ATTEST:

Arturo Guajardo, Jr. **County Clerk**	**Ramon Garcia,** **Hidalgo County Judge**

ATTEST:

CITY SECRETARY	**MAYOR**

DATE

Approved by: _____
Steve Crain, Legal Counsel

2012 INTERLOCAL AGREEMENT

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This Interlocal Agreement, made and entered into by and between the County of Hidalgo, a political subdivision of the State of Texas, hereafter referred to as the "County" and the **City of La Villa,** a municipal corporation under the laws of the State of Texas, hereafter referred to as "City".

WITNESSETH

WHEREAS, the Department of Housing and Urban Development made a Determination of Essential Powers on November 16, 1987 which depicts Hidalgo County as having the "essential powers" to carry out community renewal and lower income housing assistance in the County, and

WHEREAS, the Department of Housing and Urban Development formally allocated **$7,639,061.00** of Fiscal Year **2012** Community Development Block Grant (CDBG) Funds under Grant No. **B-12-UC-48-0501** to County, and

WHEREAS, the City and County have entered into a Cooperation Agreement which allows the County to use the City's population as the basis for qualification as an Urban County, and

WHEREAS, both the County and the City need to set out basic administrative understandings for the proper expenditure of CDBG funds as set out in 24 CFR. 570 and other related federal rules and regulations as they apply to Subrecipients.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the County and the City do mutually agree as follows:

SECTION I
Rules and Regulations

The City agrees to cooperate with the County in respect to the implementation of CDBG activities to be carried out in the City's jurisdiction as per 24 CFR 570 and other rules, regulations and decisions as may be made by the Department of Housing and Urban Development or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG funds. Both City and County agree and understand that the County is the grantee for the CDBG funds and the City is subject to all rules and regulations governing Subrecipients under 24 CFR 570.

SECTION II
Applicability of Uniform
Administrative Requirements

The County understands that it is responsible for the maintenance, retention, accessibility and public disclosure of all records, expenditures and files as may be promulgated for the administration of CDBG funds and as may be required by 24 CFR 570 and the "Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments." (24 CFR Part 85) or any variation as may be approved by HUD The City agrees to work with the County to make available all data, information and records as may be necessary for the proper accounting of all CDBG expenditures and activities. A description of City and County responsibilities can be found in Exhibit B MATRIX. City agrees to make all records available to the County and shall not be the custodian of any official records or information.

City agrees to comply with OMB Circular No. A-87, "Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally Recognized Indian Tribal Governments,: OMB Circular A-133, "Audits of State and Local Governments" (implemented at 24 CFR Part 44) and with the following sections of 24 CFR Part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government":

(1) Section 85.3, "Definitions";
(2) Section 85.6, "Exceptions";
(3) Section 85.12, Special grant or subgrant conditions for "high-risk "grantees";
(4) Section 85.20, "Standards for financial management systems," except paragraph (a);
(5) Section 85.21, "Payment," except as modified by SS570.513;
(6) Section 85.22, "Allowable costs";
(7) Section 85.26, "Non-federal audits"
(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;
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(11) Section 85.35, "Subawards to debarred and suspended parties";
(12) Section 85.36, "Procurement," except paragraph (a);
(13) Section 85.37, "Subgrants";
(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) - (d) and (f);
(15) Section 85.41, "Financial Reporting." except paragraphs (a), (b), and (e);
(16) Section 85.42, "Retention and access requirements for records";
(17) Section 85.43, "Enforcement";
(18) Section 85.44, "Termination for convenience";
(19) Section 85.51, "Later disallowances and adjustments"; and
(20) Section 85.52, "Collection of amounts due."

Not withstanding the requirements of OMB Circular A-133; the City agrees to submit a yearly Certified City Financial Audit regardless of the dollar amount expended in that fiscal year in the time and manner prescribed by the County.

SECTION III
Other Program Requirements

The City agrees to comply with "Other Program Requirements" as listed in Exhibit D (24 CFR 570.600-611) except for the environmental responsibilities outlined at 24 CFR 570.604 and the review process under Executive Order 12372.

SECTION IV
Allocation

The City understands that the Urban County allocation has been set at **$7,639,061.00** for **Fiscal Year 2012** and that City's allotment has been set at **$278,900.00** The City agrees to cooperate with the county in the expenditure of these funds for the activities so described in Exhibit A of this Agreement ant that Exhibit A is an integral part of this Agreement.

The City further agrees to inform the County on any changes in scope, funding or location of the activities listed on Exhibit A prior to executing any change. Any changes proposed by City must be approved by the County in reference to eligibility, program compliance and citizen participation requirements.

City and County mutually agree that the City shall have four (4) fiscal years to properly expend or cause to be expended, according to all applicable rules and regulations, all funds allocated to it in **Fiscal Year 2012**. In consideration for the same, the City agrees not to have more than 1.5 times its annual allocation in its line of credit by **April 30, 2013** Funds in excess of the 1.5 standards shall be subject to the Recapture Policy of the Urban County Program. The County shall recapture any and all unobligated funds that a City fails to expend or obligate by **June 30, 2013** and shall expend such unobligated funds as it may deem appropriate.

SECTION V
Access

The City and County both agree to give the Department of Housing and Urban Development, the Inspector General, the Comptroller General of the United States, or any of its authorized representatives, access to and the right to examine, excerpt and transcribe all books, accounts, records, reports, files and other papers, things, or property belonging to or in use by the City or County for a period as such records are legally required to be maintained by the City or County.

SECTION VI
Monitoring

The County reserves the right to carry out regular and periodic field inspections to ensure compliance with the requirements of this Agreement. City shall attend a compliance seminar after the award of funds and prior to the first draw. After each monitoring visit, County shall provide City with a written report of the monitor's inspection. If the monitoring report finds deficiencies in City's performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by City. Failure by City to take action as specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section XIV of this Agreement.

SECTION VII
Conflict of Interest

In compliance with 24 CFR 611, the City and County both covenant that no member of their respective governing bodies nor any staff member who exercises influence on the decision making process, presently has or will have any interest, direct or indirect, with any person, corporation**,** company or association that is hired to carry out any of the activities so listed on Exhibit A or will receive federal assistance from any activity.

The City and County both agree that no person who is an elected official, employee, consultant, or agent of the City or County shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Exhibit A during their tenure or for a period of one year thereafter.

No City or County employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described on Exhibit A.

Code of Conduct Certification attached to this agreement must be signed by elected officials, employees, consultants, or agents to the City. (See attachment 1A)

SECTION VIII
Religious Activities

The City and County both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this program be used for sectarian or religious activities.

SECTION IX
Real and Property Assets

The City and County agree that any property, real or personal, duly acquired with CDBG funds allocated to City shall become property of the City and shall be afforded the same maintenance and protection as other City property. City and County further agree that any real or personal property acquired shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

City agrees not to purchase any real or personal assets unless so permitted by the County and such procurement shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

The City agrees to maintain any real or personal asset in a prudent manner so as to ensure its useful life and to protect the federal government's interest in such real or personal asset from the perils of fire, storm, flood or theft through insurance coverage in the amount as may be deemed prudent by County. Failure to secure such protection shall be cause for termination of this agreement.

Any asset acquired or improved in part or in whole with CDBG funds must be used in an activity that is eligible and meets one of the national objectives listed in 24 CFR 570.208. Any asset acquired or improved in part or in whole with CDBG funds in excess of $ 25,000 must be used for the CDBG activity so planned including the beneficiaries of such use. Any change in use or beneficiaries must be subject to the citizen participation requirements and approved by the County.

Should any use of an asset not qualify as meeting one of the national objectives or is not an eligible use under 24 CFR 570.200, the City shall reimburse the County the amount of the current fair market value of the asset less any portion thereof attributable to expenditures of non-CDBG funds in the acquisition or improvement of the asset.

The above requirements attributed to assets over $ 25,000 shall remain in force for a period of five years after the final closeout of the County's participation in the Urban County Program. The disposition of any asset improved or acquired in part or in whole with CDBG funds by the City must be done with prior approval of the County and the County shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The County may, at its option, request that such asset be transferred to the County if the asset is no longer being used to meet one of the national objectives or in any case where the City no longer uses the asset for its intended use.

SECTION X
Jurisdiction

The City and County agree to accept the jurisdiction of the Department of Housing and Urban Development in matters relating to the proper administration of programs and the proper expenditure of CDBG funds.

The City and County agree that the County is responsible for the proper administration of programs and the proper expenditure of CDBG funds and recognize that the County will be responsible for audit or programmatic findings or exceptions made by the HUD or any other agency that may exercise jurisdiction over HUD or any other agency that may exercise jurisdiction over HUD funds or programs.

In cases of an audit finding or exception based on action or inaction, representation or misrepresentation of the City, the City agrees to resolve such audit finding or exception for and on behalf of the County. Remedial actions that may be taken for the resolution of an audit finding or exception are defined in 24 CFR 570.910 and include the withholding of funds to the City for any outstanding finding(s) or exception(s). Exhibit-E

The City understands and agrees this Interlocal Agreement shall remain in full force and effect until the Department of Housing and Urban Development has closed this Program Year **(B-12-UC-48-0501)** and accepted any resolutions to any and all audit or programmatic finding(s) or concern(s).

SECTION XI
Payment Requests and Program Income

The City agrees to follow administrative directions from the County in the areas of documenting and processing payment requests. The City further agrees to allow the County to make all payments and to account for all program income from any of its CDBG activities that may generate program income as outlined in this Section.

The City and County agree that program income generated from any approved CDBG project shall be retained by the City as long as such City provides the County by the 15th of each month, an accounting as may be required by the County of program income earned, retained, and expended by the City. The City shall be allowed to use the program income for the same or similar activities as generated the program income. Failure of the City to report program income as required shall cause the County to require all program income to be recovered by the County.

SECTION XII
Section 108 Loan Guarantee

County and City both agree that they may implement certain eligible activities as outlined in 24 CFR 570.703 with loan funds from the Section 108 Loan Guarantee Program as described in 24 CFR 570.700-709 approved and adopted November 6, 1991 (Vol. 56, No. 215 Federal Register).

The County and City will be allowed to submit an application for such funds per funding year in an amount less than three times its current allocation. Should the City or County submit more than one application during any combination of years, the cumulative amount of loan funds requested shall not exceed the total amount of five years of the current allocation. The City agrees that it will bear the full expense of obtaining Section 108 financing for the period of the repayment of Section 108 funds.

The County and City agree that they will maintain a legal binding relationship with each other under the terms of this Agreement and all previously signed Cooperation Agreement if the City wishes to participate in the Section 108 Loan Guarantee Program for the full term of the Section 108 Loan Agreement. The City agrees to pledge its current and future CDBG allocation and other security consideration as may be required, depending on the project risk, as security for the Section 108 Loan and such security pledge shall not bind or affect other cities' allocation in the Urban County Program.

Such legal binding relationship and security pledge shall remain in full force and effect for the full term of the Section 108 Loan Guarantee agreement and this agreement shall survive for the term of the Section 108 Loan. Details of any current Section 108 loan is included herein as Exhibit "C" if applicable.

SECTION XIII
Legal Action

The City agrees to notify the County when a problem arises that may lead to any legal action or claim against the City and/or County. The City agrees to furnish to the County any information with respect to such action or claim. The City agrees not to take any action with respect to any legal matter or claim sought against the City and/or County without advice and consent of the County.

SECTION XIV
Suspension and Termination

City understands that this agreement may be suspended or terminated in accordance with 24 CFR 85.43 if the City materially fails to comply with the provisions of this agreement or the provisions so listed on Exhibits A through E. Termination for convenience may be implemented in accordance to the provisions listed in 24 CFR 85.44.

SECTION XV
Changes or Amendments

The City agrees to notify the County on any changes or amendments that it may desire or need to carry out the CDBG program in its area. All changes or amendments must first obtain approval from the County prior to implementation. All changes or amendments must conform to all federal rules and regulations applicable to the CDBG program.

SECTION XVI
Essential Powers

The City agrees that the County has the essential powers to implement any aspect of those activities identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy inclusive of specific projects identified in the annual One-Year Action Plan and subsequent amendments. The City further agrees to allow the County the authority to initiate, undertake and implement said projects within its jurisdictional boundaries without further notice to City by County for all projects identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy, Annual Action Plan and subsequent amendments to the Plans herein incorporated by reference.

Approved and signed this ____ Day of _____, 2012.

ATTEST:

Arturo Guajardo, Jr. **County Clerk**	**Ramon Garcia,** **Hidalgo County Judge**

ATTEST:

CITY SECRETARY	**MAYOR**

DATE

Approved by: _____
Steve Crain, Legal Counsel

2012 INTERLOCAL AGREEMENT

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This Interlocal Agreement, made and entered into by and between the County of Hidalgo, a political subdivision of the State of Texas, hereafter referred to as the "County" and the **City of Mercedes**, a municipal corporation under the laws of the State of Texas, hereafter referred to as "City".

WITNESSETH

WHEREAS, the Department of Housing and Urban Development made a Determination of Essential Powers on November 16, 1987 which depicts Hidalgo County as having the "essential powers" to carry out community renewal and lower income housing assistance in the County, and

WHEREAS, the Department of Housing and Urban Development formally allocated **$7,639,061.00** of Fiscal Year **2012** Community Development Block Grant (CDBG) Funds under Grant No. **B-12-UC-48-0501** to County, and

WHEREAS, the City and County have entered into a Cooperation Agreement which allows the County to use the City's population as the basis for qualification as an Urban County, and

WHEREAS, both the County and the City need to set out basic administrative understandings for the proper expenditure of CDBG funds as set out in 24 CFR. 570 and other related federal rules and regulations as they apply to Subrecipients.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the County and the City do mutually agree as follows:

SECTION I
Rules and Regulations

The City agrees to cooperate with the County in respect to the implementation of CDBG activities to be carried out in the City's jurisdiction as per 24 CFR 570 and other rules, regulations and decisions as may be made by the Department of Housing and Urban Development or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG funds. Both City and County agree and understand that the County is the grantee for the CDBG funds and the City is subject to all rules and regulations governing Subrecipients under 24 CFR 570.

SECTION II
Applicability of Uniform
Administrative Requirements

The County understands that it is responsible for the maintenance, retention, accessibility and public disclosure of all records, expenditures and files as may be promulgated for the administration of CDBG funds and as may be required by 24 CFR 570 and the "Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments." (24 CFR Part 85) or any variation as may be approved by HUD The City agrees to work with the County to make available all data, information and records as may be necessary for the proper accounting of all CDBG expenditures and activities. A description of City and County responsibilities can be found in Exhibit B MATRIX. City agrees to make all records available to the County and shall not be the custodian of any official records or information.

City agrees to comply with OMB Circular No. A-87, "Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally Recognized Indian Tribal Governments,: OMB Circular A-133, "Audits of State and Local Governments" (implemented at 24 CFR Part 44) and with the following sections of 24 CFR Part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government":

(1) Section 85.3, "Definitions";
(2) Section 85.6, "Exceptions";
(3) Section 85.12, Special grant or subgrant conditions for "high-risk "grantees";
(4) Section 85.20, "Standards for financial management systems," except paragraph (a);
(5) Section 85.21, "Payment," except as modified by SS570.513;
(6) Section 85.22, "Allowable costs";
(7) Section 85.26, "Non-federal audits"
(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;
(9) Section 85.33, "Supplies";
(10) Section 85.34, "Copyrights";
(11) Section 85.35, "Subawards to debarred and suspended parties";
(12) Section 85.36, "Procurement," except paragraph (a);
(13) Section 85.37, "Subgrants";
(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) - (d) and (f);
(15) Section 85.41, "Financial Reporting." except paragraphs (a), (b), and (e);
(16) Section 85.42, "Retention and access requirements for records";
(17) Section 85.43, "Enforcement";
(18) Section 85.44, "Termination for convenience";
(19) Section 85.51, "Later disallowances and adjustments"; and
(20) Section 85.52, "Collection of amounts due."

Not withstanding the requirements of OMB Circular A-133; the City agrees to submit a yearly Certified City Financial Audit regardless of the dollar amount expended in that fiscal year in the time and manner prescribed by the County.

SECTION III
Other Program Requirements

The City agrees to comply with "Other Program Requirements" as listed in Exhibit D (24 CFR 570.600-611) except for the environmental responsibilities outlined at 24 CFR 570.604 and the review process under Executive Order 12372.

SECTION IV
Allocation

The City understands that the Urban County allocation has been set at **$7,639,061.00** for **Fiscal Year 2012** and that City's allotment has been set at **$278,900.00** The City agrees to cooperate with the county in the expenditure of these funds for the activities so described in Exhibit A of this Agreement ant that Exhibit A is an integral part of this Agreement.

The City further agrees to inform the County on any changes in scope, funding or location of the activities listed on Exhibit A prior to executing any change. Any changes proposed by City must be approved by the County in reference to eligibility, program compliance and citizen participation requirements.

City and County mutually agree that the City shall have four (4) fiscal years to properly expend or cause to be expended, according to all applicable rules and regulations, all funds allocated to it in **Fiscal Year 2012**. In consideration for the same, the City agrees not to have more than 1.5 times its annual allocation in its line of credit by **April 30, 2013** Funds in excess of the 1.5 standards shall be subject to the Recapture Policy of the Urban County Program. The County shall recapture any and all unobligated funds that a City fails to expend or obligate by **June 30, 2013** and shall expend such unobligated funds as it may deem appropriate.

SECTION V
Access

The City and County both agree to give the Department of Housing and Urban Development, the Inspector General, the Comptroller General of the United States, or any of its authorized representatives, access to and the right to examine, excerpt and transcribe all books, accounts, records, reports, files and other papers, things, or property belonging to or in use by the City or County for a period as such records are legally required to be maintained by the City or County.

SECTION VI
Monitoring

The County reserves the right to carry out regular and periodic field inspections to ensure compliance with the requirements of this Agreement. City shall attend a compliance seminar after the award of funds and prior to the first draw. After each monitoring visit, County shall provide City with a written report of the monitor's inspection. If the monitoring report finds deficiencies in City's performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by City. Failure by City to take action as specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section XIV of this Agreement.

SECTION VII
Conflict of Interest

In compliance with 24 CFR 611, the City and County both covenant that no member of their respective governing bodies nor any staff member who exercises influence on the decision making process, presently has or will have any interest, direct or indirect, with any person, corporation**,** company or association that is hired to carry out any of the activities so listed on Exhibit A or will receive federal assistance from any activity.

The City and County both agree that no person who is an elected official, employee, consultant, or agent of the City or County shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Exhibit A during their tenure or for a period of one year thereafter.

No City or County employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described on Exhibit A.

Code of Conduct Certification attached to this agreement must be signed by elected officials, employees, consultants, or agents to the City. (See attachment 1A)

SECTION VIII
Religious Activities

The City and County both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this program be used for sectarian or religious activities.

SECTION IX
Real and Property Assets

The City and County agree that any property, real or personal, duly acquired with CDBG funds allocated to City shall become property of the City and shall be afforded the same maintenance and protection as other City property. City and County further agree that any real or personal property acquired shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

City agrees not to purchase any real or personal assets unless so permitted by the County and such procurement shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

The City agrees to maintain any real or personal asset in a prudent manner so as to ensure its useful life and to protect the federal government's interest in such real or personal asset from the perils of fire, storm, flood or theft through insurance coverage in the amount as may be deemed prudent by County. Failure to secure such protection shall be cause for termination of this agreement.

Any asset acquired or improved in part or in whole with CDBG funds must be used in an activity that is eligible and meets one of the national objectives listed in 24 CFR 570.208. Any asset acquired or improved in part or in whole with CDBG funds in excess of $ 25,000 must be used for the CDBG activity so planned including the beneficiaries of such use. Any change in use or beneficiaries must be subject to the citizen participation requirements and approved by the County.

Should any use of an asset not qualify as meeting one of the national objectives or is not an eligible use under 24 CFR 570.200, the City shall reimburse the County the amount of the current fair market value of the asset less any portion thereof attributable to expenditures of non-CDBG funds in the acquisition or improvement of the asset.

The above requirements attributed to assets over $ 25,000 shall remain in force for a period of five years after the final closeout of the County's participation in the Urban County Program. The disposition of any asset improved or acquired in part or in whole with CDBG funds by the City must be done with prior approval of the County and the County shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The County may, at its option, request that such asset be transferred to the County if the asset is no longer being used to meet one of the national objectives or in any case where the City no longer uses the asset for its intended use.

SECTION X
Jurisdiction

The City and County agree to accept the jurisdiction of the Department of Housing and Urban Development in matters relating to the proper administration of programs and the proper expenditure of CDBG funds.

The City and County agree that the County is responsible for the proper administration of programs and the proper expenditure of CDBG funds and recognize that the County will be responsible for audit or programmatic findings or exceptions made by the HUD or any other agency that may exercise jurisdiction over HUD or any other agency that may exercise jurisdiction over HUD funds or programs.

In cases of an audit finding or exception based on action or inaction, representation or misrepresentation of the City, the City agrees to resolve such audit finding or exception for and on behalf of the County. Remedial actions that may be taken for the resolution of an audit finding or exception are defined in 24 CFR 570.910 and include the withholding of funds to the City for any outstanding finding(s) or exception(s). Exhibit-E

The City understands and agrees this Interlocal Agreement shall remain in full force and effect until the Department of Housing and Urban Development has closed this Program Year **(B-12-UC-48-0501)** and accepted any resolutions to any and all audit or programmatic finding(s) or concern(s).

SECTION XI
Payment Requests and Program Income

The City agrees to follow administrative directions from the County in the areas of documenting and processing payment requests. The City further agrees to allow the County to make all payments and to account for all program income from any of its CDBG activities that may generate program income as outlined in this Section.

The City and County agree that program income generated from any approved CDBG project shall be retained by the City as long as such City provides the County by the 15th of each month, an accounting as may be required by the County of program income earned, retained, and expended by the City. The City shall be allowed to use the program income for the same or similar activities as generated the program income. Failure of the City to report program income as required shall cause the County to require all program income to be recovered by the County.

SECTION XII
Section 108 Loan Guarantee

County and City both agree that they may implement certain eligible activities as outlined in 24 CFR 570.703 with loan funds from the Section 108 Loan Guarantee Program as described in 24 CFR 570.700-709 approved and adopted November 6, 1991 (Vol. 56, No. 215 Federal Register).

The County and City will be allowed to submit an application for such funds per funding year in an amount less than three times its current allocation. Should the City or County submit more than one application during any combination of years, the cumulative amount of loan funds requested shall not exceed the total amount of five years of the current allocation. The City agrees that it will bear the full expense of obtaining Section 108 financing for the period of the repayment of Section 108 funds.

The County and City agree that they will maintain a legal binding relationship with each other under the terms of this Agreement and all previously signed Cooperation Agreement if the City wishes to participate in the Section 108 Loan Guarantee Program for the full term of the Section 108 Loan Agreement. The City agrees to pledge its current and future CDBG allocation and other security consideration as may be required, depending on the project risk, as security for the Section 108 Loan and such security pledge shall not bind or affect other cities' allocation in the Urban County Program.

Such legal binding relationship and security pledge shall remain in full force and effect for the full term of the Section 108 Loan Guarantee agreement and this agreement shall survive for the term of the Section 108 Loan. Details of any current Section 108 loan is included herein as Exhibit "C" if applicable.

SECTION XIII
Legal Action

The City agrees to notify the County when a problem arises that may lead to any legal action or claim against the City and/or County. The City agrees to furnish to the County any information with respect to such action or claim. The City agrees not to take any action with respect to any legal matter or claim sought against the City and/or County without advice and consent of the County.

SECTION XIV
Suspension and Termination

City understands that this agreement may be suspended or terminated in accordance with 24 CFR 85.43 if the City materially fails to comply with the provisions of this agreement or the provisions so listed on Exhibits A through E. Termination for convenience may be implemented in accordance to the provisions listed in 24 CFR 85.44.

SECTION XV
Changes or Amendments

The City agrees to notify the County on any changes or amendments that it may desire or need to carry out the CDBG program in its area. All changes or amendments must first obtain approval from the County prior to implementation. All changes or amendments must conform to all federal rules and regulations applicable to the CDBG program.

SECTION XVI
Essential Powers

The City agrees that the County has the essential powers to implement any aspect of those activities identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy inclusive of specific projects identified in the annual One-Year Action Plan and subsequent amendments. The City further agrees to allow the County the authority to initiate, undertake and implement said projects within its jurisdictional boundaries without further notice to City by County for all projects identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy, Annual Action Plan and subsequent amendments to the Plans herein incorporated by reference.

Approved and signed this ____ Day of _____, 2012.

ATTEST:

Arturo Guajardo, Jr. **County Clerk**	**Ramon Garcia,** **Hidalgo County Judge**

ATTEST:

CITY SECRETARY	**MAYOR**

DATE

Approved by: _____
Steve Crain, Legal Counsel

2012 INTERLOCAL AGREEMENT

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This Interlocal Agreement, made and entered into by and between the County of Hidalgo, a political subdivision of the State of Texas, hereafter referred to as the "County" and the **City of Palmview,** a municipal corporation under the laws of the State of Texas, hereafter referred to as "City".

WITNESSETH

WHEREAS, the Department of Housing and Urban Development made a Determination of Essential Powers on November 16, 1987 which depicts Hidalgo County as having the "essential powers" to carry out community renewal and lower income housing assistance in the County, and

WHEREAS, the Department of Housing and Urban Development formally allocated **$7,639,061.00** of Fiscal Year **2012** Community Development Block Grant (CDBG) Funds under Grant No. **B-12-UC-48-0501** to County, and

WHEREAS, the City and County have entered into a Cooperation Agreement which allows the County to use the City's population as the basis for qualification as an Urban County, and

WHEREAS, both the County and the City need to set out basic administrative understandings for the proper expenditure of CDBG funds as set out in 24 CFR. 570 and other related federal rules and regulations as they apply to Subrecipients.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the County and the City do mutually agree as follows:

SECTION I
Rules and Regulations

The City agrees to cooperate with the County in respect to the implementation of CDBG activities to be carried out in the City's jurisdiction as per 24 CFR 570 and other rules, regulations and decisions as may be made by the Department of Housing and Urban Development or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG funds. Both City and County agree and understand that the County is the grantee for the CDBG funds and the City is subject to all rules and regulations governing Subrecipients under 24 CFR 570.

SECTION II
Applicability of Uniform
Administrative Requirements

The County understands that it is responsible for the maintenance, retention, accessibility and public disclosure of all records, expenditures and files as may be promulgated for the administration of CDBG funds and as may be required by 24 CFR 570 and the "Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments." (24 CFR Part 85) or any variation as may be approved by HUD The City agrees to work with the County to make available all data, information and records as may be necessary for the proper accounting of all CDBG expenditures and activities. A description of City and County responsibilities can be found in Exhibit B MATRIX. City agrees to make all records available to the County and shall not be the custodian of any official records or information.

City agrees to comply with OMB Circular No. A-87, "Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally Recognized Indian Tribal Governments,: OMB Circular A-133, "Audits of State and Local Governments" (implemented at 24 CFR Part 44) and with the following sections of 24 CFR Part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government":

(1) Section 85.3, "Definitions";
(2) Section 85.6, "Exceptions";
(3) Section 85.12, Special grant or subgrant conditions for "high-risk "grantees";
(4) Section 85.20, "Standards for financial management systems," except paragraph (a);
(5) Section 85.21, "Payment," except as modified by SS570.513;
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(7) Section 85.26, "Non-federal audits"
(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;
(9) Section 85.33, "Supplies";
(10) Section 85.34, "Copyrights";
(11) Section 85.35, "Subawards to debarred and suspended parties";
(12) Section 85.36, "Procurement," except paragraph (a);
(13) Section 85.37, "Subgrants";
(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) - (d) and (f);
(15) Section 85.41, "Financial Reporting." except paragraphs (a), (b), and (e);
(16) Section 85.42, "Retention and access requirements for records";
(17) Section 85.43, "Enforcement";
(18) Section 85.44, "Termination for convenience";
(19) Section 85.51, "Later disallowances and adjustments"; and
(20) Section 85.52, "Collection of amounts due."

Not withstanding the requirements of OMB Circular A-133; the City agrees to submit a yearly Certified City Financial Audit regardless of the dollar amount expended in that fiscal year in the time and manner prescribed by the County.

SECTION III
Other Program Requirements

The City agrees to comply with "Other Program Requirements" as listed in Exhibit D (24 CFR 570.600-611) except for the environmental responsibilities outlined at 24 CFR 570.604 and the review process under Executive Order 12372.

SECTION IV
Allocation

The City understands that the Urban County allocation has been set at **$7,639,061.00** for **Fiscal Year 2012** and that City's allotment has been set at **$278,900.00** The City agrees to cooperate with the county in the expenditure of these funds for the activities so described in Exhibit A of this Agreement ant that Exhibit A is an integral part of this Agreement.

The City further agrees to inform the County on any changes in scope, funding or location of the activities listed on Exhibit A prior to executing any change. Any changes proposed by City must be approved by the County in reference to eligibility, program compliance and citizen participation requirements.

City and County mutually agree that the City shall have four (4) fiscal years to properly expend or cause to be expended, according to all applicable rules and regulations, all funds allocated to it in **Fiscal Year 2012**. In consideration for the same, the City agrees not to have more than 1.5 times its annual allocation in its line of credit by **April 30, 2013** Funds in excess of the 1.5 standards shall be subject to the Recapture Policy of the Urban County Program. The County shall recapture any and all unobligated funds that a City fails to expend or obligate by **June 30, 2013** and shall expend such unobligated funds as it may deem appropriate.

SECTION V
Access

The City and County both agree to give the Department of Housing and Urban Development, the Inspector General, the Comptroller General of the United States, or any of its authorized representatives, access to and the right to examine, excerpt and transcribe all books, accounts, records, reports, files and other papers, things, or property belonging to or in use by the City or County for a period as such records are legally required to be maintained by the City or County.

SECTION VI
Monitoring

The County reserves the right to carry out regular and periodic field inspections to ensure compliance with the requirements of this Agreement. City shall attend a compliance seminar after the award of funds and prior to the first draw. After each monitoring visit, County shall provide City with a written report of the monitor's inspection. If the monitoring report finds deficiencies in City's performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by City. Failure by City to take action as specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section XIV of this Agreement.

SECTION VII
Conflict of Interest

In compliance with 24 CFR 611, the City and County both covenant that no member of their respective governing bodies nor any staff member who exercises influence on the decision making process, presently has or will have any interest, direct or indirect, with any person, corporation**,** company or association that is hired to carry out any of the activities so listed on Exhibit A or will receive federal assistance from any activity.

The City and County both agree that no person who is an elected official, employee, consultant, or agent of the City or County shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Exhibit A during their tenure or for a period of one year thereafter.

No City or County employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described on Exhibit A.

Code of Conduct Certification attached to this agreement must be signed by elected officials, employees, consultants, or agents to the City. (See attachment 1A)

SECTION VIII
Religious Activities

The City and County both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this program be used for sectarian or religious activities.

SECTION IX
Real and Property Assets

The City and County agree that any property, real or personal, duly acquired with CDBG funds allocated to City shall become property of the City and shall be afforded the same maintenance and protection as other City property. City and County further agree that any real or personal property acquired shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

City agrees not to purchase any real or personal assets unless so permitted by the County and such procurement shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

The City agrees to maintain any real or personal asset in a prudent manner so as to ensure its useful life and to protect the federal government's interest in such real or personal asset from the perils of fire, storm, flood or theft through insurance coverage in the amount as may be deemed prudent by County. Failure to secure such protection shall be cause for termination of this agreement.

Any asset acquired or improved in part or in whole with CDBG funds must be used in an activity that is eligible and meets one of the national objectives listed in 24 CFR 570.208. Any asset acquired or improved in part or in whole with CDBG funds in excess of $ 25,000 must be used for the CDBG activity so planned including the beneficiaries of such use. Any change in use or beneficiaries must be subject to the citizen participation requirements and approved by the County.

Should any use of an asset not qualify as meeting one of the national objectives or is not an eligible use under 24 CFR 570.200, the City shall reimburse the County the amount of the current fair market value of the asset less any portion thereof attributable to expenditures of non-CDBG funds in the acquisition or improvement of the asset.

The above requirements attributed to assets over $ 25,000 shall remain in force for a period of five years after the final closeout of the County's participation in the Urban County Program. The disposition of any asset improved or acquired in part or in whole with CDBG funds by the City must be done with prior approval of the County and the County shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The County may, at its option, request that such asset be transferred to the County if the asset is no longer being used to meet one of the national objectives or in any case where the City no longer uses the asset for its intended use.

SECTION X
Jurisdiction

The City and County agree to accept the jurisdiction of the Department of Housing and Urban Development in matters relating to the proper administration of programs and the proper expenditure of CDBG funds.

The City and County agree that the County is responsible for the proper administration of programs and the proper expenditure of CDBG funds and recognize that the County will be responsible for audit or programmatic findings or exceptions made by the HUD or any other agency that may exercise jurisdiction over HUD or any other agency that may exercise jurisdiction over HUD funds or programs.

In cases of an audit finding or exception based on action or inaction, representation or misrepresentation of the City, the City agrees to resolve such audit finding or exception for and on behalf of the County. Remedial actions that may be taken for the resolution of an audit finding or exception are defined in 24 CFR 570.910 and include the withholding of funds to the City for any outstanding finding(s) or exception(s). Exhibit-E

The City understands and agrees this Interlocal Agreement shall remain in full force and effect until the Department of Housing and Urban Development has closed this Program Year **(B-12-UC-48-0501)** and accepted any resolutions to any and all audit or programmatic finding(s) or concern(s).

SECTION XI
Payment Requests and Program Income

The City agrees to follow administrative directions from the County in the areas of documenting and processing payment requests. The City further agrees to allow the County to make all payments and to account for all program income from any of its CDBG activities that may generate program income as outlined in this Section.

The City and County agree that program income generated from any approved CDBG project shall be retained by the City as long as such City provides the County by the 15th of each month, an accounting as may be required by the County of program income earned, retained, and expended by the City. The City shall be allowed to use the program income for the same or similar activities as generated the program income. Failure of the City to report program income as required shall cause the County to require all program income to be recovered by the County.

SECTION XII
Section 108 Loan Guarantee

County and City both agree that they may implement certain eligible activities as outlined in 24 CFR 570.703 with loan funds from the Section 108 Loan Guarantee Program as described in 24 CFR 570.700-709 approved and adopted November 6, 1991 (Vol. 56, No. 215 Federal Register).

The County and City will be allowed to submit an application for such funds per funding year in an amount less than three times its current allocation. Should the City or County submit more than one application during any combination of years, the cumulative amount of loan funds requested shall not exceed the total amount of five years of the current allocation. The City agrees that it will bear the full expense of obtaining Section 108 financing for the period of the repayment of Section 108 funds.

The County and City agree that they will maintain a legal binding relationship with each other under the terms of this Agreement and all previously signed Cooperation Agreement if the City wishes to participate in the Section 108 Loan Guarantee Program for the full term of the Section 108 Loan Agreement. The City agrees to pledge its current and future CDBG allocation and other security consideration as may be required, depending on the project risk, as security for the Section 108 Loan and such security pledge shall not bind or affect other cities' allocation in the Urban County Program.

Such legal binding relationship and security pledge shall remain in full force and effect for the full term of the Section 108 Loan Guarantee agreement and this agreement shall survive for the term of the Section 108 Loan. Details of any current Section 108 loan is included herein as Exhibit "C" if applicable.

SECTION XIII
Legal Action

The City agrees to notify the County when a problem arises that may lead to any legal action or claim against the City and/or County. The City agrees to furnish to the County any information with respect to such action or claim. The City agrees not to take any action with respect to any legal matter or claim sought against the City and/or County without advice and consent of the County.

SECTION XIV
Suspension and Termination

City understands that this agreement may be suspended or terminated in accordance with 24 CFR 85.43 if the City materially fails to comply with the provisions of this agreement or the provisions so listed on Exhibits A through E. Termination for convenience may be implemented in accordance to the provisions listed in 24 CFR 85.44.

SECTION XV
Changes or Amendments

The City agrees to notify the County on any changes or amendments that it may desire or need to carry out the CDBG program in its area. All changes or amendments must first obtain approval from the County prior to implementation. All changes or amendments must conform to all federal rules and regulations applicable to the CDBG program.

SECTION XVI
Essential Powers

The City agrees that the County has the essential powers to implement any aspect of those activities identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy inclusive of specific projects identified in the annual One-Year Action Plan and subsequent amendments. The City further agrees to allow the County the authority to initiate, undertake and implement said projects within its jurisdictional boundaries without further notice to City by County for all projects identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy, Annual Action Plan and subsequent amendments to the Plans herein incorporated by reference.

Approved and signed this ____ Day of _____, 2012.

ATTEST:

Arturo Guajardo, Jr. **County Clerk**	**Ramon Garcia,** **Hidalgo County Judge**

ATTEST:

CITY SECRETARY	**MAYOR**

DATE

Approved by: _____
Steve Crain, Legal Counsel

2012 INTERLOCAL AGREEMENT

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This Interlocal Agreement, made and entered into by and between the County of Hidalgo, a political subdivision of the State of Texas, hereafter referred to as the "County" and the **City of Peñitas**, a municipal corporation under the laws of the State of Texas, hereafter referred to as "City".

WITNESSETH

WHEREAS, the Department of Housing and Urban Development made a Determination of Essential Powers on November 16, 1987 which depicts Hidalgo County as having the "essential powers" to carry out community renewal and lower income housing assistance in the County, and

WHEREAS, the Department of Housing and Urban Development formally allocated **$7,639,061.00** of Fiscal Year **2012** Community Development Block Grant (CDBG) Funds under Grant No. **B-12-UC-48-0501** to County, and

WHEREAS, the City and County have entered into a Cooperation Agreement which allows the County to use the City's population as the basis for qualification as an Urban County, and

WHEREAS, both the County and the City need to set out basic administrative understandings for the proper expenditure of CDBG funds as set out in 24 CFR. 570 and other related federal rules and regulations as they apply to Subrecipients.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the County and the City do mutually agree as follows:

SECTION I
Rules and Regulations

The City agrees to cooperate with the County in respect to the implementation of CDBG activities to be carried out in the City's jurisdiction as per 24 CFR 570 and other rules, regulations and decisions as may be made by the Department of Housing and Urban Development or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG funds. Both City and County agree and understand that the County is the grantee for the CDBG funds and the City is subject to all rules and regulations governing Subrecipients under 24 CFR 570.

SECTION II
Applicability of Uniform
Administrative Requirements

The County understands that it is responsible for the maintenance, retention, accessibility and public disclosure of all records, expenditures and files as may be promulgated for the administration of CDBG funds and as may be required by 24 CFR 570 and the "Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments." (24 CFR Part 85) or any variation as may be approved by HUD The City agrees to work with the County to make available all data, information and records as may be necessary for the proper accounting of all CDBG expenditures and activities. A description of City and County responsibilities can be found in Exhibit B MATRIX. City agrees to make all records available to the County and shall not be the custodian of any official records or information.

City agrees to comply with OMB Circular No. A-87, "Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally Recognized Indian Tribal Governments,: OMB Circular A-133, "Audits of State and Local Governments" (implemented at 24 CFR Part 44) and with the following sections of 24 CFR Part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government":

(1) Section 85.3, "Definitions";
(2) Section 85.6, "Exceptions";
(3) Section 85.12, Special grant or subgrant conditions for "high-risk "grantees";
(4) Section 85.20, "Standards for financial management systems," except paragraph (a);
(5) Section 85.21, "Payment," except as modified by SS570.513;
(6) Section 85.22, "Allowable costs";
(7) Section 85.26, "Non-federal audits"
(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;
(9) Section 85.33, "Supplies";
(10) Section 85.34, "Copyrights";
(11) Section 85.35, "Subawards to debarred and suspended parties";
(12) Section 85.36, "Procurement," except paragraph (a);
(13) Section 85.37, "Subgrants";
(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) - (d) and (f);
(15) Section 85.41, "Financial Reporting." except paragraphs (a), (b), and (e);
(16) Section 85.42, "Retention and access requirements for records";
(17) Section 85.43, "Enforcement";
(18) Section 85.44, "Termination for convenience";
(19) Section 85.51, "Later disallowances and adjustments"; and
(20) Section 85.52, "Collection of amounts due."

Not withstanding the requirements of OMB Circular A-133; the City agrees to submit a yearly Certified City Financial Audit regardless of the dollar amount expended in that fiscal year in the time and manner prescribed by the County.

SECTION III
Other Program Requirements

The City agrees to comply with "Other Program Requirements" as listed in Exhibit D (24 CFR 570.600-611) except for the environmental responsibilities outlined at 24 CFR 570.604 and the review process under Executive Order 12372.

SECTION IV
Allocation

The City understands that the Urban County allocation has been set at **$7,639,061.00** for **Fiscal Year 2012** and that City's allotment has been set at **$278,900.00** The City agrees to cooperate with the county in the expenditure of these funds for the activities so described in Exhibit A of this Agreement ant that Exhibit A is an integral part of this Agreement.

The City further agrees to inform the County on any changes in scope, funding or location of the activities listed on Exhibit A prior to executing any change. Any changes proposed by City must be approved by the County in reference to eligibility, program compliance and citizen participation requirements.

City and County mutually agree that the City shall have four (4) fiscal years to properly expend or cause to be expended, according to all applicable rules and regulations, all funds allocated to it in **Fiscal Year 2012**. In consideration for the same, the City agrees not to have more than 1.5 times its annual allocation in its line of credit by **April 30, 2013** Funds in excess of the 1.5 standards shall be subject to the Recapture Policy of the Urban County Program. The County shall recapture any and all unobligated funds that a City fails to expend or obligate by **June 30, 2013** and shall expend such unobligated funds as it may deem appropriate.

SECTION V
Access

The City and County both agree to give the Department of Housing and Urban Development, the Inspector General, the Comptroller General of the United States, or any of its authorized representatives, access to and the right to examine, excerpt and transcribe all books, accounts, records, reports, files and other papers, things, or property belonging to or in use by the City or County for a period as such records are legally required to be maintained by the City or County.

SECTION VI
Monitoring

The County reserves the right to carry out regular and periodic field inspections to ensure compliance with the requirements of this Agreement. City shall attend a compliance seminar after the award of funds and prior to the first draw. After each monitoring visit, County shall provide City with a written report of the monitor's inspection. If the monitoring report finds deficiencies in City's performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by City. Failure by City to take action as specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section XIV of this Agreement.

SECTION VII
Conflict of Interest

In compliance with 24 CFR 611, the City and County both covenant that no member of their respective governing bodies nor any staff member who exercises influence on the decision making process, presently has or will have any interest, direct or indirect, with any person, corporation**,** company or association that is hired to carry out any of the activities so listed on Exhibit A or will receive federal assistance from any activity.

The City and County both agree that no person who is an elected official, employee, consultant, or agent of the City or County shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Exhibit A during their tenure or for a period of one year thereafter.

No City or County employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described on Exhibit A.

Code of Conduct Certification attached to this agreement must be signed by elected officials, employees, consultants, or agents to the City. (See attachment 1A)

SECTION VIII
Religious Activities

The City and County both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this program be used for sectarian or religious activities.

SECTION IX
Real and Property Assets

The City and County agree that any property, real or personal, duly acquired with CDBG funds allocated to City shall become property of the City and shall be afforded the same maintenance and protection as other City property. City and County further agree that any real or personal property acquired shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

City agrees not to purchase any real or personal assets unless so permitted by the County and such procurement shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

The City agrees to maintain any real or personal asset in a prudent manner so as to ensure its useful life and to protect the federal government's interest in such real or personal asset from the perils of fire, storm, flood or theft through insurance coverage in the amount as may be deemed prudent by County. Failure to secure such protection shall be cause for termination of this agreement.

Any asset acquired or improved in part or in whole with CDBG funds must be used in an activity that is eligible and meets one of the national objectives listed in 24 CFR 570.208. Any asset acquired or improved in part or in whole with CDBG funds in excess of $ 25,000 must be used for the CDBG activity so planned including the beneficiaries of such use. Any change in use or beneficiaries must be subject to the citizen participation requirements and approved by the County.

Should any use of an asset not qualify as meeting one of the national objectives or is not an eligible use under 24 CFR 570.200, the City shall reimburse the County the amount of the current fair market value of the asset less any portion thereof attributable to expenditures of non-CDBG funds in the acquisition or improvement of the asset.

The above requirements attributed to assets over $ 25,000 shall remain in force for a period of five years after the final closeout of the County's participation in the Urban County Program. The disposition of any asset improved or acquired in part or in whole with CDBG funds by the City must be done with prior approval of the County and the County shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The County may, at its option, request that such asset be transferred to the County if the asset is no longer being used to meet one of the national objectives or in any case where the City no longer uses the asset for its intended use.

SECTION X
Jurisdiction

The City and County agree to accept the jurisdiction of the Department of Housing and Urban Development in matters relating to the proper administration of programs and the proper expenditure of CDBG funds.

The City and County agree that the County is responsible for the proper administration of programs and the proper expenditure of CDBG funds and recognize that the County will be responsible for audit or programmatic findings or exceptions made by the HUD or any other agency that may exercise jurisdiction over HUD or any other agency that may exercise jurisdiction over HUD funds or programs.

In cases of an audit finding or exception based on action or inaction, representation or misrepresentation of the City, the City agrees to resolve such audit finding or exception for and on behalf of the County. Remedial actions that may be taken for the resolution of an audit finding or exception are defined in 24 CFR 570.910 and include the withholding of funds to the City for any outstanding finding(s) or exception(s). Exhibit-E

The City understands and agrees this Interlocal Agreement shall remain in full force and effect until the Department of Housing and Urban Development has closed this Program Year **(B-12-UC-48-0501)** and accepted any resolutions to any and all audit or programmatic finding(s) or concern(s).

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The County and City agree that they will maintain a legal binding relationship with each other under the terms of this Agreement and all previously signed Cooperation Agreement if the City wishes to participate in the Section 108 Loan Guarantee Program for the full term of the Section 108 Loan Agreement. The City agrees to pledge its current and future CDBG allocation and other security consideration as may be required, depending on the project risk, as security for the Section 108 Loan and such security pledge shall not bind or affect other cities' allocation in the Urban County Program.

Such legal binding relationship and security pledge shall remain in full force and effect for the full term of the Section 108 Loan Guarantee agreement and this agreement shall survive for the term of the Section 108 Loan. Details of any current Section 108 loan is included herein as Exhibit "C" if applicable.

SECTION XIII
Legal Action

The City agrees to notify the County when a problem arises that may lead to any legal action or claim against the City and/or County. The City agrees to furnish to the County any information with respect to such action or claim. The City agrees not to take any action with respect to any legal matter or claim sought against the City and/or County without advice and consent of the County.

SECTION XIV
Suspension and Termination

City understands that this agreement may be suspended or terminated in accordance with 24 CFR 85.43 if the City materially fails to comply with the provisions of this agreement or the provisions so listed on Exhibits A through E. Termination for convenience may be implemented in accordance to the provisions listed in 24 CFR 85.44.

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Changes or Amendments

The City agrees to notify the County on any changes or amendments that it may desire or need to carry out the CDBG program in its area. All changes or amendments must first obtain approval from the County prior to implementation. All changes or amendments must conform to all federal rules and regulations applicable to the CDBG program.

SECTION XVI
Essential Powers

The City agrees that the County has the essential powers to implement any aspect of those activities identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy inclusive of specific projects identified in the annual One-Year Action Plan and subsequent amendments. The City further agrees to allow the County the authority to initiate, undertake and implement said projects within its jurisdictional boundaries without further notice to City by County for all projects identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy, Annual Action Plan and subsequent amendments to the Plans herein incorporated by reference.

Approved and signed this ____ Day of _____, 2012.

ATTEST:

Arturo Guajardo, Jr. **County Clerk**	**Ramon Garcia,** **Hidalgo County Judge**

ATTEST:

CITY SECRETARY	**MAYOR**

DATE

Approved by: _____
Steve Crain, Legal Counsel

2012 INTERLOCAL AGREEMENT

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This Interlocal Agreement, made and entered into by and between the County of Hidalgo, a political subdivision of the State of Texas, hereafter referred to as the "County" and the **City of Progreso**, a municipal corporation under the laws of the State of Texas, hereafter referred to as "City".

WITNESSETH

WHEREAS, the Department of Housing and Urban Development made a Determination of Essential Powers on November 16, 1987 which depicts Hidalgo County as having the "essential powers" to carry out community renewal and lower income housing assistance in the County, and

WHEREAS, the Department of Housing and Urban Development formally allocated **$7,639,061.00** of Fiscal Year **2012** Community Development Block Grant (CDBG) Funds under Grant No. **B-12-UC-48-0501** to County, and

WHEREAS, the City and County have entered into a Cooperation Agreement which allows the County to use the City's population as the basis for qualification as an Urban County, and

WHEREAS, both the County and the City need to set out basic administrative understandings for the proper expenditure of CDBG funds as set out in 24 CFR. 570 and other related federal rules and regulations as they apply to Subrecipients.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the County and the City do mutually agree as follows:

SECTION I
Rules and Regulations

The City agrees to cooperate with the County in respect to the implementation of CDBG activities to be carried out in the City's jurisdiction as per 24 CFR 570 and other rules, regulations and decisions as may be made by the Department of Housing and Urban Development or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG funds. Both City and County agree and understand that the County is the grantee for the CDBG funds and the City is subject to all rules and regulations governing Subrecipients under 24 CFR 570.

SECTION II
Applicability of Uniform
Administrative Requirements

The County understands that it is responsible for the maintenance, retention, accessibility and public disclosure of all records, expenditures and files as may be promulgated for the administration of CDBG funds and as may be required by 24 CFR 570 and the "Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments." (24 CFR Part 85) or any variation as may be approved by HUD The City agrees to work with the County to make available all data, information and records as may be necessary for the proper accounting of all CDBG expenditures and activities. A description of City and County responsibilities can be found in Exhibit B MATRIX. City agrees to make all records available to the County and shall not be the custodian of any official records or information.

City agrees to comply with OMB Circular No. A-87, "Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally Recognized Indian Tribal Governments,: OMB Circular A-133, "Audits of State and Local Governments" (implemented at 24 CFR Part 44) and with the following sections of 24 CFR Part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government":

(1) Section 85.3, "Definitions";
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(12) Section 85.36, "Procurement," except paragraph (a);
(13) Section 85.37, "Subgrants";
(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) - (d) and (f);
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(16) Section 85.42, "Retention and access requirements for records";
(17) Section 85.43, "Enforcement";
(18) Section 85.44, "Termination for convenience";
(19) Section 85.51, "Later disallowances and adjustments"; and
(20) Section 85.52, "Collection of amounts due."

Not withstanding the requirements of OMB Circular A-133; the City agrees to submit a yearly Certified City Financial Audit regardless of the dollar amount expended in that fiscal year in the time and manner prescribed by the County.

SECTION III
Other Program Requirements

The City agrees to comply with "Other Program Requirements" as listed in Exhibit D (24 CFR 570.600-611) except for the environmental responsibilities outlined at 24 CFR 570.604 and the review process under Executive Order 12372.

SECTION IV
Allocation

The City understands that the Urban County allocation has been set at **$7,639,061.00** for **Fiscal Year 2012** and that City's allotment has been set at **$278,900.00** The City agrees to cooperate with the county in the expenditure of these funds for the activities so described in Exhibit A of this Agreement ant that Exhibit A is an integral part of this Agreement.

The City further agrees to inform the County on any changes in scope, funding or location of the activities listed on Exhibit A prior to executing any change. Any changes proposed by City must be approved by the County in reference to eligibility, program compliance and citizen participation requirements.

City and County mutually agree that the City shall have four (4) fiscal years to properly expend or cause to be expended, according to all applicable rules and regulations, all funds allocated to it in **Fiscal Year 2012**. In consideration for the same, the City agrees not to have more than 1.5 times its annual allocation in its line of credit by **April 30, 2013** Funds in excess of the 1.5 standards shall be subject to the Recapture Policy of the Urban County Program. The County shall recapture any and all unobligated funds that a City fails to expend or obligate by **June 30, 2013** and shall expend such unobligated funds as it may deem appropriate.

SECTION V
Access

The City and County both agree to give the Department of Housing and Urban Development, the Inspector General, the Comptroller General of the United States, or any of its authorized representatives, access to and the right to examine, excerpt and transcribe all books, accounts, records, reports, files and other papers, things, or property belonging to or in use by the City or County for a period as such records are legally required to be maintained by the City or County.

SECTION VI
Monitoring

The County reserves the right to carry out regular and periodic field inspections to ensure compliance with the requirements of this Agreement. City shall attend a compliance seminar after the award of funds and prior to the first draw. After each monitoring visit, County shall provide City with a written report of the monitor's inspection. If the monitoring report finds deficiencies in City's performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by City. Failure by City to take action as specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section XIV of this Agreement.

SECTION VII
Conflict of Interest

In compliance with 24 CFR 611, the City and County both covenant that no member of their respective governing bodies nor any staff member who exercises influence on the decision making process, presently has or will have any interest, direct or indirect, with any person, corporation**,** company or association that is hired to carry out any of the activities so listed on Exhibit A or will receive federal assistance from any activity.

The City and County both agree that no person who is an elected official, employee, consultant, or agent of the City or County shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Exhibit A during their tenure or for a period of one year thereafter.

No City or County employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described on Exhibit A.

Code of Conduct Certification attached to this agreement must be signed by elected officials, employees, consultants, or agents to the City. (See attachment 1A)

SECTION VIII
Religious Activities

The City and County both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this program be used for sectarian or religious activities.

SECTION IX
Real and Property Assets

The City and County agree that any property, real or personal, duly acquired with CDBG funds allocated to City shall become property of the City and shall be afforded the same maintenance and protection as other City property. City and County further agree that any real or personal property acquired shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

City agrees not to purchase any real or personal assets unless so permitted by the County and such procurement shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

The City agrees to maintain any real or personal asset in a prudent manner so as to ensure its useful life and to protect the federal government's interest in such real or personal asset from the perils of fire, storm, flood or theft through insurance coverage in the amount as may be deemed prudent by County. Failure to secure such protection shall be cause for termination of this agreement.

Any asset acquired or improved in part or in whole with CDBG funds must be used in an activity that is eligible and meets one of the national objectives listed in 24 CFR 570.208. Any asset acquired or improved in part or in whole with CDBG funds in excess of $ 25,000 must be used for the CDBG activity so planned including the beneficiaries of such use. Any change in use or beneficiaries must be subject to the citizen participation requirements and approved by the County.

Should any use of an asset not qualify as meeting one of the national objectives or is not an eligible use under 24 CFR 570.200, the City shall reimburse the County the amount of the current fair market value of the asset less any portion thereof attributable to expenditures of non-CDBG funds in the acquisition or improvement of the asset.

The above requirements attributed to assets over $ 25,000 shall remain in force for a period of five years after the final closeout of the County's participation in the Urban County Program. The disposition of any asset improved or acquired in part or in whole with CDBG funds by the City must be done with prior approval of the County and the County shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The County may, at its option, request that such asset be transferred to the County if the asset is no longer being used to meet one of the national objectives or in any case where the City no longer uses the asset for its intended use.

SECTION X
Jurisdiction

The City and County agree to accept the jurisdiction of the Department of Housing and Urban Development in matters relating to the proper administration of programs and the proper expenditure of CDBG funds.

The City and County agree that the County is responsible for the proper administration of programs and the proper expenditure of CDBG funds and recognize that the County will be responsible for audit or programmatic findings or exceptions made by the HUD or any other agency that may exercise jurisdiction over HUD or any other agency that may exercise jurisdiction over HUD funds or programs.

In cases of an audit finding or exception based on action or inaction, representation or misrepresentation of the City, the City agrees to resolve such audit finding or exception for and on behalf of the County. Remedial actions that may be taken for the resolution of an audit finding or exception are defined in 24 CFR 570.910 and include the withholding of funds to the City for any outstanding finding(s) or exception(s). Exhibit-E

The City understands and agrees this Interlocal Agreement shall remain in full force and effect until the Department of Housing and Urban Development has closed this Program Year **(B-12-UC-48-0501)** and accepted any resolutions to any and all audit or programmatic finding(s) or concern(s).

SECTION XI
Payment Requests and Program Income

The City agrees to follow administrative directions from the County in the areas of documenting and processing payment requests. The City further agrees to allow the County to make all payments and to account for all program income from any of its CDBG activities that may generate program income as outlined in this Section.

The City and County agree that program income generated from any approved CDBG project shall be retained by the City as long as such City provides the County by the 15th of each month, an accounting as may be required by the County of program income earned, retained, and expended by the City. The City shall be allowed to use the program income for the same or similar activities as generated the program income. Failure of the City to report program income as required shall cause the County to require all program income to be recovered by the County.

SECTION XII
Section 108 Loan Guarantee

County and City both agree that they may implement certain eligible activities as outlined in 24 CFR 570.703 with loan funds from the Section 108 Loan Guarantee Program as described in 24 CFR 570.700-709 approved and adopted November 6, 1991 (Vol. 56, No. 215 Federal Register).

The County and City will be allowed to submit an application for such funds per funding year in an amount less than three times its current allocation. Should the City or County submit more than one application during any combination of years, the cumulative amount of loan funds requested shall not exceed the total amount of five years of the current allocation. The City agrees that it will bear the full expense of obtaining Section 108 financing for the period of the repayment of Section 108 funds.

The County and City agree that they will maintain a legal binding relationship with each other under the terms of this Agreement and all previously signed Cooperation Agreement if the City wishes to participate in the Section 108 Loan Guarantee Program for the full term of the Section 108 Loan Agreement. The City agrees to pledge its current and future CDBG allocation and other security consideration as may be required, depending on the project risk, as security for the Section 108 Loan and such security pledge shall not bind or affect other cities' allocation in the Urban County Program.

Such legal binding relationship and security pledge shall remain in full force and effect for the full term of the Section 108 Loan Guarantee agreement and this agreement shall survive for the term of the Section 108 Loan. Details of any current Section 108 loan is included herein as Exhibit "C" if applicable.

SECTION XIII
Legal Action

The City agrees to notify the County when a problem arises that may lead to any legal action or claim against the City and/or County. The City agrees to furnish to the County any information with respect to such action or claim. The City agrees not to take any action with respect to any legal matter or claim sought against the City and/or County without advice and consent of the County.

SECTION XIV
Suspension and Termination

City understands that this agreement may be suspended or terminated in accordance with 24 CFR 85.43 if the City materially fails to comply with the provisions of this agreement or the provisions so listed on Exhibits A through E. Termination for convenience may be implemented in accordance to the provisions listed in 24 CFR 85.44.

SECTION XV
Changes or Amendments

The City agrees to notify the County on any changes or amendments that it may desire or need to carry out the CDBG program in its area. All changes or amendments must first obtain approval from the County prior to implementation. All changes or amendments must conform to all federal rules and regulations applicable to the CDBG program.

SECTION XVI
Essential Powers

The City agrees that the County has the essential powers to implement any aspect of those activities identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy inclusive of specific projects identified in the annual One-Year Action Plan and subsequent amendments. The City further agrees to allow the County the authority to initiate, undertake and implement said projects within its jurisdictional boundaries without further notice to City by County for all projects identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy, Annual Action Plan and subsequent amendments to the Plans herein incorporated by reference.

Approved and signed this ____ Day of _____, 2012.

ATTEST:

Arturo Guajardo, Jr. **County Clerk**	**Ramon Garcia,** **Hidalgo County Judge**

ATTEST:

CITY SECRETARY	**MAYOR**

DATE

Approved by: _____
Steve Crain, Legal Counsel

2012 INTERLOCAL AGREEMENT

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This Interlocal Agreement, made and entered into by and between the County of Hidalgo, a political subdivision of the State of Texas, hereafter referred to as the "County" and the **City of San Juan,** a municipal corporation under the laws of the State of Texas, hereafter referred to as "City".

WITNESSETH

WHEREAS, the Department of Housing and Urban Development made a Determination of Essential Powers on November 16, 1987 which depicts Hidalgo County as having the "essential powers" to carry out community renewal and lower income housing assistance in the County, and

WHEREAS, the Department of Housing and Urban Development formally allocated **$7,639,061.00** of Fiscal Year **2012** Community Development Block Grant (CDBG) Funds under Grant No. **B-12-UC-48-0501** to County, and

WHEREAS, the City and County have entered into a Cooperation Agreement which allows the County to use the City's population as the basis for qualification as an Urban County, and

WHEREAS, both the County and the City need to set out basic administrative understandings for the proper expenditure of CDBG funds as set out in 24 CFR. 570 and other related federal rules and regulations as they apply to Subrecipients.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the County and the City do mutually agree as follows:

SECTION I
Rules and Regulations

The City agrees to cooperate with the County in respect to the implementation of CDBG activities to be carried out in the City's jurisdiction as per 24 CFR 570 and other rules, regulations and decisions as may be made by the Department of Housing and Urban Development or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG funds. Both City and County agree and understand that the County is the grantee for the CDBG funds and the City is subject to all rules and regulations governing Subrecipients under 24 CFR 570.

SECTION II
Applicability of Uniform
Administrative Requirements

The County understands that it is responsible for the maintenance, retention, accessibility and public disclosure of all records, expenditures and files as may be promulgated for the administration of CDBG funds and as may be required by 24 CFR 570 and the "Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments." (24 CFR Part 85) or any variation as may be approved by HUD The City agrees to work with the County to make available all data, information and records as may be necessary for the proper accounting of all CDBG expenditures and activities. A description of City and County responsibilities can be found in Exhibit B MATRIX. City agrees to make all records available to the County and shall not be the custodian of any official records or information.

City agrees to comply with OMB Circular No. A-87, "Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally Recognized Indian Tribal Governments,: OMB Circular A-133, "Audits of State and Local Governments" (implemented at 24 CFR Part 44) and with the following sections of 24 CFR Part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government":

(1) Section 85.3, "Definitions";
(2) Section 85.6, "Exceptions";
(3) Section 85.12, Special grant or subgrant conditions for "high-risk "grantees";
(4) Section 85.20, "Standards for financial management systems," except paragraph (a);
(5) Section 85.21, "Payment," except as modified by SS570.513;
(6) Section 85.22, "Allowable costs";
(7) Section 85.26, "Non-federal audits"
(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;
(9) Section 85.33, "Supplies";
(10) Section 85.34, "Copyrights";
(11) Section 85.35, "Subawards to debarred and suspended parties";
(12) Section 85.36, "Procurement," except paragraph (a);
(13) Section 85.37, "Subgrants";
(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) - (d) and (f);
(15) Section 85.41, "Financial Reporting." except paragraphs (a), (b), and (e);
(16) Section 85.42, "Retention and access requirements for records";
(17) Section 85.43, "Enforcement";
(18) Section 85.44, "Termination for convenience";
(19) Section 85.51, "Later disallowances and adjustments"; and
(20) Section 85.52, "Collection of amounts due."

Not withstanding the requirements of OMB Circular A-133; the City agrees to submit a yearly Certified City Financial Audit regardless of the dollar amount expended in that fiscal year in the time and manner prescribed by the County.

SECTION III
Other Program Requirements

The City agrees to comply with "Other Program Requirements" as listed in Exhibit D (24 CFR 570.600-611) except for the environmental responsibilities outlined at 24 CFR 570.604 and the review process under Executive Order 12372.

SECTION IV
Allocation

The City understands that the Urban County allocation has been set at **$7,639,061.00** for **Fiscal Year 2012** and that City's allotment has been set at **$308,702.00** The City agrees to cooperate with the county in the expenditure of these funds for the activities so described in Exhibit A of this Agreement ant that Exhibit A is an integral part of this Agreement.

The City further agrees to inform the County on any changes in scope, funding or location of the activities listed on Exhibit A prior to executing any change. Any changes proposed by City must be approved by the County in reference to eligibility, program compliance and citizen participation requirements.

City and County mutually agree that the City shall have four (4) fiscal years to properly expend or cause to be expended, according to all applicable rules and regulations, all funds allocated to it in **Fiscal Year 2012**. In consideration for the same, the City agrees not to have more than 1.5 times its annual allocation in its line of credit by **April 30, 2013** Funds in excess of the 1.5 standards shall be subject to the Recapture Policy of the Urban County Program. The County shall recapture any and all unobligated funds that a City fails to expend or obligate by **June 30, 2013** and shall expend such unobligated funds as it may deem appropriate.

SECTION V
Access

The City and County both agree to give the Department of Housing and Urban Development, the Inspector General, the Comptroller General of the United States, or any of its authorized representatives, access to and the right to examine, excerpt and transcribe all books, accounts, records, reports, files and other papers, things, or property belonging to or in use by the City or County for a period as such records are legally required to be maintained by the City or County.

SECTION VI
Monitoring

The County reserves the right to carry out regular and periodic field inspections to ensure compliance with the requirements of this Agreement. City shall attend a compliance seminar after the award of funds and prior to the first draw. After each monitoring visit, County shall provide City with a written report of the monitor's inspection. If the monitoring report finds deficiencies in City's performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by City. Failure by City to take action as specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section XIV of this Agreement.

SECTION VII
Conflict of Interest

In compliance with 24 CFR 611, the City and County both covenant that no member of their respective governing bodies nor any staff member who exercises influence on the decision making process, presently has or will have any interest, direct or indirect, with any person, corporation**,** company or association that is hired to carry out any of the activities so listed on Exhibit A or will receive federal assistance from any activity.

The City and County both agree that no person who is an elected official, employee, consultant, or agent of the City or County shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Exhibit A during their tenure or for a period of one year thereafter.

No City or County employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described on Exhibit A.

Code of Conduct Certification attached to this agreement must be signed by elected officials, employees, consultants, or agents to the City. (See attachment 1A)

SECTION VIII
Religious Activities

The City and County both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this program be used for sectarian or religious activities.

SECTION IX
Real and Property Assets

The City and County agree that any property, real or personal, duly acquired with CDBG funds allocated to City shall become property of the City and shall be afforded the same maintenance and protection as other City property. City and County further agree that any real or personal property acquired shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

City agrees not to purchase any real or personal assets unless so permitted by the County and such procurement shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

The City agrees to maintain any real or personal asset in a prudent manner so as to ensure its useful life and to protect the federal government's interest in such real or personal asset from the perils of fire, storm, flood or theft through insurance coverage in the amount as may be deemed prudent by County. Failure to secure such protection shall be cause for termination of this agreement.

Any asset acquired or improved in part or in whole with CDBG funds must be used in an activity that is eligible and meets one of the national objectives listed in 24 CFR 570.208. Any asset acquired or improved in part or in whole with CDBG funds in excess of $ 25,000 must be used for the CDBG activity so planned including the beneficiaries of such use. Any change in use or beneficiaries must be subject to the citizen participation requirements and approved by the County.

Should any use of an asset not qualify as meeting one of the national objectives or is not an eligible use under 24 CFR 570.200, the City shall reimburse the County the amount of the current fair market value of the asset less any portion thereof attributable to expenditures of non-CDBG funds in the acquisition or improvement of the asset.

The above requirements attributed to assets over $ 25,000 shall remain in force for a period of five years after the final closeout of the County's participation in the Urban County Program. The disposition of any asset improved or acquired in part or in whole with CDBG funds by the City must be done with prior approval of the County and the County shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The County may, at its option, request that such asset be transferred to the County if the asset is no longer being used to meet one of the national objectives or in any case where the City no longer uses the asset for its intended use.

SECTION X
Jurisdiction

The City and County agree to accept the jurisdiction of the Department of Housing and Urban Development in matters relating to the proper administration of programs and the proper expenditure of CDBG funds.

The City and County agree that the County is responsible for the proper administration of programs and the proper expenditure of CDBG funds and recognize that the County will be responsible for audit or programmatic findings or exceptions made by the HUD or any other agency that may exercise jurisdiction over HUD or any other agency that may exercise jurisdiction over HUD funds or programs.

In cases of an audit finding or exception based on action or inaction, representation or misrepresentation of the City, the City agrees to resolve such audit finding or exception for and on behalf of the County. Remedial actions that may be taken for the resolution of an audit finding or exception are defined in 24 CFR 570.910 and include the withholding of funds to the City for any outstanding finding(s) or exception(s). Exhibit-E

The City understands and agrees this Interlocal Agreement shall remain in full force and effect until the Department of Housing and Urban Development has closed this Program Year **(B-12-UC-48-0501)** and accepted any resolutions to any and all audit or programmatic finding(s) or concern(s).

SECTION XI
Payment Requests and Program Income

The City agrees to follow administrative directions from the County in the areas of documenting and processing payment requests. The City further agrees to allow the County to make all payments and to account for all program income from any of its CDBG activities that may generate program income as outlined in this Section.

The City and County agree that program income generated from any approved CDBG project shall be retained by the City as long as such City provides the County by the 15th of each month, an accounting as may be required by the County of program income earned, retained, and expended by the City. The City shall be allowed to use the program income for the same or similar activities as generated the program income. Failure of the City to report program income as required shall cause the County to require all program income to be recovered by the County.

SECTION XII
Section 108 Loan Guarantee

County and City both agree that they may implement certain eligible activities as outlined in 24 CFR 570.703 with loan funds from the Section 108 Loan Guarantee Program as described in 24 CFR 570.700-709 approved and adopted November 6, 1991 (Vol. 56, No. 215 Federal Register).

The County and City will be allowed to submit an application for such funds per funding year in an amount less than three times its current allocation. Should the City or County submit more than one application during any combination of years, the cumulative amount of loan funds requested shall not exceed the total amount of five years of the current allocation. The City agrees that it will bear the full expense of obtaining Section 108 financing for the period of the repayment of Section 108 funds.

The County and City agree that they will maintain a legal binding relationship with each other under the terms of this Agreement and all previously signed Cooperation Agreement if the City wishes to participate in the Section 108 Loan Guarantee Program for the full term of the Section 108 Loan Agreement. The City agrees to pledge its current and future CDBG allocation and other security consideration as may be required, depending on the project risk, as security for the Section 108 Loan and such security pledge shall not bind or affect other cities' allocation in the Urban County Program.

Such legal binding relationship and security pledge shall remain in full force and effect for the full term of the Section 108 Loan Guarantee agreement and this agreement shall survive for the term of the Section 108 Loan. Details of any current Section 108 loan is included herein as Exhibit "C" if applicable.

SECTION XIII
Legal Action

The City agrees to notify the County when a problem arises that may lead to any legal action or claim against the City and/or County. The City agrees to furnish to the County any information with respect to such action or claim. The City agrees not to take any action with respect to any legal matter or claim sought against the City and/or County without advice and consent of the County.

SECTION XIV
Suspension and Termination

City understands that this agreement may be suspended or terminated in accordance with 24 CFR 85.43 if the City materially fails to comply with the provisions of this agreement or the provisions so listed on Exhibits A through E. Termination for convenience may be implemented in accordance to the provisions listed in 24 CFR 85.44.

SECTION XV
Changes or Amendments

The City agrees to notify the County on any changes or amendments that it may desire or need to carry out the CDBG program in its area. All changes or amendments must first obtain approval from the County prior to implementation. All changes or amendments must conform to all federal rules and regulations applicable to the CDBG program.

SECTION XVI
Essential Powers

The City agrees that the County has the essential powers to implement any aspect of those activities identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy inclusive of specific projects identified in the annual One-Year Action Plan and subsequent amendments. The City further agrees to allow the County the authority to initiate, undertake and implement said projects within its jurisdictional boundaries without further notice to City by County for all projects identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy, Annual Action Plan and subsequent amendments to the Plans herein incorporated by reference.

Approved and signed this ____ Day of _____, 2012.

ATTEST:

Arturo Guajardo, Jr. **County Clerk**	**Ramon Garcia,** **Hidalgo County Judge**

ATTEST:

CITY SECRETARY	**MAYOR**

DATE

Approved by: _____
Steve Crain, Legal Counsel

2012 INTERLOCAL AGREEMENT

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This Interlocal Agreement, made and entered into by and between the County of Hidalgo, a political subdivision of the State of Texas, hereafter referred to as the "County" and the **City of Sullivan City,** a municipal corporation under the laws of the State of Texas, hereafter referred to as "City".

WITNESSETH

WHEREAS, the Department of Housing and Urban Development made a Determination of Essential Powers on November 16, 1987 which depicts Hidalgo County as having the "essential powers" to carry out community renewal and lower income housing assistance in the County, and

WHEREAS, the Department of Housing and Urban Development formally allocated **$7,639,061.00** of Fiscal Year **2012** Community Development Block Grant (CDBG) Funds under Grant No. **B-12-UC-48-0501** to County, and

WHEREAS, the City and County have entered into a Cooperation Agreement which allows the County to use the City's population as the basis for qualification as an Urban County, and

WHEREAS, both the County and the City need to set out basic administrative understandings for the proper expenditure of CDBG funds as set out in 24 CFR. 570 and other related federal rules and regulations as they apply to Subrecipients.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the County and the City do mutually agree as follows:

SECTION I
Rules and Regulations

The City agrees to cooperate with the County in respect to the implementation of CDBG activities to be carried out in the City's jurisdiction as per 24 CFR 570 and other rules, regulations and decisions as may be made by the Department of Housing and Urban Development or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG funds. Both City and County agree and understand that the County is the grantee for the CDBG funds and the City is subject to all rules and regulations governing Subrecipients under 24 CFR 570.

SECTION II
Applicability of Uniform
Administrative Requirements

The County understands that it is responsible for the maintenance, retention, accessibility and public disclosure of all records, expenditures and files as may be promulgated for the administration of CDBG funds and as may be required by 24 CFR 570 and the "Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments." (24 CFR Part 85) or any variation as may be approved by HUD The City agrees to work with the County to make available all data, information and records as may be necessary for the proper accounting of all CDBG expenditures and activities. A description of City and County responsibilities can be found in Exhibit B MATRIX. City agrees to make all records available to the County and shall not be the custodian of any official records or information.

City agrees to comply with OMB Circular No. A-87, "Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally Recognized Indian Tribal Governments,: OMB Circular A-133, "Audits of State and Local Governments" (implemented at 24 CFR Part 44) and with the following sections of 24 CFR Part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government":

(1) Section 85.3, "Definitions";
(2) Section 85.6, "Exceptions";
(3) Section 85.12, Special grant or subgrant conditions for "high-risk "grantees";
(4) Section 85.20, "Standards for financial management systems," except paragraph (a);
(5) Section 85.21, "Payment," except as modified by SS570.513;
(6) Section 85.22, "Allowable costs";
(7) Section 85.26, "Non-federal audits"
(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;
(9) Section 85.33, "Supplies";
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(11) Section 85.35, "Subawards to debarred and suspended parties";
(12) Section 85.36, "Procurement," except paragraph (a);
(13) Section 85.37, "Subgrants";
(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) - (d) and (f);
(15) Section 85.41, "Financial Reporting." except paragraphs (a), (b), and (e);
(16) Section 85.42, "Retention and access requirements for records";
(17) Section 85.43, "Enforcement";
(18) Section 85.44, "Termination for convenience";
(19) Section 85.51, "Later disallowances and adjustments"; and
(20) Section 85.52, "Collection of amounts due."

Not withstanding the requirements of OMB Circular A-133; the City agrees to submit a yearly Certified City Financial Audit regardless of the dollar amount expended in that fiscal year in the time and manner prescribed by the County.

SECTION III
Other Program Requirements

The City agrees to comply with "Other Program Requirements" as listed in Exhibit D (24 CFR 570.600-611) except for the environmental responsibilities outlined at 24 CFR 570.604 and the review process under Executive Order 12372.

SECTION IV
Allocation

The City understands that the Urban County allocation has been set at **$7,639,061.00** for **Fiscal Year 2012** and that City's allotment has been set at **$278,900.00** The City agrees to cooperate with the county in the expenditure of these funds for the activities so described in Exhibit A of this Agreement ant that Exhibit A is an integral part of this Agreement.

The City further agrees to inform the County on any changes in scope, funding or location of the activities listed on Exhibit A prior to executing any change. Any changes proposed by City must be approved by the County in reference to eligibility, program compliance and citizen participation requirements.

City and County mutually agree that the City shall have four (4) fiscal years to properly expend or cause to be expended, according to all applicable rules and regulations, all funds allocated to it in **Fiscal Year 2012**. In consideration for the same, the City agrees not to have more than 1.5 times its annual allocation in its line of credit by **April 30, 2013** Funds in excess of the 1.5 standards shall be subject to the Recapture Policy of the Urban County Program. The County shall recapture any and all unobligated funds that a City fails to expend or obligate by **June 30, 2013** and shall expend such unobligated funds as it may deem appropriate.

SECTION V
Access

The City and County both agree to give the Department of Housing and Urban Development, the Inspector General, the Comptroller General of the United States, or any of its authorized representatives, access to and the right to examine, excerpt and transcribe all books, accounts, records, reports, files and other papers, things, or property belonging to or in use by the City or County for a period as such records are legally required to be maintained by the City or County.

SECTION VI
Monitoring

The County reserves the right to carry out regular and periodic field inspections to ensure compliance with the requirements of this Agreement. City shall attend a compliance seminar after the award of funds and prior to the first draw. After each monitoring visit, County shall provide City with a written report of the monitor's inspection. If the monitoring report finds deficiencies in City's performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by City. Failure by City to take action as specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section XIV of this Agreement.

SECTION VII
Conflict of Interest

In compliance with 24 CFR 611, the City and County both covenant that no member of their respective governing bodies nor any staff member who exercises influence on the decision making process, presently has or will have any interest, direct or indirect, with any person, corporation**,** company or association that is hired to carry out any of the activities so listed on Exhibit A or will receive federal assistance from any activity.

The City and County both agree that no person who is an elected official, employee, consultant, or agent of the City or County shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Exhibit A during their tenure or for a period of one year thereafter.

No City or County employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described on Exhibit A.

Code of Conduct Certification attached to this agreement must be signed by elected officials, employees, consultants, or agents to the City. (See attachment 1A)

SECTION VIII
Religious Activities

The City and County both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this program be used for sectarian or religious activities.

SECTION IX
Real and Property Assets

The City and County agree that any property, real or personal, duly acquired with CDBG funds allocated to City shall become property of the City and shall be afforded the same maintenance and protection as other City property. City and County further agree that any real or personal property acquired shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

City agrees not to purchase any real or personal assets unless so permitted by the County and such procurement shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

The City agrees to maintain any real or personal asset in a prudent manner so as to ensure its useful life and to protect the federal government's interest in such real or personal asset from the perils of fire, storm, flood or theft through insurance coverage in the amount as may be deemed prudent by County. Failure to secure such protection shall be cause for termination of this agreement.

Any asset acquired or improved in part or in whole with CDBG funds must be used in an activity that is eligible and meets one of the national objectives listed in 24 CFR 570.208. Any asset acquired or improved in part or in whole with CDBG funds in excess of $ 25,000 must be used for the CDBG activity so planned including the beneficiaries of such use. Any change in use or beneficiaries must be subject to the citizen participation requirements and approved by the County.

Should any use of an asset not qualify as meeting one of the national objectives or is not an eligible use under 24 CFR 570.200, the City shall reimburse the County the amount of the current fair market value of the asset less any portion thereof attributable to expenditures of non-CDBG funds in the acquisition or improvement of the asset.

The above requirements attributed to assets over $ 25,000 shall remain in force for a period of five years after the final closeout of the County's participation in the Urban County Program. The disposition of any asset improved or acquired in part or in whole with CDBG funds by the City must be done with prior approval of the County and the County shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The County may, at its option, request that such asset be transferred to the County if the asset is no longer being used to meet one of the national objectives or in any case where the City no longer uses the asset for its intended use.

SECTION X
Jurisdiction

The City and County agree to accept the jurisdiction of the Department of Housing and Urban Development in matters relating to the proper administration of programs and the proper expenditure of CDBG funds.

The City and County agree that the County is responsible for the proper administration of programs and the proper expenditure of CDBG funds and recognize that the County will be responsible for audit or programmatic findings or exceptions made by the HUD or any other agency that may exercise jurisdiction over HUD or any other agency that may exercise jurisdiction over HUD funds or programs.

In cases of an audit finding or exception based on action or inaction, representation or misrepresentation of the City, the City agrees to resolve such audit finding or exception for and on behalf of the County. Remedial actions that may be taken for the resolution of an audit finding or exception are defined in 24 CFR 570.910 and include the withholding of funds to the City for any outstanding finding(s) or exception(s). Exhibit-E

The City understands and agrees this Interlocal Agreement shall remain in full force and effect until the Department of Housing and Urban Development has closed this Program Year **(B-12-UC-48-0501)** and accepted any resolutions to any and all audit or programmatic finding(s) or concern(s).

SECTION XI
Payment Requests and Program Income

The City agrees to follow administrative directions from the County in the areas of documenting and processing payment requests. The City further agrees to allow the County to make all payments and to account for all program income from any of its CDBG activities that may generate program income as outlined in this Section.

The City and County agree that program income generated from any approved CDBG project shall be retained by the City as long as such City provides the County by the 15th of each month, an accounting as may be required by the County of program income earned, retained, and expended by the City. The City shall be allowed to use the program income for the same or similar activities as generated the program income. Failure of the City to report program income as required shall cause the County to require all program income to be recovered by the County.

SECTION XII
Section 108 Loan Guarantee

County and City both agree that they may implement certain eligible activities as outlined in 24 CFR 570.703 with loan funds from the Section 108 Loan Guarantee Program as described in 24 CFR 570.700-709 approved and adopted November 6, 1991 (Vol. 56, No. 215 Federal Register).

The County and City will be allowed to submit an application for such funds per funding year in an amount less than three times its current allocation. Should the City or County submit more than one application during any combination of years, the cumulative amount of loan funds requested shall not exceed the total amount of five years of the current allocation. The City agrees that it will bear the full expense of obtaining Section 108 financing for the period of the repayment of Section 108 funds.

The County and City agree that they will maintain a legal binding relationship with each other under the terms of this Agreement and all previously signed Cooperation Agreement if the City wishes to participate in the Section 108 Loan Guarantee Program for the full term of the Section 108 Loan Agreement. The City agrees to pledge its current and future CDBG allocation and other security consideration as may be required, depending on the project risk, as security for the Section 108 Loan and such security pledge shall not bind or affect other cities' allocation in the Urban County Program.

Such legal binding relationship and security pledge shall remain in full force and effect for the full term of the Section 108 Loan Guarantee agreement and this agreement shall survive for the term of the Section 108 Loan. Details of any current Section 108 loan is included herein as Exhibit "C" if applicable.

SECTION XIII
Legal Action

The City agrees to notify the County when a problem arises that may lead to any legal action or claim against the City and/or County. The City agrees to furnish to the County any information with respect to such action or claim. The City agrees not to take any action with respect to any legal matter or claim sought against the City and/or County without advice and consent of the County.

SECTION XIV
Suspension and Termination

City understands that this agreement may be suspended or terminated in accordance with 24 CFR 85.43 if the City materially fails to comply with the provisions of this agreement or the provisions so listed on Exhibits A through E. Termination for convenience may be implemented in accordance to the provisions listed in 24 CFR 85.44.

SECTION XV
Changes or Amendments

The City agrees to notify the County on any changes or amendments that it may desire or need to carry out the CDBG program in its area. All changes or amendments must first obtain approval from the County prior to implementation. All changes or amendments must conform to all federal rules and regulations applicable to the CDBG program.

SECTION XVI
Essential Powers

The City agrees that the County has the essential powers to implement any aspect of those activities identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy inclusive of specific projects identified in the annual One-Year Action Plan and subsequent amendments. The City further agrees to allow the County the authority to initiate, undertake and implement said projects within its jurisdictional boundaries without further notice to City by County for all projects identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy, Annual Action Plan and subsequent amendments to the Plans herein incorporated by reference.

Approved and signed this ____ Day of _____, 2012.

ATTEST:

Arturo Guajardo, Jr. **County Clerk**	**Ramon Garcia,** **Hidalgo County Judge**

ATTEST:

CITY SECRETARY	**MAYOR**

DATE

Approved by: _____
Steve Crain, Legal Counsel

2012 INTERLOCAL AGREEMENT

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

This Interlocal Agreement, made and entered into by and between the County of Hidalgo, a political subdivision of the State of Texas, hereafter referred to as the "County" and the **City of Weslaco,** a municipal corporation under the laws of the State of Texas, hereafter referred to as "City".

WITNESSETH

WHEREAS, the Department of Housing and Urban Development made a Determination of Essential Powers on November 16, 1987 which depicts Hidalgo County as having the "essential powers" to carry out community renewal and lower income housing assistance in the County, and

WHEREAS, the Department of Housing and Urban Development formally allocated **$7,639,061.00** of Fiscal Year **2012** Community Development Block Grant (CDBG) Funds under Grant No. **B-12-UC-48-0501** to County, and

WHEREAS, the City and County have entered into a Cooperation Agreement which allows the County to use the City's population as the basis for qualification as an Urban County, and

WHEREAS, both the County and the City need to set out basic administrative understandings for the proper expenditure of CDBG funds as set out in 24 CFR. 570 and other related federal rules and regulations as they apply to Subrecipients.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That the County and the City do mutually agree as follows:

SECTION I
Rules and Regulations

The City agrees to cooperate with the County in respect to the implementation of CDBG activities to be carried out in the City's jurisdiction as per 24 CFR 570 and other rules, regulations and decisions as may be made by the Department of Housing and Urban Development or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG funds. Both City and County agree and understand that the County is the grantee for the CDBG funds and the City is subject to all rules and regulations governing Subrecipients under 24 CFR 570.

SECTION II
Applicability of Uniform
Administrative Requirements

The County understands that it is responsible for the maintenance, retention, accessibility and public disclosure of all records, expenditures and files as may be promulgated for the administration of CDBG funds and as may be required by 24 CFR 570 and the "Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments." (24 CFR Part 85) or any variation as may be approved by HUD The City agrees to work with the County to make available all data, information and records as may be necessary for the proper accounting of all CDBG expenditures and activities. A description of City and County responsibilities can be found in Exhibit B MATRIX. City agrees to make all records available to the County and shall not be the custodian of any official records or information.

City agrees to comply with OMB Circular No. A-87, "Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally Recognized Indian Tribal Governments,: OMB Circular A-133, "Audits of State and Local Governments" (implemented at 24 CFR Part 44) and with the following sections of 24 CFR Part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government":

(1) Section 85.3, "Definitions";
(2) Section 85.6, "Exceptions";
(3) Section 85.12, Special grant or subgrant conditions for "high-risk "grantees";
(4) Section 85.20, "Standards for financial management systems," except paragraph (a);
(5) Section 85.21, "Payment," except as modified by SS570.513;
(6) Section 85.22, "Allowable costs";
(7) Section 85.26, "Non-federal audits"
(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;
(9) Section 85.33, "Supplies";
(10) Section 85.34, "Copyrights";
(11) Section 85.35, "Subawards to debarred and suspended parties";
(12) Section 85.36, "Procurement," except paragraph (a);
(13) Section 85.37, "Subgrants";
(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) - (d) and (f);
(15) Section 85.41, "Financial Reporting." except paragraphs (a), (b), and (e);
(16) Section 85.42, "Retention and access requirements for records";
(17) Section 85.43, "Enforcement";
(18) Section 85.44, "Termination for convenience";
(19) Section 85.51, "Later disallowances and adjustments"; and
(20) Section 85.52, "Collection of amounts due."

Not withstanding the requirements of OMB Circular A-133; the City agrees to submit a yearly Certified City Financial Audit regardless of the dollar amount expended in that fiscal year in the time and manner prescribed by the County.

SECTION III
Other Program Requirements

The City agrees to comply with "Other Program Requirements" as listed in Exhibit D (24 CFR 570.600-611) except for the environmental responsibilities outlined at 24 CFR 570.604 and the review process under Executive Order 12372.

SECTION IV
Allocation

The City understands that the Urban County allocation has been set at **$7,639,061.00** for **Fiscal Year 2012** and that City's allotment has been set at **$308,702.00** The City agrees to cooperate with the county in the expenditure of these funds for the activities so described in Exhibit A of this Agreement ant that Exhibit A is an integral part of this Agreement.

The City further agrees to inform the County on any changes in scope, funding or location of the activities listed on Exhibit A prior to executing any change. Any changes proposed by City must be approved by the County in reference to eligibility, program compliance and citizen participation requirements.

City and County mutually agree that the City shall have four (4) fiscal years to properly expend or cause to be expended, according to all applicable rules and regulations, all funds allocated to it in **Fiscal Year 2012**. In consideration for the same, the City agrees not to have more than 1.5 times its annual allocation in its line of credit by **April 30, 2013** Funds in excess of the 1.5 standards shall be subject to the Recapture Policy of the Urban County Program. The County shall recapture any and all unobligated funds that a City fails to expend or obligate by **June 30, 2013** and shall expend such unobligated funds as it may deem appropriate.

SECTION V
Access

The City and County both agree to give the Department of Housing and Urban Development, the Inspector General, the Comptroller General of the United States, or any of its authorized representatives, access to and the right to examine, excerpt and transcribe all books, accounts, records, reports, files and other papers, things, or property belonging to or in use by the City or County for a period as such records are legally required to be maintained by the City or County.

SECTION VI
Monitoring

The County reserves the right to carry out regular and periodic field inspections to ensure compliance with the requirements of this Agreement. City shall attend a compliance seminar after the award of funds and prior to the first draw. After each monitoring visit, County shall provide City with a written report of the monitor's inspection. If the monitoring report finds deficiencies in City's performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by City. Failure by City to take action as specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section XIV of this Agreement.

SECTION VII
Conflict of Interest

In compliance with 24 CFR 611, the City and County both covenant that no member of their respective governing bodies nor any staff member who exercises influence on the decision making process, presently has or will have any interest, direct or indirect, with any person, corporation**,** company or association that is hired to carry out any of the activities so listed on Exhibit A or will receive federal assistance from any activity.

The City and County both agree that no person who is an elected official, employee, consultant, or agent of the City or County shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Exhibit A during their tenure or for a period of one year thereafter.

No City or County employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described on Exhibit A.

Code of Conduct Certification attached to this agreement must be signed by elected officials, employees, consultants, or agents to the City. (See attachment 1A)

SECTION VIII
Religious Activities

The City and County both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this program be used for sectarian or religious activities.

SECTION IX
Real and Property Assets

The City and County agree that any property, real or personal, duly acquired with CDBG funds allocated to City shall become property of the City and shall be afforded the same maintenance and protection as other City property. City and County further agree that any real or personal property acquired shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

City agrees not to purchase any real or personal assets unless so permitted by the County and such procurement shall be done in accordance with 24 CFR 570.606, 24 CFR 85 and/or any other federal rules or regulations as may apply.

The City agrees to maintain any real or personal asset in a prudent manner so as to ensure its useful life and to protect the federal government's interest in such real or personal asset from the perils of fire, storm, flood or theft through insurance coverage in the amount as may be deemed prudent by County. Failure to secure such protection shall be cause for termination of this agreement.

Any asset acquired or improved in part or in whole with CDBG funds must be used in an activity that is eligible and meets one of the national objectives listed in 24 CFR 570.208. Any asset acquired or improved in part or in whole with CDBG funds in excess of $ 25,000 must be used for the CDBG activity so planned including the beneficiaries of such use. Any change in use or beneficiaries must be subject to the citizen participation requirements and approved by the County.

Should any use of an asset not qualify as meeting one of the national objectives or is not an eligible use under 24 CFR 570.200, the City shall reimburse the County the amount of the current fair market value of the asset less any portion thereof attributable to expenditures of non-CDBG funds in the acquisition or improvement of the asset.

The above requirements attributed to assets over $ 25,000 shall remain in force for a period of five years after the final closeout of the County's participation in the Urban County Program. The disposition of any asset improved or acquired in part or in whole with CDBG funds by the City must be done with prior approval of the County and the County shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The County may, at its option, request that such asset be transferred to the County if the asset is no longer being used to meet one of the national objectives or in any case where the City no longer uses the asset for its intended use.

SECTION X
Jurisdiction

The City and County agree to accept the jurisdiction of the Department of Housing and Urban Development in matters relating to the proper administration of programs and the proper expenditure of CDBG funds.

The City and County agree that the County is responsible for the proper administration of programs and the proper expenditure of CDBG funds and recognize that the County will be responsible for audit or programmatic findings or exceptions made by the HUD or any other agency that may exercise jurisdiction over HUD or any other agency that may exercise jurisdiction over HUD funds or programs.

In cases of an audit finding or exception based on action or inaction, representation or misrepresentation of the City, the City agrees to resolve such audit finding or exception for and on behalf of the County. Remedial actions that may be taken for the resolution of an audit finding or exception are defined in 24 CFR 570.910 and include the withholding of funds to the City for any outstanding finding(s) or exception(s). Exhibit-E

The City understands and agrees this Interlocal Agreement shall remain in full force and effect until the Department of Housing and Urban Development has closed this Program Year **(B-12-UC-48-0501)** and accepted any resolutions to any and all audit or programmatic finding(s) or concern(s).

SECTION XI
Payment Requests and Program Income

The City agrees to follow administrative directions from the County in the areas of documenting and processing payment requests. The City further agrees to allow the County to make all payments and to account for all program income from any of its CDBG activities that may generate program income as outlined in this Section.

The City and County agree that program income generated from any approved CDBG project shall be retained by the City as long as such City provides the County by the 15th of each month, an accounting as may be required by the County of program income earned, retained, and expended by the City. The City shall be allowed to use the program income for the same or similar activities as generated the program income. Failure of the City to report program income as required shall cause the County to require all program income to be recovered by the County.

SECTION XII
Section 108 Loan Guarantee

County and City both agree that they may implement certain eligible activities as outlined in 24 CFR 570.703 with loan funds from the Section 108 Loan Guarantee Program as described in 24 CFR 570.700-709 approved and adopted November 6, 1991 (Vol. 56, No. 215 Federal Register).

The County and City will be allowed to submit an application for such funds per funding year in an amount less than three times its current allocation. Should the City or County submit more than one application during any combination of years, the cumulative amount of loan funds requested shall not exceed the total amount of five years of the current allocation. The City agrees that it will bear the full expense of obtaining Section 108 financing for the period of the repayment of Section 108 funds.

The County and City agree that they will maintain a legal binding relationship with each other under the terms of this Agreement and all previously signed Cooperation Agreement if the City wishes to participate in the Section 108 Loan Guarantee Program for the full term of the Section 108 Loan Agreement. The City agrees to pledge its current and future CDBG allocation and other security consideration as may be required, depending on the project risk, as security for the Section 108 Loan and such security pledge shall not bind or affect other cities' allocation in the Urban County Program.

Such legal binding relationship and security pledge shall remain in full force and effect for the full term of the Section 108 Loan Guarantee agreement and this agreement shall survive for the term of the Section 108 Loan. Details of any current Section 108 loan is included herein as Exhibit "C" if applicable.

SECTION XIII
Legal Action

The City agrees to notify the County when a problem arises that may lead to any legal action or claim against the City and/or County. The City agrees to furnish to the County any information with respect to such action or claim. The City agrees not to take any action with respect to any legal matter or claim sought against the City and/or County without advice and consent of the County.

SECTION XIV
Suspension and Termination

City understands that this agreement may be suspended or terminated in accordance with 24 CFR 85.43 if the City materially fails to comply with the provisions of this agreement or the provisions so listed on Exhibits A through E. Termination for convenience may be implemented in accordance to the provisions listed in 24 CFR 85.44.

SECTION XV
Changes or Amendments

The City agrees to notify the County on any changes or amendments that it may desire or need to carry out the CDBG program in its area. All changes or amendments must first obtain approval from the County prior to implementation. All changes or amendments must conform to all federal rules and regulations applicable to the CDBG program.

SECTION XVI
Essential Powers

The City agrees that the County has the essential powers to implement any aspect of those activities identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy inclusive of specific projects identified in the annual One-Year Action Plan and subsequent amendments. The City further agrees to allow the County the authority to initiate, undertake and implement said projects within its jurisdictional boundaries without further notice to City by County for all projects identified in the 2010 – 2013 Three-Year Consolidated Plan & Strategy, Annual Action Plan and subsequent amendments to the Plans herein incorporated by reference.

Approved and signed this ____ Day of _____, 2012.

ATTEST:

Arturo Guajardo, Jr. **County Clerk**	**Ramon Garcia,** **Hidalgo County Judge**

ATTEST:

CITY SECRETARY	**MAYOR**

DATE

Approved by: _____
Steve Crain, Legal Counsel

The following Exhibits are incorporated to the Agreement:

Exhibit A	2012 Proposed Activities
Exhibit A1	Code of Conduct Enforcement
Exhibit B	Urban County Program Matrix
Exhibit C	Section 108 Loan Guarantee Program
Exhibit D	Other Program Requirements
Exhibit E	Audit Finding or Exceptions
Exhibit F	Public Service Exhibits

Exhibit A

2012 Proposed Activities

Exhibit A1

Code of Conduct Certifications

Exhibit B

Urban County Matrix

Exhibit C

Section 108 Loan Guarantee Program

Exhibit D

CDBG Regulations

And

Other Program Requirements

Exhibit E

Audit Findings

Or

Exceptions

NONE

Exhibit F

Public Service Exhibits

AI-32706 **Urban County 10. F.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Ester Gonzalez-Garcia **Submitted By:** Mary Flores, URBAN COUNTY

Department: URBAN COUNTY

Information

CAPTION

Urban County Program is requesting Commissioner's Court formal rejection of bids that were submitted and opened April 25, 2012 at Hidalgo County's Purchasing Department for the Texas Department of Agriculture (TDA) Contract No. 729055-for providing first-time public sewer service to colonias located in Pct. No. 1: Saenz Colonia, De Anda Colonia & Perez Subdivision including approval to authorize the County Judge to sign any and all documents associated with Texas Department of Agriculture (TDA) Contract No. 729055.

BACKGROUND

Due to project delays associated right of way entries, an alternative plan will be utilized in an effort to complete the project within contract timeline threshold. Please see attached letter from engineer.

Attachments

Guzman & Munoz Recommendation Letter & Pct 1 concurrence letter

1

Form Review

Inbox	Reviewed By	Date
Budget & Management	Ivan Cantu	06/06/2012 03:22 PM
Auditor's Office	Arcilia Duran	06/07/2012 09:33 AM
Purchasing Department	Marty Salazar	06/07/2012 03:01 PM

Form Started By: Mary Flores Started On: 06/06/2012 03:02 PM

Final Approval Date: 06/07/2012

GUZMAN & MUÑOZ
ENGINEERING AND SURVEYING, INC.
Texas Registered Engineering Firm F-8017

2020 E. EXPRESSWAY 83
MERCEDES, TX 78570

PHONE: (956) 565-4637
FAX: (956) 565-4636

Hidalgo County Urban County Program
Ms. Diana Serna
Urban County Program Director
1916 Tesoro Blvd.
Pharr, TX 78539

Re: Recommendation to reject all bids received for the Sanitary Sewer Line Extension for Colonias Saenz and DeAnda

Dear Ms. Serna

We are requesting that the Hidalgo County Commissioners Court consider and reject the bids received and opened April 25, 2012, for the above referenced project.

Our recommendation is based on the fact that the land owners will not grant us the necessary easements required to complete this project in a timely manner. By law the federal funding agency will not be able to grant us another time extension and the deadline to expend the funds is mid-September of this year. If we do not expend these funds, the County will lose them and it may be liable for any funds already expended.

The rejection of the bids will allow us to bid out an alternative and less costly solution to provide sewer services to these colonias.

A letter of concurrence by Hidalgo County Precinct No. 1 is attached. Please call us if you have any questions or if we can be of any service related to this request.

Sincerely,

, P.E.

Jose G. Reyes, P.E.
GMES Project Engineer

Cc: Joel Quintanilla, Commissioner Pct. No. 1
Jose Luis Muñoz, P.E.

COUNTY of HIDALGO



Joel Quintanilla
County Commissioner, Pct. 1
1902 Joe Stephens Ave.
Weslaco, TX 78596
(956) 968-8733

June 6, 2012

Hidalgo County - Urban County Program
Attn: Diana R. Serna, Director
1916 Tesoro Blvd.
Pharr, Texas 78577

RE: Pct. 1 Sewer Improvements for Colonias Saenz, DeAnda and Perez

Dear Ms. Serna,

Hidalgo County Precinct No. 1 is in concurrence with Guzman & Munoz Engineering and Surveying Inc. regarding the recommendation to reject all bids received for sanitary sewer line extensions for Colonias Saenz and DeAnda.

Should you have any questions or concerns, please do not hesitate to contact my office at 956-968-8733.

Respectfully submitted,

Eddy Gonzalez
Executive Assistant for Community Inter Relations
Hidalgo County Precinct No. 1

THE COUNTY OF HIDALGO TEXAS

HIDALGO COUNTY PURCHASING DEPARTMENT
BID TABULATION SHEET

DEPARTMENT NAME: HIDALGO COUNTY – URBAN COUNTY PROGRAM

BID OPENING DATE: April 25, 2012	**BID OPENING TIME: 9:30 A.M.**

DESCRIPTION OF BID: "2009 Colonia Construction Contract #729055-Colonia Saenz & Colonia De Anda Sewer Improvements-Sewer Service Lines"

BID NO: 6537-65-6590-5000-6500-UCP-PDLC **PROCUREMENT SPECIALIST:**

RFB NO.	Name of Company	Total Price	Bid Bond/ Cashier's Check Included
1.	MJA Construction	$94, 875.16	Cashier's Check Included
2.	GO Underground, LLC	$80,290.00	Bid Bond Included
3.	JF Utility Trenching	$148,478.00	Bid Bond Included
4.			
5.			
6.			
7.			
8.			
9.			

***TYPED AS READ AT BID OPENING, AMOUNTS NOT VERIFIED/CALCULATED.**

AI-32801 **Urban County 10. G.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Carlos Jasso **Submitted By:** Mary Flores, URBAN COUNTY

Department: URBAN COUNTY

Information

CAPTION

The Urban County Program, on behalf of Hidalgo County Precinct No. 3, is requesting approval and award of best and final negotiated contract with Javier Hinojosa Engineering, in the amount of $631,834.00 utilizing Round 2.1 Disaster Recovery Funds of the Texas General Land Office (GLO) Contract No. 12-406-000-6453/DRS010068.

BACKGROUND

Javier Hinojosa Engineering submitted a best and final offer for professional engineering services for the project known as the "Peñitas Drain" project for flood drainage improvements in Hidalgo County Precinct No. 3. Javier Hinojosa Engineering was the highest ranked firm by County Commissioner's Court. See attached scope of services and Best and Final Offer Letter.

Attachments

Letter Comm., Engineer Exhibit A & D

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/13/2012 03:01 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Mary Flores Started On: 06/13/2012 10:35 AM

Final Approval Date: 06/22/2012

JAVIER HINOJOSA ENGINEERING/Consulting Engineers

416 E. Dove Avenue • McAllen, Texas 78504
Tel: (956) 668-1588 • Fax: (956) 994-8102
javhin@rgv.rr.com
TBPE FIRM NO. F-1295

MEMORANDUM

To: Hidalgo County Urban County Program
Attn: Carlos Jasso, Program Coordinator I

From: Javier Hinojosa, P.E.

Subject: **Hidalgo County Precinct No. 3, Urban County Program and Hidalgo County Purchasing Department in connection with Hidalgo County's Community Development Block Grant – Round 2.1 Disaster Recovery Funding for the Pct. 3 Flood Drainage Improvements Project known as the "Peñitas Drain." Texas General Land Office (GLO) Contract No. 12-406-000-6453.**

Date: June 7, 2012

Attached please find the following items for the subject project:

1. Exhibit A: Scope of Services
2. Letter of best and final offer
3. W9 Form (original)
4. Certificate of Debarment (original)
5. CIQ form (copy)

If you have any questions or require further information, please feel free to contact me at your convenience.



JAVIER HINOJOSA ENGINEERING/Consulting Engineers

416 E. Dove Avenue • McAllen, Texas 78504
Tel: (956) 668-1588 • Fax: (956) 994-8102
javhin@rgv.rr.com
TBPE FIRM NO. F-1295

June 7, 2012

Commissioner Joe M. Flores
Hidalgo County Precinct 3
724 N. Breyfogle
Mission, Texas 78572

Re: Hidalgo County Precinct No. 3, Urban County Program and Hidalgo County Purchasing Department in connection with Hidalgo County's Community Development Block Grant – Round 2.1 Disaster Recovery Funding for the Pct. 3 Flood Drainage Improvements Project known as the "Peñitas Drain." Texas General Land Office (GLO) Contract No. 12-406-000-6453

Dear Commissioner Flores,

Attached please find the Scope of Services, W9 Form, Certificate of Debarment and CIQ form for the Hidalgo County Precinct No. 3, Urban County Program and Hidalgo County Purchasing Department in connection with Hidalgo County's Community Development Block Grant – Round 2.1 Disaster Recovery Funding for the Pct. 3 Flood Drainage Improvements Project known as the "Peñitas Drain." Texas General Land Office (GLO) Contract #12-406-000-6453. Our best and final offer for Engineering Service for this project is $631,834.00. We stand ready to proceed with this project at the execution of the contract. If you have any questions or require further information, please feel free to contact me at your convenience.

Sincerely,

JAVIER HINOJOSA ENGINEERING

Javier Hinojosa, P.E.

cc: Carlos Jasso, Program Coordinator I, Urban County Program

Joe M. Flores
County Commissioner Pct. No. 3

COUNTY COMMISSIONER PRECINCT 3
County of Hidalgo

June 13, 2012

Diana Serna, Director
Urban County Program
c/o Carlos Jasso, Program Coordinator
1916 Tesoro Blvd.
Pharr, Texas 78577

RE: Penitas Drain Project: Round 2.1 GLO Monies

Mrs. Serna:

We have reviewed the best and final offer from Javier Hinojosa Engineering for engineering services for the Hidalgo County Community Development Block Grant – Round 2.1 Disaster Recovery Funding for Precinct #3 Flood Drainage Improvement project known as Penitas Drain. Please proceed with submitting the final offer of $631,834.00 on the next Commissioner Court agenda for approval.

Thank you and should you need additional information, please do not hesitate to call my staff or me at (956)585-4509.

Sincerely,

Joe M. Flores, Commissioner
Hidalgo County Precinct #3

Office: (956) 585-4509 • Fax: (956) 205-7009
724 N. Breyfogle • Mission, Texas 78574

EXHIBIT A
SCOPE OF SERVICES
HIDALGO COUNTY PRECINCT NO. 3, URBAN COUNTY PROGRAM AND HIDALGO COUNTY PURCHASING DEPARTMENT IN CONNECTION WITH HIDALGO COUNTY'S COMMUNITY DEVELOPMENT BLOCK GRANT – ROUND 2.1 DISASTER RECOVERY FUNDING FOR THE PCT. 3 FLOOD DRAINAGE IMPROVEMENTS PROJECT KNOWN AS THE "PEÑITAS DRAIN."
TEXAS GENERAL LAND OFFICE (GLO)
PREPARED BY: JAVIER HINOJOSA ENGINEERING

Hidalgo County Precinct No. 3 proposes to construct storm drainage improvements within Puerta Blanca Subdivision, Daniel Ozuna Subdivision, Reina Subdivision and Ramona Subdivision. In addition, construction of a drainage channel, known as the Peñitas Drain, will also be constructed along with three 8'X6' culverts across/under Expressway 83(See Attachment 1).

Contract Amount: $631,834.00

Project Tasks

TASK I – PROJECT ORIENTATION AND STARTUP

We propose that an initial project orientation meeting be scheduled so that both the County and our firm may have a clear understanding of the design and construction process, parameters to be used and the final product desired.

TASK II – SURVEY

Necessary field information will be developed by field surveys. Record plans will be used as a guide for the survey work and for the analysis of design alternatives.

TASK III – DESIGN

This task will assure that the drainage improvements designed and incorporated in the plans are adequate for the area.

TASK IV – PRELIMINARY PLANS AND ESTIMATES

The preliminary set of plans which will result from Task III along with cost estimates will be reviewed with County staff for input and guidance.

TASK V – FINAL PLANS AND SPECIFICATIONS

Final plans, specifications and estimates will be prepared during this task. The output of this task will be the documents necessary for constructing the project.

TASK VI – CONSTRUCTION

During this stage we will observe ongoing work, provide construction staking for the Contractor. Upon completion, a final inspection will be scheduled with the Precinct. The outcome of this final inspection will be a certificate of completion or a punch list of items for the Contractor to complete.

ATTACHMENT 1
Additional Information Regarding
PROJECT 1 – Penitas Drain

Additional Information Regarding Project Description:
Outfall for the Penitas Drain area has been primarily served by existing irrigation drainage ditches and depression areas. There are no natural or major man-made outfall systems within the watershed. This created an inadequate drainage condition during Hurricane Dolly. The existing irrigation drainage ditches failed to function due to the fact that they are shallow, narrow, as well as they catch a lot of debris from the storm. The watershed area drains north to south. At US 83, concentrated runoffs are currently conveyed by two 36-inch pipe culverts and/or the roadway to a ditch downstream, then a large depressed area, and finally to the Mission Inlet Floodway. The size of the ditches, the restriction at US 83, and the depressed area, limits flow capacity and creates back-up of storm water and flooding. The proposed project includes the widening of an existing irrigation drainage ditch (to be known as the Penitas Drain), as well as the installation of an 8-foot x 6-foot box culvert at US 83, as well as a 72-inch reinforced concrete pipe at Tom Gill Road. Additionally at the extreme upstream end (starting at Rodriguez Road) of this project area, it is proposed to construct a storm sewer system within the colonias of Puerta Blanca, Daniel Ozuna, Reina, and Ramona. A connectivity drain will outfall the stormwater from the colonias to a detention facility (constructed at a caliche pit); from the detention facility another connectivity drain will carry the stormwater to the proposed Penitas Drain.

Failure to Function Due to Hurricane Dolly:
In this area, insufficient and inadequate drainage infrastructure were key contributors to the failure to function resulting in flooding and damage; the existing ditches did not have the flood control capacity to handle the significant rain events produced by Hurricane Dolly. The rate of storm water flow over-taxed the ditches. More importantly, there is no major ditch to collect the storm water and convey it to the closest outfall channel (the Mission Inlet Floodway).

Impact to the Community Due to Failure:
The colonias do not have storm sewer to collect the storm water, and they do not have connectivity to drain. There is no major lateral to collect storm water in this project's target area, so during Hurricane Dolly, there was an inability to channel the storm water and flow of water away from homes, subdivisions, and businesses. This resulted in devastation to property, displacement of residents, and damage to roads and infrastructure.

Proposed Improvements:
Improvements and repairs will include the following:

- Storm Sewer within the colonias of Puerta Blanca, Daniel Ozuna, Reina, and Ramona;
- Connectivity to a detention area;
- Connectivity from the detention area to a major outfall (Penitas Drain);
- Ditch Excavation / Widening of an Existing Irrigation Ditch to be known as the Penitas Drain – a minimum of 8-foot channel depth, 10 to 14 feet usual; channel slope of .001 ft/ft; trapezoidal section with maintenance bench each side; bottom width 6 to 10 feet; side slopes 3:1; 20-foot maintenance bench.

- Box Culvert – 8-foot x 6-foot box culvert across / under Expressway 83 and the Irrigation District No. 6 canal.

How the Proposed Improvements Address the Failure to Function:
Although the first phase, this proposed improvement will put a drainage system into a better operating condition as the primary lateral outfall of the target area. With the construction of this major lateral there will be an ability to channel the storm water and flow of water away from homes, subdivisions, and businesses, minimizing and/or eliminating devastation to property, displacement of residents, and damage to roads and infrastructure.

Areas Affected by the Proposed Project / Basis and Reasoning Used for Identifying the Target Area:
This project provides for the construction of a major lateral outfall and addresses community-level drainage infrastructure needs of the protected classes (colonias); it meets the goals of the LRGVDC, Advisory Committees, and public regarding regional approach to storm-related drainage. The project covers a service area comprised of City of Penitas. A map is attached that shows the projects drainage area, overlaid with the Census Blocks and beneficiaries.

Service Area:
A map is attached that shows the projects drainage area, overlaid with the benefited Census Blocks and beneficiaries.

Form **W-9**
(Rev. December 2011)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)
JAVIER HINOJOSA

Business name/disregarded entity name, if different from above
JAVIER HINOJOSA ENGINEERING

Check appropriate box for federal tax classification:
☑ Individual/sole proprietor ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶

☐ Exempt payee

☐ Other (see instructions) ▶

Address (number, street, and apt. or suite no.)
416 E. DOVE AVENUE

Requester's name and address (optional)

City, state, and ZIP code
MCALLEN TX 78504

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number

			–			–				

Employer identification number

7	4	–	2	8	6	5	3	0	1

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here Signature of U.S. person ▶ [signature] Date ▶ 6/7/12

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

Certification
Regarding Debarment, Suspension and Ineligibility

As is required by the Federal Regulations Implementing Executive Order 12549, Debarment and Suspension, 45 CFR Part 76, Government-wide Debarment and Suspension, the applicant certifies, to the best of his or her knowledge and belief, that both it and its principals:

a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency;

b. Have not within a three-year period preceding this bid proposal and/or application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

c. Are not presently indicted for or otherwise criminally or civilly charged by a government entity with commission of any of the offenses enumerated herein; and

d. Have not within a three-year period preceding this bid proposal and/or application had one or more public transactions terminated for cause or default.

Signature: _____
Print Name: Javier Hinojosa, P.E.
Title: Owner
Telephone Number: (956) 668-1588
Date: June 7, 2012

If the bidder is unable to certify to all of the statements in this Certification, such bidder should attach an explanation to this proposal.

2270782

EXHIBIT "D"

CONFLICT OF INTEREST QUESTIONNAIRE — FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. *See* Section 176.006, Local Government Code.

A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

OFFICE USE ONLY

Date Received

1 **Name of person who has a business relationship with local governmental entity.**

Javier Hinojosa

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3 **Name of local government officer with whom filer has employment or business relationship.**

No affiliation or business relationship with any employee or Contractor of Hidalgo County.

Name of Officer

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

☐ Yes ☒ No

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

☐ Yes ☒ No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

☐ Yes ☒ No

D. Describe each employment or business relationship with the local government officer named in this section.

4

Signature of person doing business with the governmental entity

Javier Hinojosa, P.E.

1/9/12

Date

Adopted 06/29/2007

Filed for Record in:
Hidalgo County
by Arturo Guajardo Jr.
County Clerk

On: Jan 09,2012 at 10:45A

As a Recording

Document Number: 2270782
Total Fees : 16.00

Receipt Number - 1246875
By,
Azeneth Uresti, Deputy

AI-32804 **Urban County 10. H.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Lupita Garcia **Submitted By:** Mary Flores, URBAN COUNTY

Department: URBAN COUNTY

Information

CAPTION

The Urban County Program requests approval of Sub-Recipient Agreements with the following for Program Year 25 (2012). (See attached exhibits)

Nuestra Clinica Del Valle, Inc.	Open Hands Community Charitable Services
LRGVDC- Valley Metro	Senior Community Outreach Services, Inc.
Boys & Girls Club of Mission	

BACKGROUND

Background:

Sub-Recipient Agency	Total Contract Amount
Nuestra Clinica Del Valle, Inc.	$ 10,000.00
Open Hands Community Charitable Services	$ 25,173.00
LRGVDC- Valley Metro	LRGVDC- Valley Metro
Senior Community Outreach Services, Inc.	$ 41,500.00
Boys & Girls Club of Mission	$ 37,000.00

Attachments

Nuestra Clinica Del Valle
Open Hands
B&G Mission
2012 Senior Community
2012 Valley Metro

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/13/2012 11:23 AM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Mary Flores Started On: 06/13/2012 10:49 AM

Final Approval Date: 06/22/2012

STATE OF TEXAS }
}
COUNTY OF HIDALGO }

SUBRECIPIENT AGREEMENT

This Agreement is made and entered into on this the 26th day of June, 20 12, by and between the COUNTY OF HIDALGO, Urban County Program, a political subdivision of the State of Texas, hereinafter referred to as **"ENTITY"**, and **NUESTRA CLINICA DEL VALLE, INC.**, hereinafter referred to as **"SUBRECIPIENT".**

WITNESSETH

WHEREAS, **SUBRECIPIENT** desires to carry out eligible activities as described in the Statement of Work attached hereto as **Exhibit A** (the "Statement of Work**")**, to this Agreement, and permitted by Title I of the Housing and Community Development Act of 1992 (1992 Act) pursuant to the U. S. Department of Housing and Urban Development Community Development Block Grant Program Entitlement Grant Regulations and covered in 24 CFR 570.

WHEREAS, the **ENTITY** proposes to contract with **SUBRECIPIENT** in order that the eligible activities described in **Exhibit A** (the "Statement of Work**")** can be carried out for the benefit of residents in the ENTITY'S jurisdiction.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration the receipt of which is hereby acknowledged, the **ENTITY** and the **SUBRECIPIENT** do mutually agree as follows:

SECTION I
Rules and Regulations

The **SUBRECIPIENT** agrees to cooperate with the **ENTITY** in respect to the implementation of Community Development Block Grant CFDA No. 14.218 (CDBG) activities to be carried out by **SUBRECIPIENT** pursuant to 24 CFR Part 570 and other rules, regulations and decisions as may be made by the U. S. Department of Housing and Urban Development (HUD) or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG program funds.

SECTION II
Statement of Work

SUBRECIPIENT agrees to perform services as outlined in the Statement of Work for and in consideration of payment in the amount of **$10,000.00,** and as delineated in the Grant Budget and the Payment Schedule attached hereto as Exhibit B-1 (the "Grant Budget") and Exhibit B-2 (the "Payment Schedule").

SUBRECIPIENT agrees to notify **ENTITY**, in writing, prior to any changes in its Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"). SUBRECIPIENT shall obtain approval, in writing, from ENTITY prior to commencing work on any changes made to the Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity.

ENTITY shall not be liable for costs incurred or performances rendered by **SUBRECIPIENT** before commencement of this Agreement or after termination of this Agreement.

SUBRECIPIENT agrees to follow the schedule outlined in the Schedule of Activity of this Agreement, and shall notify **ENTITY**, in writing, prior to any changes, delays or departures from the Schedule of Activity. If **SUBRECIPIENT** demonstrates that delays or departure from the Schedule of Activity is due to circumstances beyond its control, **ENTITY** and **SUBRECIPIENT** may (but Entity shall not be required) to amend the Schedule of Activity.

SECTION III
Records and Reports

SUBRECIPIENT agrees to establish and maintain records and reports as outlined in the Records and Reports attached hereto as Exhibit D (the "Records and Reports") and agrees to make the Records and Reports available to the **ENTITY**, HUD, and any other local, state or federal entity or authority that may exercise jurisdiction over CDBG funds. Monthly performance reports must be submitted on or before the 15th of every month.

SECTION IV
Monitoring Visits

SUBRECIPIENT agrees that **ENTITY** shall conduct on-site monitoring visits to assure compliance with applicable Federal requirements and that performance goals are being achieved, if applicable, as per 24 CFR Part 85.40 (a) and 24 CFR Part 84.51(a). **SUBRECIPIENT** shall attend an orientation prior to the award of funds and prior to the first draw of funds. After each monitoring visit, **ENTITY** shall provide **SUBRECIPIENT** with a written report of the monitor's findings. If the monitoring reports note deficiencies in **SUBRECIPIENT's** performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by **SUBRECIPIENT**. Failure by **SUBRECIPIENT** to take action specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section X of this Agreement. In addition, **SUBRECIPIENT** shall give HUD, the Comptroller General of the United States, **ENTITY**, and any of their duly authorized representatives, unobstructed and full 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 **SUBRECIPIENT** pertaining to this Agreement.

SECTION V
Payment Requests and Program Income

SUBRECIPIENT agrees to follow administrative directions from the **ENTITY** regarding documenting and processing payment requests as defined in the Requests for Payments attached hereto as Exhibit E (the "Requests for Payments") of this Agreement.

SUBRECIPIENT shall submit final reimbursement request to **ENTITY** within fifteen (15) days (by June 15, 2012) of the Agreement termination date.

SUBRECIPIENT and **ENTITY** agree that if applicable, program income generated from the use of CDBG funds shall be retained by the **SUBRECIPIENT**. If the activity is partially assisted with CDBG funds, the **SUBRECIPIENT** agrees to pro-rate the gross income to reflect the percent of CDBG funds assisted in the activity. The **SUBRECIPIENT** is to provide to the **ENTITY** by the third Wednesday of each month an accounting of program income through Monthly Performance Reports outlined in the Records and Reports. The **ENTITY** is then required to report all CDBG program income earned, retained, and expended. The **SUBRECIPIENT** shall be allowed to use program income for the same or similar activities as generated by program income. Failure of the **SUBRECIPIENT** to report program income as required shall cause the **ENTITY** to require all program income to be recovered by the **ENTITY**.

SUBRECIPIENT and **ENTITY** agree that all unused CDBG funds at the end or termination of this agreement will be reallocated or reprogrammed by **ENTITY.**

SECTION VI
Religious Activities

The **SUBRECIPIENT** and **ENTITY** both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this Agreement be used for sectarian or religious activities.

SECTION VII
Other Program Requirements

SUBRECIPIENT agrees to comply with "Other Program Requirements" as listed in 24 CFR §570.600 through 611 except for those environmental review requirements listed as 24 CFR §570.604 and initiation of review process under the provisions of 24 CFR Part 52.

SECTION VIII
Uniform Administrative Requirements

Subrecipients, except subrecipients that are governmental entities, shall comply with the requirements and standards of OMB Circular No. A–122, "Cost Principles for Non-profit Organizations", or OMB Circular No. A–21, "Cost Principles for Educational Institutions", as applicable, and OMB Circular A–133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions" (as set forth in 24 CFR part 45). Audits shall be conducted annually. Such subrecipients shall also comply with the provisions of the Uniform Administrative requirements of OMB Circular A–110 (implemented at 24 CFR part 84, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations") or the related CDBG provisions, as specified in the other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions") and any subsequent amendments thereto.

Recipients and Subrecipients that are governmental entities (including public agencies) shall comply with the requirements and standards of OMB Circular No. A–87, "Cost Principles for State, Local, and Indian Tribal Governments"; OMB Circular A–133, "Audits of State and Local Governments" (implemented at 24 CFR part 44); and with sections of 24 CFR part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" or other related CDBG provision, as specified in the other Applicable Provisions attached hereto as Exhibit G (the "Other Applicable Provisions") and any subsequent amendments thereto.

SECTION IX
Audit Requirements

SUBRECIPIENT agrees to comply with the applicable requirements and standards as set forth in OMB Circular A-133, Audits of States, Local Governments and Non-Profit organizations.

SUBRECIPIENT agrees to furnish **ENTITY** with a current Financial Management Letter (financial statements) within six (6) months from the end of its fiscal year covering the period of this Agreement that includes detailed receipts and disbursement of payments to **SUBRECIPIENT** hereunder. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit a Financial Management Letter within the allotted time.**

However, if **SUBRECIPIENT** expends Five Hundred Thousand Dollars ($500,000.00) or more in federal funds, **SUBRECIPIENT** must, within nine (9) months from the end of its fiscal year, supply **ENTITY** with an audit of revenues and expenditures conducted by a certified public accountant. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit an audit within the allotted time.**

If the **SUBRECIPIENT** expends less than Five Hundred Thousand Dollars ($500,000.00) a year in federal awards, then they are exempt from the OMB Circular A-133 audit requirements for that year; however, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity and the General Accounting Office.

SUBRECIPIENT is required to submit a 990 Tax Return (Return of Organization Exempt from Income Tax) for the most recent fiscal year within six (6) months if submitting a Financial Management Letter or within nine (9) months if submitting a Financial Audit. If the Subrecipient is not classified as an exempt entity, the Subrecipient will not be awarded grant funds.

If applicable, **SUBRECIPIENT** agrees to cooperate with **ENTITY** relating to any inquiries regarding the Financial Audit or Financial Management Letter and **SUBRECIPIENT** acknowledges that a Financial Audit or Financial Management Letter shall be provided to **ENTITY** at the expense of the **SUBRECIPIENT.** Financial

Audit or Financial Management Letter shall be available to **ENTITY** staff, and any and all applicable federal agencies, and be of unrestricted access, as listed in 24 CFR Part 85.42.

SECTION X
Suspension and Termination

SUBRECIPIENT understands that this Agreement may be suspended or terminated, in accordance with 24 CFR §85.43, if applicable, and 24 CFR §84.61, if the **SUBRECIPIENT** materially fails to comply with the provisions of this Agreement or the provisions so listed in the Statement of Work attached hereto as Exhibit A (the "Statement of Work"), the Grant Budget attached hereto as Exhibit B-1 (the "Grant Budget), the Payment Schedule attached hereto as Exhibit B-2 (the "Payment Schedule), the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"), the Records & Reports attached hereto as Exhibit D (the "Records & Reports"), the Request for Payments attached hereto as Exhibit E (the "Request for Payments"), Other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions"), and the Applicable Provisions - 24 CFR Part 85 attached hereto as Exhibit G (the "Other Applicable Provisions – 24 CFR Part 85").

If **SUBRECIPIENT** fails to fulfill in a timely and proper manner its obligations under this Agreement, or **SUBRECIPIENT** violates any of the Agreements or stipulations of this Agreement, then the **ENTITY** shall provide **SUBRECIPIENT** written notification of such non-performance. Such non-performance, (***i.e., timely submittal of monthly reports and/or reimbursements)***, may be the basis for immediate termination of this Agreement. Should any breach of contract (Agreement) relate to a violation of federal law or regulation that results in HUD demanding reimbursement from the **ENTITY OR SUBRECIPIENT** or its successor, the **ENTITY** may terminate this Agreement and seek reimbursement of all funds from **SUBRECIPIENT**. **SUBRECIPIENT** shall not be relieved of the liability to the **ENTITY** for damages sustained by the **ENTITY** by virtue of any breach of this contract (Agreement) by **SUBRECIPIENT** and **ENTITY** may withhold any payments to **SUBRECIPIENT** for violations of federal regulations or any breach of this Agreement. Should the **ENTITY** become aware of any activity by **SUBRECIPIENT,** which would jeopardize the **ENTITY'S** position with the U. S. Department of Housing and Urban Development (HUD) or which would cause a payback of federal funds, then the **ENTITY** may take appropriate action including injunctive relief against **SUBRECIPIENT** to prevent the transaction. The failure of the **ENTITY** to exercise any right shall in no way constitute a waiver by the **ENTITY** to otherwise demand payment or seek any other relief in law or in equity to which it may be justly entitled.

It is expressly agreed that this Agreement may not be amended except upon the joint action of both the **ENTITY** and the **NUESTRA CLINICA DEL VALLE, INC.**

SECTION XI
Assets

SUBRECIPIENT shall not purchase any asset unless prior written approval is obtained from the **ENTITY** and such procurement shall be done in the form and manner so prescribed by the **ENTITY**.

Any asset acquired or improved in part or in whole with CDBG funds in excess of $25,000 must be used in an activity that meets one of the national objectives listed in 24 CFR §570.208 for a period of five (5) years after the expiration of this Agreement or a longer period if so determined by the **ENTITY**.

The disposition of any asset improved or acquired in part or in whole with CDBG funds by the **SUBRECIPIENT** must be done with prior written approval of the **ENTITY** and the **ENTITY** shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The **ENTITY** may, at its option, request that such asset be transferred to **ENTITY** if the asset is no longer being used to meet one of the national objectives or in any case where the **SUBRECIPIENT** no longer provides services shown on the Statement of Work.

SECTION XII
Indemnity Clause

SUBRECIPIENT agrees to hold **ENTITY** harmless from, and indemnify **ENTITY** from and defend **ENTITY** against any and all claims brought against **ENTITY** by employees or officers of **SUBRECIPIENT** or brought by any third person arising in any manner directly or indirectly from **SUBRECIPIENT** programs, activities or events conducted pursuant to this Agreement.

SUBRECIPIENT shall acquire, maintain and furnish to **ENTITY** a Certificate of Insurance as proof that it has secured and paid for policies of public liability and automobile insurance to cover all operations and services under this Agreement with limits of not less than $300,000.00 per occurrence, $300,000.00 aggregate, covering all risks incident to or in connection with the execution, performance, attempted performance or non-performance of this Agreement.

SECTION XIII
Procurement

SUBRECIPIENT agrees to follow the statues and rules governing the **ENTITY** in the procurement of services, supplies or non-real property in relation to **ENTITY-**funded projects. The legal standards that will apply include the procurement standards of the HIDALGO COUNTY Urban County Program, which includes 24 CFR Part 85.36, and the TEXAS COUNTY PURCHASING ACT.

SECTION XIV
Conflict of Interest

SUBRECIPIENT covenants that members of its organization or staff members who exercise influence on the decision-making process will not have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed in the Statement of Work, 24 CFR Part 570.611, 24 CFR Part 84.40-48, and 24 CFR Part 85.36.

SUBRECIPIENT agrees that no person who is an elected official, officer, director, employee, consultant, or agent of the **SUBRECIPIENT**'s organization or the **ENTITY**'s organization shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Statement of Work during their tenure or for a period of one year thereafter.

SUBRECIPIENT is responsible for repayment of funds associated with any conflict of interest that may occur either knowingly or unknowingly.

No **ENTITY** employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described in the Statement of Work.

SECTION XII
Legal Action and Venue

SUBRECIPIENT agrees to notify the **ENTITY** when a problem arises that may lead to legal action or claim against the **SUBRECIPIENT**. The **SUBRECIPIENT** agrees to furnish to the **ENTITY** any and all information with respect to such action or claim. The **SUBRECIPIENT** agrees not to take any action with respect to any legal action or claim sought against the **SUBRECIPIENT** without the advice and written consent of the **ENTITY**.

Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this Agreement shall lie exclusively in HIDALGO COUNTY.

SECTION XIII
Miscellaneous Provisions

Conflict with Applicable Law. Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

No Waiver. No waiver by **ENTITY** of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

Entire Agreement. This Agreement contains the entire contract between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by **ENTITY** and **SUBRECIPIENT**, and not otherwise.

Texas Law to Apply. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THIE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.

Notice. Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by electronic mail, or (iii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or (iv) sent by facsimile or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to **ENTITY**:	If to **SUBRECIPIENT**:
COUNTY OF HIDALGO	Nuestra Clinica Del Valle, Inc.
Urban County Program	Attn: Lucy Ramirez
1916 Tesoro Blvd.	P.O. Box 1689
Pharr, TX 78577	Pharr, Texas 78577
Email: ucp@ucp.co.hidalgo.tx.us	email: hchcc@hiline.net
Phone # (956) 787-8127	Phone: (956) 787-8915
Fax # (956) 787-5291	Fax: (956) 787-2021

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the Unites States mail.

Additional Documents. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

Assignment. This Agreement shall not be assignable by **SUBRECIPIENT**. **ENTITY** may assign this Agreement without the consent of **SUBRECIPIENT**.

Headings. The headings and captions contained in this Agreement are solely for convenient reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

Gender and Number. All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate.

Authority to Execute. The execution and performance of this Agreement by **ENTITY** and **SUBRECIPIENT** have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of **ENTITY** and **SUBRECIPIENT** in accordance with its terms.

SECTION XVII
Effective Date

The effective date of this agreement shall be the **1st day of July 2011** such date being the date the HIDALGO COUNTY COMMISSIONERS' COURT approved entering into this Agreement with SUBRECIPIENT and shall terminate on the **31st day of May 2012.**

Approved and signed this _____ day of _____ 20__.

_____ _____
Print or Type Name of Authorized Official Signature of Authorized Official

SUBRECIPIENT Name: Nuestra Clinica Del Valle, Inc.
Address: P.O. Box 1689
City/State/Zip: Pharr, Texas 78577
Federal I.D. # or Soc. Sec. #: 74-1721807
DUNS #:030919518

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

_____ personally appeared before me and declared that he/she signed this application in the capacity designated, if any, and further states that, he/she has read the above application, and the statements therein contained are true.

Subscribed and sworn to before me this _____ day of_____, 20_____ .

_____
Notary - Signature

COUNTY OF HIDALGO – URBAN COUNTY PROGRAM

_____ _____
Witness: **Diana R. Serna, UCP Director**

APPROVED AS TO FORM
Atlas & Hall L.L.P.
By: Steve Crain
Date: June 21, 2011

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

The funding in the amount of $10.000 will be used to provide Medical and Behavioral Services. Nuestra Clinica Del Valle (NCDV) will provide Medical and Behavioral services to adults and children in Hidalgo County Precinct 1. This will include support services of Pharmacy, Radiology, and Laboratory.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 10,000.00 Awarded By: Hidalgo County Precinct 1

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

The types of expenditures will include primary Medical and Behavioral services and support services of Pharmacy, Radiology, and Laboratory.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

Medical and Behavioral care will be provided at Nuestra Clinica Del Valle Edcouch Clinic located at 1200 E. Santa Rosa, Edcouch, Texas 78538. Services will be provided, Monday through Friday: 8:00 a.m. to 5:00 p.m.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Medical and Behavioral care will be provided to uninsured, economically disadvantaged residents who would otherwise have no access to these services.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

A total of 125 adults and children in Hidalgo County Precinct 1 will be served.

Section VII List all locations (physical address) where the funded service(s) will be provided.

The medical and behavioral delivery site will be the NCDV Edcouch Clinic located at: 1200 East Santa Rosa, Edcouch, Texas 78538. Radiology services for these clients will be performed at the NCDV San Juan Clinic located at: 801 West 1st Street, San Juan, Texas 78589

Exhibit B-1
GRANT BUDGET
Awarded by: Hidalgo County Precinct 1

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Medical and Behavioral services that include, but not limited to support services of Pharmacy, Radiology, and Laboratory.	$ 10,000.00
TOTAL GRANT BUDGET:	$ 10,000.00

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Hidalgo County Precinct 1

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	$1,200.00	Medical and Behavioral Services
August	$850.00	Medical and Behavioral Services
September	$850.00	Medical and Behavioral Services
October	$850.00	Medical and Behavioral Services
November	$1,200.00	Medical and Behavioral Services
December	$1,200.00	Medical and Behavioral Services
January	$800.00	Medical and Behavioral Services
February	$800.00	Medical and Behavioral Services
March	$850.00	Medical and Behavioral Services
April	$700.00	Medical and Behavioral Services
May	$700.00	Medical and Behavioral Services
TOTAL:	**$10,000**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Hidalgo County Precinct 1

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	15	Medical and Behavioral Services
August	10	Medical and Behavioral Services
September	10	Medical and Behavioral Services
October	10	Medical and Behavioral Services
November	15	Medical and Behavioral Services
December	15	Medical and Behavioral Services
January	10	Medical and Behavioral Services
February	10	Medical and Behavioral Services
March	10	Medical and Behavioral Services
April	10	Medical and Behavioral Services
May	10	Medical and Behavioral Services
Total for the Year:	**125**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit D
RECORDS & REPORTS

REPORTS

A **Monthly Performance Report (Exhibit D - Activity Report)** must be submitted with each request for payment on or before the 15th of each month. Each activity report must include the following information:

- **Type of expenditures utilizing CDBG funds, type of service(s) provided and how the service met one of the HUD national objectives:**
  - Benefit to Low and Moderate Income Persons
  - Provides Decent Affordable Housing
  - Creates Economic Opportunities

  Number of persons assisted with New Access to service

  Number of persons assisted with Improved Access to service

  Number of low-mod beneficiaries served

  Ethnic Data

  Number of persons served living with a disability

  Number of female head of households served

  Income levels of persons or households with the categories of extremely low, low to moderate and non-low income.

- **Type of Outcome:**

  - **Availability/Accessibility**. Description of how services were made available or accessible to low and moderate income people, including persons with disabilities.

  - **Affordability**. How grant funds made the service affordable to low and moderate income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

  - **Sustainability**: **Promoting Livable or Viable Communities.** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

- **Other significant information** (such as special events, fundraisers, award ceremonies, etc.)Agency agrees to provide Entity with summaries of any events, fundraisers, and/or ceremonies held and provide photos of such events prior to the end date of the Agreement.

RECORDS **Cont. Exhibit D**

All records pertaining to each fiscal year of CDBG funds must be retained, from the date of submission of the COUNTY's Consolidated Annual Performance and Evaluation Report (CAPER) in which the specific activity is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 4-year period. In such cases, the records must be retained until completion of the action and resolution of all issues which arise from it or the end of the regular 4-year period, whichever is longer, except as provided below:

- Written agreements must be retained for four (4) years after the agreement terminates.
- If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
- In the event more than one exception applies to a particular record, the largest retention period shall apply to such record.

(a) Beneficiary Files

Subrecipient must maintain individual beneficiary files served utilizing CDBG funds. Such files must contain the following:

- Membership/registration Application
- Original Program Application (UCP self certification form)
- Physical address of residence

(b) Program Files

Subrecipient must maintain program files related to the Urban County Program CDBG award. Such files must contain the following:

- CDBG funding proposal letter to city and/or precinct
- Urban County Program Subrecipient Questionnaire, exhibits and supporting documentation
- Subrecipient Agreement
- Correspondence to and from Urban County
- Expenditure Reports
- Copies of reimbursement requests
- Monthly Performance Reports
- If applicable, fixed asset inventory list

(c) Financial Records

Subrecipient must maintain proper financial records.

(d) Program Income

Subrecipient must report program income earned, retained and expended to the Urban County Program that was generated by the use of the CDBG award.

Exhibit E
REQUEST FOR PAYMENTS

1. Subrecipient must submit **monthly** reimbursement requests as approved on the Schedule of Payment hereto attached as Exhibit B-2 (the "Schedule of Payment") **due on or before the 15th of each month.**

2. Subrecipient must inform Urban County in writing if the reimbursement request and/or monthly performance report will not be submitted by the due date.

3. Request for reimbursements that are submitted after the last working day of the month will be returned unpaid if the subrecipient did not comply with Request for Payments (2) hereto attached as Exhibit E (the "Request for Payments").

4. Urban County Program will return incorrect and/or incomplete reimbursement requests to the subrecipient as soon as possible in order for corrections to be made.

5. Subrecipient must submit the corrections and/or pending documentation no later than 10 days from notification by UCP. Should the subrecipient fail to submit the corrections within the allotted time, the RFP will be returned, and will NOT qualify for re-submission.

6. Subrecipient must submit May's reimbursement request and monthly performance report to the Urban County Program on or before June 15th.

7. May expenditures (equipment / supplies) must be invoiced and paid by May 31st to be eligible for reimbursement.

8. Subrecipient must submit all required documentation as stated on the UCP Reimbursement Checklist.

9. Should the Subrecipient fail to comply with timely submittals of monthly reimbursement requests and/or performance reports, the Urban County Program shall consider termination of the Subrecipient Agreement as per Section X "Suspension and Termination".

10. Subrecipient must submit a copy of the monthly reimbursement request and performance reports to the respective City and/or Precinct providing CDBG funds to the organization. Failure to submit copies may require pre-approval of the City and/or Precinct prior to Urban County processing the reimbursement request.

11. All reimbursement requests and reports submitted to Urban County must be originals signed with blue ink.

12. As per Section IV of this Agreement, the Urban County Program Monitoring Division will conduct on-site monitoring visits to ensure compliance with applicable Federal requirements and performance goals are being met.

13. Reimbursement requests are processed by Urban County on a first come first serve basis.

14. Payments to Subrecipients will only be mailed. Checks will not be allowed for pickup.

Checks are mailed eleven (11) days from the date the reimbursement request is submitted to the finance division, **only** after all documentation is reviewed, corrections are made, and all documentation is in order.

Exhibit F
Other Applicable Provisions
As stated in Section VIII
OMB Circular A–110 (implemented at 24 CFR part 84)
Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

(1) Subpart A—"General";

(2) Subpart B—"Pre-Award Requirements," except for §84.12, "Forms for Applying for Federal Assistance";

(3) Subpart C—"Post-Award Requirements," except for:

(i) Section 84.22, "Payment Requirements." Grantees shall follow the standards of §§85.20(b)(7) and 85.21 in making payments to subrecipients;

(ii) Section 84.23, "Cost Sharing and Matching";

(iii) Section 84.24, "Program Income." In lieu of §84.24, CDBG subrecipients shall follow §570.504;

(iv) Section 84.25, "Revision of Budget and Program Plans";

(v) Section 84.32, "Real Property." In lieu of §84.32, CDBG subrecipients shall follow §570.505;

(vi) Section 84.34(g), "Equipment." In lieu of the disposition provisions of §84.34(g), the following applies:

(A) In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and

(B) Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient;

(vii) Section 84.51 (b), (c), (d), (e), (f), (g), and (h), "Monitoring and Reporting Program Performance";

(viii) Section 84.52, "Financial Reporting";

(ix) Section 84.53(b), "Retention and access requirements for records." Section 84.53(b) applies with the following exceptions:

(A) The retention period referenced in §84.53(b) pertaining to individual CDBG activities shall be four years; and

(B) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;

(x) Section 84.61, "Termination." In lieu of the provisions of §84.61, CDBG subrecipients shall comply with §570.503(b)(7); and

(4) Subpart D—"After-the-Award Requirements," except for §84.71, "Closeout Procedures."

Exhibit G
Applicable Provisions - 24 CFR Part 85
As stated in Section VIII

Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"

(1) Section 85.3, "Definitions";

(2) Section 85.6, "Exceptions";

(3) Section 85.12, "Special grant or subgrant conditions for 'high-risk' grantees";

(4) Section 85.20, "Standards for financial management systems," except paragraph (a);

(5) Section 85.21, "Payment," except as modified by §570.513;

(6) Section 85.22, "Allowable costs";

(7) Section 85.26, "Non-federal audits";

(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;

(9) Section 85.33, "Supplies";

(10) Section 85.34, "Copyrights";

(11) Section 85.35, "Subawards to debarred and suspended parties";

(12) Section 85.36, "Procurement," except paragraph (a);

(13) Section 85.37, "Subgrants";

(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) through (d) and paragraph (f);

(15) Section 85.41, "Financial reporting," except paragraphs (a), (b), and (e);

(16) Section 85.42, "Retention and access requirements for records," except that the period shall be four years;

(17) Section 85.43, "Enforcement";

(18) Section 85.44, "Termination for convenience";

(19) Section 85.51 "Later disallowances and adjustments" and

(20) Section 85.52, "Collection of amounts due."

STATE OF TEXAS }
}
COUNTY OF HIDALGO }

SUBRECIPIENT AGREEMENT

This Agreement is made and entered into on this the **26th day of June, 20 12,** by and between the COUNTY OF HIDALGO, Urban County Program, a political subdivision of the State of Texas, hereinafter referred to as **"ENTITY"**, and **OPEN HANDS COMMUNITY CHARITABLE SERVICES**, hereinafter referred to as **"SUBRECIPIENT".**

WITNESSETH

WHEREAS, **SUBRECIPIENT** desires to carry out eligible activities as described in the Statement of Work attached hereto as **Exhibit A** (the "Statement of Work**")**, to this Agreement, and permitted by Title I of the Housing and Community Development Act of 1992 (1992 Act) pursuant to the U. S. Department of Housing and Urban Development Community Development Block Grant Program Entitlement Grant Regulations and covered in 24 CFR 570.

WHEREAS, the **ENTITY** proposes to contract with **SUBRECIPIENT** in order that the eligible activities described in **Exhibit A** (the "Statement of Work**")** can be carried out for the benefit of residents in the ENTITY'S jurisdiction.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration the receipt of which is hereby acknowledged, the **ENTITY** and the **SUBRECIPIENT** do mutually agree as follows:

SECTION I
Rules and Regulations

The **SUBRECIPIENT** agrees to cooperate with the **ENTITY** in respect to the implementation of Community Development Block Grant CFDA No. 14.218 (CDBG) activities to be carried out by **SUBRECIPIENT** pursuant to 24 CFR Part 570 and other rules, regulations and decisions as may be made by the U. S. Department of Housing and Urban Development (HUD) or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG program funds.

SECTION II
Statement of Work

SUBRECIPIENT agrees to perform services as outlined in the Statement of Work for and in consideration of payment in the amount of **$25,173.00,** and as delineated in the Grant Budget and the Payment Schedule attached hereto as Exhibit B-1 (the "Grant Budget") and Exhibit B-2 (the "Payment Schedule").

SUBRECIPIENT agrees to notify **ENTITY**, in writing, prior to any changes in its Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"). SUBRECIPIENT shall obtain approval, in writing, from ENTITY prior to commencing work on any changes made to the Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity.

ENTITY shall not be liable for costs incurred or performances rendered by **SUBRECIPIENT** before commencement of this Agreement or after termination of this Agreement.

SUBRECIPIENT agrees to follow the schedule outlined in the Schedule of Activity of this Agreement, and shall notify **ENTITY**, in writing, prior to any changes, delays or departures from the Schedule of Activity. If **SUBRECIPIENT** demonstrates that delays or departure from the Schedule of Activity is due to circumstances beyond its control, **ENTITY** and **SUBRECIPIENT** may (but Entity shall not be required) to amend the Schedule of Activity.

SECTION III
Records and Reports

SUBRECIPIENT agrees to establish and maintain records and reports as outlined in the Records and Reports attached hereto as Exhibit D (the "Records and Reports") and agrees to make the Records and Reports available to the **ENTITY**, HUD, and any other local, state or federal entity or authority that may exercise jurisdiction over CDBG funds. Monthly performance reports must be submitted on or before the 15th of every month.

SECTION IV
Monitoring Visits

SUBRECIPIENT agrees that **ENTITY** shall conduct on-site monitoring visits to assure compliance with applicable Federal requirements and that performance goals are being achieved, if applicable, as per 24 CFR Part 85.40 (a) and 24 CFR Part 84.51(a). **SUBRECIPIENT** shall attend an orientation prior to the award of funds and prior to the first draw of funds. After each monitoring visit, **ENTITY** shall provide **SUBRECIPIENT** with a written report of the monitor's findings. If the monitoring reports note deficiencies in **SUBRECIPIENT's** performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by **SUBRECIPIENT**. Failure by **SUBRECIPIENT** to take action specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section X of this Agreement. In addition, **SUBRECIPIENT** shall give HUD, the Comptroller General of the United States, **ENTITY**, and any of their duly authorized representatives, unobstructed and full 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 **SUBRECIPIENT** pertaining to this Agreement.

SECTION V
Payment Requests and Program Income

SUBRECIPIENT agrees to follow administrative directions from the **ENTITY** regarding documenting and processing payment requests as defined in the Requests for Payments attached hereto as Exhibit E (the "Requests for Payments") of this Agreement.

SUBRECIPIENT shall submit final reimbursement request to **ENTITY** within fifteen (15) days (by June 15, 2012) of the Agreement termination date.

SUBRECIPIENT and **ENTITY** agree that if applicable, program income generated from the use of CDBG funds shall be retained by the **SUBRECIPIENT**. If the activity is partially assisted with CDBG funds, the **SUBRECIPIENT** agrees to pro-rate the gross income to reflect the percent of CDBG funds assisted in the activity. The **SUBRECIPIENT** is to provide to the **ENTITY** by the third Wednesday of each month an accounting of program income through Monthly Performance Reports outlined in the Records and Reports. The **ENTITY** is then required to report all CDBG program income earned, retained, and expended. The **SUBRECIPIENT** shall be allowed to use program income for the same or similar activities as generated by program income. Failure of the **SUBRECIPIENT** to report program income as required shall cause the **ENTITY** to require all program income to be recovered by the **ENTITY**.

SUBRECIPIENT and **ENTITY** agree that all unused CDBG funds at the end or termination of this agreement will be reallocated or reprogrammed by **ENTITY.**

SECTION VI
Religious Activities

The **SUBRECIPIENT** and **ENTITY** both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this Agreement be used for sectarian or religious activities.

SECTION VII
Other Program Requirements

SUBRECIPIENT agrees to comply with "Other Program Requirements" as listed in 24 CFR §570.600 through 611 except for those environmental review requirements listed as 24 CFR §570.604 and initiation of review process under the provisions of 24 CFR Part 52.

SECTION VIII
Uniform Administrative Requirements

Subrecipients, except subrecipients that are governmental entities, shall comply with the requirements and standards of OMB Circular No. A–122, "Cost Principles for Non-profit Organizations", or OMB Circular No. A–21, "Cost Principles for Educational Institutions", as applicable, and OMB Circular A–133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions" (as set forth in 24 CFR part 45). Audits shall be conducted annually. Such subrecipients shall also comply with the provisions of the Uniform Administrative requirements of OMB Circular A–110 (implemented at 24 CFR part 84, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations") or the related CDBG provisions, as specified in the other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions") and any subsequent amendments thereto.

Recipients and Subrecipients that are governmental entities (including public agencies) shall comply with the requirements and standards of OMB Circular No. A–87, "Cost Principles for State, Local, and Indian Tribal Governments"; OMB Circular A–133, "Audits of State and Local Governments" (implemented at 24 CFR part 44); and with sections of 24 CFR part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" or other related CDBG provision, as specified in the other Applicable Provisions attached hereto as Exhibit G (the "Other Applicable Provisions") and any subsequent amendments thereto.

SECTION IX
Audit Requirements

SUBRECIPIENT agrees to comply with the applicable requirements and standards as set forth in OMB Circular A-133, Audits of States, Local Governments and Non-Profit organizations.

SUBRECIPIENT agrees to furnish **ENTITY** with a current Financial Management Letter (financial statements) within six (6) months from the end of its fiscal year covering the period of this Agreement that includes detailed receipts and disbursement of payments to **SUBRECIPIENT** hereunder. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit a Financial Management Letter within the allotted time.**

However, if **SUBRECIPIENT** expends Five Hundred Thousand Dollars ($500,000.00) or more in federal funds, **SUBRECIPIENT** must, within nine (9) months from the end of its fiscal year, supply **ENTITY** with an audit of revenues and expenditures conducted by a certified public accountant. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit an audit within the allotted time.**

If the **SUBRECIPIENT** expends less than Five Hundred Thousand Dollars ($500,000.00) a year in federal awards, then they are exempt from the OMB Circular A-133 audit requirements for that year; however, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity and the General Accounting Office.

SUBRECIPIENT is required to submit a 990 Tax Return (Return of Organization Exempt from Income Tax) for the most recent fiscal year within six (6) months if submitting a Financial Management Letter or within nine (9) months if submitting a Financial Audit. If the Subrecipient is not classified as an exempt entity, the Subrecipient will not be awarded grant funds.

If applicable, **SUBRECIPIENT** agrees to cooperate with **ENTITY** relating to any inquiries regarding the Financial Audit or Financial Management Letter and **SUBRECIPIENT** acknowledges that a Financial Audit or Financial Management Letter shall be provided to **ENTITY** at the expense of the **SUBRECIPIENT.** Financial Audit or Financial Management Letter shall be available to **ENTITY** staff, and any and all applicable federal agencies, and be of unrestricted access, as listed in 24 CFR Part 85.42.

SECTION X
Suspension and Termination

SUBRECIPIENT understands that this Agreement may be suspended or terminated, in accordance with 24 CFR §85.43, if applicable, and 24 CFR §84.61, if the **SUBRECIPIENT** materially fails to comply with the provisions of this Agreement or the provisions so listed in the Statement of Work attached hereto as Exhibit A (the "Statement of Work"), the Grant Budget attached hereto as Exhibit B-1 (the "Grant Budget), the Payment Schedule attached hereto as Exhibit B-2 (the "Payment Schedule), the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"), the Records & Reports attached hereto as Exhibit D (the "Records & Reports"), the Request for Payments attached hereto as Exhibit E (the "Request for Payments"), Other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions"), and the Applicable Provisions - 24 CFR Part 85 attached hereto as Exhibit G (the "Other Applicable Provisions – 24 CFR Part 85").

If **SUBRECIPIENT** fails to fulfill in a timely and proper manner its obligations under this Agreement, or **SUBRECIPIENT** violates any of the Agreements or stipulations of this Agreement, then the **ENTITY** shall provide **SUBRECIPIENT** written notification of such non-performance. Such non-performance, (***i.e., timely submittal of monthly reports and/or reimbursements)***, may be the basis for immediate termination of this Agreement. Should any breach of contract (Agreement) relate to a violation of federal law or regulation that results in HUD demanding reimbursement from the **ENTITY OR SUBRECIPIENT** or its successor, the **ENTITY** may terminate this Agreement and seek reimbursement of all funds from **SUBRECIPIENT**. **SUBRECIPIENT** shall not be relieved of the liability to the **ENTITY** for damages sustained by the **ENTITY** by virtue of any breach of this contract (Agreement) by **SUBRECIPIENT** and **ENTITY** may withhold any payments to **SUBRECIPIENT** for violations of federal regulations or any breach of this Agreement. Should the **ENTITY** become aware of any activity by **SUBRECIPIENT,** which would jeopardize the **ENTITY'S** position with the U. S. Department of Housing and Urban Development (HUD) or which would cause a payback of federal funds, then the **ENTITY** may take appropriate action including injunctive relief against **SUBRECIPIENT** to prevent the transaction. The failure of the **ENTITY** to exercise any right shall in no way constitute a waiver by the **ENTITY** to otherwise demand payment or seek any other relief in law or in equity to which it may be justly entitled.

It is expressly agreed that this Agreement may not be amended except upon the joint action of both the **ENTITY** and the **OPEN HANDS COMMUNITY CHARITABLE SERVICES.**

SECTION XI
Assets

SUBRECIPIENT shall not purchase any asset unless prior written approval is obtained from the **ENTITY** and such procurement shall be done in the form and manner so prescribed by the **ENTITY**.

Any asset acquired or improved in part or in whole with CDBG funds in excess of $25,000 must be used in an activity that meets one of the national objectives listed in 24 CFR §570.208 for a period of five (5) years after the expiration of this Agreement or a longer period if so determined by the **ENTITY**.

The disposition of any asset improved or acquired in part or in whole with CDBG funds by the **SUBRECIPIENT** must be done with prior written approval of the **ENTITY** and the **ENTITY** shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The **ENTITY** may, at its option, request that such asset be transferred to **ENTITY** if the asset is no longer being used to meet one of the national objectives or in any case where the **SUBRECIPIENT** no longer provides services shown on the Statement of Work.

SECTION XII
Indemnity Clause

SUBRECIPIENT agrees to hold **ENTITY** harmless from, and indemnify **ENTITY** from and defend **ENTITY** against any and all claims brought against **ENTITY** by employees or officers of **SUBRECIPIENT** or brought by any third person arising in any manner directly or indirectly from **SUBRECIPIENT** programs, activities or events conducted pursuant to this Agreement.

SUBRECIPIENT shall acquire, maintain and furnish to **ENTITY** a Certificate of Insurance as proof that it has secured and paid for policies of public liability and automobile insurance to cover all operations and services under this Agreement with limits of not less than $300,000.00 per occurrence, $300,000.00 aggregate, covering all risks incident to or in connection with the execution, performance, attempted performance or non-performance of this Agreement.

SECTION XIII
Procurement

SUBRECIPIENT agrees to follow the statues and rules governing the **ENTITY** in the procurement of services, supplies or non-real property in relation to **ENTITY**-funded projects. The legal standards that will apply include the procurement standards of the HIDALGO COUNTY Urban County Program, which includes 24 CFR Part 85.36, and the TEXAS COUNTY PURCHASING ACT.

SECTION XIV
Conflict of Interest

SUBRECIPIENT covenants that members of its organization or staff members who exercise influence on the decision-making process will not have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed in the Statement of Work, 24 CFR Part 570.611, 24 CFR Part 84.40-48, and 24 CFR Part 85.36.

SUBRECIPIENT agrees that no person who is an elected official, officer, director, employee, consultant, or agent of the **SUBRECIPIENT**'s organization or the **ENTITY**'s organization shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Statement of Work during their tenure or for a period of one year thereafter.

SUBRECIPIENT is responsible for repayment of funds associated with any conflict of interest that may occur either knowingly or unknowingly.

No **ENTITY** employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described in the Statement of Work.

SECTION XII
Legal Action and Venue

SUBRECIPIENT agrees to notify the **ENTITY** when a problem arises that may lead to legal action or claim against the **SUBRECIPIENT**. The **SUBRECIPIENT** agrees to furnish to the **ENTITY** any and all information with respect to such action or claim. The **SUBRECIPIENT** agrees not to take any action with respect to any legal action or claim sought against the **SUBRECIPIENT** without the advice and written consent of the **ENTITY**.

Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this Agreement shall lie exclusively in HIDALGO COUNTY.

SECTION XIII
Miscellaneous Provisions

Conflict with Applicable Law. Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or

amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

No Waiver. No waiver by **ENTITY** of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

Entire Agreement. This Agreement contains the entire contract between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by **ENTITY** and **SUBRECIPIENT**, and not otherwise.

Texas Law to Apply. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THIE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.

Notice. Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by electronic mail, or (iii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or (iv) sent by facsimile or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to **ENTITY**:

COUNTY OF HIDALGO
Urban County Program
1916 Tesoro Blvd.
Pharr, TX 78577
Email: ucp@ucp.co.hidalgo.tx.us
Phone # (956) 787-8127
Fax # (956) 787-5291

If to **SUBRECIPIENT**:

Open Hands Community Charitable Services
Attn: David Green
P.O. Box 489
Donna, Texas 78537
email: openhandskg1@sbcglobal.com
Phone: 269-845-9288
Fax: (956) 461-6920

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the Unites States mail.

Additional Documents. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

Assignment. This Agreement shall not be assignable by **SUBRECIPIENT**. **ENTITY** may assign this Agreement without the consent of **SUBRECIPIENT**.

Headings. The headings and captions contained in this Agreement are solely for convenient reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

Gender and Number. All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate.

Authority to Execute. The execution and performance of this Agreement by **ENTITY** and **SUBRECIPIENT** have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of **ENTITY** and **SUBRECIPIENT** in accordance with its terms.

SECTION XVII
Effective Date

The effective date of this agreement shall be the **1st day of July 2012** such date being the date the HIDALGO COUNTY COMMISSIONERS' COURT approved entering into this Agreement with SUBRECIPIENT and shall terminate on the **31st day of May 2013.**

Approved and signed this _____ day of _____ 20__.

_____ _____
Print or Type Name of Authorized Official Signature of Authorized Official

SUBRECIPIENT Name: Open Hands Community Charitable Services
Address: P.O. Box 489
City/State/Zip: Donna, Texas 78537
Federal I.D. # or Soc. Sec. #: 73-1639887
DUNS #: 168500846

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

_____ personally appeared before me and declared that he/she signed this application in the capacity designated, if any, and further states that, he/she has read the above application, and the statements therein contained are true.

Subscribed and sworn to before me this _____ day of_____, 20_____ .

_____
Notary - Signature

COUNTY OF HIDALGO – URBAN COUNTY PROGRAM

_____ _____
Witness: **Diana R. Serna, UCP Director**

APPROVED AS TO FORM
Atlas & Hall L.L.P.
By: Steve Crain
Date: June 21, 2011.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

Will be able to feed below poverty and low income individuals/families with much needed uncooked food and provide shoes to needy children

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$20,000.00 Awarded By: Precinct #1

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Purchase of uncooked food for distribution and tennis shoes for school age children

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

A supply of uncooked food will be distributed every 1st and 3rd Saturday morning from 6:00 am until 9:30 am at the agencies premises. Services will be provided all year round. Twice a month a supply of food will be delivered to those in outlying colonias to those who are unable to come to the agency's premises. This will be all year. Shoes will be distributed during school year at the agency's premises. Parents will be referred and will come to the premises to pick up shoes at a designated date and time

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

The new service would include the purchase of shoes for needy children along with the purchase of food

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Open Hands serves all ages, genders and ethnicity. Economic background is below poverty to low income. The area served is Donna and outlying colonias

Section VII List all locations (physical address) where the funded service(s) will be provided.

The funded services will be provided at the agency's premises 301 S. 17th Street, Donna, Texas 78537

Exhibit B-1
GRANT BUDGET
Awarded by: Precinct 1

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Purchase of Food for distribution to needy families.	$18,000.00
Purchase of Shoes for distribution to needy children.	$ 2,000.00
TOTAL GRANT BUDGET:	**$20,000.00**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Precinct No. 1

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	4,000.00	Food
August	2000.00	Food & Shoes
September	2000.00	Food
October	2000.00	Food
November	2500.00	Food
December	3000.00	Food
January	1500.00	Food
February	1500.00	Food
March	1500.00	Food
April		
May		
TOTAL:	**20,000.00**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Precinct No. 1

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 **For the months of....**	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	250	Food and shoes
August	250	Food and shoes
September	250	Food and shoes
October	250	Food and shoes
November	250	Food and shoes
December	250	Food and shoes
January	150	Food and shoes
February	50	Food and shoes
March	50	Food and shoes
April	50	Food and shoes
May	50	Food and shoes
Total for the Year:	**1850**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

Will be able to feed below poverty and low income individuals/families with much needed uncooked food and provide shoes to needy children

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$5,173.00 Awarded By: City of Donna

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Purchase of uncooked food for distribution and tennis shoes for school age children

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

A supply of uncooked food will be distributed every 1st and 3rd Saturday morning from 6:00 am until 9:30 am at the agencies premises. Services will be provided all year round. Twice a month a supply of food will be delivered to those in outlying colonias to those who are unable to come to the agency's premises. This will be all year. Shoes will be distributed during school year at the agency's premises. Parents will be referred and will come to the premises to pick up shoes at a designated date and time

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

The new service would include the purchase of shoes for needy children along with the purchase of food

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Open Hands serves all ages, genders and ethnicity. Economic background is below poverty to low income. The area served is Donna and outlying colonias

Section VII List all locations (physical address) where the funded service(s) will be provided.

The funded services will be provided at the agency's premises 301 S. 17th Street, Donna, Texas 78537

Exhibit B-1
GRANT BUDGET
Awarded by: Precinct 1

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Food	$4,173.00
Shoes	$ 1,000.00
TOTAL GRANT BUDGET:	$20,000.00

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: _City of Donna

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	2,000.00	Food
August	3,173.00	Food & Shoes
September		
October		
November		
December		
January		
February		
March		
April		
May		
TOTAL:	**5,173.00**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: ____City of Donna

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 **For the months of....**	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	50	Food and shoes
August	50	Food and shoes
September	50	Food and shoes
October	50	Food and shoes
November	50	Food and shoes
December	50	Food and shoes
January	50	Food and shoes
February	50	Food and shoes
March	50	Food and shoes
April	50	Food and shoes
May	50	Food and shoes
Total for the Year:	**550**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit D
RECORDS & REPORTS

REPORTS

A **Monthly Performance Report (Exhibit D - Activity Report)** must be submitted with each request for payment on or before the 15th of each month. Each activity report must include the following information:

- **Type of expenditures utilizing CDBG funds, type of service(s) provided and how the service met one of the HUD national objectives:**
  - Benefit to Low and Moderate Income Persons
  - Provides Decent Affordable Housing
  - Creates Economic Opportunities

  Number of persons assisted with New Access to service

  Number of persons assisted with Improved Access to service

  Number of low-mod beneficiaries served

  Ethnic Data

  Number of persons served living with a disability

  Number of female head of households served

  Income levels of persons or households with the categories of extremely low, low to moderate and non-low income.

- **Type of Outcome:**

  - **Availability/Accessibility**. Description of how services were made available or accessible to low and moderate income people, including persons with disabilities.

  - **Affordability**. How grant funds made the service affordable to low and moderate income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

  - **Sustainability**: **Promoting Livable or Viable Communities.** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

- **Other significant information** (such as special events, fundraisers, award ceremonies, etc.)Agency agrees to provide Entity with summaries of any events, fundraisers, and/or ceremonies held and provide photos of such events prior to the end date of the Agreement.

RECORDS **Cont. Exhibit D**

All records pertaining to each fiscal year of CDBG funds must be retained, from the date of submission of the COUNTY's Consolidated Annual Performance and Evaluation Report (CAPER) in which the specific activity is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 4-year period. In such cases, the records must be retained until completion of the action and resolution of all issues which arise from it or the end of the regular 4-year period, whichever is longer, except as provided below:

- Written agreements must be retained for four (4) years after the agreement terminates.
- If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
- In the event more than one exception applies to a particular record, the largest retention period shall apply to such record.

(a) Beneficiary Files

Subrecipient must maintain individual beneficiary files served utilizing CDBG funds. Such files must contain the following:

- Membership/registration Application
- Original Program Application (UCP self certification form)
- Physical address of residence

(b) Program Files

Subrecipient must maintain program files related to the Urban County Program CDBG award. Such files must contain the following:

- CDBG funding proposal letter to city and/or precinct
- Urban County Program Subrecipient Questionnaire, exhibits and supporting documentation
- Subrecipient Agreement
- Correspondence to and from Urban County
- Expenditure Reports
- Copies of reimbursement requests
- Monthly Performance Reports
- If applicable, fixed asset inventory list

(c) Financial Records

Subrecipient must maintain proper financial records.

(d) Program Income

Subrecipient must report program income earned, retained and expended to the Urban County Program that was generated by the use of the CDBG award.

Exhibit E
REQUEST FOR PAYMENTS

1. Subrecipient must submit **monthly** reimbursement requests as approved on the Schedule of Payment hereto attached as Exhibit B-2 (the "Schedule of Payment") **due on or before the 15th of each month.**

2. Subrecipient must inform Urban County in writing if the reimbursement request and/or monthly performance report will not be submitted by the due date.

3. Request for reimbursements that are submitted after the last working day of the month will be returned unpaid if the subrecipient did not comply with Request for Payments (2) hereto attached as Exhibit E (the "Request for Payments").

4. Urban County Program will return incorrect and/or incomplete reimbursement requests to the subrecipient as soon as possible in order for corrections to be made.

5. Subrecipient must submit the corrections and/or pending documentation no later than 10 days from notification by UCP. Should the subrecipient fail to submit the corrections within the allotted time, the RFP will be returned, and will NOT qualify for re-submission.

6. Subrecipient must submit May's reimbursement request and monthly performance report to the Urban County Program on or before June 15th.

7. May expenditures (equipment / supplies) must be invoiced and paid by May 31st to be eligible for reimbursement.

8. Subrecipient must submit all required documentation as stated on the UCP Reimbursement Checklist.

9. Should the Subrecipient fail to comply with timely submittals of monthly reimbursement requests and/or performance reports, the Urban County Program shall consider termination of the Subrecipient Agreement as per Section X "Suspension and Termination".

10. Subrecipient must submit a copy of the monthly reimbursement request and performance reports to the respective City and/or Precinct providing CDBG funds to the organization. Failure to submit copies may require pre-approval of the City and/or Precinct prior to Urban County processing the reimbursement request.

11. All reimbursement requests and reports submitted to Urban County must be originals signed with blue ink.

12. As per Section IV of this Agreement, the Urban County Program Monitoring Division will conduct on-site monitoring visits to ensure compliance with applicable Federal requirements and performance goals are being met.

13. Reimbursement requests are processed by Urban County on a first come first serve basis.

14. Payments to Subrecipients will only be mailed. Checks will not be allowed for pickup.

Checks are mailed eleven (11) days from the date the reimbursement request is submitted to the finance division, **only** after all documentation is reviewed, corrections are made, and all documentation is in order.

Exhibit F
Other Applicable Provisions
As stated in Section VIII
OMB Circular A–110 (implemented at 24 CFR part 84)
Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

(1) Subpart A—"General";

(2) Subpart B—"Pre-Award Requirements," except for §84.12, "Forms for Applying for Federal Assistance";

(3) Subpart C—"Post-Award Requirements," except for:

(i) Section 84.22, "Payment Requirements." Grantees shall follow the standards of §§85.20(b)(7) and 85.21 in making payments to subrecipients;

(ii) Section 84.23, "Cost Sharing and Matching";

(iii) Section 84.24, "Program Income." In lieu of §84.24, CDBG subrecipients shall follow §570.504;

(iv) Section 84.25, "Revision of Budget and Program Plans";

(v) Section 84.32, "Real Property." In lieu of §84.32, CDBG subrecipients shall follow §570.505;

(vi) Section 84.34(g), "Equipment." In lieu of the disposition provisions of §84.34(g), the following applies:

(A) In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and

(B) Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient;

(vii) Section 84.51 (b), (c), (d), (e), (f), (g), and (h), "Monitoring and Reporting Program Performance";

(viii) Section 84.52, "Financial Reporting";

(ix) Section 84.53(b), "Retention and access requirements for records." Section 84.53(b) applies with the following exceptions:

(A) The retention period referenced in §84.53(b) pertaining to individual CDBG activities shall be four years; and

(B) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;

(x) Section 84.61, "Termination." In lieu of the provisions of §84.61, CDBG subrecipients shall comply with §570.503(b)(7); and

(4) Subpart D—"After-the-Award Requirements," except for §84.71, "Closeout Procedures."

Exhibit G
Applicable Provisions - 24 CFR Part 85
As stated in Section VIII

Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"

(1) Section 85.3, "Definitions";

(2) Section 85.6, "Exceptions";

(3) Section 85.12, "Special grant or subgrant conditions for 'high-risk' grantees";

(4) Section 85.20, "Standards for financial management systems," except paragraph (a);

(5) Section 85.21, "Payment," except as modified by §570.513;

(6) Section 85.22, "Allowable costs";

(7) Section 85.26, "Non-federal audits";

(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;

(9) Section 85.33, "Supplies";

(10) Section 85.34, "Copyrights";

(11) Section 85.35, "Subawards to debarred and suspended parties";

(12) Section 85.36, "Procurement," except paragraph (a);

(13) Section 85.37, "Subgrants";

(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) through (d) and paragraph (f);

(15) Section 85.41, "Financial reporting," except paragraphs (a), (b), and (e);

(16) Section 85.42, "Retention and access requirements for records," except that the period shall be four years;

(17) Section 85.43, "Enforcement";

(18) Section 85.44, "Termination for convenience";

(19) Section 85.51 "Later disallowances and adjustments" and

(20) Section 85.52, "Collection of amounts due."

STATE OF TEXAS }
}
COUNTY OF HIDALGO }

SUBRECIPIENT AGREEMENT

This Agreement is made and entered into on this the **26th day of June, 20 12**, by and between the COUNTY OF HIDALGO, Urban County Program, a political subdivision of the State of Texas, hereinafter referred to as **"ENTITY"**, and **BOYS AND GIRLS CLUB OF MISSION, INC.**, hereinafter referred to as **"SUBRECIPIENT".**

WITNESSETH

WHEREAS, **SUBRECIPIENT** desires to carry out eligible activities as described in the Statement of Work attached hereto as **Exhibit A** (the "Statement of Work**")**, to this Agreement, and permitted by Title I of the Housing and Community Development Act of 1992 (1992 Act) pursuant to the U. S. Department of Housing and Urban Development Community Development Block Grant Program Entitlement Grant Regulations and covered in 24 CFR 570.

WHEREAS, the **ENTITY** proposes to contract with **SUBRECIPIENT** in order that the eligible activities described in **Exhibit A** (the "Statement of Work**")** can be carried out for the benefit of residents in the ENTITY'S jurisdiction.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration the receipt of which is hereby acknowledged, the **ENTITY** and the **SUBRECIPIENT** do mutually agree as follows:

SECTION I
Rules and Regulations

The **SUBRECIPIENT** agrees to cooperate with the **ENTITY** in respect to the implementation of Community Development Block Grant CFDA No. 14.218 (CDBG) activities to be carried out by **SUBRECIPIENT** pursuant to 24 CFR Part 570 and other rules, regulations and decisions as may be made by the U. S. Department of Housing and Urban Development (HUD) or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG program funds.

SECTION II
Statement of Work

SUBRECIPIENT agrees to perform services as outlined in the Statement of Work for and in consideration of payment in the amount of **$ 37,000.00,** and as delineated in the Grant Budget and the Payment Schedule attached hereto as Exhibit B-1 (the "Grant Budget") and Exhibit B-2 (the "Payment Schedule").

SUBRECIPIENT agrees to notify **ENTITY**, in writing, prior to any changes in its Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"). SUBRECIPIENT shall obtain approval, in writing, from ENTITY prior to commencing work on any changes made to the Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity.

ENTITY shall not be liable for costs incurred or performances rendered by **SUBRECIPIENT** before commencement of this Agreement or after termination of this Agreement.

SUBRECIPIENT agrees to follow the schedule outlined in the Schedule of Activity of this Agreement, and shall notify **ENTITY**, in writing, prior to any changes, delays or departures from the Schedule of Activity. If **SUBRECIPIENT** demonstrates that delays or departure from the Schedule of Activity is due to circumstances beyond its control, **ENTITY** and **SUBRECIPIENT** may (but Entity shall not be required) to amend the Schedule of Activity.

SECTION III
Records and Reports

SUBRECIPIENT agrees to establish and maintain records and reports as outlined in the Records and Reports attached hereto as Exhibit D (the "Records and Reports") and agrees to make the Records and Reports available to the **ENTITY**, HUD, and any other local, state or federal entity or authority that may exercise jurisdiction over CDBG funds. Monthly performance reports must be submitted on or before the 15th of every month.

SECTION IV
Monitoring Visits

SUBRECIPIENT agrees that **ENTITY** shall conduct on-site monitoring visits to assure compliance with applicable Federal requirements and that performance goals are being achieved, if applicable, as per 24 CFR Part 85.40 (a) and 24 CFR Part 84.51(a). **SUBRECIPIENT** shall attend an orientation prior to the award of funds and prior to the first draw of funds. After each monitoring visit, **ENTITY** shall provide **SUBRECIPIENT** with a written report of the monitor's findings. If the monitoring reports note deficiencies in **SUBRECIPIENT's** performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by **SUBRECIPIENT**. Failure by **SUBRECIPIENT** to take action specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section X of this Agreement. In addition, **SUBRECIPIENT** shall give HUD, the Comptroller General of the United States, **ENTITY**, and any of their duly authorized representatives, unobstructed and full 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 **SUBRECIPIENT** pertaining to this Agreement.

SECTION V
Payment Requests and Program Income

SUBRECIPIENT agrees to follow administrative directions from the **ENTITY** regarding documenting and processing payment requests as defined in the Requests for Payments attached hereto as Exhibit E (the "Requests for Payments") of this Agreement.

SUBRECIPIENT shall submit final reimbursement request to **ENTITY** within fifteen (15) days (by June 15, 2012) of the Agreement termination date.

SUBRECIPIENT and **ENTITY** agree that if applicable, program income generated from the use of CDBG funds shall be retained by the **SUBRECIPIENT**. If the activity is partially assisted with CDBG funds, the **SUBRECIPIENT** agrees to pro-rate the gross income to reflect the percent of CDBG funds assisted in the activity. The **SUBRECIPIENT** is to provide to the **ENTITY** by the third Wednesday of each month an accounting of program income through Monthly Performance Reports outlined in the Records and Reports. The **ENTITY** is then required to report all CDBG program income earned, retained, and expended. The **SUBRECIPIENT** shall be allowed to use program income for the same or similar activities as generated by program income. Failure of the **SUBRECIPIENT** to report program income as required shall cause the **ENTITY** to require all program income to be recovered by the **ENTITY**.

SUBRECIPIENT and **ENTITY** agree that all unused CDBG funds at the end or termination of this agreement will be reallocated or reprogrammed by **ENTITY.**

SECTION VI
Religious Activities

The **SUBRECIPIENT** and **ENTITY** both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this Agreement be used for sectarian or religious activities.

SECTION VII
Other Program Requirements

SUBRECIPIENT agrees to comply with "Other Program Requirements" as listed in 24 CFR §570.600 through 611 except for those environmental review requirements listed as 24 CFR §570.604 and initiation of review process under the provisions of 24 CFR Part 52.

SECTION VIII
Uniform Administrative Requirements

Subrecipients, except subrecipients that are governmental entities, shall comply with the requirements and standards of OMB Circular No. A–122, "Cost Principles for Non-profit Organizations", or OMB Circular No. A–21, "Cost Principles for Educational Institutions", as applicable, and OMB Circular A–133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions" (as set forth in 24 CFR part 45). Audits shall be conducted annually. Such subrecipients shall also comply with the provisions of the Uniform Administrative requirements of OMB Circular A–110 (implemented at 24 CFR part 84, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations") or the related CDBG provisions, as specified in the other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions") and any subsequent amendments thereto.

Recipients and Subrecipients that are governmental entities (including public agencies) shall comply with the requirements and standards of OMB Circular No. A–87, "Cost Principles for State, Local, and Indian Tribal Governments"; OMB Circular A–133, "Audits of State and Local Governments" (implemented at 24 CFR part 44); and with sections of 24 CFR part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" or other related CDBG provision, as specified in the other Applicable Provisions attached hereto as Exhibit G (the "Other Applicable Provisions") and any subsequent amendments thereto.

SECTION IX
Audit Requirements

SUBRECIPIENT agrees to comply with the applicable requirements and standards as set forth in OMB Circular A-133, Audits of States, Local Governments and Non-Profit organizations.

SUBRECIPIENT agrees to furnish **ENTITY** with a current Financial Management Letter (financial statements) within six (6) months from the end of its fiscal year covering the period of this Agreement that includes detailed receipts and disbursement of payments to **SUBRECIPIENT** hereunder. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit a Financial Management Letter.**

However, if **SUBRECIPIENT** expends Five Hundred Thousand Dollars ($500,000.00) or more in federal funds, **SUBRECIPIENT** must, within nine (9) months from the end of its fiscal year, supply **ENTITY** with an audit of revenues and expenditures conducted by a certified public accountant. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit an audit within the allotted time.**

If the **SUBRECIPIENT** expends less than Five Hundred Thousand Dollars ($500,000.00) a year in federal awards, then they are exempt from the OMB Circular A-133 audit requirements for that year; however, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity and the General Accounting Office.

SUBRECIPIENT is required to submit a 990 Tax Return (Return of Organization Exempt from Income Tax) for the most recent fiscal year within six (6) months if submitting a Financial Management Letter or within nine (9) months if submitting a Financial Audit. If the Subrecipient is not classified as an exempt entity, the Subrecipient will not be awarded grant funds.

If applicable, **SUBRECIPIENT** agrees to cooperate with **ENTITY** relating to any inquiries regarding the Financial Audit or Financial Management Letter and **SUBRECIPIENT** acknowledges that a Financial Audit or Financial Management Letter shall be provided to **ENTITY** at the expense of the **SUBRECIPIENT.** Financial Audit or Financial Management Letter shall be available to **ENTITY** staff, and any and all applicable federal agencies, and be of unrestricted access, as listed in 24 CFR Part 85.42.

SECTION X
Suspension and Termination

SUBRECIPIENT understands that this Agreement may be suspended or terminated, in accordance with 24 CFR §85.43, if applicable, and 24 CFR §84.61, if the **SUBRECIPIENT** materially fails to comply with the provisions of this Agreement or the provisions so listed in the Statement of Work attached hereto as Exhibit A (the "Statement of Work"), the Grant Budget attached hereto as Exhibit B-1 (the "Grant Budget), the Payment Schedule attached hereto as Exhibit B-2 (the "Payment Schedule), the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"), the Records & Reports attached hereto as Exhibit D (the "Records & Reports"), the Request for Payments attached hereto as Exhibit E (the "Request for Payments"), Other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions"), and the Applicable Provisions - 24 CFR Part 85 attached hereto as Exhibit G (the "Other Applicable Provisions – 24 CFR Part 85").

If **SUBRECIPIENT** fails to fulfill in a timely and proper manner its obligations under this Agreement, or **SUBRECIPIENT** violates any of the Agreements or stipulations of this Agreement, then the **ENTITY** shall provide **SUBRECIPIENT** written notification of such non-performance. Such non-performance, (***i.e., timely submittal of monthly reports and/or reimbursements)***, may be the basis for immediate termination of this Agreement. Should any breach of contract (Agreement) relate to a violation of federal law or regulation that results in HUD demanding reimbursement from the **ENTITY OR SUBRECIPIENT** or its successor, the **ENTITY** may terminate this Agreement and seek reimbursement of all funds from **SUBRECIPIENT**. **SUBRECIPIENT** shall not be relieved of the liability to the **ENTITY** for damages sustained by the **ENTITY** by virtue of any breach of this contract (Agreement) by **SUBRECIPIENT** and **ENTITY** may withhold any payments to **SUBRECIPIENT** for violations of federal regulations or any breach of this Agreement. Should the **ENTITY** become aware of any activity by **SUBRECIPIENT,** which would jeopardize the **ENTITY'S** position with the U. S. Department of Housing and Urban Development (HUD) or which would cause a payback of federal funds, then the **ENTITY** may take appropriate action including injunctive relief against **SUBRECIPIENT** to prevent the transaction. The failure of the **ENTITY** to exercise any right shall in no way constitute a waiver by the **ENTITY** to otherwise demand payment or seek any other relief in law or in equity to which it may be justly entitled.

It is expressly agreed that this Agreement may not be amended except upon the joint action of both the **ENTITY** and _BOYS AND GIRLS CLUB OF MISSION, INC.____.

SECTION XI
Assets

SUBRECIPIENT shall not purchase any asset unless prior written approval is obtained from the **ENTITY** and such procurement shall be done in the form and manner so prescribed by the **ENTITY**.

Any asset acquired or improved in part or in whole with CDBG funds in excess of $25,000 must be used in an activity that meets one of the national objectives listed in 24 CFR §570.208 for a period of five (5) years after the expiration of this Agreement or a longer period if so determined by the **ENTITY**.

The disposition of any asset improved or acquired in part or in whole with CDBG funds by the **SUBRECIPIENT** must be done with prior written approval of the **ENTITY** and the **ENTITY** shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The **ENTITY** may, at its option, request that such asset be transferred to **ENTITY** if the asset is no longer being used to meet one of the national objectives or in any case where the **SUBRECIPIENT** no longer provides services shown on the Statement of Work.

SECTION XII
Indemnity Clause

SUBRECIPIENT agrees to hold **ENTITY** harmless from, and indemnify **ENTITY** from and defend **ENTITY** against any and all claims brought against **ENTITY** by employees or officers of **SUBRECIPIENT** or brought by any third person arising in any manner directly or indirectly from **SUBRECIPIENT** programs, activities or events conducted pursuant to this Agreement.

SUBRECIPIENT shall acquire, maintain and furnish to **ENTITY** a Certificate of Insurance as proof that it has secured and paid for policies of public liability and automobile insurance to cover all operations and services under this Agreement with limits of not less than $300,000.00 per occurrence, $300,000.00 aggregate, covering all risks incident to or in connection with the execution, performance, attempted performance or non-performance of this Agreement.

SECTION XIII
Procurement

SUBRECIPIENT agrees to follow the statues and rules governing the **ENTITY** in the procurement of services, supplies or non-real property in relation to **ENTITY**-funded projects. The legal standards that will apply include the procurement standards of the HIDALGO COUNTY Urban County Program, which includes 24 CFR Part 85.36, and the TEXAS COUNTY PURCHASING ACT.

SECTION XIV
Conflict of Interest

SUBRECIPIENT covenants that members of its organization or staff members who exercise influence on the decision-making process will not have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed in the Statement of Work, 24 CFR Part 570.611, 24 CFR Part 84.40-48, and 24 CFR Part 85.36.

SUBRECIPIENT agrees that no person who is an elected official, officer, director, employee, consultant, or agent of the **SUBRECIPIENT**'s organization or the **ENTITY**'s organization shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Statement of Work during their tenure or for a period of one year thereafter.

SUBRECIPIENT is responsible for repayment of funds associated with any conflict of interest that may occur either knowingly or unknowingly.

No **ENTITY** employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described in the Statement of Work.

SECTION XII
Legal Action and Venue

SUBRECIPIENT agrees to notify the **ENTITY** when a problem arises that may lead to legal action or claim against the **SUBRECIPIENT**. The **SUBRECIPIENT** agrees to furnish to the **ENTITY** any and all information with respect to such action or claim. The **SUBRECIPIENT** agrees not to take any action with respect to any legal action or claim sought against the **SUBRECIPIENT** without the advice and written consent of the **ENTITY**.

Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this Agreement shall lie exclusively in HIDALGO COUNTY.

SECTION XIII
Miscellaneous Provisions

Conflict with Applicable Law. Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

No Waiver. No waiver by **ENTITY** of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

Entire Agreement. This Agreement contains the entire contract between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by **ENTITY** and **SUBRECIPIENT**, and not otherwise.

Texas Law to Apply. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THIE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.

Notice. Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by electronic mail, or (iii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or (iv) sent by facsimile or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to **ENTITY**:

COUNTY OF HIDALGO
Urban County Program
1916 Tesoro Blvd.
Pharr, TX 78577
Email: ucp@ucp.co.hidalgo.tx.us
Phone # (956) 787-8127
Fax # (956) 787-5291

If to **SUBRECIPIENT**:

Boys and Girls Club of Mission, Inc.
Attn: Juan C. Avila
209 West 18th Street
Mission, Texas 78572
email: javila@mission.lib.tx.us
Phone: (956) 585-3606
Fax: (956) 585-2436

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the Unites States mail.

Additional Documents. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

Assignment. This Agreement shall not be assignable by **SUBRECIPIENT**. **ENTITY** may assign this Agreement without the consent of **SUBRECIPIENT**.

Headings. The headings and captions contained in this Agreement are solely for convenient reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

Gender and Number. All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate.

Authority to Execute. The execution and performance of this Agreement by **ENTITY** and **SUBRECIPIENT** have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of **ENTITY** and **SUBRECIPIENT** in accordance with its terms.

SECTION XVII
Effective Date

The effective date of this agreement shall be the **1st of July 2012** such date being the date the HIDALGO COUNTY COMMISSIONERS' COURT approved entering into this Agreement with SUBRECIPIENT and shall terminate on the **31st day of May 2013.**

Approved and signed this _____ day of _____ 20___.

_____ _____
Print or Type Name of Authorized Official Signature of Authorized Official

SUBRECIPIENT Name: Boys and Girls Club of Mission, Inc.
Address: 1201 E. 8th Street
City/State/Zip: Mission, Texas 78572
Federal I.D. # or Soc. Sec. #: 74-6001738
DUNS #:010550424

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

_____ personally appeared before me and declared that he/she signed this application in the capacity designated, if any, and further states that, he/she has read the above application, and the statements therein contained are true.

Subscribed and sworn to before me this _____ day of_____, 20_____ .

_____
Notary - Signature

COUNTY OF HIDALGO – URBAN COUNTY PROGRAM

_____ _____
Witness: **Diana R. Serna, UCP Director**

APPROVED AS TO FORM
Atlas & Hall L.L.P.
By: Steve Crain
Date: June 21, 2011

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

Boys & Girls Club of Mission work to enable children ages 5-12 of all backgrounds to participate in programs focusing on Education & Career Developent, Health & Life Skills, Sports Fitness & Recreation, the Arts and Family Support (Special Events).

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 37,000 Awarded By: Precinct 3

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Salaries for unit supervisor and four program staff / to properly coordinate national programs and equipment and supplies for club members to use during the homework help hour, prevention programs, Arts & Crafts, and sports fitness & recreation

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

The Boys & Girls Club of Mission will be providing youth services to club members at the Jessie Jensen Unit. Serving youth members in core program areas such as Character & Leadership development, Education & Career Development, Health & Life Skills, Sports Fitness & Recreation, the Arts and Family Support (Special Events), Monday-Thursday 2:30 pm- 6:30 pm, Fridays 2:30 pm – 5 :30 pm, throughout the school year.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Additional programs such as Healthy Habits, Kids in Control, Smart Moves and Sports Fitness and Recreation. Through these programs club members learn the importance of a healthy diet, how to handle emergency situations, and have the opportunity to compete in organized sports. Being a part of a team, making youth members feel competent and able is what club members will gain.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

90% at risk Hispanics of which approximately 70% of them come from low income families. Ther are ages 5-12 male and females. We will be serving approximately 200 disadvantaged children the Jessie James Unit.

Section VII List all locations (physical address) where the funded service(s) will be provided.

5 ½ Mile and Glasscock Road-Jessie Jensen Elementary

Exhibit B-1

GRANT BUDGET
Awarded by: Precinct No. 3

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	BUDGETED AMOUNT
1. Personnel-6 Part Time employees to work 20 hours per week for 9 months	$30,700
2. Fringe Benefits for 6 part time employees for FICA @ 7.65% (Social Security, Medicare, and Workers Comp)	$ 2,800
3. Supplies and sports equipment for staff to properly provide Boys & Girls Club program services to its youth members.	$ 3,500
	$
	$
	$
TOTAL GRANT BUDGET:	**$ 37,000**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Precinct No. 3

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July		
August	$3,400.00	Salary & Benefits
September	$3,400.00	Salary & Benefits
October	$3,400.00	Salary & Benefits
November	$3,500.00 $3,500.00 Equipment/Supplies	Salary & Benefits Equipment &Supplies
December	$ 3,400.00	Salary & Benefits
January	$3,500.00	Salary & Benefits
February	$ 3,400.00	Salary & Benefits
March	$3,400.00	Salary & Benefits
April	$3,400.00	Salary & Benefits
May	$3,400.00	Salary & Benefits
TOTAL:	**$37,000**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Precinct No. 3

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July		
August		
September	50	Homework help hour (Power Hour) Fitness & Recreation, Arts & Crafts, Health & Life Skills and Special Events
October	25	Homework help hour (Power Hour) Fitness & Recreation, Arts & Crafts, Health & Life Skills and Special Events
November	25	Homework help hour (Power Hour) Fitness & Recreation, Arts & Crafts, Health & Life Skills and Special Events
December	25	Homework help hour (Power Hour) Fitness & Recreation, Arts & Crafts, Health & Life Skills and Special Events
January	50	Homework help hour (Power Hour) Fitness & Recreation, Arts & Crafts, Health & Life Skills and Special Events
February	25	Homework help hour (Power Hour) Fitness & Recreation, Arts & Crafts, Health & Life Skills and Special Events
March	40	Homework help hour (Power Hour) Fitness & Recreation, Arts & Crafts, Health & Life Skills and Special Events
April		Homework help hour (Power Hour) Fitness & Recreation, Arts & Crafts, Health & Life Skills and Special Events
May		
Total for the Year:	**240**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit D
RECORDS & REPORTS

REPORTS

A **Monthly Performance Report (Exhibit D - Activity Report)** must be submitted with each request for payment on or before the 15th of each month. Each activity report must include the following information:

- **Type of expenditures utilizing CDBG funds, type of service(s) provided and how the service met one of the HUD national objectives:**
  - Benefit to Low and Moderate Income Persons
  - Provides Decent Affordable Housing
  - Creates Economic Opportunities

  Number of persons assisted with New Access to service

  Number of persons assisted with Improved Access to service

  Number of low-mod beneficiaries served

  Ethnic Data

  Number of persons served living with a disability

  Number of female head of households served

  Income levels of persons or households with the categories of extremely low, low to moderate and non-low income.

- **Type of Outcome:**

  - **Availability/Accessibility**. Description of how services were made available or accessible to low and moderate income people, including persons with disabilities.

  - **Affordability**. How grant funds made the service affordable to low and moderate income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

  - **Sustainability**: **Promoting Livable or Viable Communities.** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

- **Other significant information** (such as special events, fundraisers, award ceremonies, etc.)Agency agrees to provide Entity with summaries of any events, fundraisers, and/or ceremonies held and provide photos of such events prior to the end date of the Agreement.

RECORDS **Cont. Exhibit D**

All records pertaining to each fiscal year of CDBG funds must be retained, from the date of submission of the COUNTY's Consolidated Annual Performance and Evaluation Report (CAPER) in which the specific activity is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 4-year period. In such cases, the records must be retained until completion of the action and resolution of all issues which arise from it or the end of the regular 4-year period, whichever is longer, except as provided below:

- Written agreements must be retained for four (4) years after the agreement terminates.
- If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
- In the event more than one exception applies to a particular record, the largest retention period shall apply to such record.

(a) Beneficiary Files

Subrecipient must maintain individual beneficiary files served utilizing CDBG funds. Such files must contain the following:

- Membership/registration Application
- Original Program Application (UCP self certification form)
- Physical address of residence

(b) Program Files

Subrecipient must maintain program files related to the Urban County Program CDBG award. Such files must contain the following:

- CDBG funding proposal letter to city and/or precinct
- Urban County Program Subrecipient Questionnaire, exhibits and supporting documentation
- Subrecipient Agreement
- Correspondence to and from Urban County
- Expenditure Reports
- Copies of reimbursement requests
- Monthly Performance Reports
- If applicable, fixed asset inventory list

(c) Financial Records

Subrecipient must maintain proper financial records.

(d) Program Income

Subrecipient must report program income earned, retained and expended to the Urban County Program that was generated by the use of the CDBG award.

Exhibit E
REQUEST FOR PAYMENTS

1. Subrecipient must submit **monthly** reimbursement requests as approved on the Schedule of Payment hereto attached as Exhibit B-2 (the "Schedule of Payment") **due on or before the 15th of each month.**

2. Subrecipient must inform Urban County in writing if the reimbursement request and/or monthly performance report will not be submitted by the due date.

3. Request for reimbursements that are submitted after the last working day of the month will be returned unpaid if the subrecipient did not comply with Request for Payments (2) hereto attached as Exhibit E (the "Request for Payments").

4. Urban County Program will return incorrect and/or incomplete reimbursement requests to the subrecipient as soon as possible in order for corrections to be made.

5. Subrecipient must submit the corrections and/or pending documentation no later than 10 days from notification by UCP. Should the subrecipient fail to submit the corrections within the allotted time, the RFP will be returned, and will NOT qualify for re-submission.

6. Subrecipient must submit May's reimbursement request and monthly performance report to the Urban County Program on or before June 15th.

7. May expenditures (equipment / supplies) must be invoiced and paid by May 31st to be eligible for reimbursement.

8. Subrecipient must submit all required documentation as stated on the UCP Reimbursement Checklist.

9. Should the Subrecipient fail to comply with timely submittals of monthly reimbursement requests and/or performance reports, the Urban County Program shall consider termination of the Subrecipient Agreement as per Section X "Suspension and Termination".

10. Subrecipient must submit a copy of the monthly reimbursement request and performance reports to the respective City and/or Precinct providing CDBG funds to the organization. Failure to submit copies may require pre-approval of the City and/or Precinct prior to Urban County processing the reimbursement request.

11. All reimbursement requests and reports submitted to Urban County must be originals signed with blue ink.

12. As per Section IV of this Agreement, the Urban County Program Monitoring Division will conduct on-site monitoring visits to ensure compliance with applicable Federal requirements and performance goals are being met.

13. Reimbursement requests are processed by Urban County on a first come first serve basis.

14. Payments to Subrecipients will only be mailed. Checks will not be allowed for pickup.

Checks are mailed eleven (11) days from the date the reimbursement request is submitted to the finance division, **only** after all documentation is reviewed, corrections are made, and all documentation is in order.

Exhibit F
Other Applicable Provisions
As stated in Section VIII
OMB Circular A–110 (implemented at 24 CFR part 84)
Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

(1) Subpart A—"General";

(2) Subpart B—"Pre-Award Requirements," except for §84.12, "Forms for Applying for Federal Assistance";

(3) Subpart C—"Post-Award Requirements," except for:

(i) Section 84.22, "Payment Requirements." Grantees shall follow the standards of §§85.20(b)(7) and 85.21 in making payments to subrecipients;

(ii) Section 84.23, "Cost Sharing and Matching";

(iii) Section 84.24, "Program Income." In lieu of §84.24, CDBG subrecipients shall follow §570.504;

(iv) Section 84.25, "Revision of Budget and Program Plans";

(v) Section 84.32, "Real Property." In lieu of §84.32, CDBG subrecipients shall follow §570.505;

(vi) Section 84.34(g), "Equipment." In lieu of the disposition provisions of §84.34(g), the following applies:

(A) In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and

(B) Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient;

(vii) Section 84.51 (b), (c), (d), (e), (f), (g), and (h), "Monitoring and Reporting Program Performance";

(viii) Section 84.52, "Financial Reporting";

(ix) Section 84.53(b), "Retention and access requirements for records." Section 84.53(b) applies with the following exceptions:

(A) The retention period referenced in §84.53(b) pertaining to individual CDBG activities shall be four years; and

(B) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;

(x) Section 84.61, "Termination." In lieu of the provisions of §84.61, CDBG subrecipients shall comply with §570.503(b)(7); and

(4) Subpart D—"After-the-Award Requirements," except for §84.71, "Closeout Procedures."

Exhibit G
Applicable Provisions - 24 CFR Part 85
As stated in Section VIII

Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"

(1) Section 85.3, "Definitions";

(2) Section 85.6, "Exceptions";

(3) Section 85.12, "Special grant or subgrant conditions for 'high-risk' grantees";

(4) Section 85.20, "Standards for financial management systems," except paragraph (a);

(5) Section 85.21, "Payment," except as modified by §570.513;

(6) Section 85.22, "Allowable costs";

(7) Section 85.26, "Non-federal audits";

(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;

(9) Section 85.33, "Supplies";

(10) Section 85.34, "Copyrights";

(11) Section 85.35, "Subawards to debarred and suspended parties";

(12) Section 85.36, "Procurement," except paragraph (a);

(13) Section 85.37, "Subgrants";

(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) through (d) and paragraph (f);

(15) Section 85.41, "Financial reporting," except paragraphs (a), (b), and (e);

(16) Section 85.42, "Retention and access requirements for records," except that the period shall be four years;

(17) Section 85.43, "Enforcement";

(18) Section 85.44, "Termination for convenience";

(19) Section 85.51 "Later disallowances and adjustments" and

(20) Section 85.52, "Collection of amounts due."

STATE OF TEXAS }
}
COUNTY OF HIDALGO }

SUBRECIPIENT AGREEMENT

This Agreement is made and entered into on this the 26th day of June, 20 12, by and between the COUNTY OF HIDALGO, Urban County Program, a political subdivision of the State of Texas, hereinafter referred to as **"ENTITY"**, and **SENIOR COMMUNITY OUTREACH SERVICES, INC.**, hereinafter referred to as **"SUBRECIPIENT".**

WITNESSETH

WHEREAS, **SUBRECIPIENT** desires to carry out eligible activities as described in the Statement of Work attached hereto as **Exhibit A** (the "Statement of Work**")**, to this Agreement, and permitted by Title I of the Housing and Community Development Act of 1992 (1992 Act) pursuant to the U. S. Department of Housing and Urban Development Community Development Block Grant Program Entitlement Grant Regulations and covered in 24 CFR 570.

WHEREAS, the **ENTITY** proposes to contract with **SUBRECIPIENT** in order that the eligible activities described in **Exhibit A** (the "Statement of Work**")** can be carried out for the benefit of residents in the ENTITY'S jurisdiction.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration the receipt of which is hereby acknowledged, the **ENTITY** and the **SUBRECIPIENT** do mutually agree as follows:

SECTION I
Rules and Regulations

The **SUBRECIPIENT** agrees to cooperate with the **ENTITY** in respect to the implementation of Community Development Block Grant CFDA No. 14.218 (CDBG) activities to be carried out by **SUBRECIPIENT** pursuant to 24 CFR Part 570 and other rules, regulations and decisions as may be made by the U. S. Department of Housing and Urban Development (HUD) or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG program funds.

SECTION II
Statement of Work

SUBRECIPIENT agrees to perform services as outlined in the Statement of Work for and in consideration of payment in the amount of **$41,500.00,** and as delineated in the Grant Budget and the Payment Schedule attached hereto as Exhibit B-1 (the "Grant Budget") and Exhibit B-2 (the "Payment Schedule").

SUBRECIPIENT agrees to notify **ENTITY**, in writing, prior to any changes in its Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"). SUBRECIPIENT shall obtain approval, in writing, from ENTITY prior to commencing work on any changes made to the Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity.

ENTITY shall not be liable for costs incurred or performances rendered by **SUBRECIPIENT** before commencement of this Agreement or after termination of this Agreement.

SUBRECIPIENT agrees to follow the schedule outlined in the Schedule of Activity of this Agreement, and shall notify **ENTITY**, in writing, prior to any changes, delays or departures from the Schedule of Activity. If **SUBRECIPIENT** demonstrates that delays or departure from the Schedule of Activity is due to circumstances beyond its control, **ENTITY** and **SUBRECIPIENT** may (but Entity shall not be required) to amend the Schedule of Activity.

SECTION III
Records and Reports

SUBRECIPIENT agrees to establish and maintain records and reports as outlined in the Records and Reports attached hereto as Exhibit D (the "Records and Reports") and agrees to make the Records and Reports available to the **ENTITY**, HUD, and any other local, state or federal entity or authority that may exercise jurisdiction over CDBG funds. Monthly performance reports must be submitted on or before the 15th of every month.

SECTION IV
Monitoring Visits

SUBRECIPIENT agrees that **ENTITY** shall conduct on-site monitoring visits to assure compliance with applicable Federal requirements and that performance goals are being achieved, if applicable, as per 24 CFR Part 85.40 (a) and 24 CFR Part 84.51(a). **SUBRECIPIENT** shall attend an orientation prior to the award of funds and prior to the first draw of funds. After each monitoring visit, **ENTITY** shall provide **SUBRECIPIENT** with a written report of the monitor's findings. If the monitoring reports note deficiencies in **SUBRECIPIENT's** performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by **SUBRECIPIENT**. Failure by **SUBRECIPIENT** to take action specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section X of this Agreement. In addition, **SUBRECIPIENT** shall give HUD, the Comptroller General of the United States, **ENTITY**, and any of their duly authorized representatives, unobstructed and full 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 **SUBRECIPIENT** pertaining to this Agreement.

SECTION V
Payment Requests and Program Income

SUBRECIPIENT agrees to follow administrative directions from the **ENTITY** regarding documenting and processing payment requests as defined in the Requests for Payments attached hereto as Exhibit E (the "Requests for Payments") of this Agreement.

SUBRECIPIENT shall submit final reimbursement request to **ENTITY** within fifteen (15) days (by June 15, 2012) of the Agreement termination date.

SUBRECIPIENT and **ENTITY** agree that if applicable, program income generated from the use of CDBG funds shall be retained by the **SUBRECIPIENT**. If the activity is partially assisted with CDBG funds, the **SUBRECIPIENT** agrees to pro-rate the gross income to reflect the percent of CDBG funds assisted in the activity. The **SUBRECIPIENT** is to provide to the **ENTITY** by the third Wednesday of each month an accounting of program income through Monthly Performance Reports outlined in the Records and Reports. The **ENTITY** is then required to report all CDBG program income earned, retained, and expended. The **SUBRECIPIENT** shall be allowed to use program income for the same or similar activities as generated by program income. Failure of the **SUBRECIPIENT** to report program income as required shall cause the **ENTITY** to require all program income to be recovered by the **ENTITY**.

SUBRECIPIENT and **ENTITY** agree that all unused CDBG funds at the end or termination of this agreement will be reallocated or reprogrammed by **ENTITY.**

SECTION VI
Religious Activities

The **SUBRECIPIENT** and **ENTITY** both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this Agreement be used for sectarian or religious activities.

SECTION VII
Other Program Requirements

SUBRECIPIENT agrees to comply with "Other Program Requirements" as listed in 24 CFR §570.600 through 611 except for those environmental review requirements listed as 24 CFR §570.604 and initiation of review process under the provisions of 24 CFR Part 52.

SECTION VIII
Uniform Administrative Requirements

Subrecipients, except subrecipients that are governmental entities, shall comply with the requirements and standards of OMB Circular No. A–122, "Cost Principles for Non-profit Organizations", or OMB Circular No. A–21, "Cost Principles for Educational Institutions", as applicable, and OMB Circular A–133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions" (as set forth in 24 CFR part 45). Audits shall be conducted annually. Such subrecipients shall also comply with the provisions of the Uniform Administrative requirements of OMB Circular A–110 (implemented at 24 CFR part 84, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations") or the related CDBG provisions, as specified in the other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions") and any subsequent amendments thereto.

Recipients and Subrecipients that are governmental entities (including public agencies) shall comply with the requirements and standards of OMB Circular No. A–87, "Cost Principles for State, Local, and Indian Tribal Governments"; OMB Circular A–133, "Audits of State and Local Governments" (implemented at 24 CFR part 44); and with sections of 24 CFR part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" or other related CDBG provision, as specified in the other Applicable Provisions attached hereto as Exhibit G (the "Other Applicable Provisions") and any subsequent amendments thereto.

SECTION IX
Audit Requirements

SUBRECIPIENT agrees to comply with the applicable requirements and standards as set forth in OMB Circular A-133, Audits of States, Local Governments and Non-Profit organizations.

SUBRECIPIENT agrees to furnish **ENTITY** with a current Financial Management Letter (financial statements) within six (6) months from the end of its fiscal year covering the period of this Agreement that includes detailed receipts and disbursement of payments to **SUBRECIPIENT** hereunder. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit a Financial Management Letter within the allotted time.**

However, if **SUBRECIPIENT** expends Five Hundred Thousand Dollars ($500,000.00) or more in federal funds, **SUBRECIPIENT** must, within nine (9) months from the end of its fiscal year, supply **ENTITY** with an audit of revenues and expenditures conducted by a certified public accountant. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit an audit within the allotted time.**

If the **SUBRECIPIENT** expends less than Five Hundred Thousand Dollars ($500,000.00) a year in federal awards, then they are exempt from the OMB Circular A-133 audit requirements for that year; however, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity and the General Accounting Office.

SUBRECIPIENT is required to submit a 990 Tax Return (Return of Organization Exempt from Income Tax) for the most recent fiscal year within six (6) months if submitting a Financial Management Letter or within nine (9) months if submitting a Financial Audit. If the Subrecipient is not classified as an exempt entity, the Subrecipient will not be awarded grant funds.

If applicable, **SUBRECIPIENT** agrees to cooperate with **ENTITY** relating to any inquiries regarding the Financial Audit or Financial Management Letter and **SUBRECIPIENT** acknowledges that a Financial Audit or Financial Management Letter shall be provided to **ENTITY** at the expense of the **SUBRECIPIENT.** Financial Audit or Financial Management Letter shall be available to **ENTITY** staff, and any and all applicable federal agencies, and be of unrestricted access, as listed in 24 CFR Part 85.42.

SECTION X
Suspension and Termination

SUBRECIPIENT understands that this Agreement may be suspended or terminated, in accordance with 24 CFR §85.43, if applicable, and 24 CFR §84.61, if the **SUBRECIPIENT** materially fails to comply with the provisions of this Agreement or the provisions so listed in the Statement of Work attached hereto as Exhibit A (the "Statement of Work"), the Grant Budget attached hereto as Exhibit B-1 (the "Grant Budget), the Payment Schedule attached hereto as Exhibit B-2 (the "Payment Schedule), the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"), the Records & Reports attached hereto as Exhibit D (the "Records & Reports"), the Request for Payments attached hereto as Exhibit E (the "Request for Payments"), Other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions"), and the Applicable Provisions - 24 CFR Part 85 attached hereto as Exhibit G (the "Other Applicable Provisions – 24 CFR Part 85").

If **SUBRECIPIENT** fails to fulfill in a timely and proper manner its obligations under this Agreement, or **SUBRECIPIENT** violates any of the Agreements or stipulations of this Agreement, then the **ENTITY** shall provide **SUBRECIPIENT** written notification of such non-performance. Such non-performance, (***i.e., timely submittal of monthly reports and/or reimbursements)***, may be the basis for immediate termination of this Agreement. Should any breach of contract (Agreement) relate to a violation of federal law or regulation that results in HUD demanding reimbursement from the **ENTITY OR SUBRECIPIENT** or its successor, the **ENTITY** may terminate this Agreement and seek reimbursement of all funds from **SUBRECIPIENT**. **SUBRECIPIENT** shall not be relieved of the liability to the **ENTITY** for damages sustained by the **ENTITY** by virtue of any breach of this contract (Agreement) by **SUBRECIPIENT** and **ENTITY** may withhold any payments to **SUBRECIPIENT** for violations of federal regulations or any breach of this Agreement. Should the **ENTITY** become aware of any activity by **SUBRECIPIENT,** which would jeopardize the **ENTITY'S** position with the U. S. Department of Housing and Urban Development (HUD) or which would cause a payback of federal funds, then the **ENTITY** may take appropriate action including injunctive relief against **SUBRECIPIENT** to prevent the transaction. The failure of the **ENTITY** to exercise any right shall in no way constitute a waiver by the **ENTITY** to otherwise demand payment or seek any other relief in law or in equity to which it may be justly entitled.

It is expressly agreed that this Agreement may not be amended except upon the joint action of both the **ENTITY** and the **SENIOR COMMUNITY OUTREACH SERVICES, INC..**

SECTION XI
Assets

SUBRECIPIENT shall not purchase any asset unless prior written approval is obtained from the **ENTITY** and such procurement shall be done in the form and manner so prescribed by the **ENTITY**.

Any asset acquired or improved in part or in whole with CDBG funds in excess of $25,000 must be used in an activity that meets one of the national objectives listed in 24 CFR §570.208 for a period of five (5) years after the expiration of this Agreement or a longer period if so determined by the **ENTITY**.

The disposition of any asset improved or acquired in part or in whole with CDBG funds by the **SUBRECIPIENT** must be done with prior written approval of the **ENTITY** and the **ENTITY** shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The **ENTITY** may, at its option, request that such asset be transferred to **ENTITY** if the asset is no longer being used to meet one of the national objectives or in any case where the **SUBRECIPIENT** no longer provides services shown on the Statement of Work.

SECTION XII
Indemnity Clause

SUBRECIPIENT agrees to hold **ENTITY** harmless from, and indemnify **ENTITY** from and defend **ENTITY** against any and all claims brought against **ENTITY** by employees or officers of **SUBRECIPIENT** or brought by any third person arising in any manner directly or indirectly from **SUBRECIPIENT** programs, activities or events conducted pursuant to this Agreement.

SUBRECIPIENT shall acquire, maintain and furnish to **ENTITY** a Certificate of Insurance as proof that it has secured and paid for policies of public liability and automobile insurance to cover all operations and services under this Agreement with limits of not less than $300,000.00 per occurrence, $300,000.00 aggregate, covering all risks incident to or in connection with the execution, performance, attempted performance or non-performance of this Agreement.

SECTION XIII
Procurement

SUBRECIPIENT agrees to follow the statues and rules governing the **ENTITY** in the procurement of services, supplies or non-real property in relation to **ENTITY**-funded projects. The legal standards that will apply include the procurement standards of the HIDALGO COUNTY Urban County Program, which includes 24 CFR Part 85.36, and the TEXAS COUNTY PURCHASING ACT.

SECTION XIV
Conflict of Interest

SUBRECIPIENT covenants that members of its organization or staff members who exercise influence on the decision-making process will not have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed in the Statement of Work, 24 CFR Part 570.611, 24 CFR Part 84.40-48, and 24 CFR Part 85.36.

SUBRECIPIENT agrees that no person who is an elected official, officer, director, employee, consultant, or agent of the **SUBRECIPIENT**'s organization or the **ENTITY**'s organization shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Statement of Work during their tenure or for a period of one year thereafter.

SUBRECIPIENT is responsible for repayment of funds associated with any conflict of interest that may occur either knowingly or unknowingly.

No **ENTITY** employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described in the Statement of Work.

SECTION XII
Legal Action and Venue

SUBRECIPIENT agrees to notify the **ENTITY** when a problem arises that may lead to legal action or claim against the **SUBRECIPIENT**. The **SUBRECIPIENT** agrees to furnish to the **ENTITY** any and all information with respect to such action or claim. The **SUBRECIPIENT** agrees not to take any action with respect to any legal action or claim sought against the **SUBRECIPIENT** without the advice and written consent of the **ENTITY**.

Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this Agreement shall lie exclusively in HIDALGO COUNTY.

SECTION XIII
Miscellaneous Provisions

Conflict with Applicable Law. Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or

amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

No Waiver. No waiver by **ENTITY** of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

Entire Agreement. This Agreement contains the entire contract between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by **ENTITY** and **SUBRECIPIENT**, and not otherwise.

Texas Law to Apply. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THIE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.

Notice. Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by electronic mail, or (iii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or (iv) sent by facsimile or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to **ENTITY**:

COUNTY OF HIDALGO
Urban County Program
1916 Tesoro Blvd.
Pharr, TX 78577
Email: ucp@ucp.co.hidalgo.tx.us
Phone # (956) 787-8127
Fax # (956) 787-5291

If to **SUBRECIPIENT**:

Senior Community Outreach Services, Inc.
Attn: Jose T. Perez, Executive Director
840 West Avenue
Alamo, Texas 78516
Email: jtperez46@sbcglobal.net
Phone: (956) 787-9524
Fax: (956) 702-2717

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the Unites States mail.

Additional Documents. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

Assignment. This Agreement shall not be assignable by **SUBRECIPIENT**. **ENTITY** may assign this Agreement without the consent of **SUBRECIPIENT**.

Headings. The headings and captions contained in this Agreement are solely for convenient reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

Gender and Number. All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate.

Authority to Execute. The execution and performance of this Agreement by **ENTITY** and **SUBRECIPIENT** have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of **ENTITY** and **SUBRECIPIENT** in accordance with its terms.

SECTION XVII
Effective Date

The effective date of this agreement shall be the **1st day of July 2012** such date being the date the HIDALGO COUNTY COMMISSIONERS' COURT approved entering into this Agreement with SUBRECIPIENT and shall terminate on the **31st day of May 2013.**

Approved and signed this _____ day of _____ 20__.

_____ _____
Print or Type Name of Authorized Official Signature of Authorized Official

SUBRECIPIENT Name: Senior Community Outreach Services, Inc.
Address: 840 West Austin Avenue
City/State/Zip: Alamo, Texas 78516
Federal I.D. # or Soc. Sec. #: 74-2805842
DUNS #:036835676

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

_____ personally appeared before me and declared that he/she signed this application in the capacity designated, if any, and further states that, he/she has read the above application, and the statements therein contained are true.

Subscribed and sworn to before me this _____ day of_____, 20_____ .

_____
Notary - Signature

COUNTY OF HIDALGO – URBAN COUNTY PROGRAM

_____ _____
Witness: **Diana R. Serna, UCP Director**

APPROVED AS TO FORM
Atlas & Hall L.L.P.
By: Steve Crain
Date: June 21, 2011

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012-2013 CDBG award.

Precinct #1 CDBG funding will be used to serve and assist at least Twenty (20) homebound and frail adults age 62 & over living at home who need person-to-person support to continue living at home.

Section II State the CDBG grant amount awarded and name of awarding City / Precinct.
$ 10,000.00 Awarded By: Precinct #1

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Precinct #1 CDBG funds will be used to provide a small tax-free stipend of $2.65 per/hour and mileage of $0.55 cents/mile.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / after school, seasonal, etc.).

Senior Companions will be recruited, trained and placed in an in-home setting and ill assist the frail individuals with daily tasks of living; to enable these such as light housekeeping, meal preparation, light laundry, errands, personal care, and relief for caregivers in home.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Senior Companion Volunteers will be offered to serve and assist homebound and frail adults living at home who need person-to-person support to continue living at home usually between the hours from 8:00 am to 5:00 pm Monday thru Friday, excluding holidays and weekends. Additional New service will be offered to provide transportation to elderly clients to and from their home for medical, financial or personal necessities.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Precinct #1 CDBG moneys will be used to serve and assist at least Twenty (20) homebound and frail adults living at home who need person-to-person support to continue living at home.

Section VII List all locations (physical address) where the service(s) will be provided.

Services will be coordinated through the Senior Community Outreach Services, Inc. office located at 840 W. Austin Avenue in Alamo, Texas 78516-2516. Services for beneficiaries will be provide at their respective home within the boundaries of Precinct #1.

Exhibit B-1
GRANT BUDGET
Awarded by: Precinct #1

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
SCP Volunteer Stipend @ $2.65 per/hour	$ 9,900.00
SCP Volunteer Mileage @ $0.55 per/mile	$ 100.00
TOTAL GRANT BUDGET:	$ 10,000.00

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Precinct #1

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	$ 0.00	-
August	$ 0.00	-
September	$ 0.00	-
October	$1,800.00	SCP Volunteer Stipend / Mileage
November	$1,600.00	SCP Volunteer Stipend / Mileage
December	$1,600.00	SCP Volunteer Stipend / Mileage
January	$1,800.00	SCP Volunteer Stipend / Mileage
February	$1,600.00	SCP Volunteer Stipend / Mileage
March	$1,600.00	SCP Volunteer Stipend / Mileage
April	$ 0.00	-
May	$ 0.00	-
TOTAL:	$ 10,000.00	SCP Volunteer Stipend / Mileage

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Precinct #1

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	0	-
August	0	-
September	0	-
October	16	In-Home Care Service
November	4	In-Home Care Service
December	0	-
January	0	-
February	0	-
March	0	-
April	0	-
May	0	-
Total for the Year:	20	Unduplicated

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012-2013 CDBG award.

Precinct #2 CDBG funding will be used to serve and assist at least Twenty (20) homebound and frail adults age 62 & over living at home who need person-to-person support to continue living at home.

Section II State the CDBG grant amount awarded and name of awarding City / Precinct.
$ 5,000.00 Awarded By: Precinct #2

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Precinct #2 CDBG funds will be used to provide a small tax-free stipend of $2.65 per/hour and mileage of
$0.55 cents/mile.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / after school, seasonal, etc.).

Senior Companions will be recruited, trained and placed in an in-home setting and ill assist the frail individuals with daily tasks of living; to enable these such as light housekeeping, meal preparation, light laundry, errands, personal care, and relief for caregivers in home.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Senior Companion Volunteers will be offered to serve and assist homebound and frail adults living at home who need person-to-person support to continue living at home usually between the hours from 8:00 am to 5:00 pm Monday thru Friday, excluding holidays and weekends. Additional New service will be offered to provide transportation to elderly clients to and from their home for medical, financial or personal necessities.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Precinct #2 CDBG moneys will be used to serve and assist at least Twenty (20) homebound and frail adults living at home who need person-to-person support to continue living at home.

Section VII List all locations (physical address) where the service(s) will be provided.

Services will be coordinated through the Senior Community Outreach Services, Inc. office located at 840 W. Austin Avenue in Alamo, Texas 78516-2516. Services for beneficiaries will be provide at their respective home within the boundaries of Precinct #2.

Exhibit B-1
GRANT BUDGET
Awarded by: Precinct #2

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
SCP Volunteer Stipend @ $2.65 per/hour	$ 4,900.00
SCP Volunteer Mileage @ $0.55 per/mile	$ 100.00
TOTAL GRANT BUDGET:	$ 5,000.00

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Precinct #2

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	$ 0.00	-
August	$ 0.00	-
September	$ 0.00	-
October	$ 0.00	-
November	$ 0.00	-
December	$ 0.00	-
January	$1,300.00	SCP Volunteer Stipend / Mileage
February	$1,200.00	SCP Volunteer Stipend / Mileage
March	$1,300.00	SCP Volunteer Stipend / Mileage
April	$1,200.00	SCP Volunteer Stipend / Mileage
May	$ 0.00	-
TOTAL:	$ 5,000.00	SCP Volunteer Stipend / Mileage

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Precinct #2

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	0	-
August	0	-
September	0	-
October	0	-
November	0	-
December	0	-
January	16	In-Home Care Service
February	4	In-Home Care Service
March	0	-
April	0	-
May	0	-
Total for the Year:	20	Unduplicated

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012-2013 CDBG award.

Precinct #4 CDBG funding will be used to serve and assist at least Twenty (20) homebound and frail adults age 62 & over living at home who need person-to-person support to continue living at home.

Section II State the CDBG grant amount awarded and name of awarding City / Precinct.
$ 10,000.00 Awarded By: Precinct #4

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Precinct #4 CDBG funds will be used to provide a small tax-free stipend of $2.65 per/hour and mileage of $0.55 cents/mile.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / after school, seasonal, etc.).

Senior Companions will be recruited, trained and placed in an in-home setting and ill assist the frail individuals with daily tasks of living; to enable these such as light housekeeping, meal preparation, light laundry, errands, personal care, and relief for caregivers in home.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Senior Companion Volunteers will be offered to serve and assist homebound and frail adults living at home who need person-to-person support to continue living at home usually between the hours from 8:00 am to 5:00 pm Monday thru Friday, excluding holidays and weekends. Additional New service will be offered to provide transportation to elderly clients to and from their home for medical, financial or personal necessities.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Precinct #4 CDBG moneys will be used to serve and assist at least Twenty (20) homebound and frail adults living at home who need person-to-person support to continue living at home.

Section VII List all locations (physical address) where the service(s) will be provided.

Services will be coordinated through the Senior Community Outreach Services, Inc. office located at 840 W. Austin Avenue in Alamo, Texas 78516-2516. Services for beneficiaries will be provide at their respective home within the boundaries of Precinct #4.

Exhibit B-1
GRANT BUDGET
Awarded by: Precinct #4

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
SCP Volunteer Stipend @ $2.65 per/hour	$ 9,900.00
SCP Volunteer Mileage @ $0.55 per/mile	$ 100.00
TOTAL GRANT BUDGET:	$ 10,000.00

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Precinct #4

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	$ 0.00	-
August	$ 0.00	-
September	$ 0.00	-
October	$1,800.00	SCP Volunteer Stipend / Mileage
November	$1,600.00	SCP Volunteer Stipend / Mileage
December	$1,600.00	SCP Volunteer Stipend / Mileage
January	$1,800.00	SCP Volunteer Stipend / Mileage
February	$1,600.00	SCP Volunteer Stipend / Mileage
March	$1,600.00	SCP Volunteer Stipend / Mileage
April	$ 0.00	-
May	$ 0.00	-
TOTAL:	$ 10,000.00	SCP Volunteer Stipend / Mileage

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Precinct #4

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	0	-
August	0	-
September	0	-
October	16	In-Home Care Service
November	4	In-Home Care Service
December	0	-
January	0	-
February	0	-
March	0	-
April	0	-
May	0	-
Total for the Year:	20	Unduplicated

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012-2013 CDBG award.

Donna CDBG funding will be used to serve and assist at least Twenty (20) homebound and frail adults age 62 & over living at home who need person-to-person support to continue living at home.

Section II State the CDBG grant amount awarded and name of awarding City / Precinct.
$ 5,000.00 Awarded By: City of Donna

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Donna CDBG funds will be used to provide a small tax-free stipend of $2.65 per/hour and mileage of

$0.55 cents/mile.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / after school, seasonal, etc.).

Senior Companions will be recruited, trained and placed in an in-home setting and ill assist the frail individuals with daily tasks of living; to enable these such as light housekeeping, meal preparation, light laundry, errands, personal care, and relief for caregivers in home.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Senior Companion Volunteers will be offered to serve and assist homebound and frail adults living at home who need person-to-person support to continue living at home usually between the hours from 8:00 am to 5:00 pm Monday thru Friday, excluding holidays and weekends. Additional New service will be offered to provide transportation to elderly clients to and from their home for medical, financial or personal necessities.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Donna CDBG moneys will be used to serve and assist at least Twenty (20) homebound and frail adults living at home who need person-to-person support to continue living at home.

Section VII List all locations (physical address) where the service(s) will be provided.

Services will be coordinated through the Senior Community Outreach Services, Inc. office located at 840 W. Austin Avenue in Alamo, Texas 78516-2516. Services for beneficiaries will be provide at their respective home within the boundaries of Donna, Tx.

Exhibit B-1
GRANT BUDGET
Awarded by: City of Donna

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
SCP Volunteer Stipend @ $2.65 per/hour	$ 4,900.00
SCP Volunteer Mileage @ $0.55 per/mile	$ 100.00
TOTAL GRANT BUDGET:	$ 5,000.00

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: City of Donna

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	$ 0.00	-
August	$ 0.00	-
September	$ 0.00	-
October	$ 0.00	-
November	$ 0.00	-
December	$ 0.00	-
January	$1,300.00	SCP Volunteer Stipend / Mileage
February	$1,200.00	SCP Volunteer Stipend / Mileage
March	$1,300.00	SCP Volunteer Stipend / Mileage
April	$1,200.00	SCP Volunteer Stipend / Mileage
May	$ 0.00	-
TOTAL:	$ 5,000.00	SCP Volunteer Stipend / Mileage

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: City of Donna

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	0	-
August	0	-
September	0	-
October	0	-
November	0	-
December	0	-
January	16	In-Home Care Service
February	4	In-Home Care Service
March	0	-
April	0	-
May	0	-
Total for the Year:	20	Unduplicated

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012-2013 CDBG award.

Mercedes CDBG funding will be used to serve and assist at least Twenty (20) homebound and frail adults age 62 & over living at home who need person-to-person support to continue living at home.

Section II State the CDBG grant amount awarded and name of awarding City / Precinct.
$ 7,500.00 Awarded By: City of Mercedes

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Mercedes CDBG funds will be used to provide a small tax-free stipend of $2.65 per/hour and mileage of $0.55 cents/mile.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / after school, seasonal, etc.).

Senior Companions will be recruited, trained and placed in an in-home setting and ill assist the frail individuals with daily tasks of living; to enable these such as light housekeeping, meal preparation, light laundry, errands, personal care, and relief for caregivers in home.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Senior Companion Volunteers will be offered to serve and assist homebound and frail adults living at home who need person-to-person support to continue living at home usually between the hours from 8:00 am to 5:00 pm Monday thru Friday, excluding holidays and weekends. Additional New service will be offered to provide transportation to elderly clients to and from their home for medical, financial or personal necessities.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Mercedes CDBG moneys will be used to serve and assist at least Twenty (20) homebound and frail adults living at home who need person-to-person support to continue living at home.

Section VII List all locations (physical address) where the service(s) will be provided.

Services will be coordinated through the Senior Community Outreach Services, Inc. office located at 840 W. Austin Avenue in Alamo, Texas 78516-2516. Services for beneficiaries will be provide at their respective home within the boundaries of Mercedes, Tx.

Exhibit B-1
GRANT BUDGET
Awarded by: City of Mercedes

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
SCP Volunteer Stipend @ $2.65 per/hour	$ 7,400.00
SCP Volunteer Mileage @ $0.55 per/mile	$ 100.00
TOTAL GRANT BUDGET:	$ 7,500.00

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: City of Mercedes

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	$ 0.00	-
August	$ 0.00	-
September	$ 0.00	-
October	$1,400.00	SCP Volunteer Stipend / Mileage
November	$1,200.00	SCP Volunteer Stipend / Mileage
December	$1,200.00	SCP Volunteer Stipend / Mileage
January	$1,300.00	SCP Volunteer Stipend / Mileage
February	$1,200.00	SCP Volunteer Stipend / Mileage
March	$1,200.00	SCP Volunteer Stipend / Mileage
April	$ 0.00	-
May	$ 0.00	-
TOTAL:	$ 7,500.00	SCP Volunteer Stipend / Mileage

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: City of Mercedes

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	0	-
August	0	-
September	0	-
October	16	In-Home Care Service
November	4	In-Home Care Service
December	0	-
January	0	-
February	0	-
March	0	-
April	0	-
May	0	-
Total for the Year:	20	Unduplicated

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012-2013 CDBG award.

San Juan CDBG funding will be used to serve and assist at least Twenty (20) homebound and frail adults age 62 & over living at home who need person-to-person support to continue living at home.

Section II State the CDBG grant amount awarded and name of awarding City / Precinct.
$ 4,000.00 Awarded By: City of San Juan

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

San Juan CDBG funds will be used to provide a small tax-free stipend of $2.65 per/hour and mileage of $0.55 cents/mile.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / after school, seasonal, etc.).

Senior Companions will be recruited, trained and placed in an in-home setting and ill assist the frail individuals with daily tasks of living; to enable these such as light housekeeping, meal preparation, light laundry, errands, personal care, and relief for caregivers in home.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Senior Companion Volunteers will be offered to serve and assist homebound and frail adults living at home who need person-to-person support to continue living at home usually between the hours from 8:00 am to 5:00 pm Monday thru Friday, excluding holidays and weekends. Additional New service will be offered to provide transportation to elderly clients to and from their home for medical, financial or personal necessities.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

San Juan CDBG moneys will be used to serve and assist at least Twenty (20) homebound and frail adults living at home who need person-to-person support to continue living at home.

Section VII List all locations (physical address) where the service(s) will be provided.

Services will be coordinated through the Senior Community Outreach Services, Inc. office located at 840 W. Austin Avenue in Alamo, Texas 78516-2516. Services for beneficiaries will be provide at their respective home within the boundaries of San Juan, Tx.

Exhibit B-1
GRANT BUDGET
Awarded by: City of San Juan

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
SCP Volunteer Stipend @ $2.65 per/hour	$ 3,900.00
SCP Volunteer Mileage @ $0.55 per/mile	$ 100.00
TOTAL GRANT BUDGET:	$ 4,000.00

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: City of San Juan

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	$ 0.00	-
August	$1,300.00	SCP Volunteer Stipend / Mileage
September	$1,200.00	SCP Volunteer Stipend / Mileage
October	$1,300.00	SCP Volunteer Stipend / Mileage
November	$200.00	SCP Volunteer Stipend / Mileage
December	$ 0.00	-
January	$ 0.00	-
February	$ 0.00	-
March	$ 0.00	-
April	$ 0.00	-
May	$ 0.00	-
TOTAL:	$ 4,000.00	SCP Volunteer Stipend / Mileage

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: City of San Juan

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	0	-
August	16	In-Home Care Service
September	4	In-Home Care Service
October	0	-
November	0	-
December	0	-
January	0	-
February	0	-
March	0	-
April	0	-
May	0	-
Total for the Year:	20	Unduplicated

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit D
RECORDS & REPORTS

REPORTS

A **Monthly Performance Report (Exhibit D - Activity Report)** must be submitted with each request for payment on or before the 15th of each month. Each activity report must include the following information:

- **Type of expenditures utilizing CDBG funds, type of service(s) provided and how the service met one of the HUD national objectives:**
  - Benefit to Low and Moderate Income Persons
  - Provides Decent Affordable Housing
  - Creates Economic Opportunities
- **Number of persons assisted with New Access to service**
- **Number of persons assisted with Improved Access to service**
- **Number of low-mod beneficiaries served**
- **Ethnic Data**
- **Number of persons served living with a disability**
- **Number of female head of households served**
- **Income levels of persons or households with the categories of extremely low, low to moderate and non-low income.**
- **Type of Outcome:**
  - **Availability/Accessibility**. Description of how services were made available or accessible to low and moderate income people, including persons with disabilities.
  - **Affordability**. How grant funds made the service affordable to low and moderate income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.
  - **Sustainability**: **Promoting Livable or Viable Communities.** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.
- **Other significant information** (such as special events, fundraisers, award ceremonies, etc.)
  - Agency agrees to provide Entity with summaries of any events, fundraisers, and/or ceremonies held and provide photos of such events prior to the end date of the Agreement.

RECORDS

All records pertaining to each fiscal year of CDBG funds must be retained, from the date of submission of the COUNTY's Consolidated Annual Performance and Evaluation Report (CAPER) in which the specific activity is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 4-year period. In such cases, the records must be retained until completion of the action and resolution of all issues which arise from it or the end of the regular 4-year period, whichever is longer, except as provided below:

- Written agreements must be retained for four (4) years after the agreement terminates.
- If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
- In the event more than one exception applies to a particular record, the largest retention period shall apply to such record.

(a) Beneficiary Files

Subrecipient must maintain individual beneficiary files served utilizing CDBG funds. Such files must contain the following:

- Membership/registration Application
- Original Program Application (UCP self certification form)
- Physical address of residence

(b) Program Files

Subrecipient must maintain program files related to the Urban County Program CDBG award. Such files must contain the following:

- CDBG funding proposal letter to city and/or precinct
- Urban County Program Subrecipient Questionnaire, exhibits and supporting documentation
- Subrecipient Agreement
- Correspondence to and from Urban County
- Expenditure Reports
- Copies of reimbursement requests
- Monthly Performance Reports
- If applicable, fixed asset inventory list

(c) Financial Records

Subrecipient must maintain proper financial records.

(d) Program Income

Subrecipient must report program income earned, retained and expended to the Urban County Program that was generated by the use of the CDBG award.

Exhibit E
REQUEST FOR PAYMENTS

1. Subrecipient must submit **monthly** reimbursement requests as approved on the Schedule of Payment hereto attached as Exhibit B-2 (the "Schedule of Payment") **due on or before the 15th of each month.**

2. Subrecipient must inform Urban County in writing if the reimbursement request and/or monthly performance report will not be submitted by the due date.

3. Request for reimbursements that are submitted after the last working day of the month will be returned unpaid if the subrecipient did not comply with Request for Payments (2) hereto attached as Exhibit E (the "Request for Payments").

4. Urban County Program will return incorrect and/or incomplete reimbursement requests to the subrecipient as soon as possible in order for corrections to be made.

5. Subrecipient must submit the corrections and/or pending documentation no later than 10 days from notification by UCP.

6. Subrecipient must submit May's reimbursement request and monthly performance report to the Urban County Program on or before June 15th.

7. May expenditures (equipment / supplies) must be invoiced and paid by May 31st to be eligible for reimbursement.

8. Subrecipient must submit all required documentation as stated on the UCP Reimbursement Checklist.

9. Should the Subrecipient fail to comply with timely submittals of monthly reimbursement requests and/or performance reports, the Urban County Program shall consider termination of the Subrecipient Agreement as per Section X "Suspension and Termination".

10. Subrecipient must submit a copy of the monthly reimbursement request and performance reports to the respective City and/or Precinct providing CDBG funds to the organization. Failure to submit copies may require pre-approval of the City and/or Precinct prior to Urban County processing the reimbursement request.

11. All reimbursement requests and reports submitted to Urban County must be originals signed with blue ink.

12. As per Section IV of this Agreement, the Urban County Program Monitoring Division will conduct on-site monitoring visits to ensure compliance with applicable Federal requirements and performance goals are being met.

13. Reimbursement requests are processed by Urban County on a first come first serve basis.

14. Payments to Subrecipients will only be mailed. Checks will not be allowed for pickup.

15. Checks are mailed eleven (11) days from the date the reimbursement request is submitted to the finance division, **only** after all documentation is reviewed, corrections are made, and all documentation is in order.

Exhibit F
Other Applicable Provisions
As stated in Section VIII
OMB Circular A–110 (implemented at 24 CFR part 84)
Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

(1) Subpart A—"General";

(2) Subpart B—"Pre-Award Requirements," except for §84.12, "Forms for Applying for Federal Assistance";

(3) Subpart C—"Post-Award Requirements," except for:

(i) Section 84.22, "Payment Requirements." Grantees shall follow the standards of §§85.20(b)(7) and 85.21 in making payments to subrecipients;

(ii) Section 84.23, "Cost Sharing and Matching";

(iii) Section 84.24, "Program Income." In lieu of §84.24, CDBG subrecipients shall follow §570.504;

(iv) Section 84.25, "Revision of Budget and Program Plans";

(v) Section 84.32, "Real Property." In lieu of §84.32, CDBG subrecipients shall follow §570.505;

(vi) Section 84.34(g), "Equipment." In lieu of the disposition provisions of §84.34(g), the following applies:

(A) In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and

(B) Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient;

(vii) Section 84.51 (b), (c), (d), (e), (f), (g), and (h), "Monitoring and Reporting Program Performance";

(viii) Section 84.52, "Financial Reporting";

(ix) Section 84.53(b), "Retention and access requirements for records." Section 84.53(b) applies with the following exceptions:

(A) The retention period referenced in §84.53(b) pertaining to individual CDBG activities shall be four years; and

(B) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;

(x) Section 84.61, "Termination." In lieu of the provisions of §84.61, CDBG subrecipients shall comply with §570.503(b)(7); and

(4) Subpart D—"After-the-Award Requirements," except for §84.71, "Closeout Procedures."

Exhibit G
Applicable Provisions - 24 CFR Part 85
As stated in Section VIII

Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"

(1) Section 85.3, "Definitions";

(2) Section 85.6, "Exceptions";

(3) Section 85.12, "Special grant or subgrant conditions for 'high-risk' grantees";

(4) Section 85.20, "Standards for financial management systems," except paragraph (a);

(5) Section 85.21, "Payment," except as modified by §570.513;

(6) Section 85.22, "Allowable costs";

(7) Section 85.26, "Non-federal audits";

(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;

(9) Section 85.33, "Supplies";

(10) Section 85.34, "Copyrights";

(11) Section 85.35, "Subawards to debarred and suspended parties";

(12) Section 85.36, "Procurement," except paragraph (a);

(13) Section 85.37, "Subgrants";

(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) through (d) and paragraph (f);

(15) Section 85.41, "Financial reporting," except paragraphs (a), (b), and (e);

(16) Section 85.42, "Retention and access requirements for records," except that the period shall be four years;

(17) Section 85.43, "Enforcement";

(18) Section 85.44, "Termination for convenience";

(19) Section 85.51 "Later disallowances and adjustments" and

(20) Section 85.52, "Collection of amounts due."

STATE OF TEXAS }
}
COUNTY OF HIDALGO }

SUBRECIPIENT AGREEMENT

This Agreement is made and entered into on this the 26th day of June, 20 12, by and between the COUNTY OF HIDALGO, Urban County Program, a political subdivision of the State of Texas, hereinafter referred to as **"ENTITY"**, and **VALLEY METRO OF LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL**, hereinafter referred to as **"SUBRECIPIENT".**

WITNESSETH

WHEREAS, **SUBRECIPIENT** desires to carry out eligible activities as described in the Statement of Work attached hereto as **Exhibit A** (the "Statement of Work**")**, to this Agreement, and permitted by Title I of the Housing and Community Development Act of 1992 (1992 Act) pursuant to the U. S. Department of Housing and Urban Development Community Development Block Grant Program Entitlement Grant Regulations and covered in 24 CFR 570.

WHEREAS, the **ENTITY** proposes to contract with **SUBRECIPIENT** in order that the eligible activities described in **Exhibit A** (the "Statement of Work**")** can be carried out for the benefit of residents in the ENTITY'S jurisdiction.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration the receipt of which is hereby acknowledged, the **ENTITY** and the **SUBRECIPIENT** do mutually agree as follows:

SECTION I
Rules and Regulations

The **SUBRECIPIENT** agrees to cooperate with the **ENTITY** in respect to the implementation of Community Development Block Grant CFDA No. 14.218 (CDBG) activities to be carried out by **SUBRECIPIENT** pursuant to 24 CFR Part 570 and other rules, regulations and decisions as may be made by the U. S. Department of Housing and Urban Development (HUD) or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG program funds.

SECTION II
Statement of Work

SUBRECIPIENT agrees to perform services as outlined in the Statement of Work for and in consideration of payment in the amount of **$100,000.00,** and as delineated in the Grant Budget and the Payment Schedule attached hereto as Exhibit B-1 (the "Grant Budget") and Exhibit B-2 (the "Payment Schedule").

SUBRECIPIENT agrees to notify **ENTITY**, in writing, prior to any changes in its Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"). SUBRECIPIENT shall obtain approval, in writing, from ENTITY prior to commencing work on any changes made to the Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity.

ENTITY shall not be liable for costs incurred or performances rendered by **SUBRECIPIENT** before commencement of this Agreement or after termination of this Agreement.

SUBRECIPIENT agrees to follow the schedule outlined in the Schedule of Activity of this Agreement, and shall notify **ENTITY**, in writing, prior to any changes, delays or departures from the Schedule of Activity. If **SUBRECIPIENT** demonstrates that delays or departure from the Schedule of Activity is due to circumstances beyond its control, **ENTITY** and **SUBRECIPIENT** may (but Entity shall not be required) to amend the Schedule of Activity.

SECTION III
Records and Reports

SUBRECIPIENT agrees to establish and maintain records and reports as outlined in the Records and Reports attached hereto as Exhibit D (the "Records and Reports") and agrees to make the Records and Reports available to the **ENTITY**, HUD, and any other local, state or federal entity or authority that may exercise jurisdiction over CDBG funds. Monthly performance reports must be submitted on or before the 15th of every month.

SECTION IV
Monitoring Visits

SUBRECIPIENT agrees that **ENTITY** shall conduct on-site monitoring visits to assure compliance with applicable Federal requirements and that performance goals are being achieved, if applicable, as per 24 CFR Part 85.40 (a) and 24 CFR Part 84.51(a). **SUBRECIPIENT** shall attend an orientation prior to the award of funds and prior to the first draw of funds. After each monitoring visit, **ENTITY** shall provide **SUBRECIPIENT** with a written report of the monitor's findings. If the monitoring reports note deficiencies in **SUBRECIPIENT's** performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by **SUBRECIPIENT**. Failure by **SUBRECIPIENT** to take action specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section X of this Agreement. In addition, **SUBRECIPIENT** shall give HUD, the Comptroller General of the United States, **ENTITY**, and any of their duly authorized representatives, unobstructed and full 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 **SUBRECIPIENT** pertaining to this Agreement.

SECTION V
Payment Requests and Program Income

SUBRECIPIENT agrees to follow administrative directions from the **ENTITY** regarding documenting and processing payment requests as defined in the Requests for Payments attached hereto as Exhibit E (the "Requests for Payments") of this Agreement.

SUBRECIPIENT shall submit final reimbursement request to **ENTITY** within fifteen (15) days (by June 15, 2012) of the Agreement termination date.

SUBRECIPIENT and **ENTITY** agree that if applicable, program income generated from the use of CDBG funds shall be retained by the **SUBRECIPIENT**. If the activity is partially assisted with CDBG funds, the **SUBRECIPIENT** agrees to pro-rate the gross income to reflect the percent of CDBG funds assisted in the activity. The **SUBRECIPIENT** is to provide to the **ENTITY** by the third Wednesday of each month an accounting of program income through Monthly Performance Reports outlined in the Records and Reports. The **ENTITY** is then required to report all CDBG program income earned, retained, and expended. The **SUBRECIPIENT** shall be allowed to use program income for the same or similar activities as generated by program income. Failure of the **SUBRECIPIENT** to report program income as required shall cause the **ENTITY** to require all program income to be recovered by the **ENTITY**.

SUBRECIPIENT and **ENTITY** agree that all unused CDBG funds at the end or termination of this agreement will be reallocated or reprogrammed by **ENTITY.**

SECTION VI
Religious Activities

The **SUBRECIPIENT** and **ENTITY** both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this Agreement be used for sectarian or religious activities.

SECTION VII
Other Program Requirements

SUBRECIPIENT agrees to comply with "Other Program Requirements" as listed in 24 CFR §570.600 through 611 except for those environmental review requirements listed as 24 CFR §570.604 and initiation of review process under the provisions of 24 CFR Part 52.

SECTION VIII
Uniform Administrative Requirements

Subrecipients, except subrecipients that are governmental entities, shall comply with the requirements and standards of OMB Circular No. A–122, "Cost Principles for Non-profit Organizations", or OMB Circular No. A–21, "Cost Principles for Educational Institutions", as applicable, and OMB Circular A–133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions" (as set forth in 24 CFR part 45). Audits shall be conducted annually. Such subrecipients shall also comply with the provisions of the Uniform Administrative requirements of OMB Circular A–110 (implemented at 24 CFR part 84, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations") or the related CDBG provisions, as specified in the other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions") and any subsequent amendments thereto.

Recipients and Subrecipients that are governmental entities (including public agencies) shall comply with the requirements and standards of OMB Circular No. A–87, "Cost Principles for State, Local, and Indian Tribal Governments"; OMB Circular A–133, "Audits of State and Local Governments" (implemented at 24 CFR part 44); and with sections of 24 CFR part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" or other related CDBG provision, as specified in the other Applicable Provisions attached hereto as Exhibit G (the "Other Applicable Provisions") and any subsequent amendments thereto.

SECTION IX
Audit Requirements

SUBRECIPIENT agrees to comply with the applicable requirements and standards as set forth in OMB Circular A-133, Audits of States, Local Governments and Non-Profit organizations.

SUBRECIPIENT agrees to furnish **ENTITY** with a current Financial Management Letter (financial statements) within six (6) months from the end of its fiscal year covering the period of this Agreement that includes detailed receipts and disbursement of payments to **SUBRECIPIENT** hereunder. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit a Financial Management Letter.**

However, if **SUBRECIPIENT** expends Five Hundred Thousand Dollars ($500,000.00) or more in federal funds, **SUBRECIPIENT** must, within nine (9) months from the end of its fiscal year, supply **ENTITY** with an audit of revenues and expenditures conducted by a certified public accountant. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit an audit within the allotted time.**

If the **SUBRECIPIENT** expends less than Five Hundred Thousand Dollars ($500,000.00) a year in federal awards, then they are exempt from the OMB Circular A-133 audit requirements for that year; however, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity and the General Accounting Office.

SUBRECIPIENT is required to submit a 990 Tax Return (Return of Organization Exempt from Income Tax) for the most recent fiscal year within six (6) months if submitting a Financial Management Letter or within nine (9) months if submitting a Financial Audit. If the Subrecipient is not classified as an exempt entity, the Subrecipient will not be awarded grant funds.

If applicable, **SUBRECIPIENT** agrees to cooperate with **ENTITY** relating to any inquiries regarding the Financial Audit or Financial Management Letter and **SUBRECIPIENT** acknowledges that a Financial Audit or Financial Management Letter shall be provided to **ENTITY** at the expense of the **SUBRECIPIENT.** Financial Audit or Financial Management Letter shall be available to **ENTITY** staff, and any and all applicable federal agencies, and be of unrestricted access, as listed in 24 CFR Part 85.42.

SECTION X
Suspension and Termination

SUBRECIPIENT understands that this Agreement may be suspended or terminated, in accordance with 24 CFR §85.43, if applicable, and 24 CFR §84.61, if the **SUBRECIPIENT** materially fails to comply with the provisions of this Agreement or the provisions so listed in the Statement of Work attached hereto as Exhibit A (the "Statement of Work"), the Grant Budget attached hereto as Exhibit B-1 (the "Grant Budget), the Payment Schedule attached hereto as Exhibit B-2 (the "Payment Schedule), the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"), the Records & Reports attached hereto as Exhibit D (the "Records & Reports"), the Request for Payments attached hereto as Exhibit E (the "Request for Payments"), Other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions"), and the Applicable Provisions - 24 CFR Part 85 attached hereto as Exhibit G (the "Other Applicable Provisions – 24 CFR Part 85").

If **SUBRECIPIENT** fails to fulfill in a timely and proper manner its obligations under this Agreement, or **SUBRECIPIENT** violates any of the Agreements or stipulations of this Agreement, then the **ENTITY** shall provide **SUBRECIPIENT** written notification of such non-performance. Such non-performance, (***i.e., timely submittal of monthly reports and/or reimbursements)***, may be the basis for immediate termination of this Agreement. Should any breach of contract (Agreement) relate to a violation of federal law or regulation that results in HUD demanding reimbursement from the **ENTITY OR SUBRECIPIENT** or its successor, the **ENTITY** may terminate this Agreement and seek reimbursement of all funds from **SUBRECIPIENT**. **SUBRECIPIENT** shall not be relieved of the liability to the **ENTITY** for damages sustained by the **ENTITY** by virtue of any breach of this contract (Agreement) by **SUBRECIPIENT** and **ENTITY** may withhold any payments to **SUBRECIPIENT** for violations of federal regulations or any breach of this Agreement. Should the **ENTITY** become aware of any activity by **SUBRECIPIENT,** which would jeopardize the **ENTITY'S** position with the U. S. Department of Housing and Urban Development (HUD) or which would cause a payback of federal funds, then the **ENTITY** may take appropriate action including injunctive relief against **SUBRECIPIENT** to prevent the transaction. The failure of the **ENTITY** to exercise any right shall in no way constitute a waiver by the **ENTITY** to otherwise demand payment or seek any other relief in law or in equity to which it may be justly entitled.

It is expressly agreed that this Agreement may not be amended except upon the joint action of both the **ENTITY** and the **VALLEY METRO OF LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL.**

SECTION XI
Assets

SUBRECIPIENT shall not purchase any asset unless prior written approval is obtained from the **ENTITY** and such procurement shall be done in the form and manner so prescribed by the **ENTITY**.

Any asset acquired or improved in part or in whole with CDBG funds in excess of $25,000 must be used in an activity that meets one of the national objectives listed in 24 CFR §570.208 for a period of five (5) years after the expiration of this Agreement or a longer period if so determined by the **ENTITY**.

The disposition of any asset improved or acquired in part or in whole with CDBG funds by the **SUBRECIPIENT** must be done with prior written approval of the **ENTITY** and the **ENTITY** shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The **ENTITY** may, at its option, request that such asset be transferred to **ENTITY** if the asset is no longer being used to meet one of the national objectives or in any case where the **SUBRECIPIENT** no longer provides services shown on the Statement of Work.

SECTION XII
Indemnity Clause

SUBRECIPIENT agrees to hold **ENTITY** harmless from, and indemnify **ENTITY** from and defend **ENTITY** against any and all claims brought against **ENTITY** by employees or officers of **SUBRECIPIENT** or brought by any third person arising in any manner directly or indirectly from **SUBRECIPIENT** programs, activities or events conducted pursuant to this Agreement.

SUBRECIPIENT shall acquire, maintain and furnish to **ENTITY** a Certificate of Insurance as proof that it has secured and paid for policies of public liability and automobile insurance to cover all operations and services under this Agreement with limits of not less than $300,000.00 per occurrence, $300,000.00 aggregate, covering all risks incident to or in connection with the execution, performance, attempted performance or non-performance of this Agreement.

SECTION XIII
Procurement

SUBRECIPIENT agrees to follow the statues and rules governing the **ENTITY** in the procurement of services, supplies or non-real property in relation to **ENTITY**-funded projects. The legal standards that will apply include the procurement standards of the HIDALGO COUNTY Urban County Program, which includes 24 CFR Part 85.36, and the TEXAS COUNTY PURCHASING ACT.

SECTION XIV
Conflict of Interest

SUBRECIPIENT covenants that members of its organization or staff members who exercise influence on the decision-making process will not have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed in the Statement of Work, 24 CFR Part 570.611, 24 CFR Part 84.40-48, and 24 CFR Part 85.36.

SUBRECIPIENT agrees that no person who is an elected official, officer, director, employee, consultant, or agent of the **SUBRECIPIENT**'s organization or the **ENTITY**'s organization shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Statement of Work during their tenure or for a period of one year thereafter.

SUBRECIPIENT is responsible for repayment of funds associated with any conflict of interest that may occur either knowingly or unknowingly.

No **ENTITY** employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described in the Statement of Work.

SECTION XII
Legal Action and Venue

SUBRECIPIENT agrees to notify the **ENTITY** when a problem arises that may lead to legal action or claim against the **SUBRECIPIENT**. The **SUBRECIPIENT** agrees to furnish to the **ENTITY** any and all information with respect to such action or claim. The **SUBRECIPIENT** agrees not to take any action with respect to any legal action or claim sought against the **SUBRECIPIENT** without the advice and written consent of the **ENTITY**.

Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this Agreement shall lie exclusively in HIDALGO COUNTY.

SECTION XIII
Miscellaneous Provisions

Conflict with Applicable Law. Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

No Waiver. No waiver by **ENTITY** of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

Entire Agreement. This Agreement contains the entire contract between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by **ENTITY** and **SUBRECIPIENT**, and not otherwise.

Texas Law to Apply. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THIE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.

Notice. Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by electronic mail, or (iii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or (iv) sent by facsimile or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to **ENTITY**:

COUNTY OF HIDALGO
Urban County Program
1916 Tesoro Blvd.
Pharr, TX 78577
Email: ucp@ucp.co.hidalgo.tx.us
Phone # (956) 787-8127
Fax # (956) 787-5291

If to **SUBRECIPIENT**:

Valley Metro of Lower Rio Grande Valley Development Council
Attn: Kenneth Jones, Executive Director
311 North 15th Street
McAllen, Texas 78501
Email: kjones@lrgvdc.org
Phone: 1-800-500-4305
Fax: (956) 969-8176

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the Unites States mail.

Additional Documents. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

Assignment. This Agreement shall not be assignable by **SUBRECIPIENT**. **ENTITY** may assign this Agreement without the consent of **SUBRECIPIENT**.

Headings. The headings and captions contained in this Agreement are solely for convenient reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

Gender and Number. All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate.

Authority to Execute. The execution and performance of this Agreement by **ENTITY** and **SUBRECIPIENT** have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of **ENTITY** and **SUBRECIPIENT** in accordance with its terms.

SECTION XVII
Effective Date

The effective date of this agreement shall be the **1st day of July 2012** such date being the date the HIDALGO COUNTY COMMISSIONERS' COURT approved entering into this Agreement with SUBRECIPIENT and shall terminate on the **31st day of May 2013.**

Approved and signed this _____ day of _____ 20___.

_____ _____

Print or Type Name of Authorized Official Signature of Authorized Official

SUBRECIPIENT Name: Lower Rio Grande Valley Development Council
Address: 311 North 15th Street
City/State/Zip: McAllen, Texas 78501
Federal I.D. # or Soc. Sec. #: 74-1586916
DUNS #: 010537520

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

_____ personally appeared before me and declared that he/she signed this application in the capacity designated, if any, and further states that, he/she has read the above application, and the statements therein contained are true.

Subscribed and sworn to before me this _____ day of_____, 20_____ .

_____
Notary - Signature

COUNTY OF HIDALGO – URBAN COUNTY PROGRAM

_____ _____

Witness: **Diana R. Serna, UCP Director**

APPROVED AS TO FORM
Atlas & Hall L.L.P.
By: Steve Crain
Date: June 21, 2011

Exhibit A STATEMENT
OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

We will continue to provide public transportation through our buses on Valley Metro routes in Precinct 1.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 25,000 Awarded By: Precinct 1

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Funds will be used to pay for transit staff (drivers) operating bus service. Funds will cover salaries and fringe.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

We will continue to provide public transportation service through our Valley Metro bus routes. Bus service operates from Monday - Saturday for approximately 12 hours each day.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

The funds will support a public transportation route system that provides much-needed access to medical appointments, jobs, training, day care, shopping, education, and other locations for low-income persons, most of whom do not have reliable transportation.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Approximately 58% of the program beneficiaries are female. Approximately 64% are under 18 years of age. Almost 100% receive some social service benefit, such as TANF or Medicaid. We plan to serve approximately 8,400 clients.

Section VII List all locations (physical address) where the funded service(s) will be provided.

The service area along Highway 107 and Business 83, reaching La Blanca, Elsa, Edcouch, La Villa, Mercedes, Weslaco, Donna, and Alamo. The bus deviates 1/2 mile from the route.

Exhibit B-1
GRANT BUDGET Awarded
by: Precinct 1

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Personnel costs (up to 24 drivers) - Salary & fringe based on a pay rate from $10/hr - $15/hr	$25,000
TOTAL GRANT BUDGET:	$25,000

Exhibit B-2
PAYMENT SCHEDULE Awarded
by: Precinct 1

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 **For the Months of...**	**Estimated Amount** **Of Expenditures**	**Type of Budgeted Expenditures**
July	$10,000	Drivers' salary & fringe
August	$10,000	Drivers' salary & fringe
September	$5,000	Drivers' salary & fringe
October		
November		
December		
January		
February		
March		
April		
May		
TOTAL:	$25,000	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C

SCHEDULE OF ACTIVITY
Awarded by: Precinct 1

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	2,800	Valley Metro bus routes
August	2,800	Valley Metro bus routes
September	2,800	Valley Metro bus routes
October		
November		
December		
January		
February		
March		
April		
May		
Total for the Year:	8,400	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A STATEMENT
OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

We will continue to provide public transportation through our buses on Valley Metro routes in Precinct 2.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 10,000 Awarded By: Precinct 2

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Funds will be used to pay for transit staff (drivers) operating bus service. Funds will cover salaries and fringe.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

We will continue to provide public transportation service through our Valley Metro bus routes. Bus service operates from Monday - Saturday for approximately 12 hours each day.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

The funds will support a public transportation route system that provides much-needed access to medical appointments, jobs, training, day care, shopping, education, and other locations for low-income persons, most of whom do not have reliable transportation.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Approximately 58% of the program beneficiaries are female. Approximately 64% are under 18 years of age. Almost 100% receive some social service benefit, such as TANF or Medicaid. We plan to serve approximately 6,000 clients.

Section VII List all locations (physical address) where the funded service(s) will be provided.

The service area along Business 83 and Cage Blvd, and areas near Pharr, San Juan, Alamo, Las Milpas, and small communities nearby. The bus deviates 1/2 mile.

Exhibit B-1
GRANT BUDGET
Awarded by: Precinct 2

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Personnel costs (up to 24 drivers) - Salary & fringe based on a pay rate from $10/hr - $15/hr	$10,000
TOTAL GRANT BUDGET:	$10,000

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Precinct 2

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 **For the Months of...**	**Estimated Amount** **Of Expenditures**	**Type of Budgeted Expenditures**
July		
August		
September		
October	$10,000	Drivers' salary & fringe
November		
December		
January		
February		
March		
April		
May		
TOTAL:	$10,000	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C

SCHEDULE OF ACTIVITY

Awarded by: Precinct 2

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July		
August		
September		
October	6,000	Valley Metro bus routes
November		
December		
January		
February		
March		
April		
May		
Total for the Year:	6,000	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A

STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

We will continue to provide public transportation through our buses on Valley Metro routes in Precinct 3.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 25,000 Awarded By: Precinct 3

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Funds will be used to pay for transit staff (drivers) operating bus service. Funds will cover salaries and fringe.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

We will continue to provide public transportation service through our Valley Metro bus routes. Bus service operates from Monday - Saturday for approximately 12 hours each day.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

The funds will support a public transportation route system that provides much-needed access to medical appointments, jobs, training, day care, shopping, education, and other locations for low-income persons, most of whom do not have reliable transportation.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Approximately 58% of the program beneficiaries are female. Approximately 64% are under 18 years of age. Almost 100% receive some social service benefit, such as TANF or Medicaid. We plan to serve approximately 8,400 clients.

Section VII List all locations (physical address) where the funded service(s) will be provided.

The service area along Highway 83, La Homa Rd, and Highway 107 in areas near La Joya, Alton, Penitas, Palmview, and Mission, and communities 1/2 mile beyond the routes.

Exhibit B-1
GRANT BUDGET
Awarded by: Precinct 3

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Personnel costs (up to 24 drivers) - Salary & fringe based on a pay rate from $10/hr - $15/hr	$25,000
TOTAL GRANT BUDGET:	$25,000

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Precinct 3

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 **For the Months of...**	**Estimated Amount** **Of Expenditures**	**Type of Budgeted Expenditures**
July		
August		
September		
October		
November	$10,000	Drivers' salary & fringe
December	$10,000	Drivers' salary & fringe
January	$5,000	Drivers' salary & fringe
February		
March		
April		
May		
TOTAL:	$25,000	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C

SCHEDULE OF ACTIVITY

Awarded by: Precinct 3

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July		
August		
September		
October		
November	2,800	Valley Metro bus routes
December	2,800	Valley Metro bus routes
January	2,800	Valley Metro bus routes
February		
March		
April		
May		
Total for the Year:	8,400	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A STATEMENT
OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

We will continue to provide public transportation through our buses on Valley Metro routes in Precinct 4.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 10,000 Awarded By: Precinct 4

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Funds will be used to pay for transit staff (drivers) operating bus service. Funds will cover salaries and fringe.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

We will continue to provide public transportation service through our Valley Metro bus routes. Bus service operates from Monday - Saturday for approximately 12 hours each day.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

The funds will support a public transportation route system that provides much-needed access to medical appointments, jobs, training, day care, shopping, education, and other locations for low-income persons, most of whom do not have reliable transportation.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Approximately 58% of the program beneficiaries are female. Approximately 64% are under 18 years of age. Almost 100% receive some social service benefit, such as TANF or Medicaid. We plan to serve approximately 2,000 clients.

Section VII List all locations (physical address) where the funded service(s) will be provided.

The service area is Precinct 4. The service area includes Edinburg and areas along Hwy 107 out to San Carlos including communities ½ mile from the route.

Exhibit B-1
GRANT BUDGET
Awarded by: Precinct 4

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Personnel costs (up to 24 drivers) - Salary & fringe based on a pay rate from $10/hr - $15/hr	$10,000
TOTAL GRANT BUDGET:	$10,000

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Precinct 4

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 **For the Months of...**	**Estimated Amount** **Of Expenditures**	**Type of Budgeted Expenditures**
July		
August		
September		
October		
November		
December		
January		
February		
March	$10,000	Drivers' salary & fringe
April		
May		
TOTAL:	$10,000	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C

SCHEDULE OF ACTIVITY

Awarded by: Precinct 4

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July		
August		
September		
October		
November		
December		
January		
February		
March	2,000	Valley Metro bus routes
April		
May		
Total for the Year:	2,000	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A STATEMENT
OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

We will continue to provide public transportation through our buses on Valley Metro routes in Donna.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 20,000 Awarded By: City of Donna

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Funds will be used to pay for transit staff (drivers) operating bus service. Funds will cover salaries and fringe.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

We will continue to provide public transportation service through our Valley Metro bus routes. Bus service operates from Monday - Saturday for approximately 12 hours each day.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

The funds will support a public transportation route system that provides much-needed access to medical appointments, jobs, training, day care, shopping, education, and other locations for low-income persons, most of whom do not have reliable transportation.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Approximately 58% of the program beneficiaries are female. Approximately 64% are under 18 years of age. Almost 100% receive some social service benefit, such as TANF or Medicaid. We plan to serve approximately 1,100 clients.

Section VII List all locations (physical address) where the funded service(s) will be provided.

The service area is Donna and along Business 83.

Exhibit B-1
GRANT BUDGET
Awarded by: City of Donna

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Personnel costs (up to 24 drivers) - Salary & fringe based on a pay rate from $10/hr - $15/hr	$20,000
TOTAL GRANT BUDGET:	$20,000

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: City of Donna

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 **For the Months of...**	**Estimated Amount** **Of Expenditures**	**Type of Budgeted Expenditures**
July		
August		
September		
October		
November		
December		
January		
February		
March		
April		
May	$20,000	Drivers' salary & fringe
TOTAL:	$20,000	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C

SCHEDULE OF ACTIVITY

Awarded by: City of Donna

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 **For the months of....**	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July		
August		
September		
October		
November		
December		
January		
February		
March		
April		
May	1,100	Valley Metro bus routes
Total for the Year:	1,100	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A STATEMENT
OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

We will continue to provide public transportation through our buses on Valley Metro routes in Sullivan City.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 10,000 Awarded By: Sullivan City

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Funds will be used to pay for transit staff (drivers) operating bus service. Funds will cover salaries and fringe.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

We will continue to provide public transportation service through our Valley Metro bus routes. Bus service operates from Monday - Saturday for approximately 12 hours each day.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

The funds will support a public transportation route system that provides much-needed access to medical appointments, jobs, training, day care, shopping, education, and other locations for low-income persons, most of whom do not have reliable transportation.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Approximately 58% of the program beneficiaries are female. Approximately 64% are under 18 years of age. Almost 100% receive some social service benefit, such as TANF or Medicaid. We plan to serve approximately 2,000 clients.

Section VII List all locations (physical address) where the funded service(s) will be provided.

The service area is Sullivan City and areas 1/2 mile outside the route alignment.

Exhibit B-1
GRANT BUDGET
Awarded by: Sullivan City

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Personnel costs (up to 24 drivers) - Salary & fringe based on a pay rate from $10/hr - $15/hr	$10,000
TOTAL GRANT BUDGET:	$10,000

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Sullivan City

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 **For the Months of...**	**Estimated Amount** **Of Expenditures**	**Type of Budgeted Expenditures**
July		
August		
September		
October		
November		
December		
January		
February		
March		
April	$10,000	Drivers' salary & fringe
May		
TOTAL:	$10,000	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C

SCHEDULE OF ACTIVITY

Awarded by: Sullivan City

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July		
August		
September		
October		
November		
December		
January		
February		
March		
April	2,000	Valley Metro bus routes
May		
Total for the Year:	2,000	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit D
RECORDS & REPORTS

REPORTS

A **Monthly Performance Report (Exhibit D - Activity Report)** must be submitted with each request for payment on or before the 15th of each month. Each activity report must include the following information:

- **Type of expenditures utilizing CDBG funds, type of service(s) provided and how the service met one of the HUD national objectives:**
  - Benefit to Low and Moderate Income Persons
  - Provides Decent Affordable Housing
  - Creates Economic Opportunities
- **Number of persons assisted with New Access to service**
- **Number of persons assisted with Improved Access to service**
- **Number of low-mod beneficiaries served**
- **Ethnic Data**
- **Number of persons served living with a disability**
- **Number of female head of households served**
- **Income levels of persons or households with the categories of extremely low, low to moderate and non-low income.**
- **Type of Outcome:**
  - **Availability/Accessibility**. Description of how services were made available or accessible to low and moderate income people, including persons with disabilities.
  - **Affordability**. How grant funds made the service affordable to low and moderate income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.
  - **Sustainability**: **Promoting Livable or Viable Communities.** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.
- **Other significant information** (such as special events, fundraisers, award ceremonies, etc.)
  - Agency agrees to provide Entity with summaries of any events, fundraisers, and/or ceremonies held and provide photos of such events prior to the end date of the Agreement.

RECORDS

All records pertaining to each fiscal year of CDBG funds must be retained, from the date of submission of the COUNTY's Consolidated Annual Performance and Evaluation Report (CAPER) in which the specific activity is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 4-year period. In such cases, the records must be retained until completion of the action and resolution of all issues which arise from it or the end of the regular 4-year period, whichever is longer, except as provided below:

- Written agreements must be retained for four (4) years after the agreement terminates.
- If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
- In the event more than one exception applies to a particular record, the largest retention period shall apply to such record.

(a) Beneficiary Files

Subrecipient must maintain individual beneficiary files served utilizing CDBG funds. Such files must contain the following:

- Membership/registration Application
- Original Program Application (UCP self certification form)
- Physical address of residence

(b) Program Files

Subrecipient must maintain program files related to the Urban County Program CDBG award. Such files must contain the following:

- CDBG funding proposal letter to city and/or precinct
- Urban County Program Subrecipient Questionnaire, exhibits and supporting documentation
- Subrecipient Agreement
- Correspondence to and from Urban County
- Expenditure Reports
- Copies of reimbursement requests
- Monthly Performance Reports
- If applicable, fixed asset inventory list

(c) Financial Records

Subrecipient must maintain proper financial records.

(d) Program Income

Subrecipient must report program income earned, retained and expended to the Urban County Program that was generated by the use of the CDBG award.

Exhibit E
REQUEST FOR PAYMENTS

1. Subrecipient must submit **monthly** reimbursement requests as approved on the Schedule of Payment hereto attached as Exhibit B-2 (the "Schedule of Payment") **due on or before the 15th of each month.**

2. Subrecipient must inform Urban County in writing if the reimbursement request and/or monthly performance report will not be submitted by the due date.

3. Request for reimbursements that are submitted after the last working day of the month will be returned unpaid if the subrecipient did not comply with Request for Payments (2) hereto attached as Exhibit E (the "Request for Payments").

4. Urban County Program will return incorrect and/or incomplete reimbursement requests to the subrecipient as soon as possible in order for corrections to be made.

5. Subrecipient must submit the corrections and/or pending documentation no later than 10 days from notification by UCP.

6. Subrecipient must submit May's reimbursement request and monthly performance report to the Urban County Program on or before June 15th.

7. May expenditures (equipment / supplies) must be invoiced and paid by May 31st to be eligible for reimbursement.

8. Subrecipient must submit all required documentation as stated on the UCP Reimbursement Checklist.

9. Should the Subrecipient fail to comply with timely submittals of monthly reimbursement requests and/or performance reports, the Urban County Program shall consider termination of the Subrecipient Agreement as per Section X "Suspension and Termination".

10. Subrecipient must submit a copy of the monthly reimbursement request and performance reports to the respective City and/or Precinct providing CDBG funds to the organization. Failure to submit copies may require pre-approval of the City and/or Precinct prior to Urban County processing the reimbursement request.

11. All reimbursement requests and reports submitted to Urban County must be originals signed with blue ink.

12. As per Section IV of this Agreement, the Urban County Program Monitoring Division will conduct on-site monitoring visits to ensure compliance with applicable Federal requirements and performance goals are being met.

13. Reimbursement requests are processed by Urban County on a first come first serve basis.

14. Payments to Subrecipients will only be mailed. Checks will not be allowed for pickup.

15. Checks are mailed eleven (11) days from the date the reimbursement request is submitted to the finance division, **only** after all documentation is reviewed, corrections are made, and all documentation is in order.

Exhibit F
Other Applicable Provisions
As stated in Section VIII
OMB Circular A–110 (implemented at 24 CFR part 84)
Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

(1) Subpart A—"General";

(2) Subpart B—"Pre-Award Requirements," except for §84.12, "Forms for Applying for Federal Assistance";

(3) Subpart C—"Post-Award Requirements," except for:

(i) Section 84.22, "Payment Requirements." Grantees shall follow the standards of §§85.20(b)(7) and 85.21 in making payments to subrecipients;

(ii) Section 84.23, "Cost Sharing and Matching";

(iii) Section 84.24, "Program Income." In lieu of §84.24, CDBG subrecipients shall follow §570.504;

(iv) Section 84.25, "Revision of Budget and Program Plans";

(v) Section 84.32, "Real Property." In lieu of §84.32, CDBG subrecipients shall follow §570.505;

(vi) Section 84.34(g), "Equipment." In lieu of the disposition provisions of §84.34(g), the following applies:

(A) In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and

(B) Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient;

(vii) Section 84.51 (b), (c), (d), (e), (f), (g), and (h), "Monitoring and Reporting Program Performance";

(viii) Section 84.52, "Financial Reporting";

(ix) Section 84.53(b), "Retention and access requirements for records." Section 84.53(b) applies with the following exceptions:

(A) The retention period referenced in §84.53(b) pertaining to individual CDBG activities shall be four years; and

(B) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;

(x) Section 84.61, "Termination." In lieu of the provisions of §84.61, CDBG subrecipients shall comply with §570.503(b)(7); and

(4) Subpart D—"After-the-Award Requirements," except for §84.71, "Closeout Procedures."

Exhibit G
Applicable Provisions - 24 CFR Part 85
As stated in Section VIII

Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"

(1) Section 85.3, "Definitions";

(2) Section 85.6, "Exceptions";

(3) Section 85.12, "Special grant or subgrant conditions for 'high-risk' grantees";

(4) Section 85.20, "Standards for financial management systems," except paragraph (a);

(5) Section 85.21, "Payment," except as modified by §570.513;

(6) Section 85.22, "Allowable costs";

(7) Section 85.26, "Non-federal audits";

(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;

(9) Section 85.33, "Supplies";

(10) Section 85.34, "Copyrights";

(11) Section 85.35, "Subawards to debarred and suspended parties";

(12) Section 85.36, "Procurement," except paragraph (a);

(13) Section 85.37, "Subgrants";

(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) through (d) and paragraph (f);

(15) Section 85.41, "Financial reporting," except paragraphs (a), (b), and (e);

(16) Section 85.42, "Retention and access requirements for records," except that the period shall be four years;

(17) Section 85.43, "Enforcement";

(18) Section 85.44, "Termination for convenience";

(19) Section 85.51 "Later disallowances and adjustments" and

(20) Section 85.52, "Collection of amounts due."

AI-32808 **Urban County 10. I.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Lupita Garcia **Submitted By:** Mary Flores, URBAN COUNTY

Department: URBAN COUNTY

Information

CAPTION

The Urban County Program requests approval of Sub-Recipient Agreements with the following for Program Year 25 (2012). (See attached exhibits)

Amigos Del Valle, Inc.	Arise South Tower
Boys & Girls Club of Alamo/ San Juan	Boys & Girls Club of Edinburg-RGV
Boys & Girls Club of Pharr	

BACKGROUND

Background:

Sub-Recipient Agency	Total Contract Amount
Amigos Del Valle, Inc	$ 59,500.00
Arise South Tower	$ 10,000.00
Boys & Girls Club of Alamo/San Juan	$ 63,500.00
Boys & Girls Club of Edinburg-RGV	$ 80,000.00
Boys & Girls Club of Pharr	$ 10,000.00

Attachments

Amigos Del Valle

Arise

B & G Alamo

B & G Edinburg

B & G Pharr

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/13/2012 12:54 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Mary Flores Started On: 06/13/2012 11:11 AM

Final Approval Date: 06/22/2012

STATE OF TEXAS }
}
COUNTY OF HIDALGO }

SUBRECIPIENT AGREEMENT

This Agreement is made and entered into on this the 26th day of June, 20 12, by and between the COUNTY OF HIDALGO, Urban County Program, a political subdivision of the State of Texas, hereinafter referred to as **"ENTITY"**, and **Amigos Del Valle, Inc**, hereinafter referred to as **"SUBRECIPIENT".**

WITNESSETH

WHEREAS, **SUBRECIPIENT** desires to carry out eligible activities as described in the Statement of Work attached hereto as **Exhibit A** (the "Statement of Work**")**, to this Agreement, and permitted by Title I of the Housing and Community Development Act of 1992 (1992 Act) pursuant to the U. S. Department of Housing and Urban Development Community Development Block Grant Program Entitlement Grant Regulations and covered in 24 CFR 570.

WHEREAS, the **ENTITY** proposes to contract with **SUBRECIPIENT** in order that the eligible activities described in **Exhibit A** (the "Statement of Work**")** can be carried out for the benefit of residents in the ENTITY'S jurisdiction.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration the receipt of which is hereby acknowledged, the **ENTITY** and the **SUBRECIPIENT** do mutually agree as follows:

SECTION I
Rules and Regulations

The **SUBRECIPIENT** agrees to cooperate with the **ENTITY** in respect to the implementation of Community Development Block Grant CFDA No. 14.218 (CDBG) activities to be carried out by **SUBRECIPIENT** pursuant to 24 CFR Part 570 and other rules, regulations and decisions as may be made by the U. S. Department of Housing and Urban Development (HUD) or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG program funds.

SECTION II
Statement of Work

SUBRECIPIENT agrees to perform services as outlined in the Statement of Work for and in consideration of payment in the amount of **$59,500.00,** and as delineated in the Grant Budget and the Payment Schedule attached hereto as Exhibit B-1 (the "Grant Budget") and Exhibit B-2 (the "Payment Schedule").

SUBRECIPIENT agrees to notify **ENTITY**, in writing, prior to any changes in its Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"). SUBRECIPIENT shall obtain approval, in writing, from ENTITY prior to commencing work on any changes made to the Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity.

ENTITY shall not be liable for costs incurred or performances rendered by **SUBRECIPIENT** before commencement of this Agreement or after termination of this Agreement.

SUBRECIPIENT agrees to follow the schedule outlined in the Schedule of Activity of this Agreement, and shall notify **ENTITY**, in writing, prior to any changes, delays or departures from the Schedule of Activity. If **SUBRECIPIENT** demonstrates that delays or departure from the Schedule of Activity is due to circumstances beyond its control, **ENTITY** and **SUBRECIPIENT** may (but Entity shall not be required) to amend the Schedule of Activity.

SECTION III
Records and Reports

SUBRECIPIENT agrees to establish and maintain records and reports as outlined in the Records and Reports attached hereto as Exhibit D (the "Records and Reports") and agrees to make the Records and Reports available to the **ENTITY**, HUD, and any other local, state or federal entity or authority that may exercise

jurisdiction over CDBG funds. Monthly performance reports must be submitted on or before the 15th of every month.

SECTION IV
Monitoring Visits

SUBRECIPIENT agrees that **ENTITY** shall conduct on-site monitoring visits to assure compliance with applicable Federal requirements and that performance goals are being achieved, if applicable, as per 24 CFR Part 85.40 (a) and 24 CFR Part 84.51(a). **SUBRECIPIENT** shall attend an orientation prior to the award of funds and prior to the first draw of funds. After each monitoring visit, **ENTITY** shall provide **SUBRECIPIENT** with a written report of the monitor's findings. If the monitoring reports note deficiencies in **SUBRECIPIENT's** performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by **SUBRECIPIENT**. Failure by **SUBRECIPIENT** to take action specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section X of this Agreement. In addition, **SUBRECIPIENT** shall give HUD, the Comptroller General of the United States, **ENTITY**, and any of their duly authorized representatives, unobstructed and full 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 **SUBRECIPIENT** pertaining to this Agreement.

SECTION V
Payment Requests and Program Income

SUBRECIPIENT agrees to follow administrative directions from the **ENTITY** regarding documenting and processing payment requests as defined in the Requests for Payments attached hereto as Exhibit E (the "Requests for Payments") of this Agreement.

SUBRECIPIENT shall submit final reimbursement request to **ENTITY** within fifteen (15) days (by June 15, 2012) of the Agreement termination date.

SUBRECIPIENT and **ENTITY** agree that if applicable, program income generated from the use of CDBG funds shall be retained by the **SUBRECIPIENT**. If the activity is partially assisted with CDBG funds, the **SUBRECIPIENT** agrees to pro-rate the gross income to reflect the percent of CDBG funds assisted in the activity. The **SUBRECIPIENT** is to provide to the **ENTITY** by the third Wednesday of each month an accounting of program income through Monthly Performance Reports outlined in the Records and Reports. The **ENTITY** is then required to report all CDBG program income earned, retained, and expended. The **SUBRECIPIENT** shall be allowed to use program income for the same or similar activities as generated by program income. Failure of the **SUBRECIPIENT** to report program income as required shall cause the **ENTITY** to require all program income to be recovered by the **ENTITY**.

SUBRECIPIENT and **ENTITY** agree that all unused CDBG funds at the end or termination of this agreement will be reallocated or reprogrammed by **ENTITY.**

SECTION VI
Religious Activities

The **SUBRECIPIENT** and **ENTITY** both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this Agreement be used for sectarian or religious activities.

SECTION VII
Other Program Requirements

SUBRECIPIENT agrees to comply with "Other Program Requirements" as listed in 24 CFR §570.600 through 611 except for those environmental review requirements listed as 24 CFR §570.604 and initiation of review process under the provisions of 24 CFR Part 52.

SECTION VIII
Uniform Administrative Requirements

Subrecipients, except subrecipients that are governmental entities, shall comply with the requirements and standards of OMB Circular No. A–122, "Cost Principles for Non-profit Organizations", or OMB Circular No. A–21, "Cost Principles for Educational Institutions", as applicable, and OMB Circular A–133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions" (as set forth in 24 CFR part 45). Audits shall be conducted annually. Such subrecipients shall also comply with the provisions of the Uniform Administrative requirements of OMB Circular A–110 (implemented at 24 CFR part 84, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations") or the related CDBG provisions, as specified in the other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions") and any subsequent amendments thereto.

Recipients and Subrecipients that are governmental entities (including public agencies) shall comply with the requirements and standards of OMB Circular No. A–87, "Cost Principles for State, Local, and Indian Tribal Governments"; OMB Circular A–133, "Audits of State and Local Governments" (implemented at 24 CFR part 44); and with sections of 24 CFR part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" or other related CDBG provision, as specified in the other Applicable Provisions attached hereto as Exhibit G (the "Other Applicable Provisions") and any subsequent amendments thereto.

SECTION IX
Audit Requirements

SUBRECIPIENT agrees to comply with the applicable requirements and standards as set forth in OMB Circular A-133, Audits of States, Local Governments and Non-Profit organizations.

SUBRECIPIENT agrees to furnish **ENTITY** with a current Financial Management Letter (financial statements) within six (6) months from the end of its fiscal year covering the period of this Agreement that includes detailed receipts and disbursement of payments to **SUBRECIPIENT** hereunder. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit a Financial Management Letter.**

However, if **SUBRECIPIENT** expends Five Hundred Thousand Dollars ($500,000.00) or more in federal funds, **SUBRECIPIENT** must, within nine (9) months from the end of its fiscal year, supply **ENTITY** with an audit of revenues and expenditures conducted by a certified public accountant. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit an audit within the allotted time.**

If the **SUBRECIPIENT** expends less than Five Hundred Thousand Dollars ($500,000.00) a year in federal awards, then they are exempt from the OMB Circular A-133 audit requirements for that year; however, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity and the General Accounting Office.

SUBRECIPIENT is required to submit a 990 Tax Return (Return of Organization Exempt from Income Tax) for the most recent fiscal year within six (6) months if submitting a Financial Management Letter or within nine (9) months if submitting a Financial Audit. If the Subrecipient is not classified as an exempt entity, the Subrecipient will not be awarded grant funds.

If applicable, **SUBRECIPIENT** agrees to cooperate with **ENTITY** relating to any inquiries regarding the Financial Audit or Financial Management Letter and **SUBRECIPIENT** acknowledges that a Financial Audit or Financial Management Letter shall be provided to **ENTITY** at the expense of the **SUBRECIPIENT.** Financial Audit or Financial Management Letter shall be available to **ENTITY** staff, and any and all applicable federal agencies, and be of unrestricted access, as listed in 24 CFR Part 85.42.

SECTION X
Suspension and Termination

SUBRECIPIENT understands that this Agreement may be suspended or terminated, in accordance with 24 CFR §85.43, if applicable, and 24 CFR §84.61, if the **SUBRECIPIENT** materially fails to comply with the

provisions of this Agreement or the provisions so listed in the Statement of Work attached hereto as Exhibit A (the "Statement of Work"), the Grant Budget attached hereto as Exhibit B-1 (the "Grant Budget), the Payment Schedule attached hereto as Exhibit B-2 (the "Payment Schedule), the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"), the Records & Reports attached hereto as Exhibit D (the "Records & Reports"), the Request for Payments attached hereto as Exhibit E (the "Request for Payments"), Other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions"), and the Applicable Provisions - 24 CFR Part 85 attached hereto as Exhibit G (the "Other Applicable Provisions – 24 CFR Part 85").

If **SUBRECIPIENT** fails to fulfill in a timely and proper manner its obligations under this Agreement, or **SUBRECIPIENT** violates any of the Agreements or stipulations of this Agreement, then the **ENTITY** shall provide **SUBRECIPIENT** written notification of such non-performance. Such non-performance, (***i.e., timely submittal of monthly reports and/or reimbursements)***, may be the basis for immediate termination of this Agreement. Should any breach of contract (Agreement) relate to a violation of federal law or regulation that results in HUD demanding reimbursement from the **ENTITY OR SUBRECIPIENT** or its successor, the **ENTITY** may terminate this Agreement and seek reimbursement of all funds from **SUBRECIPIENT**. **SUBRECIPIENT** shall not be relieved of the liability to the **ENTITY** for damages sustained by the **ENTITY** by virtue of any breach of this contract (Agreement) by **SUBRECIPIENT** and **ENTITY** may withhold any payments to **SUBRECIPIENT** for violations of federal regulations or any breach of this Agreement. Should the **ENTITY** become aware of any activity by **SUBRECIPIENT,** which would jeopardize the **ENTITY'S** position with the U. S. Department of Housing and Urban Development (HUD) or which would cause a payback of federal funds, then the **ENTITY** may take appropriate action including injunctive relief against **SUBRECIPIENT** to prevent the transaction. The failure of the **ENTITY** to exercise any right shall in no way constitute a waiver by the **ENTITY** to otherwise demand payment or seek any other relief in law or in equity to which it may be justly entitled.

It is expressly agreed that this Agreement may not be amended except upon the joint action of both the **ENTITY** and the **Amigos Del Valle, Inc.**

SECTION XI
Assets

SUBRECIPIENT shall not purchase any asset unless prior written approval is obtained from the **ENTITY** and such procurement shall be done in the form and manner so prescribed by the **ENTITY**.

Any asset acquired or improved in part or in whole with CDBG funds in excess of $25,000 must be used in an activity that meets one of the national objectives listed in 24 CFR §570.208 for a period of five (5) years after the expiration of this Agreement or a longer period if so determined by the **ENTITY**.

The disposition of any asset improved or acquired in part or in whole with CDBG funds by the **SUBRECIPIENT** must be done with prior written approval of the **ENTITY** and the **ENTITY** shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The **ENTITY** may, at its option, request that such asset be transferred to **ENTITY** if the asset is no longer being used to meet one of the national objectives or in any case where the **SUBRECIPIENT** no longer provides services shown on the Statement of Work.

SECTION XII
Indemnity Clause

SUBRECIPIENT agrees to hold **ENTITY** harmless from, and indemnify **ENTITY** from and defend **ENTITY** against any and all claims brought against **ENTITY** by employees or officers of **SUBRECIPIENT** or brought by any third person arising in any manner directly or indirectly from **SUBRECIPIENT** programs, activities or events conducted pursuant to this Agreement.

SUBRECIPIENT shall acquire, maintain and furnish to **ENTITY** a Certificate of Insurance as proof that it has secured and paid for policies of public liability and automobile insurance to cover all operations and services under this Agreement with limits of not less than $300,000.00 per occurrence, $300,000.00 aggregate, covering all risks incident to or in connection with the execution, performance, attempted performance or non-performance of this Agreement.

SECTION XIII
Procurement

SUBRECIPIENT agrees to follow the statues and rules governing the **ENTITY** in the procurement of services, supplies or non-real property in relation to **ENTITY**-funded projects. The legal standards that will apply

include the procurement standards of the HIDALGO COUNTY Urban County Program, which includes 24 CFR Part 85.36, and the TEXAS COUNTY PURCHASING ACT.

SECTION XIV
Conflict of Interest

SUBRECIPIENT covenants that members of its organization or staff members who exercise influence on the decision-making process will not have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed in the Statement of Work, 24 CFR Part 570.611, 24 CFR Part 84.40-48, and 24 CFR Part 85.36.

SUBRECIPIENT agrees that no person who is an elected official, officer, director, employee, consultant, or agent of the **SUBRECIPIENT**'s organization or the **ENTITY**'s organization shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Statement of Work during their tenure or for a period of one year thereafter.

SUBRECIPIENT is responsible for repayment of funds associated with any conflict of interest that may occur either knowingly or unknowingly.

No **ENTITY** employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described in the Statement of Work.

SECTION XII
Legal Action and Venue

SUBRECIPIENT agrees to notify the **ENTITY** when a problem arises that may lead to legal action or claim against the **SUBRECIPIENT**. The **SUBRECIPIENT** agrees to furnish to the **ENTITY** any and all information with respect to such action or claim. The **SUBRECIPIENT** agrees not to take any action with respect to any legal action or claim sought against the **SUBRECIPIENT** without the advice and written consent of the **ENTITY**.

Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this Agreement shall lie exclusively in HIDALGO COUNTY.

SECTION XIII
Miscellaneous Provisions

Conflict with Applicable Law. Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

No Waiver. No waiver by **ENTITY** of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

Entire Agreement. This Agreement contains the entire contract between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by **ENTITY** and **SUBRECIPIENT**, and not otherwise.

Texas Law to Apply. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THIE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.

Notice. Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by electronic mail, or (iii) sent by registered or certified mail, return receipt

requested, postage prepaid and addressed to the parties at the addresses set forth below, or (iv) sent by facsimile or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to **ENTITY**:

COUNTY OF HIDALGO
Urban County Program
1916 Tesoro Blvd.
Pharr, TX 78577
Email: ucp@ucp.co.hidalgo.tx.us
Phone # (956) 787-8127
Fax # (956) 787-5291

If to **SUBRECIPIENT**:

AMIGOS DEL VALLE, INC.
c/o Jose E. Garza, Executive Director
1116 N. Conway Avenue
Mission, Texas 78572
Phone #: (956) 581-9494
Fax #: (956) 581-7743
Email: rruiz@advrgv.org

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the Unites States mail.

Additional Documents. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

Assignment. This Agreement shall not be assignable by **SUBRECIPIENT**. **ENTITY** may assign this Agreement without the consent of **SUBRECIPIENT**.

Headings. The headings and captions contained in this Agreement are solely for convenient reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

Gender and Number. All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate.

Authority to Execute. The execution and performance of this Agreement by **ENTITY** and **SUBRECIPIENT** have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of **ENTITY** and **SUBRECIPIENT** in accordance with its terms.

SECTION XVII
Effective Date

The effective date of this agreement shall be the **1st day of July 2012** such date being the date the HIDALGO COUNTY COMMISSIONERS' COURT approved entering into this Agreement with SUBRECIPIENT and shall terminate on the **31st day of May 2013.**

Approved and signed this _____ day of _____ 20__.

_____ _____
Print or Type Name of Authorized Official Signature of Authorized Official

SUBRECIPIENT Name: Amigos Del Valle, Inc.
Address: 1116 N. Conway Avenue
City/State/Zip: Mission, Texas 78572
Federal I.D. # or Soc. Sec. #:74-1815988
DUNS #: 30926513

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

_____ personally appeared before me and declared that he/she signed this application in the capacity designated, if any, and further states that, he/she has read the above application, and the statements therein contained are true.

Subscribed and sworn to before me this _____ day of_____, 20_____ .

_____
Notary - Signature

COUNTY OF HIDALGO – URBAN COUNTY PROGRAM

_____ _____
Witness: **Diana R. Serna, UCP Director**

APPROVED AS TO FORM
Atlas & Hall L.L.P.
By: Steve Crain
Date: June 21, 2011

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

1,616 hot noon meal plate to 10 home bound seniors for 168 days for FY 2012-2013 by ADV staff and Volunteers @ $4.95 per meal

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 8,000.00 Awarded By: Precinct #2

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Purchase raw food and consumables, preparation, packing and delivery of hot noon meal to home bound seniors

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

Two home delivery drivers will package and deliver a hot noon meal to home bound seniors Monday – Friday between the hours of 10:30 a.m. to 1:30p.m. service days will be 168 days

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Services will be expanded to include monthly health education, quality home visit assessments, and increase information and referral services. Funds will allow 1,616 additional meal plates to be delivered to seniors age 62 and over.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Ten (10) unduplicated seniors with low to moderate income; Precinct 2 seniors male/female age 62 and over will be served.

Section VII List all locations (physical address) where the funded service(s) will be provided.

Meal deliveries will be made throughout the Precinct 2 area out of the San Juan Senior Center located at 600 W. 1st St., San Juan, TX

Exhibit B-1
GRANT BUDGET
Awarded by: Precinct # 2

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Formula: $8,000.00 / $4.95 = 1,616 meals / 168 days = 10 Seniors	$ 8,000.00
TOTAL GRANT BUDGET:	**$8,000.00**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Precinct # 2

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	N/A	N/A
August	N/A	N/A
September	N/A	N/A
October	1,000.00	Raw food preparation packaging, & delivery of meals
November	1,000.00	Raw food preparation packaging, & delivery of meals
December	1,000.00	Raw food preparation packaging, & delivery of meals
January	1,000.00	Raw food preparation packaging, & delivery of meals
February	1,000.00	Raw food preparation packaging, & delivery of meals
March	1,000.00	Raw food preparation packaging, & delivery of meals
April	1,000.00	Raw food preparation packaging, & delivery of meals
May	1,000.00	Raw food preparation packaging, & delivery of meals
TOTAL:	**$8,000.00**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Precinct # 2

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	Number of Unduplicated Beneficiaries to be Serviced	Services Provided
July		
August		
September		
October	10	Delivery of hot noon meals
November		
December		
January		
February		
March		
April		
May		
Total for the Year:	**10**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

2,222 hot noon meal plate to 13 home bound seniors for 168 days for FY 2012-2013 by ADV staff and volunteers @ $4.95 per meal

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 11,000.00 Awarded By: Precinct # 3

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Purchase raw food and consumables, preparation, packing and delivery of hot noon meal to home bound seniors

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

Two home delivery drivers will package and deliver a hot noon meal to home bound seniors Monday – Friday between the hours of 10:30 a.m. to 1:30p.m. service days will be 168 days

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Services will be expanded to include monthly health education, quality home visit assessments, and increase information and referral services. Funds will allow 2,222 additional meal plates to be delivered to seniors age 62 and over.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Thirteen (13) unduplicated seniors with low to moderate income; Precinct 3 seniors male/female age 62 and over will be served.

Section VII List all locations (physical address) where the funded service(s) will be provided.

Meal deliveries will be made throughout the Precinct 3 area out of the Villas de Arnoldo Senior Center located at 1303 Matamoros St.

Exhibit B-1
GRANT BUDGET
Awarded by: Precinct # 3

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	BUDGETED AMOUNT
Formula: $11,000.00 / $4.95 = 2,222 meals / 168 days = 13 Seniors	$ 11,000.00
TOTAL GRANT BUDGET:	**$ 11,000.00**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Precinct # 3

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	Estimated Amount Of Expenditures	Type of Budgeted Expenditures
July	N/A	N/A
August	N/A	N/A
September	N/A	N/A
October	1,375.00	Raw food preparation packaging, & delivery of meals
November	1,375.00	Raw food preparation packaging, & delivery of meals
December	1,375.00	Raw food preparation packaging, & delivery of meals
January	1,375.00	Raw food preparation packaging, & delivery of meals
February	1,375.00	Raw food preparation packaging, & delivery of meals
March	1,375.00	Raw food preparation packaging, & delivery of meals
April	1,375.00	Raw food preparation packaging, & delivery of meals
May	1,375.00	Raw food preparation packaging, & delivery of meals
TOTAL:	**$11,000.00**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Precinct # 3

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	Number of Unduplicated Beneficiaries to be Serviced	Services Provided
July		
August		
September		
October	13	Delivery of hot noon meals
November		
December		
January		
February		
March		
April		
May		
Total for the Year:	**13**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

1,515 noon meal plate to 9 home bound seniors for 168 days for FY 2012-2013 by ADV staff and volunteers @ $4.95 per meal

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 7,500.00 Awarded By: Precinct # 4

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Purchase raw food and consumables, preparation, packing and delivery of hot noon meal to home bound seniors

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

Two home delivery drivers will package and deliver a hot noon meal to home bound seniors Monday – Friday between the hours of 10:30 a.m. to 1:30p.m. service days will be 168 days

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Services will be expanded to include monthly health education, quality home visit assessments, and increase information and referral services. Funds will allow 1,515 additional meal plates to be delivered to seniors age 62 and over.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Nine (9) unduplicated seniors with low to moderate income; Precinct 4 seniors male/female age 62 and over will be served.

Section VII List all locations (physical address) where the funded service(s) will be provided.

Meal deliveries will be made throughout the Precinct 4 area out of the Edinburg Senior Center located at 1210 E. Khun Street, Edinburg TX

Exhibit B-1
GRANT BUDGET
Awarded by: Precinct # 4

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Formula: $7,500.00 / $4.95 = 1,515 meals / 168 days = 9 Seniors	$ 7,500.00
TOTAL GRANT BUDGET:	**$7,500.00**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Precinct # 4

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	Estimated Amount Of Expenditures	Type of Budgeted Expenditures
July	N/A	N/A
August	N/A	N/A
September	N/A	N/A
October	937.50	Raw food preparation packaging, & delivery of meals
November	937.50	Raw food preparation packaging, & delivery of meals
December	937.50	Raw food preparation packaging, & delivery of meals
January	937.50	Raw food preparation packaging, & delivery of meals
February	937.50	Raw food preparation packaging, & delivery of meals
March	937.50	Raw food preparation packaging, & delivery of meals
April	937.50	Raw food preparation packaging, & delivery of meals
May	937.50	Raw food preparation packaging, & delivery of meals
TOTAL:	**$7,500.00**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Precinct # 4

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	Number of Unduplicated Beneficiaries to be Serviced	Services Provided
July		
August		
September		
October	9	Delivery of hot noon meals
November		
December		
January		
February		
March		
April		
May		
Total for the Year:	**9**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

1,010 noon meal plate to 6 home bound seniors for 168 days for FY 2012-2013 by ADV staff and volunteers @ $4.95 per meal

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 5,000.00 Awarded By: City of Donna

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Purchase raw food and consumables, preparation, packing and delivery of hot noon meal to home bound seniors

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

Two home delivery drivers will package and deliver a hot noon meal to home bound seniors Monday – Friday between the hours of 10:30 a.m. to 1:30p.m. service days will be 168 days

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Services will be expanded to include monthly health education, quality home visit assessments, and increase information and referral services. Funds will allow 1,010 additional meal plates to be delivered to seniors age 62 and over.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Six (6) unduplicated seniors with low to moderate income; Donna seniors male/female age 62 and over will be served.

Section VII List all locations (physical address) where the funded service(s) will be provided.

Meal deliveries will be made throughout the Donna area out of the Donna Senior Center located at 1408 W. Silver St. Donna, TX

Exhibit B-1
GRANT BUDGET
Awarded by: City of Donna

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Formula: $5,000.00 / $4.95 = 1,010 meals / 168 days = 6 Seniors	$ 5,000.00
TOTAL GRANT BUDGET:	**$5,000.00**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: City of Donna

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	N/A	N/A
August	N/A	N/A
September	N/A	N/A
October	$625.00	Raw food preparation packaging, & delivery of meals
November	$625.00	Raw food preparation packaging, & delivery of meals
December	$625.00	Raw food preparation packaging, & delivery of meals
January	$625.00	Raw food preparation packaging, & delivery of meals
February	$625.00	Raw food preparation packaging, & delivery of meals
March	$625.00	Raw food preparation packaging, & delivery of meals
April	$625.00	Raw food preparation packaging, & delivery of meals
May	$625.00	Raw food preparation packaging, & delivery of meals
TOTAL:	**$5,000.00**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: City of Donna

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	N/A	N/A
August	N/A	N/A
September	N/A	N/A
October	6	Delivery of hot noon meals
November		
December		
January		
February		
March		
April		
May		
Total for the Year:	**6**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

1,616 noon meal plate to 10 home bound seniors for 168 days for FY 2012-2013 by ADV staff and volunteers @ $4.95 per meal

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 8,000.00 Awarded By: City of Elsa

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Purchase raw food and consumables, preparation, packing and delivery of hot noon meal to home bound seniors

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

One home delivery driver will package and deliver a hot noon meal to home bound seniors Monday – Friday between the hours of 10:30 a.m. to 1:30p.m. service days will be 168 days

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Services will be expanded to include monthly health education, quality home visit assessments, and increase information and referral services. Funds will allow 1,616 additional meal plates to be delivered to seniors age 62 and over.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Ten (10) unduplicated seniors with low to moderate income; Elsa seniors male/female age 62 and over will be served.

Section VII List all locations (physical address) where the funded service(s) will be provided.

Meal deliveries will be made throughout the Elsa area out of the Elsa Senior Center located at W. 9th Street & N. Hidalgo Street, Elsa, TX

Exhibit B-1
GRANT BUDGET
Awarded by: City of Elsa

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Formula: $8,000.00 / $4.95 = 1,616 meals / 168 days = 10 Seniors	$ 8,000.00
TOTAL GRANT BUDGET:	**$8,000.00**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: City of Elsa

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	Estimated Amount Of Expenditures	Type of Budgeted Expenditures
July	N/A	N/A
August	N/A	N/A
September	N/A	N/A
October	1,000.00	Raw food preparation packaging, & delivery of meals
November	1,000.00	Raw food preparation packaging, & delivery of meals
December	1,000.00	Raw food preparation packaging, & delivery of meals
January	1,000.00	Raw food preparation packaging, & delivery of meals
February	1,000.00	Raw food preparation packaging, & delivery of meals
March	1,000.00	Raw food preparation packaging, & delivery of meals
April	1,000.00	Raw food preparation packaging, & delivery of meals
May	1,000.00	Raw food preparation packaging, & delivery of meals
TOTAL:	**$8,000.00**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: City of Elsa

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	N/A	N/A
August	N/A	N/A
September	N/A	N/A
October	10	Delivery of hot noon meals
November		
December		
January		
February		
March		
April		
May		
Total for the Year:	**10**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

2,020 noon meal plate to 12 home bound seniors for 168 days for FY 2012-2013 by ADV staff and volunteers @ $4.95 per meal

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$10,000.00 Awarded By: City of Mercedes

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Purchase raw food and consumables, preparation, packing and delivery of hot noon meal to home bound seniors

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

Two home delivery drivers will package and deliver a hot noon meal to home bound seniors Monday – Friday between the hours of 10:30 a.m. to 1:30p.m. service days will be 168 days

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Services will be expanded to include monthly health education, quality home visit assessments, and increase information and referral services. Funds will allow 2,020 additional meal plates to be delivered to seniors age 62 and over.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Twelve (12) unduplicated seniors with low to moderate income; Mercedes seniors male/female age 62 and over will be served.

Section VII List all locations (physical address) where the funded service(s) will be provided.

Meal deliveries will be made throughout the Mercedes area out of the Villas Residencial Senior Center located at 334 E. 5th Street, Mercedes, TX

Exhibit B-1
GRANT BUDGET
Awarded by: City of Mercedes

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Formula: $10,000.00 / $4.95 = 2,020 meals / 168 days = 12 Seniors	$ 10,000.00
TOTAL GRANT BUDGET:	**$ 10,000.00**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: City of Mercedes

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	N/A	
August	N/A	
September	N/A	
October	1,250.00	Raw food preparation packaging, & delivery of meals
November	1,250.00	Raw food preparation packaging, & delivery of meals
December	1,250.00	Raw food preparation packaging, & delivery of meals
January	1,250.00	Raw food preparation packaging, & delivery of meals
February	1,250.00	Raw food preparation packaging, & delivery of meals
March	1,250.00	Raw food preparation packaging, & delivery of meals
April	1,250.00	Raw food preparation packaging, & delivery of meals
May	1,250.00	Raw food preparation packaging, & delivery of meals
TOTAL:	**$10,000.00**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: City of Mercedes

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	Number of Unduplicated Beneficiaries to be Serviced	Services Provided
July		
August		
September		
October	12	Delivery of hot noon meals
November		
December		
January		
February		
March		
April		
May		
Total for the Year:	12	Delivery of hot noon meals

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

2,020 noon meal plate to 12 home bound seniors for 168 days for FY 2012-2013 by ADV staff and volunteers @ $4.95 per meal

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$10,000.00 Awarded By: City of San Juan

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Purchase raw food and consumables, preparation, packing and delivery of hot noon meal to home bound seniors

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

Two home delivery drivers will package and deliver a hot noon meal to home bound seniors Monday – Friday between the hours of 10:30 a.m. to 1:30p.m. service days will be 168 days

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Services will be expanded to include monthly health education, quality home visit assessments, and increase information and referral services. Funds will allow 2,020 additional meal plates to be delivered to seniors age 62 and over.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Twelve (12) unduplicated seniors with low to moderate income; San Juan seniors male/female age 62 and over will be served.

Section VII List all locations (physical address) where the funded service(s) will be provided.

Meal deliveries will be made throughout the San Juan area out of the San Juan Senior Center located at 600 W. 1st St., San Juan, TX

Exhibit B-1
GRANT BUDGET
Awarded by: City of San Juan

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Formula: $10,000.00 / $4.95 = 2,020 meals / 168 days = 12 Seniors	$ 10,000.00
TOTAL GRANT BUDGET:	**$10,000.00**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: City of San Juan

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	Estimated Amount Of Expenditures	Type of Budgeted Expenditures
July	N/A	N/A
August	N/A	N/A
September	N/A	N/A
October	1,250.00	Raw food preparation packaging, & delivery of meals
November	1,250.00	Raw food preparation packaging, & delivery of meals
December	1,250.00	Raw food preparation packaging, & delivery of meals
January	1,250.00	Raw food preparation packaging, & delivery of meals
February	1,250.00	Raw food preparation packaging, & delivery of meals
March	1,250.00	Raw food preparation packaging, & delivery of meals
April	1,250.00	Raw food preparation packaging, & delivery of meals
May	1,250.00	Raw food preparation packaging, & delivery of meals
TOTAL:	**$10,000.00**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: City of San Juan

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	Number of Unduplicated Beneficiaries to be Serviced	Services Provided
July		
August		
September	12	Delivery of hot noon meals
October		
November		
December		
January		
February		
March		
April		
May		
Total for the Year:	**12**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only once per year

Exhibit D
RECORDS & REPORTS

REPORTS

A **Monthly Performance Report (Exhibit D - Activity Report)** must be submitted with each request for payment on or before the 15th of each month. Each activity report must include the following information:

- **Type of expenditures utilizing CDBG funds, type of service(s) provided and how the service met one of the HUD national objectives:**
  - Benefit to Low and Moderate Income Persons
  - Provides Decent Affordable Housing
  - Creates Economic Opportunities

  Number of persons assisted with New Access to service

  Number of persons assisted with Improved Access to service

  Number of low-mod beneficiaries served

  Ethnic Data

  Number of persons served living with a disability

  Number of female head of households served

  Income levels of persons or households with the categories of extremely low, low to moderate and non-low income.

- **Type of Outcome:**

  - **Availability/Accessibility**. Description of how services were made available or accessible to low and moderate income people, including persons with disabilities.

  - **Affordability**. How grant funds made the service affordable to low and moderate income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

  - **Sustainability**: **Promoting Livable or Viable Communities.** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

- **Other significant information** (such as special events, fundraisers, award ceremonies, etc.)Agency agrees to provide Entity with summaries of any events, fundraisers, and/or ceremonies held and provide photos of such events prior to the end date of the Agreement.

All records pertaining to each fiscal year of CDBG funds must be retained, from the date of submission of the COUNTY's Consolidated Annual Performance and Evaluation Report (CAPER) in which the specific activity is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 4-year period. In such cases, the records must be retained until completion of the action and resolution of all issues which arise from it or the end of the regular 4-year period, whichever is longer, except as provided below:

- Written agreements must be retained for four (4) years after the agreement terminates.
- If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
- In the event more than one exception applies to a particular record, the largest retention period shall apply to such record.

(a) Beneficiary Files

Subrecipient must maintain individual beneficiary files served utilizing CDBG funds. Such files must contain the following:

- Membership/registration Application
- Original Program Application (UCP self certification form)
- Physical address of residence

(b) Program Files

Subrecipient must maintain program files related to the Urban County Program CDBG award. Such files must contain the following:

- CDBG funding proposal letter to city and/or precinct
- Urban County Program Subrecipient Questionnaire, exhibits and supporting documentation
- Subrecipient Agreement
- Correspondence to and from Urban County
- Expenditure Reports
- Copies of reimbursement requests
- Monthly Performance Reports
- If applicable, fixed asset inventory list

(c) Financial Records

Subrecipient must maintain proper financial records.

(d) Program Income

Subrecipient must report program income earned, retained and expended to the Urban County Program that was generated by the use of the CDBG award.

Exhibit E
REQUEST FOR PAYMENTS

1. Subrecipient must submit **monthly** reimbursement requests as approved on the Schedule of Payment hereto attached as Exhibit B-2 (the "Schedule of Payment") **due on or before the 15th of each month.**

2. Subrecipient must inform Urban County in writing if the reimbursement request and/or monthly performance report will not be submitted by the due date.

3. Request for reimbursements that are submitted after the last working day of the month will be returned unpaid if the subrecipient did not comply with Request for Payments (2) hereto attached as Exhibit E (the "Request for Payments").

4. Urban County Program will return incorrect and/or incomplete reimbursement requests to the subrecipient as soon as possible in order for corrections to be made.

5. Subrecipient must submit the corrections and/or pending documentation no later than 10 days from notification by UCP. Should the subrecipient fail to submit the corrections within the allotted time, the RFP will be returned, and will NOT qualify for re-submission.

6. Subrecipient must submit May's reimbursement request and monthly performance report to the Urban County Program on or before June 15th.

7. May expenditures (equipment / supplies) must be invoiced and paid by May 31st to be eligible for reimbursement.

8. Subrecipient must submit all required documentation as stated on the UCP Reimbursement Checklist.

9. Should the Subrecipient fail to comply with timely submittals of monthly reimbursement requests and/or performance reports, the Urban County Program shall consider termination of the Subrecipient Agreement as per Section X "Suspension and Termination".

10. Subrecipient must submit a copy of the monthly reimbursement request and performance reports to the respective City and/or Precinct providing CDBG funds to the organization. Failure to submit copies may require pre-approval of the City and/or Precinct prior to Urban County processing the reimbursement request.

11. All reimbursement requests and reports submitted to Urban County must be originals signed with blue ink.

12. As per Section IV of this Agreement, the Urban County Program Monitoring Division will conduct on-site monitoring visits to ensure compliance with applicable Federal requirements and performance goals are being met.

13. Reimbursement requests are processed by Urban County on a first come first serve basis.

14. Payments to Subrecipients will only be mailed. Checks will not be allowed for pickup.

Checks are mailed eleven (11) days from the date the reimbursement request is submitted to the finance division, **only** after all documentation is reviewed, corrections are made, and all documentation is in order.

Exhibit F
Other Applicable Provisions
As stated in Section VIII
OMB Circular A–110 (implemented at 24 CFR part 84)
Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

(1) Subpart A—"General";

(2) Subpart B—"Pre-Award Requirements," except for §84.12, "Forms for Applying for Federal Assistance";

(3) Subpart C—"Post-Award Requirements," except for:

(i) Section 84.22, "Payment Requirements." Grantees shall follow the standards of §§85.20(b)(7) and 85.21 in making payments to subrecipients;

(ii) Section 84.23, "Cost Sharing and Matching";

(iii) Section 84.24, "Program Income." In lieu of §84.24, CDBG subrecipients shall follow §570.504;

(iv) Section 84.25, "Revision of Budget and Program Plans";

(v) Section 84.32, "Real Property." In lieu of §84.32, CDBG subrecipients shall follow §570.505;

(vi) Section 84.34(g), "Equipment." In lieu of the disposition provisions of §84.34(g), the following applies:

(A) In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and

(B) Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient;

(vii) Section 84.51 (b), (c), (d), (e), (f), (g), and (h), "Monitoring and Reporting Program Performance";

(viii) Section 84.52, "Financial Reporting";

(ix) Section 84.53(b), "Retention and access requirements for records." Section 84.53(b) applies with the following exceptions:

(A) The retention period referenced in §84.53(b) pertaining to individual CDBG activities shall be four years; and

(B) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;

(x) Section 84.61, "Termination." In lieu of the provisions of §84.61, CDBG subrecipients shall comply with §570.503(b)(7); and

(4) Subpart D—"After-the-Award Requirements," except for §84.71, "Closeout Procedures."

Exhibit G
Applicable Provisions - 24 CFR Part 85
As stated in Section VIII

Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"

(1) Section 85.3, "Definitions";

(2) Section 85.6, "Exceptions";

(3) Section 85.12, "Special grant or subgrant conditions for 'high-risk' grantees";

(4) Section 85.20, "Standards for financial management systems," except paragraph (a);

(5) Section 85.21, "Payment," except as modified by §570.513;

(6) Section 85.22, "Allowable costs";

(7) Section 85.26, "Non-federal audits";

(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;

(9) Section 85.33, "Supplies";

(10) Section 85.34, "Copyrights";

(11) Section 85.35, "Subawards to debarred and suspended parties";

(12) Section 85.36, "Procurement," except paragraph (a);

(13) Section 85.37, "Subgrants";

(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) through (d) and paragraph (f);

(15) Section 85.41, "Financial reporting," except paragraphs (a), (b), and (e);

(16) Section 85.42, "Retention and access requirements for records," except that the period shall be four years;

(17) Section 85.43, "Enforcement";

(18) Section 85.44, "Termination for convenience";

(19) Section 85.51 "Later disallowances and adjustments" and

(20) Section 85.52, "Collection of amounts due."

STATE OF TEXAS }
}
COUNTY OF HIDALGO }

SUBRECIPIENT AGREEMENT

This Agreement is made and entered into on this the 26th day of June, 20 12, by and between the COUNTY OF HIDALGO, Urban County Program, a political subdivision of the State of Texas, hereinafter referred to as **"ENTITY"**, and **ARISE- South Tower**, hereinafter referred to as **"SUBRECIPIENT".**

WITNESSETH

WHEREAS, **SUBRECIPIENT** desires to carry out eligible activities as described in the Statement of Work attached hereto as **Exhibit A** (the "Statement of Work**")**, to this Agreement, and permitted by Title I of the Housing and Community Development Act of 1992 (1992 Act) pursuant to the U. S. Department of Housing and Urban Development Community Development Block Grant Program Entitlement Grant Regulations and covered in 24 CFR 570.

WHEREAS, the **ENTITY** proposes to contract with **SUBRECIPIENT** in order that the eligible activities described in **Exhibit A** (the "Statement of Work**")** can be carried out for the benefit of residents in the ENTITY'S jurisdiction.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration the receipt of which is hereby acknowledged, the **ENTITY** and the **SUBRECIPIENT** do mutually agree as follows:

SECTION I
Rules and Regulations

The **SUBRECIPIENT** agrees to cooperate with the **ENTITY** in respect to the implementation of Community Development Block Grant CFDA No. 14.218 (CDBG) activities to be carried out by **SUBRECIPIENT** pursuant to 24 CFR Part 570 and other rules, regulations and decisions as may be made by the U. S. Department of Housing and Urban Development (HUD) or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG program funds.

SECTION II
Statement of Work

SUBRECIPIENT agrees to perform services as outlined in the Statement of Work for and in consideration of payment in the amount of **$10,000.00,** and as delineated in the Grant Budget and the Payment Schedule attached hereto as Exhibit B-1 (the "Grant Budget") and Exhibit B-2 (the "Payment Schedule").

SUBRECIPIENT agrees to notify **ENTITY**, in writing, prior to any changes in its Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"). SUBRECIPIENT shall obtain approval, in writing, from ENTITY prior to commencing work on any changes made to the Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity.

ENTITY shall not be liable for costs incurred or performances rendered by **SUBRECIPIENT** before commencement of this Agreement or after termination of this Agreement.

SUBRECIPIENT agrees to follow the schedule outlined in the Schedule of Activity of this Agreement, and shall notify **ENTITY**, in writing, prior to any changes, delays or departures from the Schedule of Activity. If **SUBRECIPIENT** demonstrates that delays or departure from the Schedule of Activity is due to circumstances beyond its control, **ENTITY** and **SUBRECIPIENT** may (but Entity shall not be required) to amend the Schedule of Activity.

SECTION III
Records and Reports

SUBRECIPIENT agrees to establish and maintain records and reports as outlined in the Records and Reports attached hereto as Exhibit D (the "Records and Reports") and agrees to make the Records and Reports available to the **ENTITY**, HUD, and any other local, state or federal entity or authority that may exercise jurisdiction over CDBG funds. Monthly performance reports must be submitted on or before the 15th of every month.

SECTION IV
Monitoring Visits

SUBRECIPIENT agrees that **ENTITY** shall conduct on-site monitoring visits to assure compliance with applicable Federal requirements and that performance goals are being achieved, if applicable, as per 24 CFR Part 85.40 (a) and 24 CFR Part 84.51(a). **SUBRECIPIENT** shall attend an orientation prior to the award of funds and prior to the first draw of funds. After each monitoring visit, **ENTITY** shall provide **SUBRECIPIENT** with a written report of the monitor's findings. If the monitoring reports note deficiencies in **SUBRECIPIENT's** performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by **SUBRECIPIENT**. Failure by **SUBRECIPIENT** to take action specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section X of this Agreement. In addition, **SUBRECIPIENT** shall give HUD, the Comptroller General of the United States, **ENTITY**, and any of their duly authorized representatives, unobstructed and full 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 **SUBRECIPIENT** pertaining to this Agreement.

SECTION V
Payment Requests and Program Income

SUBRECIPIENT agrees to follow administrative directions from the **ENTITY** regarding documenting and processing payment requests as defined in the Requests for Payments attached hereto as Exhibit E (the "Requests for Payments") of this Agreement.

SUBRECIPIENT shall submit final reimbursement request to **ENTITY** within fifteen (15) days (by June 15, 2012) of the Agreement termination date.

SUBRECIPIENT and **ENTITY** agree that if applicable, program income generated from the use of CDBG funds shall be retained by the **SUBRECIPIENT**. If the activity is partially assisted with CDBG funds, the **SUBRECIPIENT** agrees to pro-rate the gross income to reflect the percent of CDBG funds assisted in the activity. The **SUBRECIPIENT** is to provide to the **ENTITY** by the third Wednesday of each month an accounting of program income through Monthly Performance Reports outlined in the Records and Reports. The **ENTITY** is then required to report all CDBG program income earned, retained, and expended. The **SUBRECIPIENT** shall be allowed to use program income for the same or similar activities as generated by program income. Failure of the **SUBRECIPIENT** to report program income as required shall cause the **ENTITY** to require all program income to be recovered by the **ENTITY**.

SUBRECIPIENT and **ENTITY** agree that all unused CDBG funds at the end or termination of this agreement will be reallocated or reprogrammed by **ENTITY.**

SECTION VI
Religious Activities

The **SUBRECIPIENT** and **ENTITY** both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this Agreement be used for sectarian or religious activities.

SECTION VII
Other Program Requirements

SUBRECIPIENT agrees to comply with "Other Program Requirements" as listed in 24 CFR §570.600 through 611 except for those environmental review requirements listed as 24 CFR §570.604 and initiation of review process under the provisions of 24 CFR Part 52.

SECTION VIII
Uniform Administrative Requirements

Subrecipients, except subrecipients that are governmental entities, shall comply with the requirements and standards of OMB Circular No. A–122, "Cost Principles for Non-profit Organizations", or OMB Circular No. A–21, "Cost Principles for Educational Institutions", as applicable, and OMB Circular A–133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions" (as set forth in 24 CFR part 45). Audits shall be conducted annually. Such subrecipients shall also comply with the provisions of the Uniform Administrative requirements of OMB Circular A–110 (implemented at 24 CFR part 84, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations") or the related CDBG provisions, as specified in the other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions") and any subsequent amendments thereto.

Recipients and Subrecipients that are governmental entities (including public agencies) shall comply with the requirements and standards of OMB Circular No. A–87, "Cost Principles for State, Local, and Indian Tribal Governments"; OMB Circular A–133, "Audits of State and Local Governments" (implemented at 24 CFR part 44); and with sections of 24 CFR part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" or other related CDBG provision, as specified in the other Applicable Provisions attached hereto as Exhibit G (the "Other Applicable Provisions") and any subsequent amendments thereto.

SECTION IX
Audit Requirements

SUBRECIPIENT agrees to comply with the applicable requirements and standards as set forth in OMB Circular A-133, Audits of States, Local Governments and Non-Profit organizations.

SUBRECIPIENT agrees to furnish **ENTITY** with a current Financial Management Letter (financial statements) within six (6) months from the end of its fiscal year covering the period of this Agreement that includes detailed receipts and disbursement of payments to **SUBRECIPIENT** hereunder. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit a Financial Management Letter.**

However, if **SUBRECIPIENT** expends Five Hundred Thousand Dollars ($500,000.00) or more in federal funds, **SUBRECIPIENT** must, within nine (9) months from the end of its fiscal year, supply **ENTITY** with an audit of revenues and expenditures conducted by a certified public accountant. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit an audit within the allotted time.**

If the **SUBRECIPIENT** expends less than Five Hundred Thousand Dollars ($500,000.00) a year in federal awards, then they are exempt from the OMB Circular A-133 audit requirements for that year; however, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity and the General Accounting Office.

SUBRECIPIENT is required to submit a 990 Tax Return (Return of Organization Exempt from Income Tax) for the most recent fiscal year within six (6) months if submitting a Financial Management Letter or within nine (9) months if submitting a Financial Audit. If the Subrecipient is not classified as an exempt entity, the Subrecipient will not be awarded grant funds.

If applicable, **SUBRECIPIENT** agrees to cooperate with **ENTITY** relating to any inquiries regarding the Financial Audit or Financial Management Letter and **SUBRECIPIENT** acknowledges that a Financial Audit or Financial Management Letter shall be provided to **ENTITY** at the expense of the **SUBRECIPIENT.** Financial Audit or Financial Management Letter shall be available to **ENTITY** staff, and any and all applicable federal agencies, and be of unrestricted access, as listed in 24 CFR Part 85.42.

SECTION X
Suspension and Termination

SUBRECIPIENT understands that this Agreement may be suspended or terminated, in accordance with 24 CFR §85.43, if applicable, and 24 CFR §84.61, if the **SUBRECIPIENT** materially fails to comply with the provisions of this Agreement or the provisions so listed in the Statement of Work attached hereto as Exhibit A (the "Statement of Work"), the Grant Budget attached hereto as Exhibit B-1 (the "Grant Budget), the Payment Schedule attached hereto as Exhibit B-2 (the "Payment Schedule), the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"), the Records & Reports attached hereto as Exhibit D (the "Records & Reports"), the Request for Payments attached hereto as Exhibit E (the "Request for Payments"), Other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions"), and the Applicable Provisions - 24 CFR Part 85 attached hereto as Exhibit G (the "Other Applicable Provisions – 24 CFR Part 85").

If **SUBRECIPIENT** fails to fulfill in a timely and proper manner its obligations under this Agreement, or **SUBRECIPIENT** violates any of the Agreements or stipulations of this Agreement, then the **ENTITY** shall provide **SUBRECIPIENT** written notification of such non-performance. Such non-performance, (***i.e., timely submittal of monthly reports and/or reimbursements)***, may be the basis for immediate termination of this Agreement. Should any breach of contract (Agreement) relate to a violation of federal law or regulation that results in HUD demanding reimbursement from the **ENTITY OR SUBRECIPIENT** or its successor, the **ENTITY** may terminate this Agreement and seek reimbursement of all funds from **SUBRECIPIENT**. **SUBRECIPIENT** shall not be relieved of the liability to the **ENTITY** for damages sustained by the **ENTITY** by virtue of any breach of this contract (Agreement) by **SUBRECIPIENT** and **ENTITY** may withhold any payments to **SUBRECIPIENT** for violations of federal regulations or any breach of this Agreement. Should the **ENTITY** become aware of any activity by **SUBRECIPIENT,** which would jeopardize the **ENTITY'S** position with the U. S. Department of Housing and Urban Development (HUD) or which would cause a payback of federal funds, then the **ENTITY** may take appropriate action including injunctive relief against **SUBRECIPIENT** to prevent the transaction. The failure of the **ENTITY** to exercise any right shall in no way constitute a waiver by the **ENTITY** to otherwise demand payment or seek any other relief in law or in equity to which it may be justly entitled.

It is expressly agreed that this Agreement may not be amended except upon the joint action of both the **ENTITY** and the **ARISE- South Tower.**

SECTION XI
Assets

SUBRECIPIENT shall not purchase any asset unless prior written approval is obtained from the **ENTITY** and such procurement shall be done in the form and manner so prescribed by the **ENTITY**.

Any asset acquired or improved in part or in whole with CDBG funds in excess of $25,000 must be used in an activity that meets one of the national objectives listed in 24 CFR §570.208 for a period of five (5) years after the expiration of this Agreement or a longer period if so determined by the **ENTITY**.

The disposition of any asset improved or acquired in part or in whole with CDBG funds by the **SUBRECIPIENT** must be done with prior written approval of the **ENTITY** and the **ENTITY** shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The **ENTITY** may, at its option, request that such asset be transferred to **ENTITY** if the asset is no longer being used to meet one of the national objectives or in any case where the **SUBRECIPIENT** no longer provides services shown on the Statement of Work.

SECTION XII
Indemnity Clause

SUBRECIPIENT agrees to hold **ENTITY** harmless from, and indemnify **ENTITY** from and defend **ENTITY** against any and all claims brought against **ENTITY** by employees or officers of **SUBRECIPIENT** or brought by any third person arising in any manner directly or indirectly from **SUBRECIPIENT** programs, activities or events conducted pursuant to this Agreement.

SUBRECIPIENT shall acquire, maintain and furnish to **ENTITY** a Certificate of Insurance as proof that it has secured and paid for policies of public liability and automobile insurance to cover all operations and services under this Agreement with limits of not less than $300,000.00 per occurrence, $300,000.00 aggregate, covering all risks incident to or in connection with the execution, performance, attempted performance or non-performance of this Agreement.

SECTION XIII
Procurement

SUBRECIPIENT agrees to follow the statues and rules governing the **ENTITY** in the procurement of services, supplies or non-real property in relation to **ENTITY-**funded projects. The legal standards that will apply include the procurement standards of the HIDALGO COUNTY Urban County Program, which includes 24 CFR Part 85.36, and the TEXAS COUNTY PURCHASING ACT.

SECTION XIV
Conflict of Interest

SUBRECIPIENT covenants that members of its organization or staff members who exercise influence on the decision-making process will not have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed in the Statement of Work, 24 CFR Part 570.611, 24 CFR Part 84.40-48, and 24 CFR Part 85.36.

SUBRECIPIENT agrees that no person who is an elected official, officer, director, employee, consultant, or agent of the **SUBRECIPIENT**'s organization or the **ENTITY**'s organization shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Statement of Work during their tenure or for a period of one year thereafter.

SUBRECIPIENT is responsible for repayment of funds associated with any conflict of interest that may occur either knowingly or unknowingly.

No **ENTITY** employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described in the Statement of Work.

SECTION XII
Legal Action and Venue

SUBRECIPIENT agrees to notify the **ENTITY** when a problem arises that may lead to legal action or claim against the **SUBRECIPIENT**. The **SUBRECIPIENT** agrees to furnish to the **ENTITY** any and all information with respect to such action or claim. The **SUBRECIPIENT** agrees not to take any action with respect to any legal action or claim sought against the **SUBRECIPIENT** without the advice and written consent of the **ENTITY**.

Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this Agreement shall lie exclusively in HIDALGO COUNTY.

SECTION XIII
Miscellaneous Provisions

Conflict with Applicable Law. Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

No Waiver. No waiver by **ENTITY** of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

Entire Agreement. This Agreement contains the entire contract between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by **ENTITY** and **SUBRECIPIENT**, and not otherwise.

Texas Law to Apply. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THIE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.

Notice. Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by electronic mail, or (iii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or (iv) sent by facsimile or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to **ENTITY**:

COUNTY OF HIDALGO
Urban County Program
1916 Tesoro Blvd.
Pharr, TX 78577
Email: ucp@ucp.co.hidalgo.tx.us
Phone # (956) 787-8127
Fax # (956) 787-5291

If to **SUBRECIPIENT**:

ARISE- South Tower
c/o Lourdes Flores, Executive Director
P.O. Box 778
Alamo, Texas 78516
Phone #: (956) 783-6959
Fax #: (956) 783-0274
Email: Lourdes_flores70@yahoo.com

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the Unites States mail.

Additional Documents. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

Assignment. This Agreement shall not be assignable by **SUBRECIPIENT**. **ENTITY** may assign this Agreement without the consent of **SUBRECIPIENT**.

Headings. The headings and captions contained in this Agreement are solely for convenient reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

Gender and Number. All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate.

Authority to Execute. The execution and performance of this Agreement by **ENTITY** and **SUBRECIPIENT** have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of **ENTITY** and **SUBRECIPIENT** in accordance with its terms.

SECTION XVII
Effective Date

The effective date of this agreement shall be the **1st day of July 2012** such date being the date the HIDALGO COUNTY COMMISSIONERS' COURT approved entering into this Agreement with SUBRECIPIENT and shall terminate on the **31st day of May 2013.**

Approved and signed this _____ day of _____ 20___.

_____ _____
Print or Type Name of Authorized Official Signature of Authorized Official

SUBRECIPIENT Name: ARISE- South Tower
Address: 330 W. San Bernardino
City/State/Zip: Alamo, Texas 78516
Federal I.D. # or Soc. Sec. #:74-28625887
DUNS #: 022567542

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

_____ personally appeared before me and declared that he/she signed this application in the capacity designated, if any, and further states that, he/she has read the above application, and the statements therein contained are true.

Subscribed and sworn to before me this _____ day of_____, 20_____ .

_____
Notary - Signature

COUNTY OF HIDALGO – URBAN COUNTY PROGRAM

_____ _____
Witness: **Diana R. Serna, UCP Director**

APPROVED AS TO FORM
Atlas & Hall L.L.P.
By: Steve Crain
Date: June 21, 2011

Exhibit A
STATEMENT OF WORK

Hidalgo County – Precinct #2

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

ARISE-South Tower will provide outreach and education through educational home visits and programs for the families of the colonias (neighborhoods) south of Alamo, TX Precinct #2

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 10,000 Awarded By: Hidalgo County – Precinct #2

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Partial salaries for 7 staff persons.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.)

Participants will receive educational home visits, and will be enrolled and active in programs provided by ARISE South Tower as follows: English language programs (ESL & ELCD); citizenship preparation; reading program; parenting programs; health support group; ballet folklorico; driver's license preparation; arts & crafts; sewing; summer program for children & youth etc;. Educational home visits go on throughout the year. The educational sessions associated with the programs, take place in two cycles of 12 weeks each. CDBG funds "will be used for all activities related to these forms of education and outreach.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

ARISE South Tower will provide an increase in services through its new Parents-As-Mentors program. The program assists parents in their ability to guide their children in homework projects, and it encourages parents to develop and maintain good relationships with their children's teachers.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Seventy-five low-income families from Colonia South Tower and the surrounding colonias—will participate in the ARISE Parents-As-Mentors program.

Section VII List all locations (physical address) where the funded service(s) will be provided.

ARISE-South Tower Center/330 W. San Bernardino, Alamo, TX 78516—and, Colonias La Frontera 1, 2, & 3; San Antonio Circle; Southside; Little Mexico; Rene St; and El Gato 1, 2, & 3.

Exhibit B-1
GRANT BUDGET
Awarded by: Hidalgo County--Precinct #2

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Salaries and fringe benefits for service providers.	$10,000
TOTAL GRANT BUDGET:	$10,000

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: __Hidalgo County—Precinct #2

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	$0.00	
August	0.00	
September	$1,000	Salaries
October	$1,000	Salaries
November	$1,000	Salaries
December	$1,000	Salaries
January	$1,000	Salaries
February	$1,000	Salaries
March	$1,000	Salaries
April	$1,500	Salaries
May	$1,500	Salaries
TOTAL:	**$10,000**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Hidalgo County Precinct #2

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July		
August		
September	150	Educational home visits and services associated with programs.
October	100	"
November	100	"
December	100	"
January	150	"
February	100	"
March	100	"
April	150	"
May	100	"
Total for the Year:	**1,050**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit D
RECORDS & REPORTS
Awarded by: Hidalgo County Precinct #2

REPORTS

A **Monthly Performance Report (Exhibit D - Activity Report)** must be submitted with each request for payment on or before the 15th of each month. Each activity report must include the following information:

- **Type of expenditures utilizing CDBG funds, type of service(s) provided and how the service met one of the HUD national objectives:**
  - Benefit to Low and Moderate Income Persons
  - Provides Decent Affordable Housing
  - Creates Economic Opportunities

  Number of persons assisted with New Access to service

  Number of persons assisted with Improved Access to service

  Number of low-mod beneficiaries served

  Ethnic Data

  Number of persons served living with a disability

  Number of female head of households served

  Income levels of persons or households with the categories of extremely low, low to moderate and non-low income.

- **Type of Outcome:**

  - **Availability/Accessibility**. Description of how services were made available or accessible to low and moderate income people, including persons with disabilities.

  - **Affordability**. How grant funds made the service affordable to low and moderate income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

  - **Sustainability**: **Promoting Livable or Viable Communities.** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

- **Other significant information** (such as special events, fundraisers, award ceremonies, etc.)Agency agrees to provide Entity with summaries of any events, fundraisers, and/or ceremonies held and provide photos of such events prior to the end date of the Agreement.

RECORDS **Cont. Exhibit D**

All records pertaining to each fiscal year of CDBG funds must be retained, from the date of submission of the COUNTY's Consolidated Annual Performance and Evaluation Report (CAPER) in which the specific activity is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 4-year period. In such cases, the records must be retained until completion of the action and resolution of all issues which arise from it or the end of the regular 4-year period, whichever is longer, except as provided below:

- Written agreements must be retained for four (4) years after the agreement terminates.
- If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
- In the event more than one exception applies to a particular record, the largest retention period shall apply to such record.

(a) Beneficiary Files

Subrecipient must maintain individual beneficiary files served utilizing CDBG funds. Such files must contain the following:

- Membership/registration Application
- Original Program Application (UCP self certification form)
- Physical address of residence

(b) Program Files

Subrecipient must maintain program files related to the Urban County Program CDBG award. Such files must contain the following:

- CDBG funding proposal letter to city and/or precinct
- Urban County Program Subrecipient Questionnaire, exhibits and supporting documentation
- Subrecipient Agreement
- Correspondence to and from Urban County
- Expenditure Reports
- Copies of reimbursement requests
- Monthly Performance Reports
- If applicable, fixed asset inventory list

(c) Financial Records

Subrecipient must maintain proper financial records.

(d) Program Income

Subrecipient must report program income earned, retained and expended to the Urban County Program that was generated by the use of the CDBG award.

Exhibit E
REQUEST FOR PAYMENTS
Hidalgo County – Precinct 2

1. Subrecipient must submit **monthly** reimbursement requests as approved on the Schedule of Payment hereto attached as Exhibit B-2 (the "Schedule of Payment") **due on or before the 15th of each month.**

2. Subrecipient must inform Urban County in writing if the reimbursement request and/or monthly performance report will not be submitted by the due date.

3. Request for reimbursements that are submitted after the last working day of the month will be returned unpaid if the subrecipient did not comply with Request for Payments (2) hereto attached as Exhibit E (the "Request for Payments").

4. Urban County Program will return incorrect and/or incomplete reimbursement requests to the subrecipient as soon as possible in order for corrections to be made.

5. Subrecipient must submit the corrections and/or pending documentation no later than 10 days from notification by UCP. Should the subrecipient fail to submit the corrections within the allotted time, the RFP will be returned, and will NOT qualify for re-submission.

6. Subrecipient must submit May's reimbursement request and monthly performance report to the Urban County Program on or before June 15th.

7. May expenditures (equipment / supplies) must be invoiced and paid by May 31st to be eligible for reimbursement.

8. Subrecipient must submit all required documentation as stated on the UCP Reimbursement Checklist.

9. Should the Subrecipient fail to comply with timely submittals of monthly reimbursement requests and/or performance reports, the Urban County Program shall consider termination of the Subrecipient Agreement as per Section X "Suspension and Termination".

10. Subrecipient must submit a copy of the monthly reimbursement request and performance reports to the respective City and/or Precinct providing CDBG funds to the organization. Failure to submit copies may require pre-approval of the City and/or Precinct prior to Urban County processing the reimbursement request.

11. All reimbursement requests and reports submitted to Urban County must be originals signed with blue ink.

12. As per Section IV of this Agreement, the Urban County Program Monitoring Division will conduct on-site monitoring visits to ensure compliance with applicable Federal requirements and performance goals are being met.

13. Reimbursement requests are processed by Urban County on a first come first serve basis.

14. Payments to Subrecipients will only be mailed. Checks will not be allowed for pickup.

Checks are mailed eleven (11) days from the date the reimbursement request is submitted to the finance division, **only** after all documentation is reviewed, corrections are made, and all documentation is in order.

Exhibit F
Other Applicable Provisions
As stated in Section VIII
OMB Circular A–110 (implemented at 24 CFR part 84)
Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

(1) Subpart A—"General";

(2) Subpart B—"Pre-Award Requirements," except for §84.12, "Forms for Applying for Federal Assistance";

(3) Subpart C—"Post-Award Requirements," except for:

(i) Section 84.22, "Payment Requirements." Grantees shall follow the standards of §§85.20(b)(7) and 85.21 in making payments to subrecipients;

(ii) Section 84.23, "Cost Sharing and Matching";

(iii) Section 84.24, "Program Income." In lieu of §84.24, CDBG subrecipients shall follow §570.504;

(iv) Section 84.25, "Revision of Budget and Program Plans";

(v) Section 84.32, "Real Property." In lieu of §84.32, CDBG subrecipients shall follow §570.505;

(vi) Section 84.34(g), "Equipment." In lieu of the disposition provisions of §84.34(g), the following applies:

(A) In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and

(B) Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient;

(vii) Section 84.51 (b), (c), (d), (e), (f), (g), and (h), "Monitoring and Reporting Program Performance";

(viii) Section 84.52, "Financial Reporting";

(ix) Section 84.53(b), "Retention and access requirements for records." Section 84.53(b) applies with the following exceptions:

(A) The retention period referenced in §84.53(b) pertaining to individual CDBG activities shall be four years; and

(B) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;

(x) Section 84.61, "Termination." In lieu of the provisions of §84.61, CDBG subrecipients shall comply with §570.503(b)(7); and

(4) Subpart D—"After-the-Award Requirements," except for §84.71, "Closeout Procedures."

Exhibit G
Applicable Provisions - 24 CFR Part 85
As stated in Section VIII

Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"

(1) Section 85.3, "Definitions";

(2) Section 85.6, "Exceptions";

(3) Section 85.12, "Special grant or subgrant conditions for 'high-risk' grantees";

(4) Section 85.20, "Standards for financial management systems," except paragraph (a);

(5) Section 85.21, "Payment," except as modified by §570.513;

(6) Section 85.22, "Allowable costs";

(7) Section 85.26, "Non-federal audits";

(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;

(9) Section 85.33, "Supplies";

(10) Section 85.34, "Copyrights";

(11) Section 85.35, "Subawards to debarred and suspended parties";

(12) Section 85.36, "Procurement," except paragraph (a);

(13) Section 85.37, "Subgrants";

(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) through (d) and paragraph (f);

(15) Section 85.41, "Financial reporting," except paragraphs (a), (b), and (e);

(16) Section 85.42, "Retention and access requirements for records," except that the period shall be four years;

(17) Section 85.43, "Enforcement";

(18) Section 85.44, "Termination for convenience";

(19) Section 85.51 "Later disallowances and adjustments" and

(20) Section 85.52, "Collection of amounts due."

STATE OF TEXAS }
}
COUNTY OF HIDALGO }

SUBRECIPIENT AGREEMENT

This Agreement is made and entered into on this the 26TH day of June, 20 12, by and between the COUNTY OF HIDALGO, Urban County Program, a political subdivision of the State of Texas, hereinafter referred to as **"ENTITY"**, and **BOYS & GIRLS CLUB OF ALAMO, INC.**, hereinafter referred to as **"SUBRECIPIENT".**

WITNESSETH

WHEREAS, **SUBRECIPIENT** desires to carry out eligible activities as described in the Statement of Work attached hereto as **Exhibit A** (the "Statement of Work**")**, to this Agreement, and permitted by Title I of the Housing and Community Development Act of 1992 (1992 Act) pursuant to the U. S. Department of Housing and Urban Development Community Development Block Grant Program Entitlement Grant Regulations and covered in 24 CFR 570.

WHEREAS, the **ENTITY** proposes to contract with **SUBRECIPIENT** in order that the eligible activities described in **Exhibit A** (the "Statement of Work**")** can be carried out for the benefit of residents in the ENTITY'S jurisdiction.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration the receipt of which is hereby acknowledged, the **ENTITY** and the **SUBRECIPIENT** do mutually agree as follows:

SECTION I
Rules and Regulations

The **SUBRECIPIENT** agrees to cooperate with the **ENTITY** in respect to the implementation of Community Development Block Grant CFDA No. 14.218 (CDBG) activities to be carried out by **SUBRECIPIENT** pursuant to 24 CFR Part 570 and other rules, regulations and decisions as may be made by the U. S. Department of Housing and Urban Development (HUD) or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG program funds.

SECTION II
Statement of Work

SUBRECIPIENT agrees to perform services as outlined in the Statement of Work for and in consideration of payment in the amount of **$ 63,500.00,** and as delineated in the Grant Budget and the Payment Schedule attached hereto as Exhibit B-1 (the "Grant Budget") and Exhibit B-2 (the "Payment Schedule").

SUBRECIPIENT agrees to notify **ENTITY**, in writing, prior to any changes in its Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"). SUBRECIPIENT shall obtain approval, in writing, from ENTITY prior to commencing work on any changes made to the Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity.

ENTITY shall not be liable for costs incurred or performances rendered by **SUBRECIPIENT** before commencement of this Agreement or after termination of this Agreement.

SUBRECIPIENT agrees to follow the schedule outlined in the Schedule of Activity of this Agreement, and shall notify **ENTITY**, in writing, prior to any changes, delays or departures from the Schedule of Activity. If **SUBRECIPIENT** demonstrates that delays or departure from the Schedule of Activity is due to circumstances beyond its control, **ENTITY** and **SUBRECIPIENT** may (but Entity shall not be required) to amend the Schedule of Activity.

SECTION III
Records and Reports

SUBRECIPIENT agrees to establish and maintain records and reports as outlined in the Records and Reports attached hereto as Exhibit D (the "Records and Reports") and agrees to make the Records and Reports available to the **ENTITY**, HUD, and any other local, state or federal entity or authority that may exercise jurisdiction over CDBG funds. Monthly performance reports must be submitted on or before the 15th of every month.

SECTION IV
Monitoring Visits

SUBRECIPIENT agrees that **ENTITY** shall conduct on-site monitoring visits to assure compliance with applicable Federal requirements and that performance goals are being achieved, if applicable, as per 24 CFR Part 85.40 (a) and 24 CFR Part 84.51(a). **SUBRECIPIENT** shall attend an orientation prior to the award of funds and prior to the first draw of funds. After each monitoring visit, **ENTITY** shall provide **SUBRECIPIENT** with a written report of the monitor's findings. If the monitoring reports note deficiencies in **SUBRECIPIENT's** performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by **SUBRECIPIENT**. Failure by **SUBRECIPIENT** to take action specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section X of this Agreement. In addition, **SUBRECIPIENT** shall give HUD, the Comptroller General of the United States, **ENTITY**, and any of their duly authorized representatives, unobstructed and full 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 **SUBRECIPIENT** pertaining to this Agreement.

SECTION V
Payment Requests and Program Income

SUBRECIPIENT agrees to follow administrative directions from the **ENTITY** regarding documenting and processing payment requests as defined in the Requests for Payments attached hereto as Exhibit E (the "Requests for Payments") of this Agreement.

SUBRECIPIENT shall submit final reimbursement request to **ENTITY** within fifteen (15) days (by June 15, 2012) of the Agreement termination date.

SUBRECIPIENT and **ENTITY** agree that if applicable, program income generated from the use of CDBG funds shall be retained by the **SUBRECIPIENT**. If the activity is partially assisted with CDBG funds, the **SUBRECIPIENT** agrees to pro-rate the gross income to reflect the percent of CDBG funds assisted in the activity. The **SUBRECIPIENT** is to provide to the **ENTITY** by the third Wednesday of each month an accounting of program income through Monthly Performance Reports outlined in the Records and Reports. The **ENTITY** is then required to report all CDBG program income earned, retained, and expended. The **SUBRECIPIENT** shall be allowed to use program income for the same or similar activities as generated by program income. Failure of the **SUBRECIPIENT** to report program income as required shall cause the **ENTITY** to require all program income to be recovered by the **ENTITY**.

SUBRECIPIENT and **ENTITY** agree that all unused CDBG funds at the end or termination of this agreement will be reallocated or reprogrammed by **ENTITY.**

SECTION VI
Religious Activities

The **SUBRECIPIENT** and **ENTITY** both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this Agreement be used for sectarian or religious activities.

SECTION VII
Other Program Requirements

SUBRECIPIENT agrees to comply with "Other Program Requirements" as listed in 24 CFR §570.600 through 611 except for those environmental review requirements listed as 24 CFR §570.604 and initiation of review process under the provisions of 24 CFR Part 52.

SECTION VIII
Uniform Administrative Requirements

Subrecipients, except subrecipients that are governmental entities, shall comply with the requirements and standards of OMB Circular No. A–122, "Cost Principles for Non-profit Organizations", or OMB Circular No. A–21, "Cost Principles for Educational Institutions", as applicable, and OMB Circular A–133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions" (as set forth in 24 CFR part 45). Audits shall be conducted annually. Such subrecipients shall also comply with the provisions of the Uniform Administrative requirements of OMB Circular A–110 (implemented at 24 CFR part 84, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations") or the related CDBG provisions, as specified in the other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions") and any subsequent amendments thereto.

Recipients and Subrecipients that are governmental entities (including public agencies) shall comply with the requirements and standards of OMB Circular No. A–87, "Cost Principles for State, Local, and Indian Tribal Governments"; OMB Circular A–133, "Audits of State and Local Governments" (implemented at 24 CFR part 44); and with sections of 24 CFR part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" or other related CDBG provision, as specified in the other Applicable Provisions attached hereto as Exhibit G (the "Other Applicable Provisions") and any subsequent amendments thereto.

SECTION IX
Audit Requirements

SUBRECIPIENT agrees to comply with the applicable requirements and standards as set forth in OMB Circular A-133, Audits of States, Local Governments and Non-Profit organizations.

SUBRECIPIENT agrees to furnish **ENTITY** with a current Financial Management Letter (financial statements) within six (6) months from the end of its fiscal year covering the period of this Agreement that includes detailed receipts and disbursement of payments to **SUBRECIPIENT** hereunder. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit a Financial Management Letter.**

However, if **SUBRECIPIENT** expends Five Hundred Thousand Dollars ($500,000.00) or more in federal funds, **SUBRECIPIENT** must, within nine (9) months from the end of its fiscal year, supply **ENTITY** with an audit of revenues and expenditures conducted by a certified public accountant. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit an audit within the allotted time.**

If the **SUBRECIPIENT** expends less than Five Hundred Thousand Dollars ($500,000.00) a year in federal awards, then they are exempt from the OMB Circular A-133 audit requirements for that year; however, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity and the General Accounting Office.

SUBRECIPIENT is required to submit a 990 Tax Return (Return of Organization Exempt from Income Tax) for the most recent fiscal year within six (6) months if submitting a Financial Management Letter or within nine (9) months if submitting a Financial Audit. If the Subrecipient is not classified as an exempt entity, the Subrecipient will not be awarded grant funds.

If applicable, **SUBRECIPIENT** agrees to cooperate with **ENTITY** relating to any inquiries regarding the Financial Audit or Financial Management Letter and **SUBRECIPIENT** acknowledges that a Financial Audit or Financial Management Letter shall be provided to **ENTITY** at the expense of the **SUBRECIPIENT.** Financial Audit or Financial Management Letter shall be available to **ENTITY** staff, and any and all applicable federal agencies, and be of unrestricted access, as listed in 24 CFR Part 85.42.

SECTION X
Suspension and Termination

SUBRECIPIENT understands that this Agreement may be suspended or terminated, in accordance with 24 CFR §85.43, if applicable, and 24 CFR §84.61, if the **SUBRECIPIENT** materially fails to comply with the provisions of this Agreement or the provisions so listed in the Statement of Work attached hereto as Exhibit A (the "Statement of Work"), the Grant Budget attached hereto as Exhibit B-1 (the "Grant Budget), the Payment Schedule attached hereto as Exhibit B-2 (the "Payment Schedule), the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"), the Records & Reports attached hereto as Exhibit D (the "Records & Reports"), the Request for Payments attached hereto as Exhibit E (the "Request for Payments"), Other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions"), and the Applicable Provisions - 24 CFR Part 85 attached hereto as Exhibit G (the "Other Applicable Provisions – 24 CFR Part 85").

If **SUBRECIPIENT** fails to fulfill in a timely and proper manner its obligations under this Agreement, or **SUBRECIPIENT** violates any of the Agreements or stipulations of this Agreement, then the **ENTITY** shall provide **SUBRECIPIENT** written notification of such non-performance. Such non-performance, (***i.e., timely submittal of monthly reports and/or reimbursements)***, may be the basis for immediate termination of this Agreement. Should any breach of contract (Agreement) relate to a violation of federal law or regulation that results in HUD demanding reimbursement from the **ENTITY OR SUBRECIPIENT** or its successor, the **ENTITY** may terminate this Agreement and seek reimbursement of all funds from **SUBRECIPIENT**. **SUBRECIPIENT** shall not be relieved of the liability to the **ENTITY** for damages sustained by the **ENTITY** by virtue of any breach of this contract (Agreement) by **SUBRECIPIENT** and **ENTITY** may withhold any payments to **SUBRECIPIENT** for violations of federal regulations or any breach of this Agreement. Should the **ENTITY** become aware of any activity by **SUBRECIPIENT,** which would jeopardize the **ENTITY'S** position with the U. S. Department of Housing and Urban Development (HUD) or which would cause a payback of federal funds, then the **ENTITY** may take appropriate action including injunctive relief against **SUBRECIPIENT** to prevent the transaction. The failure of the **ENTITY** to exercise any right shall in no way constitute a waiver by the **ENTITY** to otherwise demand payment or seek any other relief in law or in equity to which it may be justly entitled.

It is expressly agreed that this Agreement may not be amended except upon the joint action of both the **ENTITY** and **BOYS & GIRLS CLUB OF ALAMO, INC.**.

SECTION XI
Assets

SUBRECIPIENT shall not purchase any asset unless prior written approval is obtained from the **ENTITY** and such procurement shall be done in the form and manner so prescribed by the **ENTITY**.

Any asset acquired or improved in part or in whole with CDBG funds in excess of $25,000 must be used in an activity that meets one of the national objectives listed in 24 CFR §570.208 for a period of five (5) years after the expiration of this Agreement or a longer period if so determined by the **ENTITY**.

The disposition of any asset improved or acquired in part or in whole with CDBG funds by the **SUBRECIPIENT** must be done with prior written approval of the **ENTITY** and the **ENTITY** shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The **ENTITY** may, at its option, request that such asset be transferred to **ENTITY** if the asset is no longer being used to meet one of the national objectives or in any case where the **SUBRECIPIENT** no longer provides services shown on the Statement of Work.

SECTION XII
Indemnity Clause

SUBRECIPIENT agrees to hold **ENTITY** harmless from, and indemnify **ENTITY** from and defend **ENTITY** against any and all claims brought against **ENTITY** by employees or officers of **SUBRECIPIENT** or brought by any third person arising in any manner directly or indirectly from **SUBRECIPIENT** programs, activities or events conducted pursuant to this Agreement.

SUBRECIPIENT shall acquire, maintain and furnish to **ENTITY** a Certificate of Insurance as proof that it has secured and paid for policies of public liability and automobile insurance to cover all operations and services under this Agreement with limits of not less than $300,000.00 per occurrence, $300,000.00 aggregate, covering all risks incident to or in connection with the execution, performance, attempted performance or non-performance of this Agreement.

SECTION XIII
Procurement

SUBRECIPIENT agrees to follow the statues and rules governing the **ENTITY** in the procurement of services, supplies or non-real property in relation to **ENTITY-**funded projects. The legal standards that will apply include the procurement standards of the HIDALGO COUNTY Urban County Program, which includes 24 CFR Part 85.36, and the TEXAS COUNTY PURCHASING ACT.

SECTION XIV
Conflict of Interest

SUBRECIPIENT covenants that members of its organization or staff members who exercise influence on the decision-making process will not have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed in the Statement of Work, 24 CFR Part 570.611, 24 CFR Part 84.40-48, and 24 CFR Part 85.36.

SUBRECIPIENT agrees that no person who is an elected official, officer, director, employee, consultant, or agent of the **SUBRECIPIENT**'s organization or the **ENTITY**'s organization shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Statement of Work during their tenure or for a period of one year thereafter.

SUBRECIPIENT is responsible for repayment of funds associated with any conflict of interest that may occur either knowingly or unknowingly.

No **ENTITY** employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described in the Statement of Work.

SECTION XII
Legal Action and Venue

SUBRECIPIENT agrees to notify the **ENTITY** when a problem arises that may lead to legal action or claim against the **SUBRECIPIENT**. The **SUBRECIPIENT** agrees to furnish to the **ENTITY** any and all information with respect to such action or claim. The **SUBRECIPIENT** agrees not to take any action with respect to any legal action or claim sought against the **SUBRECIPIENT** without the advice and written consent of the **ENTITY**.

Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this Agreement shall lie exclusively in HIDALGO COUNTY.

SECTION XIII
Miscellaneous Provisions

Conflict with Applicable Law. Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

No Waiver. No waiver by **ENTITY** of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

Entire Agreement. This Agreement contains the entire contract between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by **ENTITY** and **SUBRECIPIENT**, and not otherwise.

Texas Law to Apply. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THIE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.

Notice. Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by electronic mail, or (iii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or (iv) sent by facsimile or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to **ENTITY**:

COUNTY OF HIDALGO
Urban County Program
1916 Tesoro Blvd.
Pharr, TX 78577
Email: ucp@ucp.co.hidalgo.tx.us
Phone # (956) 787-8127
Fax # (956) 787-5291

If to **SUBRECIPIENT**:

Boys & Girls Club of Alamo, Inc.
Attn: Lyle Skaggs, Jr.
501 North 13th Street
Alamo, Texas 78516
Email: bgclubs_alamosanjuan@yahoo.com
Phone: (956) 782-5437
Fax: (956) 782-0741

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the Unites States mail.

Additional Documents. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

Assignment. This Agreement shall not be assignable by **SUBRECIPIENT**. **ENTITY** may assign this Agreement without the consent of **SUBRECIPIENT**.

Headings. The headings and captions contained in this Agreement are solely for convenient reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

Gender and Number. All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate.

Authority to Execute. The execution and performance of this Agreement by **ENTITY** and **SUBRECIPIENT** have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of **ENTITY** and **SUBRECIPIENT** in accordance with its terms.

SECTION XVII
Effective Date

The effective date of this agreement shall be the **1st day of July 2012** such date being the date the HIDALGO COUNTY COMMISSIONERS' COURT approved entering into this Agreement with SUBRECIPIENT and shall terminate on the **31st day of May 2013.**

Approved and signed this _____ day of _____ 20__.

_____ _____
Print or Type Name of Authorized Official Signature of Authorized Official

SUBRECIPIENT Name: Boys & Girls Club of Alamo, Inc.
Address: 501 North 13th Street
City/State/Zip: Alamo, Texas 78516
Federal I.D. # or Soc. Sec. #: 74-2713813
DUNS #: 009562666

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

_____ personally appeared before me and declared that he/she signed this application in the capacity designated, if any, and further states that, he/she has read the above application, and the statements therein contained are true.

Subscribed and sworn to before me this _____ day of_____, 20_____ .

_____
Notary - Signature

COUNTY OF HIDALGO – URBAN COUNTY PROGRAM

_____ _____
Witness: **Diana R. Serna, UCP Director**

APPROVED AS TO FORM
Atlas & Hall L.L.P.
By: Steve Crain
Date: June 21, 2011

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

Provide youth services in the areas of Character & Leadership Development, Education & Career Development, the Arts, Sports, Fitness, & Recreation, & Health & Life Skills.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 10,000.00 Awarded By: Precinct 1

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Salaries & Fringe benefits for staff providing direct services to include but not limited to Program Director, Unit Director, Program Leaders. Purchase of Recreational Equipment & supplies for programs.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

The Club provides direct services in a variety of ways. In-school Monday thru Friday 8:30 a.m. to 3:30p.m. After-school M-F from 3:00p.m.-7:30p.m. During sport leagues run until 11:00 p.m. & Saturday & Sundays all day for special events, sports leagues games & tournaments Our building based programs are implemented by program staff in the areas of Character & Leadership Development, Education & Career Development, the Arts, Health & Life Skills, and Sports, Fitness, & Recreation. Such as, Arts & crafts, Recreation, computer lab, torch club, "type 2 we're on to you."

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

This grant will allow the continued access to services for extremely low and/or low to moderate income residents that otherwise would go unassisted. We are increasing our programs that are covered by this Grant by 40%. The new programs to this grant are Pony Baseball & Softball.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

We service children Ages 4-18 yrs in Alamo and surrounding areas. Estimated number of children serviced in this area is 75 of which a majority is considered extremely low and/or low to moderate income. The $10,000.00 covers approximately 33% of the estimated annual cost to provide services to 75 members or these monies approximately cover the cost for only 25 members of the 75 members. These monies must be used to leverage other grant monies.

Section VII List all locations (physical address) where the funded service(s) will be provided.

Alamo Unit] 501 N. 13th St. Alamo, TX , [Villagomez Baseball Park] 423 N. Tower Rd. Alamo, TX, & [Alamo Sports Complex] 600 S. Ridge Rd. Alamo, TX

Exhibit B-1
GRANT BUDGET
Awarded by: _Precinct 1__

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Salaries & Fringe Benefits for Staff that Providing direct services to include but not limited to Program Director(s), Unit Director(s) Program Leader(s) 7/12-5/13	$ 9,950.00
Purchase of Recreational Equipment & Supplies	$ 50.00
TOTAL GRANT BUDGET:	**$ 10,000.000**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: __Precinct 1_____

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	$ 1,200.00	Program Salaries
August	$ 900.00	Program Salaries/ Equipment Supplies
September	$ 950.00	Program Salaries
October	$ 950.00	Program Salaries
November	$ 950.00	Program Salaries
December	$ 950.00	Program Salaries
January	$ 950.00	Program Salaries
February	$ 900.00	Program Salaries
March	$ 950.00	Program Salaries
April	$ 900.00	Program Salaries
May	$ 400.00	Program Salaries
TOTAL:	$10,000.00	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: __Precinct 1_____

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 **For the months of....**	**Number of Unduplicated** **Beneficiaries to be Serviced**	**Services Provided**
July	25	Provide youth services in the areas of : Character & Leadership Development,
August		Health & Life Skills, Education & Career Development, The Arts, Sports, Fitness,
September	5	& Recreation.
October		Provide youth services in the areas of : Character & Leadership Development,
November		Health & Life Skills, Education & Career Development, The Arts, Sports, Fitness,
December		& Recreation.
January	5	Provide youth services in the areas of : Character & Leadership Development,
February		Health & Life Skills, Education & Career Development, The Arts, Sports, Fitness,
March	40	& Recreation.
April		Provide youth services in the areas of : Character & Leadership Development,
May		Health & Life Skills, Education & Career Development, The Arts, Sports, Fitness,
Total for the Year:	75	& Recreation.

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

Provide youth services in the areas of Character & Leadership Development, Education & Career Development, the Arts, Sports, Fitness, & Recreation, & Health & Life Skills.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 13,500.00 Awarded By: Precinct 2

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Salaries & benefits for staff providing direct services to include but not limited to Program Director, Unit Director, Program Leaders. Purchase of recreational equipment & supplies for programs.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

The Club provides direct services in a variety of ways. In-school Monday thru Friday 8:30 a.m. to 3:30p.m. After-school M-F from 3:00p.m.-7:30p.m. During sport leagues until 10:00 p.m. Saturday & Sundays all day for special events, sports leagues games & tournaments Our building based programs are implemented by program staff in the areas of Character & Leadership Development, Education & Career Development, the Arts, Health & Life Skills, and Sports, Fitness, & Recreation. Such as, Arts & crafts, Recreation, computer lab, torch club, "type 2 we're on to you."

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

This grant will allow the continued access to services for extremely low and/or low to moderate income residents that otherwise would go unassisted. We are increasing our programs that are covered by this Grant by 40%. The new programs to this grant are Pony Baseball & Softball.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

We service children Ages 4-18 yrs of age from Precinct 2. Estimated number serviced in this area is 100 of which a majority is considered extremely low and/or low to moderate income. The $13,500.00 covers approximately 34% of the estimated annual cost to provide services to 100 members or these monies approximately cover only 34 members of the 100 members. These monies must be used to leverage other grant money.

Section VII List all locations (physical address) where the funded service(s) will be provided.

[Alamo Unit] 501 N. 13th St. Alamo, TX , [Villagomez Baseball Park] 423 N. Tower Rd. Alamo, TX , & [Alamo Sports Complex] 600 S. Ridge Rd. Alamo, TX,

Exhibit B-1
GRANT BUDGET
Awarded by: __Precinct 2 ____

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Salaries & Benefits for Staff that Providing direct services to include but not limited to Program Director(s), Unit Director(s) Program Leader(s) 7/12-5/13	$13,450.00
Purchase of Recreational Equipment & Supplies	$ 50.00
TOTAL GRANT BUDGET:	**$13,500.00**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: __Precinct 2 _____

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	$ 1,400.00	Program Salaries
August	$ 900.00	Program Salaries
September	$ 1,200.00	Program Salaries
October	$ 1,200.00	Program Salaries
November	$ 1,200.00	Program Salaries
December	$ 1,200.00	Program Salaries/Equipment Supplies
January	$ 1,400.00	Program Salaries
February	$ 1,200.00	Program Salaries
March	$ 1,400.00	Program Salaries
April	$ 1,200.00	Program Salaries
May	$ 1,200.00	Program Salaries
TOTAL:	$13,500.00	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Precinct 2

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	35	Provide youth services in the areas of: Character & Leadership Development,
August		Health & Life Skills, Education & Career Development, The Arts, Sports,
September	10	Fitness & Recreation.
October		Provide youth services in the areas of: Character & Leadership Development,
November		Health & Life Skills, Education & Career Development, The Arts, Sports,
December		Fitness & Recreation.
January	5	Provide youth services in the areas of: Character & Leadership Development,
February		Health & Life Skills, Education & Career Development, The Arts, Sports,
March	25	Fitness & Recreation.
April	25	Provide youth services in the areas of: Character & Leadership Development,
May		Health & Life Skills, Education & Career Development, The Arts, Sports,
Total for the Year:	100	Fitness & Recreation.

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

Provide youth services in the areas of Character & Leadership Development Education & Career Development, the Arts, Sports, Fitness, & Recreation, & Health & Life Skills.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 30,000.00 Awarded By: City of Alamo

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

& Fringe benefits for staff providing direct services to include but not limited to Program Director, Unit Director, Program Leaders. Purchase of Recreational Equipment & supplies for programs.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

The Club provides direct services in a variety of ways. In-school Monday thru Friday 8:30 a.m. to 3:30p.m. After-school M-F from 3:00p.m.-7:30p.m. During sport leagues until 11:00 p.m. Saturday & Sundays all day for special events, sports leagues games & tournaments Our building based programs are implemented by program staff in the areas of Character & Leadership Development, Education & Career Development, the Arts, Health & Life Skills, and Sports, Fitness, & Recreation. Such as, Arts & crafts, Recreation, computer lab, torch club, "type 2 we're on to you."

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

This grant will allow the continued access to services for extremely low and/or low to moderate income residents that otherwise would go unassisted. We are increasing our programs that are covered by this Grant by 40%. The new programs to this grant are Pony Baseball & Softball.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

We service children Ages 4-18 yrs in the Alamo area. Estimated number of children serviced in this area is 320 of which over 70% is considered extremely low and/or low to moderate income. The $30,000.00 covers approximately 23% of the estimated annual cost to provide services to 320 members or these monies approximately cover only 75 members of the 320. These monies must be used to leverage other grant money to try make up the difference.

Section VII List all locations (physical address) where the funded service(s) will be provided.

501 N. 13th St. Alamo, TX , 423 N. Tower Rd. Alamo, TX. & 600 S. Ridge Rd. Alamo, TX.

Exhibit B-1
GRANT BUDGET
Awarded by: __City of Alamo_____

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Salaries & Fringe Benefits for Staff that Providing direct services to include but not limited to Program Director(s), Unit Director(s) Program Leader(s) 7/12-5/13	$ 29,500.00
Purchase of Recreational Equipment & Supplies	$500.00
TOTAL GRANT BUDGET:	**$ 30,000.00**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: __City of Alamo_ _____

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	$ 5,000.00	Program Salaries/
August	$1,800.00	Program Salaries/ Equipment Supplies
September	$2,500.00	Program Salaries/
October	$2,500.00	Program Salaries/
November	$2,500.00	Program Salaries/
December	$2,800.00	Program Salaries/
January	$2,500.00	Program Salaries/
February	$2,500.00	Program Salaries/
March	$4,000.00	Program Salaries/
April	$2,500.00	Program Salaries/
May	$1,400.00	Program Salaries/
TOTAL:	$30,000.00	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: __City of Alamo__

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	100	Provide youth services in the areas of : Character & Leadership Development,
August		Health & Life Skills, Education & Career Development, The Arts, Sports, Fitness,
September		& Recreation.
October		Provide youth services in the areas of : Character & Leadership Development,
November		Health & Life Skills, Education & Career Development, The Arts, Sports, Fitness,
December		& Recreation.
January	10	Provide youth services in the areas of : Character & Leadership Development,
February	10	Health & Life Skills, Education & Career Development, The Arts, Sports, Fitness,
March	50	& Recreation.
April	130	Provide youth services in the areas of : Character & Leadership Development,
May	20	Health & Life Skills, Education & Career Development, The Arts, Sports, Fitness,
Total for the Year:	320	& Recreation.

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

Provide youth services in the areas of Character & Leadership Development, Education & Career Development, the Arts, Sports, Fitness, & Recreation, & Health & Life Skills.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 10,000.000 Awarded By: City of San Juan

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Salaries & Fringe benefits for staff providing direct services to include but not limited to Program Director, Unit Director, Program Leaders. Purchase of Recreational Equipment & supplies for programs.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

The Club provides direct services in a variety of ways. In-school Monday thru Friday 8:30 a.m. to 3:30p.m. After-school M-F from 3:00p.m.-7:30p.m. During sport leagues until 10:00 p.m. Saturday & Sundays all day for special events, sports leagues games & tournaments Our building based programs are implemented by program staff in the areas of Character & Leadership Development, Education & Career Development, the Arts, Health & Life Skills, and Sports, Fitness, & Recreation. Such as, Arts & crafts, Recreation, computer lab, torch club, "type 2 we're on to you."

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

This grant will allow the continued access to services for extremely low and/or low to moderate income residents that otherwise would go unassisted. We are increasing our programs that are covered by this Grant by 40%. The new programs to this grant are Pony Baseball & Softball.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

We service children Ages 4-18 yrs from San Juan. Estimated number serviced in this area is 100 of which a majority is considered extremely low and/or low to moderate income. These Grant monies cover approximately 30% of the estimated 100 members served or approximately 30 children. These monies are used to leverage other grant money.

Section VII List all locations (physical address) where the funded service(s) will be provided.

[Alamo Unit] 501 N. 13th St. Alamo, TX , [Villagomez Baseball Park] 423 N. Tower Rd. Alamo, TX , & [Alamo Sports Complex] 600 S. Ridge Rd. Alamo, TX,

Exhibit B-1
GRANT BUDGET
Awarded by: __City of San Juan_____

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Salaries & Fringe Benefits for Staff that Providing direct services to include but not limited to Program Director(s), Unit Director(s) Program Leader(s) 7/11-5/12	$ 9,950.00
Purchase of Recreational Equipment & Supplies	$ 50.00
TOTAL GRANT BUDGET:	**$10,000.000**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: ___City of San Juan _____

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	$ 2,000.00	Program Salaries
August	$ 450.00	Program Salaries
September	$ 900.00	Program Salaries
October	$ 900.00	Program Salaries
November	$ 900.00	Program Salaries
December	$ 900.00	Program Salaries/ Equipment Supplies
January	$ 900.00	Program Salaries
February	$ 900.00	Program Salaries
March	$ 900.00	Program Salaries
April	$ 900.00	Program Salaries
May	$ 350.00	Program Salaries
TOTAL:	$10,000.00	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: __City of San Juan _____

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 **For the months of....**	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	50	Provide youth services in the areas of: Character & Leadership Development,
August		Health & Life Skills, Education & Career Development, The Arts, Sports, Fitness,
September	10	& Recreation.
October		Provide youth services in the areas of: Character & Leadership Development,
November	10	Health & Life Skills, Education & Career Development, The Arts, Sports, Fitness,
December		& Recreation.
January	15	Provide youth services in the areas of: Character & Leadership Development,
February		Health & Life Skills, Education & Career Development, The Arts, Sports, Fitness,
March	25	& Recreation.
April	26	Provide youth services in the areas of: Character & Leadership Development,
May		Health & Life Skills, Education & Career Development, The Arts, Sports, Fitness,
Total for the Year:	136	& Recreation.

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit D
RECORDS & REPORTS

REPORTS

A **Monthly Performance Report (Exhibit D - Activity Report)** must be submitted with each request for payment on or before the 15th of each month. Each activity report must include the following information:

- **Type of expenditures utilizing CDBG funds, type of service(s) provided and how the service met one of the HUD national objectives:**
  - Benefit to Low and Moderate Income Persons
  - Provides Decent Affordable Housing
  - Creates Economic Opportunities

  Number of persons assisted with New Access to service

  Number of persons assisted with Improved Access to service

  Number of low-mod beneficiaries served

  Ethnic Data

  Number of persons served living with a disability

  Number of female head of households served

  Income levels of persons or households with the categories of extremely low, low to moderate and non-low income.

- **Type of Outcome:**

  - **Availability/Accessibility**. Description of how services were made available or accessible to low and moderate income people, including persons with disabilities.

  - **Affordability**. How grant funds made the service affordable to low and moderate income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

  - **Sustainability**: **Promoting Livable or Viable Communities.** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

- **Other significant information** (such as special events, fundraisers, award ceremonies, etc.)Agency agrees to provide Entity with summaries of any events, fundraisers, and/or ceremonies held and provide photos of such events prior to the end date of the Agreement.

RECORDS **Cont. Exhibit D**

All records pertaining to each fiscal year of CDBG funds must be retained, from the date of submission of the COUNTY's Consolidated Annual Performance and Evaluation Report (CAPER) in which the specific activity is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 4-year period. In such cases, the records must be retained until completion of the action and resolution of all issues which arise from it or the end of the regular 4-year period, whichever is longer, except as provided below:

- Written agreements must be retained for four (4) years after the agreement terminates.
- If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
- In the event more than one exception applies to a particular record, the largest retention period shall apply to such record.

(a) Beneficiary Files

Subrecipient must maintain individual beneficiary files served utilizing CDBG funds. Such files must contain the following:

- Membership/registration Application
- Original Program Application (UCP self certification form)
- Physical address of residence

(b) Program Files

Subrecipient must maintain program files related to the Urban County Program CDBG award. Such files must contain the following:

- CDBG funding proposal letter to city and/or precinct
- Urban County Program Subrecipient Questionnaire, exhibits and supporting documentation
- Subrecipient Agreement
- Correspondence to and from Urban County
- Expenditure Reports
- Copies of reimbursement requests
- Monthly Performance Reports
- If applicable, fixed asset inventory list

(c) Financial Records

Subrecipient must maintain proper financial records.

(d) Program Income

Subrecipient must report program income earned, retained and expended to the Urban County Program that was generated by the use of the CDBG award.

Exhibit E
REQUEST FOR PAYMENTS

1. Subrecipient must submit **monthly** reimbursement requests as approved on the Schedule of Payment hereto attached as Exhibit B-2 (the "Schedule of Payment") **due on or before the 15th of each month.**

2. Subrecipient must inform Urban County in writing if the reimbursement request and/or monthly performance report will not be submitted by the due date.

3. Request for reimbursements that are submitted after the last working day of the month will be returned unpaid if the subrecipient did not comply with Request for Payments (2) hereto attached as Exhibit E (the "Request for Payments").

4. Urban County Program will return incorrect and/or incomplete reimbursement requests to the subrecipient as soon as possible in order for corrections to be made.

5. Subrecipient must submit the corrections and/or pending documentation no later than 10 days from notification by UCP. Should the subrecipient fail to submit the corrections within the allotted time, the RFP will be returned, and will NOT qualify for re-submission.

6. Subrecipient must submit May's reimbursement request and monthly performance report to the Urban County Program on or before June 15th.

7. May expenditures (equipment / supplies) must be invoiced and paid by May 31st to be eligible for reimbursement.

8. Subrecipient must submit all required documentation as stated on the UCP Reimbursement Checklist.

9. Should the Subrecipient fail to comply with timely submittals of monthly reimbursement requests and/or performance reports, the Urban County Program shall consider termination of the Subrecipient Agreement as per Section X "Suspension and Termination".

10. Subrecipient must submit a copy of the monthly reimbursement request and performance reports to the respective City and/or Precinct providing CDBG funds to the organization. Failure to submit copies may require pre-approval of the City and/or Precinct prior to Urban County processing the reimbursement request.

11. All reimbursement requests and reports submitted to Urban County must be originals signed with blue ink.

12. As per Section IV of this Agreement, the Urban County Program Monitoring Division will conduct on-site monitoring visits to ensure compliance with applicable Federal requirements and performance goals are being met.

13. Reimbursement requests are processed by Urban County on a first come first serve basis.

14. Payments to Subrecipients will only be mailed. Checks will not be allowed for pickup.

Checks are mailed eleven (11) days from the date the reimbursement request is submitted to the finance division, **only** after all documentation is reviewed, corrections are made, and all documentation is in order.

Exhibit F
Other Applicable Provisions
As stated in Section VIII
OMB Circular A–110 (implemented at 24 CFR part 84)
Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

(1) Subpart A—"General";

(2) Subpart B—"Pre-Award Requirements," except for §84.12, "Forms for Applying for Federal Assistance";

(3) Subpart C—"Post-Award Requirements," except for:

(i) Section 84.22, "Payment Requirements." Grantees shall follow the standards of §§85.20(b)(7) and 85.21 in making payments to subrecipients;

(ii) Section 84.23, "Cost Sharing and Matching";

(iii) Section 84.24, "Program Income." In lieu of §84.24, CDBG subrecipients shall follow §570.504;

(iv) Section 84.25, "Revision of Budget and Program Plans";

(v) Section 84.32, "Real Property." In lieu of §84.32, CDBG subrecipients shall follow §570.505;

(vi) Section 84.34(g), "Equipment." In lieu of the disposition provisions of §84.34(g), the following applies:

(A) In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and

(B) Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient;

(vii) Section 84.51 (b), (c), (d), (e), (f), (g), and (h), "Monitoring and Reporting Program Performance";

(viii) Section 84.52, "Financial Reporting";

(ix) Section 84.53(b), "Retention and access requirements for records." Section 84.53(b) applies with the following exceptions:

(A) The retention period referenced in §84.53(b) pertaining to individual CDBG activities shall be four years; and

(B) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;

(x) Section 84.61, "Termination." In lieu of the provisions of §84.61, CDBG subrecipients shall comply with §570.503(b)(7); and

(4) Subpart D—"After-the-Award Requirements," except for §84.71, "Closeout Procedures."

Exhibit G
Applicable Provisions - 24 CFR Part 85
As stated in Section VIII

Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"

(1) Section 85.3, "Definitions";

(2) Section 85.6, "Exceptions";

(3) Section 85.12, "Special grant or subgrant conditions for 'high-risk' grantees";

(4) Section 85.20, "Standards for financial management systems," except paragraph (a);

(5) Section 85.21, "Payment," except as modified by §570.513;

(6) Section 85.22, "Allowable costs";

(7) Section 85.26, "Non-federal audits";

(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;

(9) Section 85.33, "Supplies";

(10) Section 85.34, "Copyrights";

(11) Section 85.35, "Subawards to debarred and suspended parties";

(12) Section 85.36, "Procurement," except paragraph (a);

(13) Section 85.37, "Subgrants";

(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) through (d) and paragraph (f);

(15) Section 85.41, "Financial reporting," except paragraphs (a), (b), and (e);

(16) Section 85.42, "Retention and access requirements for records," except that the period shall be four years;

(17) Section 85.43, "Enforcement";

(18) Section 85.44, "Termination for convenience";

(19) Section 85.51 "Later disallowances and adjustments" and

(20) Section 85.52, "Collection of amounts due."

STATE OF TEXAS }
}
COUNTY OF HIDALGO }

SUBRECIPIENT AGREEMENT

This Agreement is made and entered into on this the **26th day of June, 20 12**, by and between the COUNTY OF HIDALGO, Urban County Program, a political subdivision of the State of Texas, hereinafter referred to as **"ENTITY"**, and **BOYS & GIRLS CLUB OF EDINBURG RIO GRANDE VALLEY, INC.** , hereinafter referred to as **"SUBRECIPIENT".**

WITNESSETH

WHEREAS, **SUBRECIPIENT** desires to carry out eligible activities as described in the Statement of Work attached hereto as **Exhibit A** (the "Statement of Work**")**, to this Agreement, and permitted by Title I of the Housing and Community Development Act of 1992 (1992 Act) pursuant to the U. S. Department of Housing and Urban Development Community Development Block Grant Program Entitlement Grant Regulations and covered in 24 CFR 570.

WHEREAS, the **ENTITY** proposes to contract with **SUBRECIPIENT** in order that the eligible activities described in **Exhibit A** (the "Statement of Work**")** can be carried out for the benefit of residents in the ENTITY'S jurisdiction.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration the receipt of which is hereby acknowledged, the **ENTITY** and the **SUBRECIPIENT** do mutually agree as follows:

SECTION I
Rules and Regulations

The **SUBRECIPIENT** agrees to cooperate with the **ENTITY** in respect to the implementation of Community Development Block Grant CFDA No. 14.218 (CDBG) activities to be carried out by **SUBRECIPIENT** pursuant to 24 CFR Part 570 and other rules, regulations and decisions as may be made by the U. S. Department of Housing and Urban Development (HUD) or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG program funds.

SECTION II
Statement of Work

SUBRECIPIENT agrees to perform services as outlined in the Statement of Work for and in consideration of payment in the amount of **$ 80,000.00,** and as delineated in the Grant Budget and the Payment Schedule attached hereto as Exhibit B-1 (the "Grant Budget") and Exhibit B-2 (the "Payment Schedule").

SUBRECIPIENT agrees to notify **ENTITY**, in writing, prior to any changes in its Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"). SUBRECIPIENT shall obtain approval, in writing, from ENTITY prior to commencing work on any changes made to the Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity.

ENTITY shall not be liable for costs incurred or performances rendered by **SUBRECIPIENT** before commencement of this Agreement or after termination of this Agreement.

SUBRECIPIENT agrees to follow the schedule outlined in the Schedule of Activity of this Agreement, and shall notify **ENTITY**, in writing, prior to any changes, delays or departures from the Schedule of Activity. If **SUBRECIPIENT** demonstrates that delays or departure from the Schedule of Activity is due to circumstances beyond its control, **ENTITY** and **SUBRECIPIENT** may (but Entity shall not be required) to amend the Schedule of Activity.

SECTION III
Records and Reports

SUBRECIPIENT agrees to establish and maintain records and reports as outlined in the Records and Reports attached hereto as Exhibit D (the "Records and Reports") and agrees to make the Records and Reports available to the **ENTITY**, HUD, and

any other local, state or federal entity or authority that may exercise jurisdiction over CDBG funds. Monthly performance reports must be submitted on or before the 15th of every month.

SECTION IV
Monitoring Visits

SUBRECIPIENT agrees that **ENTITY** shall conduct on-site monitoring visits to assure compliance with applicable Federal requirements and that performance goals are being achieved, if applicable, as per 24 CFR Part 85.40 (a) and 24 CFR Part 84.51(a). **SUBRECIPIENT** shall attend an orientation prior to the award of funds and prior to the first draw of funds. After each monitoring visit, **ENTITY** shall provide **SUBRECIPIENT** with a written report of the monitor's findings. If the monitoring reports note deficiencies in **SUBRECIPIENT's** performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by **SUBRECIPIENT**. Failure by **SUBRECIPIENT** to take action specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section X of this Agreement. In addition, **SUBRECIPIENT** shall give HUD, the Comptroller General of the United States, **ENTITY**, and any of their duly authorized representatives, unobstructed and full 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 **SUBRECIPIENT** pertaining to this Agreement.

SECTION V
Payment Requests and Program Income

SUBRECIPIENT agrees to follow administrative directions from the **ENTITY** regarding documenting and processing payment requests as defined in the Requests for Payments attached hereto as Exhibit E (the "Requests for Payments") of this Agreement.

SUBRECIPIENT shall submit final reimbursement request to **ENTITY** within fifteen (15) days (by June 15, 2012) of the Agreement termination date.

SUBRECIPIENT and **ENTITY** agree that if applicable, program income generated from the use of CDBG funds shall be retained by the **SUBRECIPIENT**. If the activity is partially assisted with CDBG funds, the **SUBRECIPIENT** agrees to pro-rate the gross income to reflect the percent of CDBG funds assisted in the activity. The **SUBRECIPIENT** is to provide to the **ENTITY** by the third Wednesday of each month an accounting of program income through Monthly Performance Reports outlined in the Records and Reports. The **ENTITY** is then required to report all CDBG program income earned, retained, and expended. The **SUBRECIPIENT** shall be allowed to use program income for the same or similar activities as generated by program income. Failure of the **SUBRECIPIENT** to report program income as required shall cause the **ENTITY** to require all program income to be recovered by the **ENTITY**.

SUBRECIPIENT and **ENTITY** agree that all unused CDBG funds at the end or termination of this agreement will be reallocated or reprogrammed by **ENTITY.**

SECTION VI
Religious Activities

The **SUBRECIPIENT** and **ENTITY** both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this Agreement be used for sectarian or religious activities.

SECTION VII
Other Program Requirements

SUBRECIPIENT agrees to comply with "Other Program Requirements" as listed in 24 CFR §570.600 through 611 except for those environmental review requirements listed as 24 CFR §570.604 and initiation of review process under the provisions of 24 CFR Part 52.

SECTION VIII
Uniform Administrative Requirements

Subrecipients, except subrecipients that are governmental entities, shall comply with the requirements and standards of OMB Circular No. A–122, "Cost Principles for Non-profit Organizations", or OMB Circular No. A–21, "Cost Principles for Educational Institutions", as applicable, and OMB Circular A–133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions" (as set forth in 24 CFR part 45). Audits shall be conducted annually. Such subrecipients shall also comply with the provisions of the Uniform Administrative requirements of OMB Circular A–110 (implemented at 24 CFR part 84, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations") or the related CDBG provisions, as specified in the other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions") and any subsequent amendments thereto.

Recipients and Subrecipients that are governmental entities (including public agencies) shall comply with the requirements and standards of OMB Circular No. A–87, "Cost Principles for State, Local, and Indian Tribal Governments"; OMB Circular A–133, "Audits of State and Local Governments" (implemented at 24 CFR part 44); and with sections of 24 CFR part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" or other related CDBG provision, as specified in the other Applicable Provisions attached hereto as Exhibit G (the "Other Applicable Provisions") and any subsequent amendments thereto.

SECTION IX
Audit Requirements

SUBRECIPIENT agrees to comply with the applicable requirements and standards as set forth in OMB Circular A-133, Audits of States, Local Governments and Non-Profit organizations.

SUBRECIPIENT agrees to furnish **ENTITY** with a current Financial Management Letter (financial statements) within six (6) months from the end of its fiscal year covering the period of this Agreement that includes detailed receipts and disbursement of payments to **SUBRECIPIENT** hereunder. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit a Financial Management Letter.**

However, if **SUBRECIPIENT** expends Five Hundred Thousand Dollars ($500,000.00) or more in federal funds, **SUBRECIPIENT** must, within nine (9) months from the end of its fiscal year, supply **ENTITY** with an audit of revenues and expenditures conducted by a certified public accountant. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit an audit within the allotted time.**

If the **SUBRECIPIENT** expends less than Five Hundred Thousand Dollars ($500,000.00) a year in federal awards, then they are exempt from the OMB Circular A-133 audit requirements for that year; however, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity and the General Accounting Office.

SUBRECIPIENT is required to submit a 990 Tax Return (Return of Organization Exempt from Income Tax) for the most recent fiscal year within six (6) months if submitting a Financial Management Letter or within nine (9) months if submitting a Financial Audit. If the Subrecipient is not classified as an exempt entity, the Subrecipient will not be awarded grant funds.

If applicable, **SUBRECIPIENT** agrees to cooperate with **ENTITY** relating to any inquiries regarding the Financial Audit or Financial Management Letter and **SUBRECIPIENT** acknowledges that a Financial Audit or Financial Management Letter shall be provided to **ENTITY** at the expense of the **SUBRECIPIENT.** Financial Audit or Financial Management Letter shall be available to **ENTITY** staff, and any and all applicable federal agencies, and be of unrestricted access, as listed in 24 CFR Part 85.42.

SECTION X
Suspension and Termination

SUBRECIPIENT understands that this Agreement may be suspended or terminated, in accordance with 24 CFR §85.43, if applicable, and 24 CFR §84.61, if the **SUBRECIPIENT** materially fails to comply with the provisions of this Agreement or the provisions so listed in the Statement of Work attached hereto as Exhibit A (the "Statement of Work"), the Grant Budget attached hereto as Exhibit B-1 (the "Grant Budget), the Payment Schedule attached hereto as Exhibit B-2 (the "Payment Schedule), the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"), the Records & Reports attached hereto as Exhibit D (the "Records & Reports"), the Request for Payments attached hereto as Exhibit E (the "Request for Payments"), Other Applicable

Provisions attached hereto as Exhibit F (the "Applicable Provisions"), and the Applicable Provisions - 24 CFR Part 85 attached hereto as Exhibit G (the "Other Applicable Provisions – 24 CFR Part 85").

If **SUBRECIPIENT** fails to fulfill in a timely and proper manner its obligations under this Agreement, or **SUBRECIPIENT** violates any of the Agreements or stipulations of this Agreement, then the **ENTITY** shall provide **SUBRECIPIENT** written notification of such non-performance. Such non-performance, (***i.e., timely submittal of monthly reports and/or reimbursements)***, may be the basis for immediate termination of this Agreement. Should any breach of contract (Agreement) relate to a violation of federal law or regulation that results in HUD demanding reimbursement from the **ENTITY OR SUBRECIPIENT** or its successor, the **ENTITY** may terminate this Agreement and seek reimbursement of all funds from **SUBRECIPIENT**. **SUBRECIPIENT** shall not be relieved of the liability to the **ENTITY** for damages sustained by the **ENTITY** by virtue of any breach of this contract (Agreement) by **SUBRECIPIENT** and **ENTITY** may withhold any payments to **SUBRECIPIENT** for violations of federal regulations or any breach of this Agreement. Should the **ENTITY** become aware of any activity by **SUBRECIPIENT,** which would jeopardize the **ENTITY'S** position with the U. S. Department of Housing and Urban Development (HUD) or which would cause a payback of federal funds, then the **ENTITY** may take appropriate action including injunctive relief against **SUBRECIPIENT** to prevent the transaction. The failure of the **ENTITY** to exercise any right shall in no way constitute a waiver by the **ENTITY** to otherwise demand payment or seek any other relief in law or in equity to which it may be justly entitled.

It is expressly agreed that this Agreement may not be amended except upon the joint action of both the **ENTITY** and **BOYS & GIRLS CLUB OF EDINBURG RIO GRANDE VALLEY, INC.**

SECTION XI
Assets

SUBRECIPIENT shall not purchase any asset unless prior written approval is obtained from the **ENTITY** and such procurement shall be done in the form and manner so prescribed by the **ENTITY**.

Any asset acquired or improved in part or in whole with CDBG funds in excess of $25,000 must be used in an activity that meets one of the national objectives listed in 24 CFR §570.208 for a period of five (5) years after the expiration of this Agreement or a longer period if so determined by the **ENTITY**.

The disposition of any asset improved or acquired in part or in whole with CDBG funds by the **SUBRECIPIENT** must be done with prior written approval of the **ENTITY** and the **ENTITY** shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The **ENTITY** may, at its option, request that such asset be transferred to **ENTITY** if the asset is no longer being used to meet one of the national objectives or in any case where the **SUBRECIPIENT** no longer provides services shown on the Statement of Work.

SECTION XII
Indemnity Clause

SUBRECIPIENT agrees to hold **ENTITY** harmless from, and indemnify **ENTITY** from and defend **ENTITY** against any and all claims brought against **ENTITY** by employees or officers of **SUBRECIPIENT** or brought by any third person arising in any manner directly or indirectly from **SUBRECIPIENT** programs, activities or events conducted pursuant to this Agreement.

SUBRECIPIENT shall acquire, maintain and furnish to **ENTITY** a Certificate of Insurance as proof that it has secured and paid for policies of public liability and automobile insurance to cover all operations and services under this Agreement with limits of not less than $300,000.00 per occurrence, $300,000.00 aggregate, covering all risks incident to or in connection with the execution, performance, attempted performance or non-performance of this Agreement.

SECTION XIII
Procurement

SUBRECIPIENT agrees to follow the statues and rules governing the **ENTITY** in the procurement of services, supplies or non-real property in relation to **ENTITY**-funded projects. The legal standards that will apply include the procurement standards of the HIDALGO COUNTY Urban County Program, which includes 24 CFR Part 85.36, and the TEXAS COUNTY PURCHASING ACT.

SECTION XIV
Conflict of Interest

SUBRECIPIENT covenants that members of its organization or staff members who exercise influence on the decision-making process will not have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed in the Statement of Work, 24 CFR Part 570.611, 24 CFR Part 84.40-48, and 24 CFR Part 85.36.

SUBRECIPIENT agrees that no person who is an elected official, officer, director, employee, consultant, or agent of the **SUBRECIPIENT**'s organization or the **ENTITY**'s organization shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Statement of Work during their tenure or for a period of one year thereafter.

SUBRECIPIENT is responsible for repayment of funds associated with any conflict of interest that may occur either knowingly or unknowingly.

No **ENTITY** employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described in the Statement of Work.

SECTION XII
Legal Action and Venue

SUBRECIPIENT agrees to notify the **ENTITY** when a problem arises that may lead to legal action or claim against the **SUBRECIPIENT**. The **SUBRECIPIENT** agrees to furnish to the **ENTITY** any and all information with respect to such action or claim. The **SUBRECIPIENT** agrees not to take any action with respect to any legal action or claim sought against the **SUBRECIPIENT** without the advice and written consent of the **ENTITY**.

Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this Agreement shall lie exclusively in HIDALGO COUNTY.

SECTION XIII
Miscellaneous Provisions

Conflict with Applicable Law. Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

No Waiver. No waiver by **ENTITY** of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

Entire Agreement. This Agreement contains the entire contract between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by **ENTITY** and **SUBRECIPIENT**, and not otherwise.

Texas Law to Apply. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THIE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.

Notice. Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by electronic mail, or (iii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or (iv) sent by facsimile or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to **ENTITY**:

COUNTY OF HIDALGO
Urban County Program
1916 Tesoro Blvd.
Pharr, TX 78577
Email: ucp@ucp.co.hidalgo.tx.us
Phone # (956) 787-8127
Fax # (956) 787-5291

If to **SUBRECIPIENT**:

Boys & Girls Club of Edinburg Rio Grande Valley, Inc.
Attn: Sabrina Walker-Hernandez
702 South 18th Street
Edinburg, Texas 78540
Email: swalker@edinburgkids.com
Phone: (956) 383-2582
Fax: (956) 381-9635

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the Unites States mail.

Additional Documents. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

Assignment. This Agreement shall not be assignable by **SUBRECIPIENT**. **ENTITY** may assign this Agreement without the consent of **SUBRECIPIENT**.

Headings. The headings and captions contained in this Agreement are solely for convenient reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

Gender and Number. All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate.

Authority to Execute. The execution and performance of this Agreement by **ENTITY** and **SUBRECIPIENT** have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of **ENTITY** and **SUBRECIPIENT** in accordance with its terms.

SECTION XVII
Effective Date

The effective date of this agreement shall be the **1st day of July 2012** such date being the date the HIDALGO COUNTY COMMISSIONERS' COURT approved entering into this Agreement with SUBRECIPIENT and shall terminate on the **31st day of May 2013.**

Approved and signed this _____ day of _____ 20__.

_____ _____
Print or Type Name of Authorized Official Signature of Authorized Official

SUBRECIPIENT Name: Boys & Girls Club of Edinburg Rio Grande Valley, Inc.
Address: P.O. Box 1079
City/State/Zip: Edinburg, Texas 78540
Federal I.D. # or Soc. Sec. #:74-2549652
DUNS #: 931657555

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

_____ personally appeared before me and declared that he/she signed this application in the capacity designated, if any, and further states that, he/she has read the above application, and the statements therein contained are true.

Subscribed and sworn to before me this _____ day of_____, 20_____ .

_____
Notary - Signature

COUNTY OF HIDALGO – URBAN COUNTY PROGRAM

_____ _____
Witness: **Diana R. Serna, UCP Director**

APPROVED AS TO FORM
Atlas & Hall L.L.P.
By: Steve Crain
Date: June 21, 2011

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

1. provide positive alternatives for youth 2). Provide supervised programs for youth ages six (6) to eighteen (18) years of age in this community 3) Expand and enhance youth development services in the community 4) collaborated effort with the Boys & Girls Clubs of America, City of Edinburg, Edinburg Consolidated School District, Hidalgo County Precinct 4 United Way of South Texas and the Lower Rio Grande Valley Development Council to acquire funding for this unit.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 60,000 Awarded By: Pct #4

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Salaries, Membership Fees, Supplies, & Instructors

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

The Cub will provide Youth Development Services through programming in the five core Areas of Character & Leadership Development, Education & Career Development, The Arts, Health & life Skills, and Sports Fitness and Recreation.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

1). Serve 450 youth ages of six (6) to eighteen (18) years of age as registered club members. 2). Involve 150 San Carlos, 150 Faysville and 150 Brewster youth in year round Sports, fitness and Recreation 3). Involve 150 San Carlos, 150 Faysville and 150 Brewster in year round in Character & Leadership Development 4). Involve 150 San Carlos, 150 Faysville and 150 Brewster youth year round in Health and Life Skills 5). Involve 150 San Carlos,150 Faysville and 150 Brewster youth year round in Education and Career Development 6). Involve 150 San Carlos, 150 Faysville and 150 Brewster youth year round in the Arts.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

The services provided through the Boys & Girls Clubs of Edinburg Rio Grande Valley, San Carlos Unit, Faysville and Brewster Longhorn Unit is to serve 450 youth between the ages of six (6) to eighteen (18) years during the school year and summer. These youth are primarily for low income families.

Section VII List all locations (physical address) where the funded service(s) will be provided.

All activities will be conducted at the San Carlos Unit, Brewster Longhorn Unit, and Faysville-Guerra Elementary School. The San Carlos Unit is located at 6th Street and east 107 in San Carlos services will also be provided at Kennedy Elementary located east on 107 in San Carlos on 83rd Street & San Carlos School located at 505 S. 83rd Street. The Brewster Unit is located at Rt 3 Box 1010 in San Manuel, Linn. Faysville is located at Guerra Elementary 10010 Via Fernandez Edinburg, Texas. These youth will also participate in Edinburg activities for league play, field trips, and special events.

Exhibit B-1
GRANT BUDGET
Awarded by: _Pct #4_

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Salaries & Fringe Benefit for staff providing direct services to youth Program Coordinator, Program Leaders etc…for the San Carlos, Faysville and Brewster Units	$26,343.00 – Salaries
Membership Fees for low-income youth to participate in programs for the San Carlos, Faysville and Brewster Units. 450 @ $20 each.	$9,000 – Membership
STEM Instructor Fees: Instructor will provide instruction in Science Technology Engineering & Math Camps – Set Fee of $35.00 per youth participant for the San Carlos, Faysville and Brewster Units 20 youth x $35 x 4 (SC & JFK) = $2,800.00 20 youth x $35 x 2 (Faysville/Guerra) = $1,400.00 20 youth x $35 x 2 (Brewster) = $1,400.00	$5,600 – STEM Instructor
Supply/Equipment - Media/Music/Computer Equipment, T-Shirts, recreation, sports and art supplies	$19,057.00 – Supplies
TOTAL GRANT BUDGET:	**$ 60,000.00**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: _Pct #4__

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012- 2013 For the Months of...	Estimated Amount Of Expenditures	Type of Budgeted Expenditures
July	0.00	
August	0.00	
September	26796.29	**Salary Position & membership San Carlos, Brewster and Faysville** **Equipment & Supplies San Carlos, Brewster and Faysville**
October	4412.19	**Salary Position & membership San Carlos, Brewster and Faysville** **Equipment & Supplies San Carlos, Brewster and Faysville**
November	3824.62	**Salary Position & membership for San Carlos, Brewster and Faysville**
December	5473.59	**Salary Position, Membership, & Instructor San Carlos, Brewster and Faysville**
January	3248.63	**Salary Position, Membership, & Instructor San Carlos, Brewster and Faysville**
February	4536.69	**Salary Position, Membership, & Instructor San Carlos, Brewster and Faysville**
March	3914.30	**Salary Position, Membership, & Instructor San Carlos, Brewster and Faysville**
April	4296.65	**Salary Position & membership for San Carlos, Brewster and Faysville**
May	3497.04	**Salary Position & membership for San Carlos, Brewster and Faysville**
TOTAL:	**$60,000**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: _Pct #4__

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	Number of Unduplicated Beneficiaries to be Serviced	Services Provided
July	0	
August	0	
September	200 for All three Units - Brewster San Carlos & Faysville	The Cub will provide Youth Development Services through programming in the five core Areas of Character & Leadership Development, Education & Career Development, The Arts, Health & life Skills, and Sports Fitness and Recreation.
October	100 for All three Units - Brewster San Carlos & Faysville	The Cub will provide Youth Development Services through programming in the five core Areas of Character & Leadership Development, Education & Career Development, The Arts, Health & life Skills, and Sports Fitness and Recreation.
November	100 for All three Units - Brewster San Carlos & Faysville	The Cub will provide Youth Development Services through programming in the five core Areas of Character & Leadership Development, Education & Career Development, The Arts, Health & life Skills, and Sports Fitness and Recreation.
December	50 for All three Units - Brewster San Carlos & Faysville	The Cub will provide Youth Development Services through programming in the five core Areas of Character & Leadership Development, Education & Career Development, The Arts, Health & life Skills, and Sports Fitness and Recreation.
January		
February		
March		
April		
May		
Total for the Year:	**450**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

1. provide positive alternatives for youth 2). Provide supervised programs for youth ages six (6) to eighteen (18) years of age in this community 3) Expand and enhance youth development services in the community 4) collaborated effort with the Boys & Girls Clubs of America, City of Edinburg, Edinburg Consolidated School District, Hidalgo County Precinct 4 United Way of South Texas and the Lower Rio Grande Valley Development Council to acquire funding for this unit.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 20,000 Awarded By: Pct #1

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Salaries, Membership Fees, Supplies, & Instructors

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

The Cub will provide Youth Development Services through programming in the five core Areas of Character & Leadership Development, Education & Career Development, The Arts, Health & life Skills, and Sports Fitness and Recreation.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

1). Serve a minimum 150 youth ages of six (6) to eighteen (18) years of age as registered club members. 2). Involve 150 Hargill youth in year round Sports, fitness and Recreation 3). Involve 150 Hargill youth in year round in Character & Leadership Development 4). Involve 150 Hargill youth year round in Health and Life Skills 5). Involve 150 Hargill youth year round in Education and Career Development 6). Involve 150 Hargill youth year round in the Arts.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

The services provided through the Boys & Girls Clubs of Edinburg Rio Grande Valley, Hargill Unit is to serve a minimum of 150 youth between the ages of six (6) to eighteen (18) years during the school year and summer. These youth are primarily for low income families.

Section VII List all locations (physical address) where the funded service(s) will be provided.

All activities will be conducted at the Hargill School Unit. The Hargill School is located at 4th and Wilson Street in Hargill These youth will also participate in Edinburg activities for league play, field trips, and special events.

Exhibit B-1
GRANT BUDGET
Awarded by: Pct #1

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Salaries & Fringe Benefit for staff providing services at Hargill Program Coordinator, Program Leaders etc… Hargill Membership (150 x $20 = 3,000)	**$5,440.00 – Salaries**
Membership Fees for low-income youth to participate in programs for the Hargill. 150 @ $20 each.	**$3,000 – Membership**
STEM Instructor Fees: Instructor will provide instruction in Science Technology Engineering & Math Camps – Set Fee of $35.00 per youth participant for the San Carlos, Faysville and Brewster Units 20 youth x $35 x 4 (Hargill) = $2,800.00	**$2,800 – STEM Instructor Set Fee**
Supply/Equipment - Media/Music/Computer Equipment, T-Shirts, recreation, sports and art supplies	**$8,760.00 – Supplies**
	$
	$
TOTAL GRANT BUDGET:	**$ 20,000.00**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Pct #1__

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012- 2013 For the Months of...	Estimated Amount Of Expenditures	Type of Budgeted Expenditures
July	0.00	
August	0.00	
September	10,368.00	Salary Position & Membership for Hargill Equipment & Supplies Hargill,
October	2,304.00	Salary Position, Membership & instructor for Hargill Equipment & Supplies Hargill,
November	2,304.00	Salary Position, Membership & instructor for Hargill
December	604.00	Salary Position, Membership & instructor for Hargill
January	604.00	Salary Position, Membership & instructor for Hargill
February	604.00	Salary Position, Membership & instructor for Hargill
March	1,304.00	Salary Position, Membership & instructor for Hargill
April	1,304.00	Salary Position, Membership & instructor for Hargill
May	604.00	Salary Position, Membership & instructor for Hargill
TOTAL:	**$20,000**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Pct #1____

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	Number of Unduplicated Beneficiaries to be Serviced	Services Provided
July	0	
August	0	
September	50 Hargill	The Cub will provide Youth Development Services through programming in the five core Areas of Character & Leadership Development, Education & Career Development, The Arts, Health & life Skills, and Sports Fitness and Recreation.
October	50 Hargill	The Cub will provide Youth Development Services through programming in the five core Areas of Character & Leadership Development, Education & Career Development, The Arts, Health & life Skills, and Sports Fitness and Recreation.
November	50 Hargill	The Cub will provide Youth Development Services through programming in the five core Areas of Character & Leadership Development, Education & Career Development, The Arts, Health & life Skills, and Sports Fitness and Recreation.
December		
January		
February		
March		
April		
May		
Total for the Year:	**150**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit D
RECORDS & REPORTS

REPORTS

A **Monthly Performance Report (Exhibit D - Activity Report)** must be submitted with each request for payment on or before the 15th of each month. Each activity report must include the following information:

- **Type of expenditures utilizing CDBG funds, type of service(s) provided and how the service met one of the HUD national objectives:**
  - Benefit to Low and Moderate Income Persons
  - Provides Decent Affordable Housing
  - Creates Economic Opportunities

  Number of persons assisted with New Access to service

  Number of persons assisted with Improved Access to service

  Number of low-mod beneficiaries served

  Ethnic Data

  Number of persons served living with a disability

  Number of female head of households served

  Income levels of persons or households with the categories of extremely low, low to moderate and non-low income.

- **Type of Outcome:**

  - **Availability/Accessibility**. Description of how services were made available or accessible to low and moderate income people, including persons with disabilities.

  - **Affordability**. How grant funds made the service affordable to low and moderate income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

  - **Sustainability**: **Promoting Livable or Viable Communities.** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

- **Other significant information** (such as special events, fundraisers, award ceremonies, etc.)Agency agrees to provide Entity with summaries of any events, fundraisers, and/or ceremonies held and provide photos of such events prior to the end date of the Agreement.

RECORDS **Cont. Exhibit D**

All records pertaining to each fiscal year of CDBG funds must be retained, from the date of submission of the COUNTY's Consolidated Annual Performance and Evaluation Report (CAPER) in which the specific activity is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 4-year period. In such cases, the records must be retained until completion of the action and resolution of all issues which arise from it or the end of the regular 4-year period, whichever is longer, except as provided below:

- Written agreements must be retained for four (4) years after the agreement terminates.
- If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
- In the event more than one exception applies to a particular record, the largest retention period shall apply to such record.

(a) Beneficiary Files

Subrecipient must maintain individual beneficiary files served utilizing CDBG funds. Such files must contain the following:

- Membership/registration Application
- Original Program Application (UCP self certification form)
- Physical address of residence

(b) Program Files

Subrecipient must maintain program files related to the Urban County Program CDBG award. Such files must contain the following:

- CDBG funding proposal letter to city and/or precinct
- Urban County Program Subrecipient Questionnaire, exhibits and supporting documentation
- Subrecipient Agreement
- Correspondence to and from Urban County
- Expenditure Reports
- Copies of reimbursement requests
- Monthly Performance Reports
- If applicable, fixed asset inventory list

(c) Financial Records

Subrecipient must maintain proper financial records.

(d) Program Income

Subrecipient must report program income earned, retained and expended to the Urban County Program that was generated by the use of the CDBG award.

Exhibit E
REQUEST FOR PAYMENTS

1. Subrecipient must submit **monthly** reimbursement requests as approved on the Schedule of Payment hereto attached as Exhibit B-2 (the "Schedule of Payment") **due on or before the 15th of each month.**

2. Subrecipient must inform Urban County in writing if the reimbursement request and/or monthly performance report will not be submitted by the due date.

3. Request for reimbursements that are submitted after the last working day of the month will be returned unpaid if the subrecipient did not comply with Request for Payments (2) hereto attached as Exhibit E (the "Request for Payments").

4. Urban County Program will return incorrect and/or incomplete reimbursement requests to the subrecipient as soon as possible in order for corrections to be made.

5. Subrecipient must submit the corrections and/or pending documentation no later than 10 days from notification by UCP. Should the subrecipient fail to submit the corrections within the allotted time, the RFP will be returned, and will NOT qualify for re-submission.

6. Subrecipient must submit May's reimbursement request and monthly performance report to the Urban County Program on or before June 15th.

7. May expenditures (equipment / supplies) must be invoiced and paid by May 31st to be eligible for reimbursement.

8. Subrecipient must submit all required documentation as stated on the UCP Reimbursement Checklist.

9. Should the Subrecipient fail to comply with timely submittals of monthly reimbursement requests and/or performance reports, the Urban County Program shall consider termination of the Subrecipient Agreement as per Section X "Suspension and Termination".

10. Subrecipient must submit a copy of the monthly reimbursement request and performance reports to the respective City and/or Precinct providing CDBG funds to the organization. Failure to submit copies may require pre-approval of the City and/or Precinct prior to Urban County processing the reimbursement request.

11. All reimbursement requests and reports submitted to Urban County must be originals signed with blue ink.

12. As per Section IV of this Agreement, the Urban County Program Monitoring Division will conduct on-site monitoring visits to ensure compliance with applicable Federal requirements and performance goals are being met.

13. Reimbursement requests are processed by Urban County on a first come first serve basis.

14. Payments to Subrecipients will only be mailed. Checks will not be allowed for pickup.

Checks are mailed eleven (11) days from the date the reimbursement request is submitted to the finance division, **only** after all documentation is reviewed, corrections are made, and all documentation is in order.

Exhibit F
Other Applicable Provisions
As stated in Section VIII
OMB Circular A–110 (implemented at 24 CFR part 84)
Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

(1) Subpart A—"General";

(2) Subpart B—"Pre-Award Requirements," except for §84.12, "Forms for Applying for Federal Assistance";

(3) Subpart C—"Post-Award Requirements," except for:

(i) Section 84.22, "Payment Requirements." Grantees shall follow the standards of §§85.20(b)(7) and 85.21 in making payments to subrecipients;

(ii) Section 84.23, "Cost Sharing and Matching";

(iii) Section 84.24, "Program Income." In lieu of §84.24, CDBG subrecipients shall follow §570.504;

(iv) Section 84.25, "Revision of Budget and Program Plans";

(v) Section 84.32, "Real Property." In lieu of §84.32, CDBG subrecipients shall follow §570.505;

(vi) Section 84.34(g), "Equipment." In lieu of the disposition provisions of §84.34(g), the following applies:

(A) In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and

(B) Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient;

(vii) Section 84.51 (b), (c), (d), (e), (f), (g), and (h), "Monitoring and Reporting Program Performance";

(viii) Section 84.52, "Financial Reporting";

(ix) Section 84.53(b), "Retention and access requirements for records." Section 84.53(b) applies with the following exceptions:

(A) The retention period referenced in §84.53(b) pertaining to individual CDBG activities shall be four years; and

(B) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;

(x) Section 84.61, "Termination." In lieu of the provisions of §84.61, CDBG subrecipients shall comply with §570.503(b)(7); and

(4) Subpart D—"After-the-Award Requirements," except for §84.71, "Closeout Procedures."

Exhibit G
Applicable Provisions - 24 CFR Part 85
As stated in Section VIII

Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"

(1) Section 85.3, "Definitions";

(2) Section 85.6, "Exceptions";

(3) Section 85.12, "Special grant or subgrant conditions for 'high-risk' grantees";

(4) Section 85.20, "Standards for financial management systems," except paragraph (a);

(5) Section 85.21, "Payment," except as modified by §570.513;

(6) Section 85.22, "Allowable costs";

(7) Section 85.26, "Non-federal audits";

(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;

(9) Section 85.33, "Supplies";

(10) Section 85.34, "Copyrights";

(11) Section 85.35, "Subawards to debarred and suspended parties";

(12) Section 85.36, "Procurement," except paragraph (a);

(13) Section 85.37, "Subgrants";

(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) through (d) and paragraph (f);

(15) Section 85.41, "Financial reporting," except paragraphs (a), (b), and (e);

(16) Section 85.42, "Retention and access requirements for records," except that the period shall be four years;

(17) Section 85.43, "Enforcement";

(18) Section 85.44, "Termination for convenience";

(19) Section 85.51 "Later disallowances and adjustments" and

(20) Section 85.52, "Collection of amounts due."

STATE OF TEXAS }
}
COUNTY OF HIDALGO }

SUBRECIPIENT AGREEMENT

This Agreement is made and entered into on this the 26th day of June, 20 12, by and between the COUNTY OF HIDALGO, Urban County Program, a political subdivision of the State of Texas, hereinafter referred to as **"ENTITY"**, and **BOYS & GIRLS CLUB OF PHARR INC.** hereinafter referred to as **"SUBRECIPIENT".**

WITNESSETH

WHEREAS, **SUBRECIPIENT** desires to carry out eligible activities as described in the Statement of Work attached hereto as **Exhibit A** (the "Statement of Work**")**, to this Agreement, and permitted by Title I of the Housing and Community Development Act of 1992 (1992 Act) pursuant to the U. S. Department of Housing and Urban Development Community Development Block Grant Program Entitlement Grant Regulations and covered in 24 CFR 570.

WHEREAS, the **ENTITY** proposes to contract with **SUBRECIPIENT** in order that the eligible activities described in **Exhibit A** (the "Statement of Work**")** can be carried out for the benefit of residents in the ENTITY'S jurisdiction.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration the receipt of which is hereby acknowledged, the **ENTITY** and the **SUBRECIPIENT** do mutually agree as follows:

SECTION I
Rules and Regulations

The **SUBRECIPIENT** agrees to cooperate with the **ENTITY** in respect to the implementation of Community Development Block Grant CFDA No. 14.218 (CDBG) activities to be carried out by **SUBRECIPIENT** pursuant to 24 CFR Part 570 and other rules, regulations and decisions as may be made by the U. S. Department of Housing and Urban Development (HUD) or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG program funds.

SECTION II
Statement of Work

SUBRECIPIENT agrees to perform services as outlined in the Statement of Work for and in consideration of payment in the amount of **$10,000.00,** and as delineated in the Grant Budget and the Payment Schedule attached hereto as Exhibit B-1 (the "Grant Budget") and Exhibit B-2 (the "Payment Schedule").

SUBRECIPIENT agrees to notify **ENTITY**, in writing, prior to any changes in its Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"). SUBRECIPIENT shall obtain approval, in writing, from ENTITY prior to commencing work on any changes made to the Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity.

ENTITY shall not be liable for costs incurred or performances rendered by **SUBRECIPIENT** before commencement of this Agreement or after termination of this Agreement.

SUBRECIPIENT agrees to follow the schedule outlined in the Schedule of Activity of this Agreement, and shall notify **ENTITY**, in writing, prior to any changes, delays or departures from the Schedule of Activity. If **SUBRECIPIENT** demonstrates that delays or departure from the Schedule of Activity is due to circumstances beyond its control, **ENTITY** and **SUBRECIPIENT** may (but Entity shall not be required) to amend the Schedule of Activity.

SECTION III
Records and Reports

SUBRECIPIENT agrees to establish and maintain records and reports as outlined in the Records and Reports attached hereto as Exhibit D (the "Records and Reports") and agrees to make the Records and Reports available to the **ENTITY**, HUD, and any other local, state or federal entity or authority that may exercise jurisdiction over CDBG funds. Monthly performance reports must be submitted on or before the 15th of every month.

SECTION IV
Monitoring Visits

SUBRECIPIENT agrees that **ENTITY** shall conduct on-site monitoring visits to assure compliance with applicable Federal requirements and that performance goals are being achieved, if applicable, as per 24 CFR Part 85.40 (a) and 24 CFR Part 84.51(a). **SUBRECIPIENT** shall attend an orientation prior to the award of funds and prior to the first draw of funds. After each monitoring visit, **ENTITY** shall provide **SUBRECIPIENT** with a written report of the monitor's findings. If the monitoring reports note deficiencies in **SUBRECIPIENT's** performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by **SUBRECIPIENT**. Failure by **SUBRECIPIENT** to take action specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section X of this Agreement. In addition, **SUBRECIPIENT** shall give HUD, the Comptroller General of the United States, **ENTITY**, and any of their duly authorized representatives, unobstructed and full 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 **SUBRECIPIENT** pertaining to this Agreement.

SECTION V
Payment Requests and Program Income

SUBRECIPIENT agrees to follow administrative directions from the **ENTITY** regarding documenting and processing payment requests as defined in the Requests for Payments attached hereto as Exhibit E (the "Requests for Payments") of this Agreement.

SUBRECIPIENT shall submit final reimbursement request to **ENTITY** within fifteen (15) days (by June 15, 2012) of the Agreement termination date.

SUBRECIPIENT and **ENTITY** agree that if applicable, program income generated from the use of CDBG funds shall be retained by the **SUBRECIPIENT**. If the activity is partially assisted with CDBG funds, the **SUBRECIPIENT** agrees to pro-rate the gross income to reflect the percent of CDBG funds assisted in the activity. The **SUBRECIPIENT** is to provide to the **ENTITY** by the third Wednesday of each month an accounting of program income through Monthly Performance Reports outlined in the Records and Reports. The **ENTITY** is then required to report all CDBG program income earned, retained, and expended. The **SUBRECIPIENT** shall be allowed to use program income for the same or similar activities as generated by program income. Failure of the **SUBRECIPIENT** to report program income as required shall cause the **ENTITY** to require all program income to be recovered by the **ENTITY**.

SUBRECIPIENT and **ENTITY** agree that all unused CDBG funds at the end or termination of this agreement will be reallocated or reprogrammed by **ENTITY.**

SECTION VI
Religious Activities

The **SUBRECIPIENT** and **ENTITY** both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this Agreement be used for sectarian or religious activities.

SECTION VII
Other Program Requirements

SUBRECIPIENT agrees to comply with "Other Program Requirements" as listed in 24 CFR §570.600 through 611 except for those environmental review requirements listed as 24 CFR §570.604 and initiation of review process under the provisions of 24 CFR Part 52.

SECTION VIII
Uniform Administrative Requirements

Subrecipients, except subrecipients that are governmental entities, shall comply with the requirements and standards of OMB Circular No. A–122, "Cost Principles for Non-profit Organizations", or OMB Circular No. A–21, "Cost Principles for Educational Institutions", as applicable, and OMB Circular A–133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions" (as set forth in 24 CFR part 45). Audits shall be conducted annually. Such subrecipients shall also comply with the provisions of the Uniform Administrative requirements of OMB Circular A–110 (implemented at 24 CFR part 84, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations") or the related CDBG provisions, as specified in the other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions") and any subsequent amendments thereto.

Recipients and Subrecipients that are governmental entities (including public agencies) shall comply with the requirements and standards of OMB Circular No. A–87, "Cost Principles for State, Local, and Indian Tribal Governments"; OMB Circular A–133, "Audits of State and Local Governments" (implemented at 24 CFR part 44); and with sections of 24 CFR part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" or other related CDBG provision, as specified in the other Applicable Provisions attached hereto as Exhibit G (the "Other Applicable Provisions") and any subsequent amendments thereto.

SECTION IX
Audit Requirements

SUBRECIPIENT agrees to comply with the applicable requirements and standards as set forth in OMB Circular A-133, Audits of States, Local Governments and Non-Profit organizations.

SUBRECIPIENT agrees to furnish **ENTITY** with a current Financial Management Letter (financial statements) within six (6) months from the end of its fiscal year covering the period of this Agreement that includes detailed receipts and disbursement of payments to **SUBRECIPIENT** hereunder. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit a Financial Management Letter.**

However, if **SUBRECIPIENT** expends Five Hundred Thousand Dollars ($500,000.00) or more in federal funds, **SUBRECIPIENT** must, within nine (9) months from the end of its fiscal year, supply **ENTITY** with an audit of revenues and expenditures conducted by a certified public accountant. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit an audit within the allotted time.**

If the **SUBRECIPIENT** expends less than Five Hundred Thousand Dollars ($500,000.00) a year in federal awards, then they are exempt from the OMB Circular A-133 audit requirements for that year; however, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity and the General Accounting Office.

SUBRECIPIENT is required to submit a 990 Tax Return (Return of Organization Exempt from Income Tax) for the most recent fiscal year within six (6) months if submitting a Financial Management Letter or within nine (9) months if submitting a Financial Audit. If the Subrecipient is not classified as an exempt entity, the Subrecipient will not be awarded grant funds.

If applicable, **SUBRECIPIENT** agrees to cooperate with **ENTITY** relating to any inquiries regarding the Financial Audit or Financial Management Letter and **SUBRECIPIENT** acknowledges that a Financial Audit or

Financial Management Letter shall be provided to **ENTITY** at the expense of the **SUBRECIPIENT.** Financial Audit or Financial Management Letter shall be available to **ENTITY** staff, and any and all applicable federal agencies, and be of unrestricted access, as listed in 24 CFR Part 85.42.

SECTION X
Suspension and Termination

SUBRECIPIENT understands that this Agreement may be suspended or terminated, in accordance with 24 CFR §85.43, if applicable, and 24 CFR §84.61, if the **SUBRECIPIENT** materially fails to comply with the provisions of this Agreement or the provisions so listed in the Statement of Work attached hereto as Exhibit A (the "Statement of Work"), the Grant Budget attached hereto as Exhibit B-1 (the "Grant Budget), the Payment Schedule attached hereto as Exhibit B-2 (the "Payment Schedule), the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"), the Records & Reports attached hereto as Exhibit D (the "Records & Reports"), the Request for Payments attached hereto as Exhibit E (the "Request for Payments"), Other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions"), and the Applicable Provisions - 24 CFR Part 85 attached hereto as Exhibit G (the "Other Applicable Provisions – 24 CFR Part 85").

If **SUBRECIPIENT** fails to fulfill in a timely and proper manner its obligations under this Agreement, or **SUBRECIPIENT** violates any of the Agreements or stipulations of this Agreement, then the **ENTITY** shall provide **SUBRECIPIENT** written notification of such non-performance. Such non-performance, (***i.e., timely submittal of monthly reports and/or reimbursements)***, may be the basis for immediate termination of this Agreement. Should any breach of contract (Agreement) relate to a violation of federal law or regulation that results in HUD demanding reimbursement from the **ENTITY OR SUBRECIPIENT** or its successor, the **ENTITY** may terminate this Agreement and seek reimbursement of all funds from **SUBRECIPIENT**. **SUBRECIPIENT** shall not be relieved of the liability to the **ENTITY** for damages sustained by the **ENTITY** by virtue of any breach of this contract (Agreement) by **SUBRECIPIENT** and **ENTITY** may withhold any payments to **SUBRECIPIENT** for violations of federal regulations or any breach of this Agreement. Should the **ENTITY** become aware of any activity by **SUBRECIPIENT,** which would jeopardize the **ENTITY'S** position with the U. S. Department of Housing and Urban Development (HUD) or which would cause a payback of federal funds, then the **ENTITY** may take appropriate action including injunctive relief against **SUBRECIPIENT** to prevent the transaction. The failure of the **ENTITY** to exercise any right shall in no way constitute a waiver by the **ENTITY** to otherwise demand payment or seek any other relief in law or in equity to which it may be justly entitled.

It is expressly agreed that this Agreement may not be amended except upon the joint action of both the **ENTITY** and **BOYS & GIRLS CLUB OF PHARR, INC. .**

SECTION XI
Assets

SUBRECIPIENT shall not purchase any asset unless prior written approval is obtained from the **ENTITY** and such procurement shall be done in the form and manner so prescribed by the **ENTITY**.

Any asset acquired or improved in part or in whole with CDBG funds in excess of $25,000 must be used in an activity that meets one of the national objectives listed in 24 CFR §570.208 for a period of five (5) years after the expiration of this Agreement or a longer period if so determined by the **ENTITY**.

The disposition of any asset improved or acquired in part or in whole with CDBG funds by the **SUBRECIPIENT** must be done with prior written approval of the **ENTITY** and the **ENTITY** shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The **ENTITY** may, at its option, request that such asset be transferred to **ENTITY** if the asset is no longer being used to meet one of the national objectives or in any case where the **SUBRECIPIENT** no longer provides services shown on the Statement of Work.

SECTION XII
Indemnity Clause

SUBRECIPIENT agrees to hold **ENTITY** harmless from, and indemnify **ENTITY** from and defend **ENTITY** against any and all claims brought against **ENTITY** by employees or officers of **SUBRECIPIENT** or brought by any third person arising in any manner directly or indirectly from **SUBRECIPIENT** programs, activities or events conducted pursuant to this Agreement.

SUBRECIPIENT shall acquire, maintain and furnish to **ENTITY** a Certificate of Insurance as proof that it has secured and paid for policies of public liability and automobile insurance to cover all operations and services under this Agreement with limits of not less than $300,000.00 per occurrence, $300,000.00 aggregate, covering all risks incident to or in connection with the execution, performance, attempted performance or non-performance of this Agreement.

SECTION XIII
Procurement

SUBRECIPIENT agrees to follow the statues and rules governing the **ENTITY** in the procurement of services, supplies or non-real property in relation to **ENTITY-**funded projects. The legal standards that will apply include the procurement standards of the HIDALGO COUNTY Urban County Program, which includes 24 CFR Part 85.36, and the TEXAS COUNTY PURCHASING ACT.

SECTION XIV
Conflict of Interest

SUBRECIPIENT covenants that members of its organization or staff members who exercise influence on the decision-making process will not have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed in the Statement of Work, 24 CFR Part 570.611, 24 CFR Part 84.40-48, and 24 CFR Part 85.36.

SUBRECIPIENT agrees that no person who is an elected official, officer, director, employee, consultant, or agent of the **SUBRECIPIENT**'s organization or the **ENTITY**'s organization shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Statement of Work during their tenure or for a period of one year thereafter.

SUBRECIPIENT is responsible for repayment of funds associated with any conflict of interest that may occur either knowingly or unknowingly.

No **ENTITY** employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described in the Statement of Work.

SECTION XII
Legal Action and Venue

SUBRECIPIENT agrees to notify the **ENTITY** when a problem arises that may lead to legal action or claim against the **SUBRECIPIENT**. The **SUBRECIPIENT** agrees to furnish to the **ENTITY** any and all information with respect to such action or claim. The **SUBRECIPIENT** agrees not to take any action with respect to any legal action or claim sought against the **SUBRECIPIENT** without the advice and written consent of the **ENTITY**.

Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this Agreement shall lie exclusively in HIDALGO COUNTY.

SECTION XIII
Miscellaneous Provisions

Conflict with Applicable Law. Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

No Waiver. No waiver by **ENTITY** of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

Entire Agreement. This Agreement contains the entire contract between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by **ENTITY** and **SUBRECIPIENT**, and not otherwise.

Texas Law to Apply. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THIE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.

Notice. Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by electronic mail, or (iii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or (iv) sent by facsimile or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to **ENTITY**:

COUNTY OF HIDALGO
Urban County Program
1916 Tesoro Blvd.
Pharr, TX 78577
Email: ucp@ucp.co.hidalgo.tx.us
Phone # (956) 787-8127
Fax # (956) 787-5291

If to **SUBRECIPIENT**:

Boys & Girls Club of Pharr, Inc.
Attn: Alfredo Mata, Jr., Chief Professional Officer
413 East Clark
Pharr, Texas 78577
Email: fmata@pharrkids.org
Phone: (956) 781-5437
Fax: (956) 781-0837

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the Unites States mail.

Additional Documents. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

Assignment. This Agreement shall not be assignable by **SUBRECIPIENT**. **ENTITY** may assign this Agreement without the consent of **SUBRECIPIENT**.

Headings. The headings and captions contained in this Agreement are solely for convenient reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

Gender and Number. All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate.

Authority to Execute. The execution and performance of this Agreement by **ENTITY** and **SUBRECIPIENT** have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of **ENTITY** and **SUBRECIPIENT** in accordance with its terms.

SECTION XVII
Effective Date

The effective date of this agreement shall be the **1st day of July 2012** such date being the date the HIDALGO COUNTY COMMISSIONERS' COURT approved entering into this Agreement with SUBRECIPIENT and shall terminate on the **31st day of May 2013.**

Approved and signed this _____ day of _____ 20__.

_____ _____

Print or Type Name of Authorized Official Signature of Authorized Official

SUBRECIPIENT Name: Boys & Girls Club of Pharr, Inc.
Address: 413 East Clark
City/State/Zip: Pharr, Texas 78577
Federal I.D. # or Soc. Sec. #: 75-2258513
DUNS #: 940154677

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

_____ personally appeared before me and declared that he/she signed this application in the capacity designated, if any, and further states that, he/she has read the above application, and the statements therein contained are true.

Subscribed and sworn to before me this _____ day of_____, 20_____ .

_____
Notary - Signature

COUNTY OF HIDALGO – URBAN COUNTY PROGRAM

_____ _____

Witness: **Diana R. Serna, UCP Director**

APPROVED AS TO FORM
Atlas & Hall L.L.P.
By: Steve Crain
Date: June 21, 2011

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

The Boys & Girls Club Lopezville Unit will provide services at North San Juan Elementary. For this program year, our program will feature a new program for our clients. Along with afterschool homework assistance/tutoring and technology programs, we will provide a new "Kids in Control" Program. This program will educate our clients on self awareness, health and prevention.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 10,000.00 Awarded By: Pct. #2

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Salaries & fringe benefits for staff (Unit Director) who will provide direct services.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

The Lopezville Unit Director will provide direct services Monday-Friday 8:00am-4:30pm at North San Juan Elementary during the school year. As a result of CDBG funds, programs provided include: afterschool homework assistance/tutoring, technology program and our new "Kids in Control" Program. The Unit Director will offer services to six classes each day of the week ranging from Kinder-5th Grade.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: **Additional** ESL classes will be offered; new sports program will be created for the youth, etc.)

The CDBG funds will allow for the Lopezville Unit to provide the new "Kids in Control" Program to 300 clients. This is a new program that is being provided to our clients. Clients will continue to participate in afterschool homework assistance/tutoring and technology.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Extremely low and/or low income children ages 5-12 who live in Lopezville area and attend North San Juan Elementary. We estimate serving 300 youth.

Section VII List all locations (physical address) where the funded service(s) will be provided.

The Lopezville Unit located at North San Juan Elementary, 2900 N. Raul Longoria, San Juan, TX 78589

Exhibit B-1
GRANT BUDGET
Awarded by: Precinct No. 2

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Salaries & fringe benefits for Unit Director to provide direct services	$10,000.00
	$
	$
	$
	$
	$
TOTAL GRANT BUDGET:	**$ 10,000.00**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Precinct No. 2

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

201__- 201__ For the Months of...	Estimated Amount Of Expenditures	Type of Budgeted Expenditures
July	0.00	
August	0.00	
September	1,300.00	**Salaries/Fringe Benefits**
October	1,100.00	**Salaries/Fringe Benefits**
November	1,100.00	**Salaries/Fringe Benefits**
December	1,100.00	**Salaries/Fringe Benefits**
January	1,200.00	**Salaries/Fringe Benefits**
February	1,100.00	**Salaries/Fringe Benefits**
March	1,000.00	**Salaries/Fringe Benefits**
April	1,000.00	**Salaries/Fringe Benefits**
May	1,100.00	**Salaries/Fringe Benefits**
TOTAL:	**$10,000.00**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Precinct No. 2

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

201__ - 201___ For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	0	
August	0	
September	300	
October	same youth as previous month	New Program: Kids in Control…homework help/tutoring & technology
November	same youth as previous month	New Program: Kids in Control…homework help/tutoring & technology
December	same youth as previous month	New Program: Kids in Control…homework help/tutoring & technology
January	same youth as previous month	New Program: Kids in Control…homework help/tutoring & technology
February	same youth as previous month	New Program: Kids in Control…homework help/tutoring & technology
March	same youth as previous month	New Program: Kids in Control…homework help/tutoring & technology
April	same youth as previous month	New Program: Kids in Control…homework help/tutoring & technology
May	same youth as previous month	New Program: Kids in Control…homework help/tutoring & technology
Total for the Year:	**300**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit D
RECORDS & REPORTS

REPORTS

A **Monthly Performance Report (Exhibit D - Activity Report)** must be submitted with each request for payment on or before the 15th of each month. Each activity report must include the following information:

- **Type of expenditures utilizing CDBG funds, type of service(s) provided and how the service met one of the HUD national objectives:**
  - Benefit to Low and Moderate Income Persons
  - Provides Decent Affordable Housing
  - Creates Economic Opportunities

  Number of persons assisted with New Access to service

  Number of persons assisted with Improved Access to service

  Number of low-mod beneficiaries served

  Ethnic Data

  Number of persons served living with a disability

  Number of female head of households served

  Income levels of persons or households with the categories of extremely low, low to moderate and non-low income.

- **Type of Outcome:**

  - **Availability/Accessibility**. Description of how services were made available or accessible to low and moderate income people, including persons with disabilities.

  - **Affordability**. How grant funds made the service affordable to low and moderate income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

  - **Sustainability**: **Promoting Livable or Viable Communities.** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

- **Other significant information** (such as special events, fundraisers, award ceremonies, etc.)Agency agrees to provide Entity with summaries of any events, fundraisers, and/or ceremonies held and provide photos of such events prior to the end date of the Agreement.

RECORDS **Cont. Exhibit D**

All records pertaining to each fiscal year of CDBG funds must be retained, from the date of submission of the COUNTY's Consolidated Annual Performance and Evaluation Report (CAPER) in which the specific activity is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 4-year period. In such cases, the records must be retained until completion of the action and resolution of all issues which arise from it or the end of the regular 4-year period, whichever is longer, except as provided below:

- Written agreements must be retained for four (4) years after the agreement terminates.
- If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
- In the event more than one exception applies to a particular record, the largest retention period shall apply to such record.

(a) Beneficiary Files

Subrecipient must maintain individual beneficiary files served utilizing CDBG funds. Such files must contain the following:

- Membership/registration Application
- Original Program Application (UCP self certification form)
- Physical address of residence

(b) Program Files

Subrecipient must maintain program files related to the Urban County Program CDBG award. Such files must contain the following:

- CDBG funding proposal letter to city and/or precinct
- Urban County Program Subrecipient Questionnaire, exhibits and supporting documentation
- Subrecipient Agreement
- Correspondence to and from Urban County
- Expenditure Reports
- Copies of reimbursement requests
- Monthly Performance Reports
- If applicable, fixed asset inventory list

(c) Financial Records

Subrecipient must maintain proper financial records.

(d) Program Income

Subrecipient must report program income earned, retained and expended to the Urban County Program that was generated by the use of the CDBG award.

Exhibit E
REQUEST FOR PAYMENTS

1. Subrecipient must submit **monthly** reimbursement requests as approved on the Schedule of Payment hereto attached as Exhibit B-2 (the "Schedule of Payment") **due on or before the 15th of each month.**

2. Subrecipient must inform Urban County in writing if the reimbursement request and/or monthly performance report will not be submitted by the due date.

3. Request for reimbursements that are submitted after the last working day of the month will be returned unpaid if the subrecipient did not comply with Request for Payments (2) hereto attached as Exhibit E (the "Request for Payments").

4. Urban County Program will return incorrect and/or incomplete reimbursement requests to the subrecipient as soon as possible in order for corrections to be made.

5. Subrecipient must submit the corrections and/or pending documentation no later than 10 days from notification by UCP. Should the subrecipient fail to submit the corrections within the allotted time, the RFP will be returned, and will NOT qualify for re-submission.

6. Subrecipient must submit May's reimbursement request and monthly performance report to the Urban County Program on or before June 15th.

7. May expenditures (equipment / supplies) must be invoiced and paid by May 31st to be eligible for reimbursement.

8. Subrecipient must submit all required documentation as stated on the UCP Reimbursement Checklist.

9. Should the Subrecipient fail to comply with timely submittals of monthly reimbursement requests and/or performance reports, the Urban County Program shall consider termination of the Subrecipient Agreement as per Section X "Suspension and Termination".

10. Subrecipient must submit a copy of the monthly reimbursement request and performance reports to the respective City and/or Precinct providing CDBG funds to the organization. Failure to submit copies may require pre-approval of the City and/or Precinct prior to Urban County processing the reimbursement request.

11. All reimbursement requests and reports submitted to Urban County must be originals signed with blue ink.

12. As per Section IV of this Agreement, the Urban County Program Monitoring Division will conduct on-site monitoring visits to ensure compliance with applicable Federal requirements and performance goals are being met.

13. Reimbursement requests are processed by Urban County on a first come first serve basis.

14. Payments to Subrecipients will only be mailed. Checks will not be allowed for pickup.

Checks are mailed eleven (11) days from the date the reimbursement request is submitted to the finance division, **only** after all documentation is reviewed, corrections are made, and all documentation is in order.

Exhibit F
Other Applicable Provisions
As stated in Section VIII
OMB Circular A–110 (implemented at 24 CFR part 84)
Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

(1) Subpart A—"General";

(2) Subpart B—"Pre-Award Requirements," except for §84.12, "Forms for Applying for Federal Assistance";

(3) Subpart C—"Post-Award Requirements," except for:

(i) Section 84.22, "Payment Requirements." Grantees shall follow the standards of §§85.20(b)(7) and 85.21 in making payments to subrecipients;

(ii) Section 84.23, "Cost Sharing and Matching";

(iii) Section 84.24, "Program Income." In lieu of §84.24, CDBG subrecipients shall follow §570.504;

(iv) Section 84.25, "Revision of Budget and Program Plans";

(v) Section 84.32, "Real Property." In lieu of §84.32, CDBG subrecipients shall follow §570.505;

(vi) Section 84.34(g), "Equipment." In lieu of the disposition provisions of §84.34(g), the following applies:

(A) In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and

(B) Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient;

(vii) Section 84.51 (b), (c), (d), (e), (f), (g), and (h), "Monitoring and Reporting Program Performance";

(viii) Section 84.52, "Financial Reporting";

(ix) Section 84.53(b), "Retention and access requirements for records." Section 84.53(b) applies with the following exceptions:

(A) The retention period referenced in §84.53(b) pertaining to individual CDBG activities shall be four years; and

(B) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;

(x) Section 84.61, "Termination." In lieu of the provisions of §84.61, CDBG subrecipients shall comply with §570.503(b)(7); and

(4) Subpart D—"After-the-Award Requirements," except for §84.71, "Closeout Procedures."

Exhibit G
Applicable Provisions - 24 CFR Part 85
As stated in Section VIII

Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"

(1) Section 85.3, "Definitions";

(2) Section 85.6, "Exceptions";

(3) Section 85.12, "Special grant or subgrant conditions for 'high-risk' grantees";

(4) Section 85.20, "Standards for financial management systems," except paragraph (a);

(5) Section 85.21, "Payment," except as modified by §570.513;

(6) Section 85.22, "Allowable costs";

(7) Section 85.26, "Non-federal audits";

(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;

(9) Section 85.33, "Supplies";

(10) Section 85.34, "Copyrights";

(11) Section 85.35, "Subawards to debarred and suspended parties";

(12) Section 85.36, "Procurement," except paragraph (a);

(13) Section 85.37, "Subgrants";

(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) through (d) and paragraph (f);

(15) Section 85.41, "Financial reporting," except paragraphs (a), (b), and (e);

(16) Section 85.42, "Retention and access requirements for records," except that the period shall be four years;

(17) Section 85.43, "Enforcement";

(18) Section 85.44, "Termination for convenience";

(19) Section 85.51 "Later disallowances and adjustments" and

(20) Section 85.52, "Collection of amounts due."

AI-32812 **Urban County 10. J.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Lupita Garcia **Submitted By:** Mary Flores, URBAN COUNTY

Department: URBAN COUNTY

Information

CAPTION

The Urban County Program requests approval of Sub-Recipient Agreements with the following for Program Year 25 (2012). (See attached exhibits)

LRGVDC- Foster Grandparent Program	Girl Scouts of Greater South Texas
Hope Family Health Center	La Union del Pueblo Entero
Women Together Foundation, Inc.	

BACKGROUND

Background:

Sub-Recipient Agency	Total Contract Amount
LRGVDC- Foster Grandparent Program	$ 11,500.00
Girl Scouts of Greater South Texas	$ 5,000.00
Hope Family Health Center	$ 18,000.00
La Union Del Pueblo Entero	$ 46,636.00
Women Together Foundation, Inc.	$ 46,500.00

Attachments

LRGVDC Foster Grandparent

Girl Scouts of Greater South Texas

HOPE

La Union Del Pueblo Entero

Women Together

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/13/2012 01:25 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Mary Flores Started On: 06/13/2012 11:43 AM

Final Approval Date: 06/22/2012

STATE OF TEXAS }
}
COUNTY OF HIDALGO }

SUBRECIPIENT AGREEMENT

This Agreement is made and entered into on this the **26TH day of June , 20 12**, by and between the COUNTY OF HIDALGO, Urban County Program, a political subdivision of the State of Texas, hereinafter referred to as **"ENTITY"**, and **FOSTER GRANDPARENT PROGRAM OF LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL** , hereinafter referred to as **"SUBRECIPIENT".**

WITNESSETH

WHEREAS, **SUBRECIPIENT** desires to carry out eligible activities as described in the Statement of Work attached hereto as **Exhibit A** (the "Statement of Work**")**, to this Agreement, and permitted by Title I of the Housing and Community Development Act of 1992 (1992 Act) pursuant to the U. S. Department of Housing and Urban Development Community Development Block Grant Program Entitlement Grant Regulations and covered in 24 CFR 570.

WHEREAS, the **ENTITY** proposes to contract with **SUBRECIPIENT** in order that the eligible activities described in **Exhibit A** (the "Statement of Work**")** can be carried out for the benefit of residents in the ENTITY'S jurisdiction.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration the receipt of which is hereby acknowledged, the **ENTITY** and the **SUBRECIPIENT** do mutually agree as follows:

SECTION I
Rules and Regulations

The **SUBRECIPIENT** agrees to cooperate with the **ENTITY** in respect to the implementation of Community Development Block Grant CFDA No. 14.218 (CDBG) activities to be carried out by **SUBRECIPIENT** pursuant to 24 CFR Part 570 and other rules, regulations and decisions as may be made by the U. S. Department of Housing and Urban Development (HUD) or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG program funds.

SECTION II
Statement of Work

SUBRECIPIENT agrees to perform services as outlined in the Statement of Work for and in consideration of payment in the amount of **$ 11,500.00 ,** and as delineated in the Grant Budget and the Payment Schedule attached hereto as Exhibit B-1 (the "Grant Budget") and Exhibit B-2 (the "Payment Schedule").

SUBRECIPIENT agrees to notify **ENTITY**, in writing, prior to any changes in its Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"). SUBRECIPIENT shall obtain approval, in writing, from ENTITY prior to commencing work on any changes made to the Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity.

ENTITY shall not be liable for costs incurred or performances rendered by **SUBRECIPIENT** before commencement of this Agreement or after termination of this Agreement.

SUBRECIPIENT agrees to follow the schedule outlined in the Schedule of Activity of this Agreement, and shall notify **ENTITY**, in writing, prior to any changes, delays or departures from the Schedule of Activity. If **SUBRECIPIENT** demonstrates that delays or departure from the Schedule of Activity is due to circumstances beyond its control, **ENTITY** and **SUBRECIPIENT** may (but Entity shall not be required) to amend the Schedule of Activity.

SECTION III
Records and Reports

SUBRECIPIENT agrees to establish and maintain records and reports as outlined in the Records and Reports attached hereto as Exhibit D (the "Records and Reports") and agrees to make the Records and Reports available to the **ENTITY**, HUD, and any other local, state or federal entity or authority that may exercise jurisdiction over CDBG funds. Monthly performance reports must be submitted on or before the 15th of every month.

SECTION IV
Monitoring Visits

SUBRECIPIENT agrees that **ENTITY** shall conduct on-site monitoring visits to assure compliance with applicable Federal requirements and that performance goals are being achieved, if applicable, as per 24 CFR Part 85.40 (a) and 24 CFR Part 84.51(a). **SUBRECIPIENT** shall attend an orientation prior to the award of funds and prior to the first draw of funds. After each monitoring visit, **ENTITY** shall provide **SUBRECIPIENT** with a written report of the monitor's findings. If the monitoring reports note deficiencies in **SUBRECIPIENT's** performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by **SUBRECIPIENT**. Failure by **SUBRECIPIENT** to take action specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section X of this Agreement. In addition, **SUBRECIPIENT** shall give HUD, the Comptroller General of the United States, **ENTITY**, and any of their duly authorized representatives, unobstructed and full 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 **SUBRECIPIENT** pertaining to this Agreement.

SECTION V
Payment Requests and Program Income

SUBRECIPIENT agrees to follow administrative directions from the **ENTITY** regarding documenting and processing payment requests as defined in the Requests for Payments attached hereto as Exhibit E (the "Requests for Payments") of this Agreement.

SUBRECIPIENT shall submit final reimbursement request to **ENTITY** within fifteen (15) days (by June 15, 2012) of the Agreement termination date.

SUBRECIPIENT and **ENTITY** agree that if applicable, program income generated from the use of CDBG funds shall be retained by the **SUBRECIPIENT**. If the activity is partially assisted with CDBG funds, the **SUBRECIPIENT** agrees to pro-rate the gross income to reflect the percent of CDBG funds assisted in the activity. The **SUBRECIPIENT** is to provide to the **ENTITY** by the third Wednesday of each month an accounting of program income through Monthly Performance Reports outlined in the Records and Reports. The **ENTITY** is then required to report all CDBG program income earned, retained, and expended. The **SUBRECIPIENT** shall be allowed to use program income for the same or similar activities as generated by program income. Failure of the **SUBRECIPIENT** to report program income as required shall cause the **ENTITY** to require all program income to be recovered by the **ENTITY**.

SUBRECIPIENT and **ENTITY** agree that all unused CDBG funds at the end or termination of this agreement will be reallocated or reprogrammed by **ENTITY.**

SECTION VI
Religious Activities

The **SUBRECIPIENT** and **ENTITY** both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this Agreement be used for sectarian or religious activities.

SECTION VII
Other Program Requirements

SUBRECIPIENT agrees to comply with "Other Program Requirements" as listed in 24 CFR §570.600 through 611 except for those environmental review requirements listed as 24 CFR §570.604 and initiation of review process under the provisions of 24 CFR Part 52.

SECTION VIII
Uniform Administrative Requirements

Subrecipients, except subrecipients that are governmental entities, shall comply with the requirements and standards of OMB Circular No. A–122, "Cost Principles for Non-profit Organizations", or OMB Circular No. A–21, "Cost Principles for Educational Institutions", as applicable, and OMB Circular A–133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions" (as set forth in 24 CFR part 45). Audits shall be conducted annually. Such subrecipients shall also comply with the provisions of the Uniform Administrative requirements of OMB Circular A–110 (implemented at 24 CFR part 84, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations") or the related CDBG provisions, as specified in the other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions") and any subsequent amendments thereto.

Recipients and Subrecipients that are governmental entities (including public agencies) shall comply with the requirements and standards of OMB Circular No. A–87, "Cost Principles for State, Local, and Indian Tribal Governments"; OMB Circular A–133, "Audits of State and Local Governments" (implemented at 24 CFR part 44); and with sections of 24 CFR part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" or other related CDBG provision, as specified in the other Applicable Provisions attached hereto as Exhibit G (the "Other Applicable Provisions") and any subsequent amendments thereto.

SECTION IX
Audit Requirements

SUBRECIPIENT agrees to comply with the applicable requirements and standards as set forth in OMB Circular A-133, Audits of States, Local Governments and Non-Profit organizations.

SUBRECIPIENT agrees to furnish **ENTITY** with a current Financial Management Letter (financial statements) within six (6) months from the end of its fiscal year covering the period of this Agreement that includes detailed receipts and disbursement of payments to **SUBRECIPIENT** hereunder. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit a Financial Management Letter.**

However, if **SUBRECIPIENT** expends Five Hundred Thousand Dollars ($500,000.00) or more in federal funds, **SUBRECIPIENT** must, within nine (9) months from the end of its fiscal year, supply **ENTITY** with an audit of revenues and expenditures conducted by a certified public accountant. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit an audit within the allotted time.**

If the **SUBRECIPIENT** expends less than Five Hundred Thousand Dollars ($500,000.00) a year in federal awards, then they are exempt from the OMB Circular A-133 audit requirements for that year; however, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity and the General Accounting Office.

SUBRECIPIENT is required to submit a 990 Tax Return (Return of Organization Exempt from Income Tax) for the most recent fiscal year within six (6) months if submitting a Financial Management Letter or within nine (9) months if submitting a Financial Audit. If the Subrecipient is not classified as an exempt entity, the Subrecipient will not be awarded grant funds.

If applicable, **SUBRECIPIENT** agrees to cooperate with **ENTITY** relating to any inquiries regarding the Financial Audit or Financial Management Letter and **SUBRECIPIENT** acknowledges that a Financial Audit or

Financial Management Letter shall be provided to **ENTITY** at the expense of the **SUBRECIPIENT.** Financial Audit or Financial Management Letter shall be available to **ENTITY** staff, and any and all applicable federal agencies, and be of unrestricted access, as listed in 24 CFR Part 85.42.

SECTION X
Suspension and Termination

SUBRECIPIENT understands that this Agreement may be suspended or terminated, in accordance with 24 CFR §85.43, if applicable, and 24 CFR §84.61, if the **SUBRECIPIENT** materially fails to comply with the provisions of this Agreement or the provisions so listed in the Statement of Work attached hereto as Exhibit A (the "Statement of Work"), the Grant Budget attached hereto as Exhibit B-1 (the "Grant Budget), the Payment Schedule attached hereto as Exhibit B-2 (the "Payment Schedule), the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"), the Records & Reports attached hereto as Exhibit D (the "Records & Reports"), the Request for Payments attached hereto as Exhibit E (the "Request for Payments"), Other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions"), and the Applicable Provisions - 24 CFR Part 85 attached hereto as Exhibit G (the "Other Applicable Provisions – 24 CFR Part 85").

If **SUBRECIPIENT** fails to fulfill in a timely and proper manner its obligations under this Agreement, or **SUBRECIPIENT** violates any of the Agreements or stipulations of this Agreement, then the **ENTITY** shall provide **SUBRECIPIENT** written notification of such non-performance. Such non-performance, (***i.e., timely submittal of monthly reports and/or reimbursements)***, may be the basis for immediate termination of this Agreement. Should any breach of contract (Agreement) relate to a violation of federal law or regulation that results in HUD demanding reimbursement from the **ENTITY OR SUBRECIPIENT** or its successor, the **ENTITY** may terminate this Agreement and seek reimbursement of all funds from **SUBRECIPIENT**. **SUBRECIPIENT** shall not be relieved of the liability to the **ENTITY** for damages sustained by the **ENTITY** by virtue of any breach of this contract (Agreement) by **SUBRECIPIENT** and **ENTITY** may withhold any payments to **SUBRECIPIENT** for violations of federal regulations or any breach of this Agreement. Should the **ENTITY** become aware of any activity by **SUBRECIPIENT,** which would jeopardize the **ENTITY'S** position with the U. S. Department of Housing and Urban Development (HUD) or which would cause a payback of federal funds, then the **ENTITY** may take appropriate action including injunctive relief against **SUBRECIPIENT** to prevent the transaction. The failure of the **ENTITY** to exercise any right shall in no way constitute a waiver by the **ENTITY** to otherwise demand payment or seek any other relief in law or in equity to which it may be justly entitled.

It is expressly agreed that this Agreement may not be amended except upon the joint action of both the **ENTITY** and the **FOSTER GRANDPARENT PROGRAM OF LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL.**

SECTION XI
Assets

SUBRECIPIENT shall not purchase any asset unless prior written approval is obtained from the **ENTITY** and such procurement shall be done in the form and manner so prescribed by the **ENTITY**.

Any asset acquired or improved in part or in whole with CDBG funds in excess of $25,000 must be used in an activity that meets one of the national objectives listed in 24 CFR §570.208 for a period of five (5) years after the expiration of this Agreement or a longer period if so determined by the **ENTITY**.

The disposition of any asset improved or acquired in part or in whole with CDBG funds by the **SUBRECIPIENT** must be done with prior written approval of the **ENTITY** and the **ENTITY** shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The **ENTITY** may, at its option, request that such asset be transferred to **ENTITY** if the asset is no longer being used to meet one of the national objectives or in any case where the **SUBRECIPIENT** no longer provides services shown on the Statement of Work.

SECTION XII
Indemnity Clause

SUBRECIPIENT agrees to hold **ENTITY** harmless from, and indemnify **ENTITY** from and defend **ENTITY** against any and all claims brought against **ENTITY** by employees or officers of **SUBRECIPIENT** or brought by any third person arising in any manner directly or indirectly from **SUBRECIPIENT** programs, activities or events conducted pursuant to this Agreement.

SUBRECIPIENT shall acquire, maintain and furnish to **ENTITY** a Certificate of Insurance as proof that it has secured and paid for policies of public liability and automobile insurance to cover all operations and services under this Agreement with limits of not less than $300,000.00 per occurrence, $300,000.00 aggregate, covering all risks incident to or in connection with the execution, performance, attempted performance or non-performance of this Agreement.

SECTION XIII
Procurement

SUBRECIPIENT agrees to follow the statues and rules governing the **ENTITY** in the procurement of services, supplies or non-real property in relation to **ENTITY-**funded projects. The legal standards that will apply include the procurement standards of the HIDALGO COUNTY Urban County Program, which includes 24 CFR Part 85.36, and the TEXAS COUNTY PURCHASING ACT.

SECTION XIV
Conflict of Interest

SUBRECIPIENT covenants that members of its organization or staff members who exercise influence on the decision-making process will not have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed in the Statement of Work, 24 CFR Part 570.611, 24 CFR Part 84.40-48, and 24 CFR Part 85.36.

SUBRECIPIENT agrees that no person who is an elected official, officer, director, employee, consultant, or agent of the **SUBRECIPIENT**'s organization or the **ENTITY**'s organization shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Statement of Work during their tenure or for a period of one year thereafter.

SUBRECIPIENT is responsible for repayment of funds associated with any conflict of interest that may occur either knowingly or unknowingly.

No **ENTITY** employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described in the Statement of Work.

SECTION XII
Legal Action and Venue

SUBRECIPIENT agrees to notify the **ENTITY** when a problem arises that may lead to legal action or claim against the **SUBRECIPIENT**. The **SUBRECIPIENT** agrees to furnish to the **ENTITY** any and all information with respect to such action or claim. The **SUBRECIPIENT** agrees not to take any action with respect to any legal action or claim sought against the **SUBRECIPIENT** without the advice and written consent of the **ENTITY**.

Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this Agreement shall lie exclusively in HIDALGO COUNTY.

SECTION XIII
Miscellaneous Provisions

Conflict with Applicable Law. Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

No Waiver. No waiver by **ENTITY** of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

Entire Agreement. This Agreement contains the entire contract between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by **ENTITY** and **SUBRECIPIENT**, and not otherwise.

Texas Law to Apply. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THIE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.

Notice. Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by electronic mail, or (iii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or (iv) sent by facsimile or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to **ENTITY**:

COUNTY OF HIDALGO

Urban County Program
1916 Tesoro Blvd.
Pharr, TX 78577
Email: ucp@ucp.co.hidalgo.tx.us
Phone # (956) 787-8127
Fax # (956) 787-5291

If to **SUBRECIPIENT**:

Foster Grandparent Program of Lower Rio Grande Valley Development Council
Attn: Ken Jones, Executive Director
311 North 15th Street
McAllen, Texas 78501
email: knjones@lrgvdc.org
Phone: (956) 682-3481
Fax: (956) 682-8852

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the Unites States mail.

Additional Documents. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

Assignment. This Agreement shall not be assignable by **SUBRECIPIENT**. **ENTITY** may assign this Agreement without the consent of **SUBRECIPIENT**.

Headings. The headings and captions contained in this Agreement are solely for convenient reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

Gender and Number. All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate.

Authority to Execute. The execution and performance of this Agreement by **ENTITY** and **SUBRECIPIENT** have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of **ENTITY** and **SUBRECIPIENT** in accordance with its terms.

SECTION XVII
Effective Date

The effective date of this agreement shall be the **1st day of July 2012** such date being the date the HIDALGO COUNTY COMMISSIONERS' COURT approved entering into this Agreement with SUBRECIPIENT and shall terminate on the **31st day of May 2013.**

Approved and signed this _____ day of _____ 20__.

_____ _____

Print or Type Name of Authorized Official

Signature of Authorized Official

SUBRECIPIENT Name: Lower Rio Grande Valley Development Council
Address: 311 North 15th Street
City/State/Zip: McAllen, Texas 78501
Federal I.D. # or Soc. Sec. #: 74-1586916
DUNS #: 015037520

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

_____ personally appeared before me and declared that he/she signed this application in the capacity designated, if any, and further states that, he/she has read the above application, and the statements therein contained are true.

Subscribed and sworn to before me this _____ day of_____, 20_____ .

_____

Notary - Signature

COUNTY OF HIDALGO – URBAN COUNTY PROGRAM

_____ _____

Witness:

Diana R. Serna, UCP Director

APPROVED AS TO FORM
Atlas & Hall L.L.P.
By: Steve Crain
Date: June 21, 2011

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

The Lower Rio Grande Valley Development Council-Foster Grandparent Program will provide volunteer opportunities to low income individuals aged 62 and over to remain active in the community by providing one to one support to children with special or exceptional needs.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 8,000.00 Awarded By: Precinct 1

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

The $ 8,000.00 awarded by Precinct 1 will be utilized for stipends and travel for the Foster Grandparent Volunteers.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

The following services will be performed in the following manner:

1. **Foster Grandparents will remain in the community by serving children with exceptional or special needs.**
2. **They will provide cognitive, social, and physical skills training. They will serve as tutors, mentors and offer guidance.**
3. **They will serve a minimum of 9 months and may volunteer from 15 to 40 hours per week, within the operating hours of their respective volunteer sites.**

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

The following services will be expanded/added as a result of C.D.B.G. fund expenditures:

1. **At least 11 low-income individuals aged 62 and over will have the opportunity to remain physically and mentally active and to enhance their self-esteem through continued participation in needed community services.**

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Low income individuals aged 62 and over, who reside within the boundaries of Precinct 1.

Section VII List all locations (physical address) where the funded service(s) will be provided.

Main office-Foster Grandparent Program, 255 S. Kansas, Weslaco, TX 78596. Volunteer sites are as follows: Elsa Head Start, 700 N.W. Hidalgo, Elsa, TX 78543, Travis Elementary, 1551 S. Georgia Ave., Mercedes, TX 78543, Mercedes Early Childhood Center, 950 W. 6th Street, Mercedes, TX 78589, La Herencia Head Start, RR3 Box 3059, Mercedes, TX 78589, Progresso Elementary, P.O. Box 610, Progresso, TX, Progresso Head Start, 109. Palm Ave. Progresso, TX 78579.

Exhibit B-1
GRANT BUDGET
Awarded by: ___Precinct 1_____

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Stipends for Foster Grandparent Volunteers At $2.65 per hour at 15 to 40 hours per week.	$ 7,300.00
Mileage for Foster Grandparent Volunteers.	$700.00
TOTAL GRANT BUDGET:	**$8,000.00**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: ___Precinct I_____

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	$0.00	
August	$0.00	
September	$0.00	
October	$0.00	
November	$1,400.00	Stipends and Mileage
December	$1,400.00	Stipends and Mileage
January	$1,400.00	Stipends and Mileage
February	$1,400.00	Stipends and Mileage
March	$1,400.00	Stipends and Mileage
April	$1,000.00	Stipends and Mileage
May	$0.00	
TOTAL:	**$8,000.00**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: ____Precinct I_____

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 **For the months of....**	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	0	
August	0	
September	0	
October	0	
November	11	One to one assistance with cognitive, social and language skills and tutoring.
December	0	One to one assistance with cognitive, social and language skills and tutoring.
January	0	One to one assistance with cognitive, social and language skills and tutoring.
February	0	One to one assistance with cognitive, social and language skills and tutoring.
March	0	One to one assistance with cognitive, social and language skills and tutoring
April	0	One to one assistance with cognitive, social and language skills and tutoring
May	0	
Total for the Year:	**11**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

The Lower Rio Grande Valley Development Council-Foster Grandparent Program will provide volunteer opportunities to low income individuals aged 62 and over to remain active in the community by providing one to one support to children with special or exceptional needs.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 3,500.00 Awarded By: Precinct 2

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

The $ 3,500.00 awarded by Precinct 2 will be utilized for stipends and travel for the Foster Grandparent Volunteers.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

The following services will be performed in the following manner:

Foster Grandparents will remain in the community by serving children with exceptional or special needs. They will provide cognitive, social, and physical skills training. They will serve as tutors, mentors and offer guidance. They will serve a minimum of 9 months and may volunteer from 15 to 40 hours per week, within the operating hours of their respective volunteer sites.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

The following services will be expanded/added as a result of C.D.B.G. fund expenditures:
At least 4 low-income individuals aged 62 and over will have the opportunity to remain physically and mentally active and to enhance their self-esteem through continued participation in needed community services.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

Low income individuals aged 62 and over, who reside within the boundaries of Precinct 1.

Section VII List all locations (physical address) where the funded service(s) will be provided.

Main office-Foster Grandparent Program, 255 S. Kansas, Weslaco, TX 78596.
The Following are current and designated volunteer sites where Foster Grandparents serve:
Reed-Mock Elementary, 400 Eldora, San Juan, TX 78589
Optional Sites: San Juan Head Start Center 2, 601 Earling Rd. San Juan, TX 78589, San Juan Headstart 109 N. Cougar, San Juan, TX 78589.

Exhibit B-1
GRANT BUDGET
Awarded by: ___Precinct 2_____

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Stipends for Foster Grandparent Volunteers At $2.65 per hour at 15 to 40 hours per week.	$ 3,400.00
Mileage for Foster Grandparent Volunteers.	$100.00
TOTAL GRANT BUDGET:	**$3,500.00**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: ___Precinct 2_____

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	$0.00	
August	$0.00	
September	$0.00	
October	$0.00	
November	$915.00	Stipends and Mileage
December	$915.00	Stipends and Mileage
January	$915.00	Stipends and Mileage
February	$755.00	Stipends and Mileage
March	$0.00	
April	$0.00	
May	$0.00	
TOTAL:	**$3,500.00**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: ____Precinct 2_____

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 **For the months of....**	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	0	
August	0	
September	0	
October	0	
November	4	One to one assistance with cognitive, social and language skills and tutoring.
December	0	One to one assistance with cognitive, social and language skills and tutoring.
January	0	One to one assistance with cognitive, social and language skills and tutoring.
February	0	One to one assistance with cognitive, social and language skills and tutoring.
March	0	
April	0	
May	0	
Total for the Year:	**4**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit D
RECORDS & REPORTS

REPORTS

A **Monthly Performance Report (Exhibit D - Activity Report)** must be submitted with each request for payment on or before the 15th of each month. Each activity report must include the following information:

- **Type of expenditures utilizing CDBG funds, type of service(s) provided and how the service met one of the HUD national objectives:**
  - Benefit to Low and Moderate Income Persons
  - Provides Decent Affordable Housing
  - Creates Economic Opportunities

  Number of persons assisted with New Access to service

  Number of persons assisted with Improved Access to service

  Number of low-mod beneficiaries served

  Ethnic Data

  Number of persons served living with a disability

  Number of female head of households served

  Income levels of persons or households with the categories of extremely low, low to moderate and non-low income.

- **Type of Outcome:**

  - **Availability/Accessibility**. Description of how services were made available or accessible to low and moderate income people, including persons with disabilities.

  - **Affordability**. How grant funds made the service affordable to low and moderate income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

  - **Sustainability**: **Promoting Livable or Viable Communities.** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

- **Other significant information** (such as special events, fundraisers, award ceremonies, etc.)Agency agrees to provide Entity with summaries of any events, fundraisers, and/or ceremonies held and provide photos of such events prior to the end date of the Agreement.

RECORDS **Cont. Exhibit D**

All records pertaining to each fiscal year of CDBG funds must be retained, from the date of submission of the COUNTY's Consolidated Annual Performance and Evaluation Report (CAPER) in which the specific activity is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 4-year period. In such cases, the records must be retained until completion of the action and resolution of all issues which arise from it or the end of the regular 4-year period, whichever is longer, except as provided below:

- Written agreements must be retained for four (4) years after the agreement terminates.
- If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
- In the event more than one exception applies to a particular record, the largest retention period shall apply to such record.

(a) Beneficiary Files

Subrecipient must maintain individual beneficiary files served utilizing CDBG funds. Such files must contain the following:

- Membership/registration Application
- Original Program Application (UCP self certification form)
- Physical address of residence

(b) Program Files

Subrecipient must maintain program files related to the Urban County Program CDBG award. Such files must contain the following:

- CDBG funding proposal letter to city and/or precinct
- Urban County Program Subrecipient Questionnaire, exhibits and supporting documentation
- Subrecipient Agreement
- Correspondence to and from Urban County
- Expenditure Reports
- Copies of reimbursement requests
- Monthly Performance Reports
- If applicable, fixed asset inventory list

(c) Financial Records

Subrecipient must maintain proper financial records.

(d) Program Income

Subrecipient must report program income earned, retained and expended to the Urban County Program that was generated by the use of the CDBG award.

Exhibit E
REQUEST FOR PAYMENTS

1. Subrecipient must submit **monthly** reimbursement requests as approved on the Schedule of Payment hereto attached as Exhibit B-2 (the "Schedule of Payment") **due on or before the 15th of each month.**

2. Subrecipient must inform Urban County in writing if the reimbursement request and/or monthly performance report will not be submitted by the due date.

3. Request for reimbursements that are submitted after the last working day of the month will be returned unpaid if the subrecipient did not comply with Request for Payments (2) hereto attached as Exhibit E (the "Request for Payments").

4. Urban County Program will return incorrect and/or incomplete reimbursement requests to the subrecipient as soon as possible in order for corrections to be made.

5. Subrecipient must submit the corrections and/or pending documentation no later than 10 days from notification by UCP. Should the subrecipient fail to submit the corrections within the allotted time, the RFP will be returned, and will NOT qualify for re-submission.

6. Subrecipient must submit May's reimbursement request and monthly performance report to the Urban County Program on or before June 15th.

7. May expenditures (equipment / supplies) must be invoiced and paid by May 31st to be eligible for reimbursement.

8. Subrecipient must submit all required documentation as stated on the UCP Reimbursement Checklist.

9. Should the Subrecipient fail to comply with timely submittals of monthly reimbursement requests and/or performance reports, the Urban County Program shall consider termination of the Subrecipient Agreement as per Section X "Suspension and Termination".

10. Subrecipient must submit a copy of the monthly reimbursement request and performance reports to the respective City and/or Precinct providing CDBG funds to the organization. Failure to submit copies may require pre-approval of the City and/or Precinct prior to Urban County processing the reimbursement request.

11. All reimbursement requests and reports submitted to Urban County must be originals signed with blue ink.

12. As per Section IV of this Agreement, the Urban County Program Monitoring Division will conduct on-site monitoring visits to ensure compliance with applicable Federal requirements and performance goals are being met.

13. Reimbursement requests are processed by Urban County on a first come first serve basis.

14. Payments to Subrecipients will only be mailed. Checks will not be allowed for pickup.

Checks are mailed eleven (11) days from the date the reimbursement request is submitted to the finance division, **only** after all documentation is reviewed, corrections are made, and all documentation is in order.

Exhibit F
Other Applicable Provisions
As stated in Section VIII
OMB Circular A–110 (implemented at 24 CFR part 84)
Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

(1) Subpart A—"General";

(2) Subpart B—"Pre-Award Requirements," except for §84.12, "Forms for Applying for Federal Assistance";

(3) Subpart C—"Post-Award Requirements," except for:

(i) Section 84.22, "Payment Requirements." Grantees shall follow the standards of §§85.20(b)(7) and 85.21 in making payments to subrecipients;

(ii) Section 84.23, "Cost Sharing and Matching";

(iii) Section 84.24, "Program Income." In lieu of §84.24, CDBG subrecipients shall follow §570.504;

(iv) Section 84.25, "Revision of Budget and Program Plans";

(v) Section 84.32, "Real Property." In lieu of §84.32, CDBG subrecipients shall follow §570.505;

(vi) Section 84.34(g), "Equipment." In lieu of the disposition provisions of §84.34(g), the following applies:

(A) In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and

(B) Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient;

(vii) Section 84.51 (b), (c), (d), (e), (f), (g), and (h), "Monitoring and Reporting Program Performance";

(viii) Section 84.52, "Financial Reporting";

(ix) Section 84.53(b), "Retention and access requirements for records." Section 84.53(b) applies with the following exceptions:

(A) The retention period referenced in §84.53(b) pertaining to individual CDBG activities shall be four years; and

(B) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;

(x) Section 84.61, "Termination." In lieu of the provisions of §84.61, CDBG subrecipients shall comply with §570.503(b)(7); and

(4) Subpart D—"After-the-Award Requirements," except for §84.71, "Closeout Procedures."

Exhibit G
Applicable Provisions - 24 CFR Part 85
As stated in Section VIII

Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"

(1) Section 85.3, "Definitions";

(2) Section 85.6, "Exceptions";

(3) Section 85.12, "Special grant or subgrant conditions for 'high-risk' grantees";

(4) Section 85.20, "Standards for financial management systems," except paragraph (a);

(5) Section 85.21, "Payment," except as modified by §570.513;

(6) Section 85.22, "Allowable costs";

(7) Section 85.26, "Non-federal audits";

(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;

(9) Section 85.33, "Supplies";

(10) Section 85.34, "Copyrights";

(11) Section 85.35, "Subawards to debarred and suspended parties";

(12) Section 85.36, "Procurement," except paragraph (a);

(13) Section 85.37, "Subgrants";

(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) through (d) and paragraph (f);

(15) Section 85.41, "Financial reporting," except paragraphs (a), (b), and (e);

(16) Section 85.42, "Retention and access requirements for records," except that the period shall be four years;

(17) Section 85.43, "Enforcement";

(18) Section 85.44, "Termination for convenience";

(19) Section 85.51 "Later disallowances and adjustments" and

(20) Section 85.52, "Collection of amounts due."

STATE OF TEXAS }
}
COUNTY OF HIDALGO }

SUBRECIPIENT AGREEMENT

This Agreement is made and entered into on this the **26th day of June, 20 12,** by and between the COUNTY OF HIDALGO, Urban County Program, a political subdivision of the State of Texas, hereinafter referred to as **"ENTITY"**, and **GIRL SCOUTS OF GREATER SOUTH TEXAS**, hereinafter referred to as **"SUBRECIPIENT".**

WITNESSETH

WHEREAS, **SUBRECIPIENT** desires to carry out eligible activities as described in the Statement of Work attached hereto as **Exhibit A** (the "Statement of Work**")**, to this Agreement, and permitted by Title I of the Housing and Community Development Act of 1992 (1992 Act) pursuant to the U. S. Department of Housing and Urban Development Community Development Block Grant Program Entitlement Grant Regulations and covered in 24 CFR 570.

WHEREAS, the **ENTITY** proposes to contract with **SUBRECIPIENT** in order that the eligible activities described in **Exhibit A** (the "Statement of Work**")** can be carried out for the benefit of residents in the ENTITY'S jurisdiction.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration the receipt of which is hereby acknowledged, the **ENTITY** and the **SUBRECIPIENT** do mutually agree as follows:

SECTION I
Rules and Regulations

The **SUBRECIPIENT** agrees to cooperate with the **ENTITY** in respect to the implementation of Community Development Block Grant CFDA No. 14.218 (CDBG) activities to be carried out by **SUBRECIPIENT** pursuant to 24 CFR Part 570 and other rules, regulations and decisions as may be made by the U. S. Department of Housing and Urban Development (HUD) or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG program funds.

SECTION II
Statement of Work

SUBRECIPIENT agrees to perform services as outlined in the Statement of Work for and in consideration of payment in the amount of **$5,000.00,** and as delineated in the Grant Budget and the Payment Schedule attached hereto as Exhibit B-1 (the "Grant Budget") and Exhibit B-2 (the "Payment Schedule").

SUBRECIPIENT agrees to notify **ENTITY**, in writing, prior to any changes in its Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"). SUBRECIPIENT shall obtain approval, in writing, from ENTITY prior to commencing work on any changes made to the Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity.

ENTITY shall not be liable for costs incurred or performances rendered by **SUBRECIPIENT** before commencement of this Agreement or after termination of this Agreement.

SUBRECIPIENT agrees to follow the schedule outlined in the Schedule of Activity of this Agreement, and shall notify **ENTITY**, in writing, prior to any changes, delays or departures from the Schedule of Activity. If **SUBRECIPIENT** demonstrates that delays or departure from the Schedule of Activity is due to circumstances beyond its control, **ENTITY** and **SUBRECIPIENT** may (but Entity shall not be required) to amend the Schedule of Activity.

SECTION III
Records and Reports

SUBRECIPIENT agrees to establish and maintain records and reports as outlined in the Records and Reports attached hereto as Exhibit D (the "Records and Reports") and agrees to make the Records and Reports available to the **ENTITY**, HUD, and any other local, state or federal entity or authority that may exercise jurisdiction over CDBG funds. Monthly performance reports must be submitted on or before the 15th of every month.

SECTION IV
Monitoring Visits

SUBRECIPIENT agrees that **ENTITY** shall conduct on-site monitoring visits to assure compliance with applicable Federal requirements and that performance goals are being achieved, if applicable, as per 24 CFR Part 85.40 (a) and 24 CFR Part 84.51(a). **SUBRECIPIENT** shall attend an orientation prior to the award of funds and prior to the first draw of funds. After each monitoring visit, **ENTITY** shall provide **SUBRECIPIENT** with a written report of the monitor's findings. If the monitoring reports note deficiencies in **SUBRECIPIENT's** performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by **SUBRECIPIENT**. Failure by **SUBRECIPIENT** to take action specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section X of this Agreement. In addition, **SUBRECIPIENT** shall give HUD, the Comptroller General of the United States, **ENTITY**, and any of their duly authorized representatives, unobstructed and full 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 **SUBRECIPIENT** pertaining to this Agreement.

SECTION V
Payment Requests and Program Income

SUBRECIPIENT agrees to follow administrative directions from the **ENTITY** regarding documenting and processing payment requests as defined in the Requests for Payments attached hereto as Exhibit E (the "Requests for Payments") of this Agreement.

SUBRECIPIENT shall submit final reimbursement request to **ENTITY** within fifteen (15) days (by June 15, 2012) of the Agreement termination date.

SUBRECIPIENT and **ENTITY** agree that if applicable, program income generated from the use of CDBG funds shall be retained by the **SUBRECIPIENT**. If the activity is partially assisted with CDBG funds, the **SUBRECIPIENT** agrees to pro-rate the gross income to reflect the percent of CDBG funds assisted in the activity. The **SUBRECIPIENT** is to provide to the **ENTITY** by the third Wednesday of each month an accounting of program income through Monthly Performance Reports outlined in the Records and Reports. The **ENTITY** is then required to report all CDBG program income earned, retained, and expended. The **SUBRECIPIENT** shall be allowed to use program income for the same or similar activities as generated by program income. Failure of the **SUBRECIPIENT** to report program income as required shall cause the **ENTITY** to require all program income to be recovered by the **ENTITY**.

SUBRECIPIENT and **ENTITY** agree that all unused CDBG funds at the end or termination of this agreement will be reallocated or reprogrammed by **ENTITY.**

SECTION VI
Religious Activities

The **SUBRECIPIENT** and **ENTITY** both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this Agreement be used for sectarian or religious activities.

SECTION VII
Other Program Requirements

SUBRECIPIENT agrees to comply with "Other Program Requirements" as listed in 24 CFR §570.600 through 611 except for those environmental review requirements listed as 24 CFR §570.604 and initiation of review process under the provisions of 24 CFR Part 52.

SECTION VIII
Uniform Administrative Requirements

Subrecipients, except subrecipients that are governmental entities, shall comply with the requirements and standards of OMB Circular No. A–122, "Cost Principles for Non-profit Organizations", or OMB Circular No. A–21, "Cost Principles for Educational Institutions", as applicable, and OMB Circular A–133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions" (as set forth in 24 CFR part 45). Audits shall be conducted annually. Such subrecipients shall also comply with the provisions of the Uniform Administrative requirements of OMB Circular A–110 (implemented at 24 CFR part 84, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations") or the related CDBG provisions, as specified in the other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions") and any subsequent amendments thereto.

Recipients and Subrecipients that are governmental entities (including public agencies) shall comply with the requirements and standards of OMB Circular No. A–87, "Cost Principles for State, Local, and Indian Tribal Governments"; OMB Circular A–133, "Audits of State and Local Governments" (implemented at 24 CFR part 44); and with sections of 24 CFR part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" or other related CDBG provision, as specified in the other Applicable Provisions attached hereto as Exhibit G (the "Other Applicable Provisions") and any subsequent amendments thereto.

SECTION IX
Audit Requirements

SUBRECIPIENT agrees to comply with the applicable requirements and standards as set forth in OMB Circular A-133, Audits of States, Local Governments and Non-Profit organizations.

SUBRECIPIENT agrees to furnish **ENTITY** with a current Financial Management Letter (financial statements) within six (6) months from the end of its fiscal year covering the period of this Agreement that includes detailed receipts and disbursement of payments to **SUBRECIPIENT** hereunder. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit a Financial Management Letter within the allotted time.**

However, if **SUBRECIPIENT** expends Five Hundred Thousand Dollars ($500,000.00) or more in federal funds, **SUBRECIPIENT** must, within nine (9) months from the end of its fiscal year, supply **ENTITY** with an audit of revenues and expenditures conducted by a certified public accountant. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit an audit within the allotted time.**

If the **SUBRECIPIENT** expends less than Five Hundred Thousand Dollars ($500,000.00) a year in federal awards, then they are exempt from the OMB Circular A-133 audit requirements for that year; however, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity and the General Accounting Office.

SUBRECIPIENT is required to submit a 990 Tax Return (Return of Organization Exempt from Income Tax) for the most recent fiscal year within six (6) months if submitting a Financial Management Letter or within nine (9) months if submitting a Financial Audit. If the Subrecipient is not classified as an exempt entity, the Subrecipient will not be awarded grant funds.

If applicable, **SUBRECIPIENT** agrees to cooperate with **ENTITY** relating to any inquiries regarding the Financial Audit or Financial Management Letter and **SUBRECIPIENT** acknowledges that a Financial Audit or

Financial Management Letter shall be provided to **ENTITY** at the expense of the **SUBRECIPIENT.** Financial Audit or Financial Management Letter shall be available to **ENTITY** staff, and any and all applicable federal agencies, and be of unrestricted access, as listed in 24 CFR Part 85.42.

SECTION X
Suspension and Termination

SUBRECIPIENT understands that this Agreement may be suspended or terminated, in accordance with 24 CFR §85.43, if applicable, and 24 CFR §84.61, if the **SUBRECIPIENT** materially fails to comply with the provisions of this Agreement or the provisions so listed in the Statement of Work attached hereto as Exhibit A (the "Statement of Work"), the Grant Budget attached hereto as Exhibit B-1 (the "Grant Budget), the Payment Schedule attached hereto as Exhibit B-2 (the "Payment Schedule), the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"), the Records & Reports attached hereto as Exhibit D (the "Records & Reports"), the Request for Payments attached hereto as Exhibit E (the "Request for Payments"), Other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions"), and the Applicable Provisions - 24 CFR Part 85 attached hereto as Exhibit G (the "Other Applicable Provisions – 24 CFR Part 85").

If **SUBRECIPIENT** fails to fulfill in a timely and proper manner its obligations under this Agreement, or **SUBRECIPIENT** violates any of the Agreements or stipulations of this Agreement, then the **ENTITY** shall provide **SUBRECIPIENT** written notification of such non-performance. Such non-performance, (***i.e., timely submittal of monthly reports and/or reimbursements)***, may be the basis for immediate termination of this Agreement. Should any breach of contract (Agreement) relate to a violation of federal law or regulation that results in HUD demanding reimbursement from the **ENTITY OR SUBRECIPIENT** or its successor, the **ENTITY** may terminate this Agreement and seek reimbursement of all funds from **SUBRECIPIENT**. **SUBRECIPIENT** shall not be relieved of the liability to the **ENTITY** for damages sustained by the **ENTITY** by virtue of any breach of this contract (Agreement) by **SUBRECIPIENT** and **ENTITY** may withhold any payments to **SUBRECIPIENT** for violations of federal regulations or any breach of this Agreement. Should the **ENTITY** become aware of any activity by **SUBRECIPIENT,** which would jeopardize the **ENTITY'S** position with the U. S. Department of Housing and Urban Development (HUD) or which would cause a payback of federal funds, then the **ENTITY** may take appropriate action including injunctive relief against **SUBRECIPIENT** to prevent the transaction. The failure of the **ENTITY** to exercise any right shall in no way constitute a waiver by the **ENTITY** to otherwise demand payment or seek any other relief in law or in equity to which it may be justly entitled.

It is expressly agreed that this Agreement may not be amended except upon the joint action of both the **ENTITY** and the **GIRL SCOUTS OF GREATER SOUTH TEXAS.**

SECTION XI
Assets

SUBRECIPIENT shall not purchase any asset unless prior written approval is obtained from the **ENTITY** and such procurement shall be done in the form and manner so prescribed by the **ENTITY**.

Any asset acquired or improved in part or in whole with CDBG funds in excess of $25,000 must be used in an activity that meets one of the national objectives listed in 24 CFR §570.208 for a period of five (5) years after the expiration of this Agreement or a longer period if so determined by the **ENTITY**.

The disposition of any asset improved or acquired in part or in whole with CDBG funds by the **SUBRECIPIENT** must be done with prior written approval of the **ENTITY** and the **ENTITY** shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The **ENTITY** may, at its option, request that such asset be transferred to **ENTITY** if the asset is no longer being used to meet one of the national objectives or in any case where the **SUBRECIPIENT** no longer provides services shown on the Statement of Work.

SECTION XII
Indemnity Clause

SUBRECIPIENT agrees to hold **ENTITY** harmless from, and indemnify **ENTITY** from and defend **ENTITY** against any and all claims brought against **ENTITY** by employees or officers of **SUBRECIPIENT** or brought by any third person arising in any manner directly or indirectly from **SUBRECIPIENT** programs, activities or events conducted pursuant to this Agreement.

SUBRECIPIENT shall acquire, maintain and furnish to **ENTITY** a Certificate of Insurance as proof that it has secured and paid for policies of public liability and automobile insurance to cover all operations and services under this Agreement with limits of not less than $300,000.00 per occurrence, $300,000.00 aggregate, covering all risks incident to or in connection with the execution, performance, attempted performance or non-performance of this Agreement.

SECTION XIII
Procurement

SUBRECIPIENT agrees to follow the statues and rules governing the **ENTITY** in the procurement of services, supplies or non-real property in relation to **ENTITY-**funded projects. The legal standards that will apply include the procurement standards of the HIDALGO COUNTY Urban County Program, which includes 24 CFR Part 85.36, and the TEXAS COUNTY PURCHASING ACT.

SECTION XIV
Conflict of Interest

SUBRECIPIENT covenants that members of its organization or staff members who exercise influence on the decision-making process will not have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed in the Statement of Work, 24 CFR Part 570.611, 24 CFR Part 84.40-48, and 24 CFR Part 85.36.

SUBRECIPIENT agrees that no person who is an elected official, officer, director, employee, consultant, or agent of the **SUBRECIPIENT**'s organization or the **ENTITY**'s organization shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Statement of Work during their tenure or for a period of one year thereafter.

SUBRECIPIENT is responsible for repayment of funds associated with any conflict of interest that may occur either knowingly or unknowingly.

No **ENTITY** employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described in the Statement of Work.

SECTION XII
Legal Action and Venue

SUBRECIPIENT agrees to notify the **ENTITY** when a problem arises that may lead to legal action or claim against the **SUBRECIPIENT**. The **SUBRECIPIENT** agrees to furnish to the **ENTITY** any and all information with respect to such action or claim. The **SUBRECIPIENT** agrees not to take any action with respect to any legal action or claim sought against the **SUBRECIPIENT** without the advice and written consent of the **ENTITY**.

Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this Agreement shall lie exclusively in HIDALGO COUNTY.

SECTION XIII
Miscellaneous Provisions

Conflict with Applicable Law. Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

No Waiver. No waiver by **ENTITY** of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

Entire Agreement. This Agreement contains the entire contract between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by **ENTITY** and **SUBRECIPIENT**, and not otherwise.

Texas Law to Apply. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THIE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.

Notice. Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by electronic mail, or (iii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or (iv) sent by facsimile or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to **ENTITY**:

COUNTY OF HIDALGO
Urban County Program
1916 Tesoro Blvd.
Pharr, TX 78577
Email: ucp@ucp.co.hidalgo.tx.us
Phone # (956) 787-8127
Fax # (956) 787-5291

If to **SUBRECIPIENT**:

Girl Scouts of Greater South Texas
Attn: Lea Peacock, CEO
202 E.Madison – Harlingen, TX
1109 W. Nolana, Ste. 202 – McAllen, TX
email: lpeacock@gsgst.org
Phone: (956) 425-2388
Fax: (956) 425-9206

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the Unites States mail.

Additional Documents. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

Assignment. This Agreement shall not be assignable by **SUBRECIPIENT**. **ENTITY** may assign this Agreement without the consent of **SUBRECIPIENT**.

Headings. The headings and captions contained in this Agreement are solely for convenient reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

Gender and Number. All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate.

Authority to Execute. The execution and performance of this Agreement by **ENTITY** and **SUBRECIPIENT** have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of **ENTITY** and **SUBRECIPIENT** in accordance with its terms.

SECTION XVII
Effective Date

The effective date of this agreement shall be the **1st day of July 2011** such date being the date the HIDALGO COUNTY COMMISSIONERS' COURT approved entering into this Agreement with SUBRECIPIENT and shall terminate on the **31st day of May 2012.**

Approved and signed this _____ day of _____ 20__.

_____ _____

Print or Type Name of Authorized Official | Signature of Authorized Official

SUBRECIPIENT Name: Girl Scouts of Greater South Texas
Address: 202 East Madison
City/State/Zip: Harlingen, Texas 78550
Federal I.D. # or Soc. Sec. #: 74-1256499
DUNS #: 164933475

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

_____ personally appeared before me and declared that he/she signed this application in the capacity designated, if any, and further states that, he/she has read the above application, and the statements therein contained are true.

Subscribed and sworn to before me this _____ day of_____, 20_____ .

_____
Notary - Signature

COUNTY OF HIDALGO – URBAN COUNTY PROGRAM

_____ _____

Witness: **Diana R. Serna, UCP Director**

APPROVED AS TO FORM
Atlas & Hall L.L.P.
By: Steve Crain
Date: June 21, 2011

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

Through this funding the Girl Scouts of Greater South Texas will provide programs to underserved girls in the Precinct #4 area. Girls will have an opportunity to participate on a variety of activities during the school day which will allow them to gain leadership, self confidence and decision-making skills which will affect their life and encourage them to give back to their community.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 5,000.00 Awarded By: PCT 4

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

$4,200.00 is to pay for 350 girl's annual membership dues and $800.00 is to pay salary and mileage for the Membership Executive Outreach staff member that conducts the program.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

The services provided as a result of the CDBG award is offering low and moderate income girls the opportunity to be in Girl Scouts during the day, the activities awarded CDBG funds will be performed out of the Girl Scout Hand Books and the services will be conducted in schools during their Physical Education Period.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

The funds will help us expand the opportunity for low and moderate income girls to get involvement in scouting. The Curriculum has been expanded in 2012 to include "Forever Green" recycling projects. This will give the girls exciting and educational ways of being conscience of the environment.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

The program beneficiaries are female ages 5-11. 350 girls will be served within the boundaries of the service area and economic background is low and/to low moderate income, area residency within the qualified Precinct 4.

Section VII List all locations (physical address) where the funded service(s) will be provided.

Services will be provided at schools designated to be in low-income areas within the Precinct #4 area.

Exhibit B-1
GRANT BUDGET
Awarded by: ____PCT #4_____

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Membership Dues 350 girls x $12.00 each	$4,200.00
Salary and Mileage for Outreach Staff	$ 800.00
TOTAL GRANT BUDGET:	**$5,000.00**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: ___PCT #4_____

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	0	N/A
August	0	N/A
September	0	N/A
October	$110.00	Salaries/Mileage
November	$110.00	Salaries/Mileage
December	$1550.00	Membership dues/Salaries/Mileage
January	$1550.00	Membership dues/Salaries/Mileage
February	$830.00	Membership dues/Salaries/Mileage
March	$410.00	Membership dues/Salaries/Mileage
April	$410.00	Membership dues/Salaries/Mileage
May	$30.00	Salaries/Mileage
TOTAL:	**$5,000.00**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: _____PCT #4_____

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	0	NONE
August	0	Begin Preliminary contacts with administrators
September	0	Registration forms are sent home to parents/recruiting
October	0	Implementation of In School Program
November	0	Implementation of In School Program
December	120	Implementation of In School Program
January	120	Implementation of In School Program
February	60	Implementation of In School Program
March	25	Implementation of In School Program
April	25	Implementation of In School Program
May	0	Implementation of In School Program
Total for the Year:	**350**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit D
RECORDS & REPORTS
Awarded by: _____PCT #4_____

REPORTS

A **Monthly Performance Report (Exhibit D - Activity Report)** must be submitted with each request for payment on or before the 15th of each month. Each activity report must include the following information:

- **Type of expenditures utilizing CDBG funds, type of service(s) provided and how the service met one of the HUD national objectives:**
  - Benefit to Low and Moderate Income Persons
  - Provides Decent Affordable Housing
  - Creates Economic Opportunities

  Number of persons assisted with New Access to service

  Number of persons assisted with Improved Access to service

  Number of low-mod beneficiaries served

  Ethnic Data

  Number of persons served living with a disability

  Number of female head of households served

  Income levels of persons or households with the categories of extremely low, low to moderate and non-low income.

- **Type of Outcome:**

  - **Availability/Accessibility**. Description of how services were made available or accessible to low and moderate income people, including persons with disabilities.

  - **Affordability**. How grant funds made the service affordable to low and moderate income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

  - **Sustainability**: **Promoting Livable or Viable Communities.** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

- **Other significant information** (such as special events, fundraisers, award ceremonies, etc.)Agency agrees to provide Entity with summaries of any events, fundraisers, and/or ceremonies held and provide photos of such events prior to the end date of the Agreement.

RECORDS **Cont. Exhibit D**

All records pertaining to each fiscal year of CDBG funds must be retained, from the date of submission of the COUNTY's Consolidated Annual Performance and Evaluation Report (CAPER) in which the specific activity is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 4-year period. In such cases, the records must be retained until completion of the action and resolution of all issues which arise from it or the end of the regular 4-year period, whichever is longer, except as provided below:

- Written agreements must be retained for four (4) years after the agreement terminates.
- If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
- In the event more than one exception applies to a particular record, the largest retention period shall apply to such record.

(a) Beneficiary Files

Subrecipient must maintain individual beneficiary files served utilizing CDBG funds. Such files must contain the following:

- Membership/registration Application
- Original Program Application (UCP self certification form)
- Physical address of residence

(b) Program Files

Subrecipient must maintain program files related to the Urban County Program CDBG award. Such files must contain the following:

- CDBG funding proposal letter to city and/or precinct
- Urban County Program Subrecipient Questionnaire, exhibits and supporting documentation
- Subrecipient Agreement
- Correspondence to and from Urban County
- Expenditure Reports
- Copies of reimbursement requests
- Monthly Performance Reports
- If applicable, fixed asset inventory list

(c) Financial Records

Subrecipient must maintain proper financial records.

(d) Program Income

Subrecipient must report program income earned, retained and expended to the Urban County Program that was generated by the use of the CDBG award.

Exhibit E
REQUEST FOR PAYMENTS

1. Subrecipient must submit **monthly** reimbursement requests as approved on the Schedule of Payment hereto attached as Exhibit B-2 (the "Schedule of Payment") **due on or before the 15th of each month.**

2. Subrecipient must inform Urban County in writing if the reimbursement request and/or monthly performance report will not be submitted by the due date.

3. Request for reimbursements that are submitted after the last working day of the month will be returned unpaid if the subrecipient did not comply with Request for Payments (2) hereto attached as Exhibit E (the "Request for Payments").

4. Urban County Program will return incorrect and/or incomplete reimbursement requests to the subrecipient as soon as possible in order for corrections to be made.

5. Subrecipient must submit the corrections and/or pending documentation no later than 10 days from notification by UCP. Should the subrecipient fail to submit the corrections within the allotted time, the RFP will be returned, and will NOT qualify for re-submission.

6. Subrecipient must submit May's reimbursement request and monthly performance report to the Urban County Program on or before June 15th.

7. May expenditures (equipment / supplies) must be invoiced and paid by May 31st to be eligible for reimbursement.

8. Subrecipient must submit all required documentation as stated on the UCP Reimbursement Checklist.

9. Should the Subrecipient fail to comply with timely submittals of monthly reimbursement requests and/or performance reports, the Urban County Program shall consider termination of the Subrecipient Agreement as per Section X "Suspension and Termination".

10. Subrecipient must submit a copy of the monthly reimbursement request and performance reports to the respective City and/or Precinct providing CDBG funds to the organization. Failure to submit copies may require pre-approval of the City and/or Precinct prior to Urban County processing the reimbursement request.

11. All reimbursement requests and reports submitted to Urban County must be originals signed with blue ink.

12. As per Section IV of this Agreement, the Urban County Program Monitoring Division will conduct on-site monitoring visits to ensure compliance with applicable Federal requirements and performance goals are being met.

13. Reimbursement requests are processed by Urban County on a first come first serve basis.

14. Payments to Subrecipients will only be mailed. Checks will not be allowed for pickup.

Checks are mailed eleven (11) days from the date the reimbursement request is submitted to the finance division, **only** after all documentation is reviewed, corrections are made, and all documentation is in order.

Exhibit F
Other Applicable Provisions
As stated in Section VIII
OMB Circular A–110 (implemented at 24 CFR part 84)
Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

(1) Subpart A—"General";

(2) Subpart B—"Pre-Award Requirements," except for §84.12, "Forms for Applying for Federal Assistance";

(3) Subpart C—"Post-Award Requirements," except for:

(i) Section 84.22, "Payment Requirements." Grantees shall follow the standards of §§85.20(b)(7) and 85.21 in making payments to subrecipients;

(ii) Section 84.23, "Cost Sharing and Matching";

(iii) Section 84.24, "Program Income." In lieu of §84.24, CDBG subrecipients shall follow §570.504;

(iv) Section 84.25, "Revision of Budget and Program Plans";

(v) Section 84.32, "Real Property." In lieu of §84.32, CDBG subrecipients shall follow §570.505;

(vi) Section 84.34(g), "Equipment." In lieu of the disposition provisions of §84.34(g), the following applies:

(A) In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and

(B) Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient;

(vii) Section 84.51 (b), (c), (d), (e), (f), (g), and (h), "Monitoring and Reporting Program Performance";

(viii) Section 84.52, "Financial Reporting";

(ix) Section 84.53(b), "Retention and access requirements for records." Section 84.53(b) applies with the following exceptions:

(A) The retention period referenced in §84.53(b) pertaining to individual CDBG activities shall be four years; and

(B) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;

(x) Section 84.61, "Termination." In lieu of the provisions of §84.61, CDBG subrecipients shall comply with §570.503(b)(7); and

(4) Subpart D—"After-the-Award Requirements," except for §84.71, "Closeout Procedures."

Exhibit G
Applicable Provisions - 24 CFR Part 85
As stated in Section VIII

Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"

(1) Section 85.3, "Definitions";

(2) Section 85.6, "Exceptions";

(3) Section 85.12, "Special grant or subgrant conditions for 'high-risk' grantees";

(4) Section 85.20, "Standards for financial management systems," except paragraph (a);

(5) Section 85.21, "Payment," except as modified by §570.513;

(6) Section 85.22, "Allowable costs";

(7) Section 85.26, "Non-federal audits";

(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;

(9) Section 85.33, "Supplies";

(10) Section 85.34, "Copyrights";

(11) Section 85.35, "Subawards to debarred and suspended parties";

(12) Section 85.36, "Procurement," except paragraph (a);

(13) Section 85.37, "Subgrants";

(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) through (d) and paragraph (f);

(15) Section 85.41, "Financial reporting," except paragraphs (a), (b), and (e);

(16) Section 85.42, "Retention and access requirements for records," except that the period shall be four years;

(17) Section 85.43, "Enforcement";

(18) Section 85.44, "Termination for convenience";

(19) Section 85.51 "Later disallowances and adjustments" and

(20) Section 85.52, "Collection of amounts due."

STATE OF TEXAS }
}
COUNTY OF HIDALGO }

SUBRECIPIENT AGREEMENT

This Agreement is made and entered into on this the 26TH day of June, 20 12, by and between the COUNTY OF HIDALGO, Urban County Program, a political subdivision of the State of Texas, hereinafter referred to as **"ENTITY"**, and **COMMUNITY HOPE PROJECTS, INC. DBA HOPE FAMILY HEALTH CENTER**, hereinafter referred to as **"SUBRECIPIENT".**

WITNESSETH

WHEREAS, **SUBRECIPIENT** desires to carry out eligible activities as described in the Statement of Work attached hereto as **Exhibit A** (the "Statement of Work**")**, to this Agreement, and permitted by Title I of the Housing and Community Development Act of 1992 (1992 Act) pursuant to the U. S. Department of Housing and Urban Development Community Development Block Grant Program Entitlement Grant Regulations and covered in 24 CFR 570.

WHEREAS, the **ENTITY** proposes to contract with **SUBRECIPIENT** in order that the eligible activities described in **Exhibit A** (the "Statement of Work**")** can be carried out for the benefit of residents in the ENTITY'S jurisdiction.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration the receipt of which is hereby acknowledged, the **ENTITY** and the **SUBRECIPIENT** do mutually agree as follows:

SECTION I
Rules and Regulations

The **SUBRECIPIENT** agrees to cooperate with the **ENTITY** in respect to the implementation of Community Development Block Grant CFDA No. 14.218 (CDBG) activities to be carried out by **SUBRECIPIENT** pursuant to 24 CFR Part 570 and other rules, regulations and decisions as may be made by the U. S. Department of Housing and Urban Development (HUD) or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG program funds.

SECTION II
Statement of Work

SUBRECIPIENT agrees to perform services as outlined in the Statement of Work for and in consideration of payment in the amount of **$18,000.00,** and as delineated in the Grant Budget and the Payment Schedule attached hereto as Exhibit B-1 (the "Grant Budget") and Exhibit B-2 (the "Payment Schedule").

SUBRECIPIENT agrees to notify **ENTITY**, in writing, prior to any changes in its Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"). SUBRECIPIENT shall obtain approval, in writing, from ENTITY prior to commencing work on any changes made to the Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity.

ENTITY shall not be liable for costs incurred or performances rendered by **SUBRECIPIENT** before commencement of this Agreement or after termination of this Agreement.

SUBRECIPIENT agrees to follow the schedule outlined in the Schedule of Activity of this Agreement, and shall notify **ENTITY**, in writing, prior to any changes, delays or departures from the Schedule of Activity. If **SUBRECIPIENT** demonstrates that delays or departure from the Schedule of Activity is due to circumstances beyond its control, **ENTITY** and **SUBRECIPIENT** may (but Entity shall not be required) to amend the Schedule of Activity.

SECTION III
Records and Reports

SUBRECIPIENT agrees to establish and maintain records and reports as outlined in the Records and Reports attached hereto as Exhibit D (the "Records and Reports") and agrees to make the Records and Reports available to the **ENTITY**, HUD, and any other local, state or federal entity or authority that may exercise jurisdiction over CDBG funds. Monthly performance reports must be submitted on or before the 15th of every month.

SECTION IV
Monitoring Visits

SUBRECIPIENT agrees that **ENTITY** shall conduct on-site monitoring visits to assure compliance with applicable Federal requirements and that performance goals are being achieved, if applicable, as per 24 CFR Part 85.40 (a) and 24 CFR Part 84.51(a). **SUBRECIPIENT** shall attend an orientation prior to the award of funds and prior to the first draw of funds. After each monitoring visit, **ENTITY** shall provide **SUBRECIPIENT** with a written report of the monitor's findings. If the monitoring reports note deficiencies in **SUBRECIPIENT's** performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by **SUBRECIPIENT**. Failure by **SUBRECIPIENT** to take action specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section X of this Agreement. In addition, **SUBRECIPIENT** shall give HUD, the Comptroller General of the United States, **ENTITY**, and any of their duly authorized representatives, unobstructed and full 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 **SUBRECIPIENT** pertaining to this Agreement.

SECTION V
Payment Requests and Program Income

SUBRECIPIENT agrees to follow administrative directions from the **ENTITY** regarding documenting and processing payment requests as defined in the Requests for Payments attached hereto as Exhibit E (the "Requests for Payments") of this Agreement.

SUBRECIPIENT shall submit final reimbursement request to **ENTITY** within fifteen (15) days (by June 15, 2012) of the Agreement termination date.

SUBRECIPIENT and **ENTITY** agree that if applicable, program income generated from the use of CDBG funds shall be retained by the **SUBRECIPIENT**. If the activity is partially assisted with CDBG funds, the **SUBRECIPIENT** agrees to pro-rate the gross income to reflect the percent of CDBG funds assisted in the activity. The **SUBRECIPIENT** is to provide to the **ENTITY** by the third Wednesday of each month an accounting of program income through Monthly Performance Reports outlined in the Records and Reports. The **ENTITY** is then required to report all CDBG program income earned, retained, and expended. The **SUBRECIPIENT** shall be allowed to use program income for the same or similar activities as generated by program income. Failure of the **SUBRECIPIENT** to report program income as required shall cause the **ENTITY** to require all program income to be recovered by the **ENTITY**.

SUBRECIPIENT and **ENTITY** agree that all unused CDBG funds at the end or termination of this agreement will be reallocated or reprogrammed by **ENTITY.**

SECTION VI
Religious Activities

The **SUBRECIPIENT** and **ENTITY** both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this Agreement be used for sectarian or religious activities.

SECTION VII
Other Program Requirements

SUBRECIPIENT agrees to comply with "Other Program Requirements" as listed in 24 CFR §570.600 through 611 except for those environmental review requirements listed as 24 CFR §570.604 and initiation of review process under the provisions of 24 CFR Part 52.

SECTION VIII
Uniform Administrative Requirements

Subrecipients, except subrecipients that are governmental entities, shall comply with the requirements and standards of OMB Circular No. A–122, "Cost Principles for Non-profit Organizations", or OMB Circular No. A–21, "Cost Principles for Educational Institutions", as applicable, and OMB Circular A–133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions" (as set forth in 24 CFR part 45). Audits shall be conducted annually. Such subrecipients shall also comply with the provisions of the Uniform Administrative requirements of OMB Circular A–110 (implemented at 24 CFR part 84, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations") or the related CDBG provisions, as specified in the other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions") and any subsequent amendments thereto.

Recipients and Subrecipients that are governmental entities (including public agencies) shall comply with the requirements and standards of OMB Circular No. A–87, "Cost Principles for State, Local, and Indian Tribal Governments"; OMB Circular A–133, "Audits of State and Local Governments" (implemented at 24 CFR part 44); and with sections of 24 CFR part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" or other related CDBG provision, as specified in the other Applicable Provisions attached hereto as Exhibit G (the "Other Applicable Provisions") and any subsequent amendments thereto.

SECTION IX
Audit Requirements

SUBRECIPIENT agrees to comply with the applicable requirements and standards as set forth in OMB Circular A-133, Audits of States, Local Governments and Non-Profit organizations.

SUBRECIPIENT agrees to furnish **ENTITY** with a current Financial Management Letter (financial statements) within six (6) months from the end of its fiscal year covering the period of this Agreement that includes detailed receipts and disbursement of payments to **SUBRECIPIENT** hereunder. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit a Financial Management Letter.**

However, if **SUBRECIPIENT** expends Five Hundred Thousand Dollars ($500,000.00) or more in federal funds, **SUBRECIPIENT** must, within nine (9) months from the end of its fiscal year, supply **ENTITY** with an audit of revenues and expenditures conducted by a certified public accountant. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit an audit within the allotted time.**

If the **SUBRECIPIENT** expends less than Five Hundred Thousand Dollars ($500,000.00) a year in federal awards, then they are exempt from the OMB Circular A-133 audit requirements for that year; however, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity and the General Accounting Office.

SUBRECIPIENT is required to submit a 990 Tax Return (Return of Organization Exempt from Income Tax) for the most recent fiscal year within six (6) months if submitting a Financial Management Letter or within nine (9) months if submitting a Financial Audit. If the Subrecipient is not classified as an exempt entity, the Subrecipient will not be awarded grant funds.

If applicable, **SUBRECIPIENT** agrees to cooperate with **ENTITY** relating to any inquiries regarding the Financial Audit or Financial Management Letter and **SUBRECIPIENT** acknowledges that a Financial Audit or Financial Management Letter shall be provided to **ENTITY** at the expense of the **SUBRECIPIENT.** Financial

Audit or Financial Management Letter shall be available to **ENTITY** staff, and any and all applicable federal agencies, and be of unrestricted access, as listed in 24 CFR Part 85.42.

SECTION X
Suspension and Termination

SUBRECIPIENT understands that this Agreement may be suspended or terminated, in accordance with 24 CFR §85.43, if applicable, and 24 CFR §84.61, if the **SUBRECIPIENT** materially fails to comply with the provisions of this Agreement or the provisions so listed in the Statement of Work attached hereto as Exhibit A (the "Statement of Work"), the Grant Budget attached hereto as Exhibit B-1 (the "Grant Budget), the Payment Schedule attached hereto as Exhibit B-2 (the "Payment Schedule), the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"), the Records & Reports attached hereto as Exhibit D (the "Records & Reports"), the Request for Payments attached hereto as Exhibit E (the "Request for Payments"), Other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions"), and the Applicable Provisions - 24 CFR Part 85 attached hereto as Exhibit G (the "Other Applicable Provisions – 24 CFR Part 85").

If **SUBRECIPIENT** fails to fulfill in a timely and proper manner its obligations under this Agreement, or **SUBRECIPIENT** violates any of the Agreements or stipulations of this Agreement, then the **ENTITY** shall provide **SUBRECIPIENT** written notification of such non-performance. Such non-performance, (***i.e., timely submittal of monthly reports and/or reimbursements)***, may be the basis for immediate termination of this Agreement. Should any breach of contract (Agreement) relate to a violation of federal law or regulation that results in HUD demanding reimbursement from the **ENTITY OR SUBRECIPIENT** or its successor, the **ENTITY** may terminate this Agreement and seek reimbursement of all funds from **SUBRECIPIENT**. **SUBRECIPIENT** shall not be relieved of the liability to the **ENTITY** for damages sustained by the **ENTITY** by virtue of any breach of this contract (Agreement) by **SUBRECIPIENT** and **ENTITY** may withhold any payments to **SUBRECIPIENT** for violations of federal regulations or any breach of this Agreement. Should the **ENTITY** become aware of any activity by **SUBRECIPIENT,** which would jeopardize the **ENTITY'S** position with the U. S. Department of Housing and Urban Development (HUD) or which would cause a payback of federal funds, then the **ENTITY** may take appropriate action including injunctive relief against **SUBRECIPIENT** to prevent the transaction. The failure of the **ENTITY** to exercise any right shall in no way constitute a waiver by the **ENTITY** to otherwise demand payment or seek any other relief in law or in equity to which it may be justly entitled.

It is expressly agreed that this Agreement may not be amended except upon the joint action of both the **ENTITY** and the **COMMUNITY HOPE PROJECTS, INC. DBA HOPE FAMILY HEALTH CENTER.**

SECTION XI
Assets

SUBRECIPIENT shall not purchase any asset unless prior written approval is obtained from the **ENTITY** and such procurement shall be done in the form and manner so prescribed by the **ENTITY**.

Any asset acquired or improved in part or in whole with CDBG funds in excess of $25,000 must be used in an activity that meets one of the national objectives listed in 24 CFR §570.208 for a period of five (5) years after the expiration of this Agreement or a longer period if so determined by the **ENTITY**.

The disposition of any asset improved or acquired in part or in whole with CDBG funds by the **SUBRECIPIENT** must be done with prior written approval of the **ENTITY** and the **ENTITY** shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The **ENTITY** may, at its option, request that such asset be transferred to **ENTITY** if the asset is no longer being used to meet one of the national objectives or in any case where the **SUBRECIPIENT** no longer provides services shown on the Statement of Work.

SECTION XII
Indemnity Clause

SUBRECIPIENT agrees to hold **ENTITY** harmless from, and indemnify **ENTITY** from and defend **ENTITY** against any and all claims brought against **ENTITY** by employees or officers of **SUBRECIPIENT** or brought by any third person arising in any manner directly or indirectly from **SUBRECIPIENT** programs, activities or events conducted pursuant to this Agreement.

SUBRECIPIENT shall acquire, maintain and furnish to **ENTITY** a Certificate of Insurance as proof that it has secured and paid for policies of public liability and automobile insurance to cover all operations and services under this Agreement with limits of not less than $300,000.00 per occurrence, $300,000.00 aggregate, covering all risks incident to or in connection with the execution, performance, attempted performance or non-performance of this Agreement.

SECTION XIII
Procurement

SUBRECIPIENT agrees to follow the statues and rules governing the **ENTITY** in the procurement of services, supplies or non-real property in relation to **ENTITY-**funded projects. The legal standards that will apply include the procurement standards of the HIDALGO COUNTY Urban County Program, which includes 24 CFR Part 85.36, and the TEXAS COUNTY PURCHASING ACT.

SECTION XIV
Conflict of Interest

SUBRECIPIENT covenants that members of its organization or staff members who exercise influence on the decision-making process will not have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed in the Statement of Work, 24 CFR Part 570.611, 24 CFR Part 84.40-48, and 24 CFR Part 85.36.

SUBRECIPIENT agrees that no person who is an elected official, officer, director, employee, consultant, or agent of the **SUBRECIPIENT**'s organization or the **ENTITY**'s organization shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Statement of Work during their tenure or for a period of one year thereafter.

SUBRECIPIENT is responsible for repayment of funds associated with any conflict of interest that may occur either knowingly or unknowingly.

No **ENTITY** employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described in the Statement of Work.

SECTION XII
Legal Action and Venue

SUBRECIPIENT agrees to notify the **ENTITY** when a problem arises that may lead to legal action or claim against the **SUBRECIPIENT**. The **SUBRECIPIENT** agrees to furnish to the **ENTITY** any and all information with respect to such action or claim. The **SUBRECIPIENT** agrees not to take any action with respect to any legal action or claim sought against the **SUBRECIPIENT** without the advice and written consent of the **ENTITY**.

Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this Agreement shall lie exclusively in HIDALGO COUNTY.

SECTION XIII
Miscellaneous Provisions

Conflict with Applicable Law. Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

No Waiver. No waiver by **ENTITY** of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

Entire Agreement. This Agreement contains the entire contract between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by **ENTITY** and **SUBRECIPIENT**, and not otherwise.

Texas Law to Apply. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THIE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.

Notice. Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by electronic mail, or (iii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or (iv) sent by facsimile or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to **ENTITY**:

COUNTY OF HIDALGO
Urban County Program
1916 Tesoro Blvd.
Pharr, TX 78577
Email: ucp@ucp.co.hidalgo.tx.us
Phone # (956) 787-8127
Fax # (956) 787-5291

If to **SUBRECIPIENT**:

Community Hope Projects, Inc.
dba Hope Family Health Center
c/o Rebecca Ramirez, Executive Director
2332 Jordan Road
McAllen, Texas 78503
Phone #: (956) 994-3319
Fax #: (956) 971-9377

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the Unites States mail.

Additional Documents. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

Assignment. This Agreement shall not be assignable by **SUBRECIPIENT**. **ENTITY** may assign this Agreement without the consent of **SUBRECIPIENT**.

Headings. The headings and captions contained in this Agreement are solely for convenient reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

Gender and Number. All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate.

Authority to Execute. The execution and performance of this Agreement by **ENTITY** and **SUBRECIPIENT** have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of **ENTITY** and **SUBRECIPIENT** in accordance with its terms.

SECTION XVII
Effective Date

The effective date of this agreement shall be the **1st day of July 2011** such date being the date the HIDALGO COUNTY COMMISSIONERS' COURT approved entering into this Agreement with SUBRECIPIENT and shall terminate on the **31st day of May 2012.**

Approved and signed this _____ day of _____ 20___.

_____ _____

Print or Type Name of Authorized Official Signature of Authorized Official

SUBRECIPIENT Name: Community Hope Projects, Inc.
dba Hope Family Health Center
Address: 2332 Jordan Road
City/State/Zip: McAllen, Texas 78503
Federal I.D. # or Soc. Sec. #:74-2742024
DUNS #: 068573711

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

_____ personally appeared before me and declared that he/she signed this application in the capacity designated, if any, and further states that, he/she has read the above application, and the statements therein contained are true.

Subscribed and sworn to before me this _____ day of_____, 20_____ .

_____
Notary - Signature

COUNTY OF HIDALGO – URBAN COUNTY PROGRAM

_____ _____

Witness: **Diana R. Serna, UCP Director**

APPROVED AS TO FORM
Atlas & Hall L.L.P.
By: Steve Crain
Date: June 21, 2011

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

Medical and counseling services. Medical services include appointments with physicians and providers on site as well as in their offices, lab fees, medication, medical procedures and medical supplies. Counseling care includes individual, group and couple counseling

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 8,000 Awarded By: Precinct 2

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Medical appointments, case management appointments and direct service to the patients. Lab Fees, medication and specialized appointments including but not limited to MRI, X-Rays and surgery.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

All patients are required to complete an application for service along with the Urban County Eligibility form. Patients are given an order for lab work which is completed at one of our Partner laboratories. Patients have medical, case management and counseling appointments at the clinic during our working hours (see below). If the physician refers them to a specialist the case manager locates a medical partner who can see the patient for free or low cost. Because our medical providers are volunteers, we are unable to take walk in appointments. All medical appointments are seen by appointment only. Clinic Hours: M-Closed; Tues/Thurs: 8am-6pm; Wed/Fri 8am-5pm.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Funds will allow for HFHC help patients fund lab fees and other medical needs they are unable to presently pay for, Patients are all 100% uninsured and low income. The funding will allow us to see more patients for medical care as well as to refer them to clinic services such as nutrition and exercise classes, groups and medical education.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

All patients are 100% uninsured and low income. It is estimated HFHC will service 120 precinct 2 patients in the FY of 2012-2013

Section VII List all locations (physical address) where the funded service(s) will be provided.

2332 Jordan Rd McAllen, TX 78503

Exhibit B-1

GRANT BUDGET
Awarded by: Precinct 2

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Counseling, Medical appointments , Medication, Case management, lab fees, medical procedures including but not limited to specialized care, surgery, x-ray, mri.	$8,000
TOTAL GRANT BUDGET:	**$8,000**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Precinct 2

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012__- 2013__ For the Months of...	Estimated Amount Of Expenditures	Type of Budgeted Expenditures
July	700	Counseling, Medical appointments , Medication, Case management, lab fees, medical procedures including but not limited to specialized care, surgery, x-ray, mri.
August	800	" "
September	800	" "
October	700	" "
November	700	" "
December	400	" "
January	700	" "
February	800	" "
March	800	" "
April	800	" "
May	800	" "
TOTAL:	**$8,000**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Precinct 2_

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

201__ - 201___ For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	20	Counseling, Medical appointments , Medication, Case management, lab fees, medical procedures including but not limited to specialized care, surgery, x-ray, mri.
August	20	" "
September	10	" "
October	10	" "
November	10	" "
December	5	" "
January	5	" "
February	15	" "
March	15	" "
April	5	" "
May	5	" "
Total for the Year:	**120**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

Medical and counseling services. Medical services include appointments with physicians and providers on site as well as in their offices, lab fees, medication, medical procedures and medical supplies. Counseling care includes individual, group and couple counseling

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 10,000 Awarded By: Precinct 3

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Medical appointments, case management appointments and direct service to the patients. Lab Fees, medication and specialized appointments including but not limited to MRI, X-Rays and surgery.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

All patients are required to complete an application for service along with the Urban County Eligibility form. Patients are given an order for lab work which is completed at one of our Partner laboratories. Patients have medical, case management and counseling appointments at the clinic during our working hours (see below). If the physician refers them to a specialist the case manager locates a medical partner who can see the patient for free or low cost. Because our medical providers are volunteers, we are unable to take walk in appointments. All medical appointments are seen by appointment only. Clinic Hours: M-Closed; Tues/Thurs: 8am-6pm; Wed/Fri 8am-5pm.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Funds will allow for HFHC help patients fund lab fees and other medical needs they are unable to presently pay for, Patients are all 100% uninsured and low income. The funding will allow us to see more patients for medical care as well as to refer them to clinic services such as nutrition and exercise classes, groups and medical education.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

All patients are 100% uninsured and low income. It is estimated HFHC will service 80 precinct 3 patients in the FY of 2012-2013

Section VII List all locations (physical address) where the funded service(s) will be provided.

2332 Jordan Rd McAllen, TX 78503

Exhibit B-1

GRANT BUDGET
Awarded by: Precinct 3

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Counseling, Medical appointments , Medication, Case management, lab fees, medical procedures including but not limited to specialized care, surgery, x-ray, mri.	$10,000
TOTAL GRANT BUDGET:	**$10,000**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Precinct 3

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012__- 2013__ For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	900	Counseling, Medical appointments , Medication, Case management, lab fees, medical procedures including but not limited to specialized care, surgery, x-ray, mri.
August	1000	" "
September	1000	" "
October	1000	" "
November	800	" "
December	600	" "
January	700	" "
February	1000	" "
March	1000	" "
April	1000	" "
May	1000	" "
TOTAL:	**$10,000**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Precinct 3_

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	21	Counseling, Medical appointments , Medication, Case management, lab fees, medical procedures including but not limited to specialized care, surgery, x-ray, mri.
August	14	" "
September	5	" "
October	5	" "
November	5	" "
December	5	" "
January	5	" "
February	5	" "
March	5	" "
April	5	" "
May	5	" "
Total for the Year:	**80**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit D
RECORDS & REPORTS

REPORTS

A **Monthly Performance Report (Exhibit D - Activity Report)** must be submitted with each request for payment on or before the 15th of each month. Each activity report must include the following information:

- **Type of expenditures utilizing CDBG funds, type of service(s) provided and how the service met one of the HUD national objectives:**
  - Benefit to Low and Moderate Income Persons
  - Provides Decent Affordable Housing
  - Creates Economic Opportunities

  Number of persons assisted with New Access to service

  Number of persons assisted with Improved Access to service

  Number of low-mod beneficiaries served

  Ethnic Data

  Number of persons served living with a disability

  Number of female head of households served

  Income levels of persons or households with the categories of extremely low, low to moderate and non-low income.

- **Type of Outcome:**

  - **Availability/Accessibility**. Description of how services were made available or accessible to low and moderate income people, including persons with disabilities.

  - **Affordability**. How grant funds made the service affordable to low and moderate income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

  - **Sustainability**: **Promoting Livable or Viable Communities.** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

- **Other significant information** (such as special events, fundraisers, award ceremonies, etc.)Agency agrees to provide Entity with summaries of any events, fundraisers, and/or ceremonies held and provide photos of such events prior to the end date of the Agreement.

RECORDS **Cont. Exhibit D**

All records pertaining to each fiscal year of CDBG funds must be retained, from the date of submission of the COUNTY's Consolidated Annual Performance and Evaluation Report (CAPER) in which the specific activity is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 4-year period. In such cases, the records must be retained until completion of the action and resolution of all issues which arise from it or the end of the regular 4-year period, whichever is longer, except as provided below:

- Written agreements must be retained for four (4) years after the agreement terminates.
- If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
- In the event more than one exception applies to a particular record, the largest retention period shall apply to such record.

(a) Beneficiary Files

Subrecipient must maintain individual beneficiary files served utilizing CDBG funds. Such files must contain the following:

- Membership/registration Application
- Original Program Application (UCP self certification form)
- Physical address of residence

(b) Program Files

Subrecipient must maintain program files related to the Urban County Program CDBG award. Such files must contain the following:

- CDBG funding proposal letter to city and/or precinct
- Urban County Program Subrecipient Questionnaire, exhibits and supporting documentation
- Subrecipient Agreement
- Correspondence to and from Urban County
- Expenditure Reports
- Copies of reimbursement requests
- Monthly Performance Reports
- If applicable, fixed asset inventory list

(c) Financial Records

Subrecipient must maintain proper financial records.

(d) Program Income

Subrecipient must report program income earned, retained and expended to the Urban County Program that was generated by the use of the CDBG award.

Exhibit E
REQUEST FOR PAYMENTS

1. Subrecipient must submit **monthly** reimbursement requests as approved on the Schedule of Payment hereto attached as Exhibit B-2 (the "Schedule of Payment") **due on or before the 15th of each month.**

2. Subrecipient must inform Urban County in writing if the reimbursement request and/or monthly performance report will not be submitted by the due date.

3. Request for reimbursements that are submitted after the last working day of the month will be returned unpaid if the subrecipient did not comply with Request for Payments (2) hereto attached as Exhibit E (the "Request for Payments").

4. Urban County Program will return incorrect and/or incomplete reimbursement requests to the subrecipient as soon as possible in order for corrections to be made.

5. Subrecipient must submit the corrections and/or pending documentation no later than 10 days from notification by UCP. Should the subrecipient fail to submit the corrections within the allotted time, the RFP will be returned, and will NOT qualify for re-submission.

6. Subrecipient must submit May's reimbursement request and monthly performance report to the Urban County Program on or before June 15th.

7. May expenditures (equipment / supplies) must be invoiced and paid by May 31st to be eligible for reimbursement.

8. Subrecipient must submit all required documentation as stated on the UCP Reimbursement Checklist.

9. Should the Subrecipient fail to comply with timely submittals of monthly reimbursement requests and/or performance reports, the Urban County Program shall consider termination of the Subrecipient Agreement as per Section X "Suspension and Termination".

10. Subrecipient must submit a copy of the monthly reimbursement request and performance reports to the respective City and/or Precinct providing CDBG funds to the organization. Failure to submit copies may require pre-approval of the City and/or Precinct prior to Urban County processing the reimbursement request.

11. All reimbursement requests and reports submitted to Urban County must be originals signed with blue ink.

12. As per Section IV of this Agreement, the Urban County Program Monitoring Division will conduct on-site monitoring visits to ensure compliance with applicable Federal requirements and performance goals are being met.

13. Reimbursement requests are processed by Urban County on a first come first serve basis.

14. Payments to Subrecipients will only be mailed. Checks will not be allowed for pickup.

Checks are mailed eleven (11) days from the date the reimbursement request is submitted to the finance division, **only** after all documentation is reviewed, corrections are made, and all documentation is in order.

Exhibit F
Other Applicable Provisions
As stated in Section VIII
OMB Circular A–110 (implemented at 24 CFR part 84)
Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

(1) Subpart A—"General";

(2) Subpart B—"Pre-Award Requirements," except for §84.12, "Forms for Applying for Federal Assistance";

(3) Subpart C—"Post-Award Requirements," except for:

(i) Section 84.22, "Payment Requirements." Grantees shall follow the standards of §§85.20(b)(7) and 85.21 in making payments to subrecipients;

(ii) Section 84.23, "Cost Sharing and Matching";

(iii) Section 84.24, "Program Income." In lieu of §84.24, CDBG subrecipients shall follow §570.504;

(iv) Section 84.25, "Revision of Budget and Program Plans";

(v) Section 84.32, "Real Property." In lieu of §84.32, CDBG subrecipients shall follow §570.505;

(vi) Section 84.34(g), "Equipment." In lieu of the disposition provisions of §84.34(g), the following applies:

(A) In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and

(B) Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient;

(vii) Section 84.51 (b), (c), (d), (e), (f), (g), and (h), "Monitoring and Reporting Program Performance";

(viii) Section 84.52, "Financial Reporting";

(ix) Section 84.53(b), "Retention and access requirements for records." Section 84.53(b) applies with the following exceptions:

(A) The retention period referenced in §84.53(b) pertaining to individual CDBG activities shall be four years; and

(B) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;

(x) Section 84.61, "Termination." In lieu of the provisions of §84.61, CDBG subrecipients shall comply with §570.503(b)(7); and

(4) Subpart D—"After-the-Award Requirements," except for §84.71, "Closeout Procedures."

Exhibit G
Applicable Provisions - 24 CFR Part 85
As stated in Section VIII

Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"

(1) Section 85.3, "Definitions";

(2) Section 85.6, "Exceptions";

(3) Section 85.12, "Special grant or subgrant conditions for 'high-risk' grantees";

(4) Section 85.20, "Standards for financial management systems," except paragraph (a);

(5) Section 85.21, "Payment," except as modified by §570.513;

(6) Section 85.22, "Allowable costs";

(7) Section 85.26, "Non-federal audits";

(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;

(9) Section 85.33, "Supplies";

(10) Section 85.34, "Copyrights";

(11) Section 85.35, "Subawards to debarred and suspended parties";

(12) Section 85.36, "Procurement," except paragraph (a);

(13) Section 85.37, "Subgrants";

(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) through (d) and paragraph (f);

(15) Section 85.41, "Financial reporting," except paragraphs (a), (b), and (e);

(16) Section 85.42, "Retention and access requirements for records," except that the period shall be four years;

(17) Section 85.43, "Enforcement";

(18) Section 85.44, "Termination for convenience";

(19) Section 85.51 "Later disallowances and adjustments" and

(20) Section 85.52, "Collection of amounts due."

STATE OF TEXAS }
}
COUNTY OF HIDALGO }

SUBRECIPIENT AGREEMENT

This Agreement is made and entered into on this the **26TH day of June , 2012**, by and between the COUNTY OF HIDALGO, Urban County Program, a political subdivision of the State of Texas, hereinafter referred to as **"ENTITY"**, and **LA UNION DEL PUEBLO ENTERO**, hereinafter referred to as **"SUBRECIPIENT".**

WITNESSETH

WHEREAS, **SUBRECIPIENT** desires to carry out eligible activities as described in the Statement of Work attached hereto as **Exhibit A** (the "Statement of Work**")**, to this Agreement, and permitted by Title I of the Housing and Community Development Act of 1992 (1992 Act) pursuant to the U. S. Department of Housing and Urban Development Community Development Block Grant Program Entitlement Grant Regulations and covered in 24 CFR 570.

WHEREAS, the **ENTITY** proposes to contract with **SUBRECIPIENT** in order that the eligible activities described in **Exhibit A** (the "Statement of Work**")** can be carried out for the benefit of residents in the ENTITY'S jurisdiction.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration the receipt of which is hereby acknowledged, the **ENTITY** and the **SUBRECIPIENT** do mutually agree as follows:

SECTION I
Rules and Regulations

The **SUBRECIPIENT** agrees to cooperate with the **ENTITY** in respect to the implementation of Community Development Block Grant CFDA No. 14.218 (CDBG) activities to be carried out by **SUBRECIPIENT** pursuant to 24 CFR Part 570 and other rules, regulations and decisions as may be made by the U. S. Department of Housing and Urban Development (HUD) or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG program funds.

SECTION II
Statement of Work

SUBRECIPIENT agrees to perform services as outlined in the Statement of Work for and in consideration of payment in the amount of **$46,636.00,** and as delineated in the Grant Budget and the Payment Schedule attached hereto as Exhibit B-1 (the "Grant Budget") and Exhibit B-2 (the "Payment Schedule").

SUBRECIPIENT agrees to notify **ENTITY**, in writing, prior to any changes in its Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"). SUBRECIPIENT shall obtain approval, in writing, from ENTITY prior to commencing work on any changes made to the Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity.

ENTITY shall not be liable for costs incurred or performances rendered by **SUBRECIPIENT** before commencement of this Agreement or after termination of this Agreement.

SUBRECIPIENT agrees to follow the schedule outlined in the Schedule of Activity of this Agreement, and shall notify **ENTITY**, in writing, prior to any changes, delays or departures from the Schedule of Activity. If **SUBRECIPIENT** demonstrates that delays or departure from the Schedule of Activity is due to circumstances beyond its control, **ENTITY** and **SUBRECIPIENT** may (but Entity shall not be required) to amend the Schedule of Activity.

SECTION III
Records and Reports

SUBRECIPIENT agrees to establish and maintain records and reports as outlined in the Records and Reports attached hereto as Exhibit D (the "Records and Reports") and agrees to make the Records and Reports available to the **ENTITY**, HUD, and any other local, state or federal entity or authority that may exercise jurisdiction over CDBG funds. Monthly performance reports must be submitted on or before the 15th of every month.

SECTION IV
Monitoring Visits

SUBRECIPIENT agrees that **ENTITY** shall conduct on-site monitoring visits to assure compliance with applicable Federal requirements and that performance goals are being achieved, if applicable, as per 24 CFR Part 85.40 (a) and 24 CFR Part 84.51(a). **SUBRECIPIENT** shall attend an orientation prior to the award of funds and prior to the first draw of funds. After each monitoring visit, **ENTITY** shall provide **SUBRECIPIENT** with a written report of the monitor's findings. If the monitoring reports note deficiencies in **SUBRECIPIENT's** performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by **SUBRECIPIENT**. Failure by **SUBRECIPIENT** to take action specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section X of this Agreement. In addition, **SUBRECIPIENT** shall give HUD, the Comptroller General of the United States, **ENTITY**, and any of their duly authorized representatives, unobstructed and full 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 **SUBRECIPIENT** pertaining to this Agreement.

SECTION V
Payment Requests and Program Income

SUBRECIPIENT agrees to follow administrative directions from the **ENTITY** regarding documenting and processing payment requests as defined in the Requests for Payments attached hereto as Exhibit E (the "Requests for Payments") of this Agreement.

SUBRECIPIENT shall submit final reimbursement request to **ENTITY** within fifteen (15) days (by June 15, 2012) of the Agreement termination date.

SUBRECIPIENT and **ENTITY** agree that if applicable, program income generated from the use of CDBG funds shall be retained by the **SUBRECIPIENT**. If the activity is partially assisted with CDBG funds, the **SUBRECIPIENT** agrees to pro-rate the gross income to reflect the percent of CDBG funds assisted in the activity. The **SUBRECIPIENT** is to provide to the **ENTITY** by the third Wednesday of each month an accounting of program income through Monthly Performance Reports outlined in the Records and Reports. The **ENTITY** is then required to report all CDBG program income earned, retained, and expended. The **SUBRECIPIENT** shall be allowed to use program income for the same or similar activities as generated by program income. Failure of the **SUBRECIPIENT** to report program income as required shall cause the **ENTITY** to require all program income to be recovered by the **ENTITY**.

SUBRECIPIENT and **ENTITY** agree that all unused CDBG funds at the end or termination of this agreement will be reallocated or reprogrammed by **ENTITY.**

SECTION VI
Religious Activities

The **SUBRECIPIENT** and **ENTITY** both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this Agreement be used for sectarian or religious activities.

SECTION VII
Other Program Requirements

SUBRECIPIENT agrees to comply with "Other Program Requirements" as listed in 24 CFR §570.600 through 611 except for those environmental review requirements listed as 24 CFR §570.604 and initiation of review process under the provisions of 24 CFR Part 52.

SECTION VIII
Uniform Administrative Requirements

Subrecipients, except subrecipients that are governmental entities, shall comply with the requirements and standards of OMB Circular No. A–122, "Cost Principles for Non-profit Organizations", or OMB Circular No. A–21, "Cost Principles for Educational Institutions", as applicable, and OMB Circular A–133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions" (as set forth in 24 CFR part 45). Audits shall be conducted annually. Such subrecipients shall also comply with the provisions of the Uniform Administrative requirements of OMB Circular A–110 (implemented at 24 CFR part 84, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations") or the related CDBG provisions, as specified in the other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions") and any subsequent amendments thereto.

Recipients and Subrecipients that are governmental entities (including public agencies) shall comply with the requirements and standards of OMB Circular No. A–87, "Cost Principles for State, Local, and Indian Tribal Governments"; OMB Circular A–133, "Audits of State and Local Governments" (implemented at 24 CFR part 44); and with sections of 24 CFR part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" or other related CDBG provision, as specified in the other Applicable Provisions attached hereto as Exhibit G (the "Other Applicable Provisions") and any subsequent amendments thereto.

SECTION IX
Audit Requirements

SUBRECIPIENT agrees to comply with the applicable requirements and standards as set forth in OMB Circular A-133, Audits of States, Local Governments and Non-Profit organizations.

SUBRECIPIENT agrees to furnish **ENTITY** with a current Financial Management Letter (financial statements) within six (6) months from the end of its fiscal year covering the period of this Agreement that includes detailed receipts and disbursement of payments to **SUBRECIPIENT** hereunder. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit a Financial Management Letter within the allotted time.**

However, if **SUBRECIPIENT** expends Five Hundred Thousand Dollars ($500,000.00) or more in federal funds, **SUBRECIPIENT** must, within nine (9) months from the end of its fiscal year, supply **ENTITY** with an audit of revenues and expenditures conducted by a certified public accountant. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit an audit within the allotted time.**

If the **SUBRECIPIENT** expends less than Five Hundred Thousand Dollars ($500,000.00) a year in federal awards, then they are exempt from the OMB Circular A-133 audit requirements for that year; however, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity and the General Accounting Office.

SUBRECIPIENT is required to submit a 990 Tax Return (Return of Organization Exempt from Income Tax) for the most recent fiscal year within six (6) months if submitting a Financial Management Letter or within nine (9) months if submitting a Financial Audit. If the Subrecipient is not classified as an exempt entity, the Subrecipient will not be awarded grant funds.

If applicable, **SUBRECIPIENT** agrees to cooperate with **ENTITY** relating to any inquiries regarding the Financial Audit or Financial Management Letter and **SUBRECIPIENT** acknowledges that a Financial Audit or Financial Management Letter shall be provided to **ENTITY** at the expense of the **SUBRECIPIENT.** Financial

Audit or Financial Management Letter shall be available to **ENTITY** staff, and any and all applicable federal agencies, and be of unrestricted access, as listed in 24 CFR Part 85.42.

SECTION X
Suspension and Termination

SUBRECIPIENT understands that this Agreement may be suspended or terminated, in accordance with 24 CFR §85.43, if applicable, and 24 CFR §84.61, if the **SUBRECIPIENT** materially fails to comply with the provisions of this Agreement or the provisions so listed in the Statement of Work attached hereto as Exhibit A (the "Statement of Work"), the Grant Budget attached hereto as Exhibit B-1 (the "Grant Budget), the Payment Schedule attached hereto as Exhibit B-2 (the "Payment Schedule), the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"), the Records & Reports attached hereto as Exhibit D (the "Records & Reports"), the Request for Payments attached hereto as Exhibit E (the "Request for Payments"), Other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions"), and the Applicable Provisions - 24 CFR Part 85 attached hereto as Exhibit G (the "Other Applicable Provisions – 24 CFR Part 85").

If **SUBRECIPIENT** fails to fulfill in a timely and proper manner its obligations under this Agreement, or **SUBRECIPIENT** violates any of the Agreements or stipulations of this Agreement, then the **ENTITY** shall provide **SUBRECIPIENT** written notification of such non-performance. Such non-performance, (***i.e., timely submittal of monthly reports and/or reimbursements)***, may be the basis for immediate termination of this Agreement. Should any breach of contract (Agreement) relate to a violation of federal law or regulation that results in HUD demanding reimbursement from the **ENTITY OR SUBRECIPIENT** or its successor, the **ENTITY** may terminate this Agreement and seek reimbursement of all funds from **SUBRECIPIENT**. **SUBRECIPIENT** shall not be relieved of the liability to the **ENTITY** for damages sustained by the **ENTITY** by virtue of any breach of this contract (Agreement) by **SUBRECIPIENT** and **ENTITY** may withhold any payments to **SUBRECIPIENT** for violations of federal regulations or any breach of this Agreement. Should the **ENTITY** become aware of any activity by **SUBRECIPIENT,** which would jeopardize the **ENTITY'S** position with the U. S. Department of Housing and Urban Development (HUD) or which would cause a payback of federal funds, then the **ENTITY** may take appropriate action including injunctive relief against **SUBRECIPIENT** to prevent the transaction. The failure of the **ENTITY** to exercise any right shall in no way constitute a waiver by the **ENTITY** to otherwise demand payment or seek any other relief in law or in equity to which it may be justly entitled.

It is expressly agreed that this Agreement may not be amended except upon the joint action of both the **ENTITY** and the **LA UNION DEL PUEBLO ENTERO.**

SECTION XI
Assets

SUBRECIPIENT shall not purchase any asset unless prior written approval is obtained from the **ENTITY** and such procurement shall be done in the form and manner so prescribed by the **ENTITY**.

Any asset acquired or improved in part or in whole with CDBG funds in excess of $25,000 must be used in an activity that meets one of the national objectives listed in 24 CFR §570.208 for a period of five (5) years after the expiration of this Agreement or a longer period if so determined by the **ENTITY**.

The disposition of any asset improved or acquired in part or in whole with CDBG funds by the **SUBRECIPIENT** must be done with prior written approval of the **ENTITY** and the **ENTITY** shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The **ENTITY** may, at its option, request that such asset be transferred to **ENTITY** if the asset is no longer being used to meet one of the national objectives or in any case where the **SUBRECIPIENT** no longer provides services shown on the Statement of Work.

SECTION XII
Indemnity Clause

SUBRECIPIENT agrees to hold **ENTITY** harmless from, and indemnify **ENTITY** from and defend **ENTITY** against any and all claims brought against **ENTITY** by employees or officers of **SUBRECIPIENT** or brought by any third person arising in any manner directly or indirectly from **SUBRECIPIENT** programs, activities or events conducted pursuant to this Agreement.

SUBRECIPIENT shall acquire, maintain and furnish to **ENTITY** a Certificate of Insurance as proof that it has secured and paid for policies of public liability and automobile insurance to cover all operations and services under this Agreement with limits of not less than $300,000.00 per occurrence, $300,000.00 aggregate, covering all risks incident to or in connection with the execution, performance, attempted performance or non-performance of this Agreement.

SECTION XIII
Procurement

SUBRECIPIENT agrees to follow the statues and rules governing the **ENTITY** in the procurement of services, supplies or non-real property in relation to **ENTITY**-funded projects. The legal standards that will apply include the procurement standards of the HIDALGO COUNTY Urban County Program, which includes 24 CFR Part 85.36, and the TEXAS COUNTY PURCHASING ACT.

SECTION XIV
Conflict of Interest

SUBRECIPIENT covenants that members of its organization or staff members who exercise influence on the decision-making process will not have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed in the Statement of Work, 24 CFR Part 570.611, 24 CFR Part 84.40-48, and 24 CFR Part 85.36.

SUBRECIPIENT agrees that no person who is an elected official, officer, director, employee, consultant, or agent of the **SUBRECIPIENT**'s organization or the **ENTITY**'s organization shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Statement of Work during their tenure or for a period of one year thereafter.

SUBRECIPIENT is responsible for repayment of funds associated with any conflict of interest that may occur either knowingly or unknowingly.

No **ENTITY** employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described in the Statement of Work.

SECTION XII
Legal Action and Venue

SUBRECIPIENT agrees to notify the **ENTITY** when a problem arises that may lead to legal action or claim against the **SUBRECIPIENT**. The **SUBRECIPIENT** agrees to furnish to the **ENTITY** any and all information with respect to such action or claim. The **SUBRECIPIENT** agrees not to take any action with respect to any legal action or claim sought against the **SUBRECIPIENT** without the advice and written consent of the **ENTITY**.

Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this Agreement shall lie exclusively in HIDALGO COUNTY.

SECTION XIII
Miscellaneous Provisions

Conflict with Applicable Law. Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

No Waiver. No waiver by **ENTITY** of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

Entire Agreement. This Agreement contains the entire contract between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by **ENTITY** and **SUBRECIPIENT**, and not otherwise.

Texas Law to Apply. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THIE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.

Notice. Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by electronic mail, or (iii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or (iv) sent by facsimile or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to **ENTITY**:

COUNTY OF HIDALGO
Urban County Program
1916 Tesoro Blvd.
Pharr, TX 78577
Email: ucp@ucp.co.hidalgo.tx.us
Phone # (956) 787-8127
Fax # (956) 787-5291

If to **SUBRECIPIENT**:

La Union Del Pueblo Entero (LUPE)
Attn: Vaughn Cox
P.O. Box 188
San Juan, Texas 78589
Email: voncox@lupenet.org
Phone: (956) 782-6655
Fax: (956) 782-2125

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the Unites States mail.

Additional Documents. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

Assignment. This Agreement shall not be assignable by **SUBRECIPIENT**. **ENTITY** may assign this Agreement without the consent of **SUBRECIPIENT**.

Headings. The headings and captions contained in this Agreement are solely for convenient reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

Gender and Number. All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate.

Authority to Execute. The execution and performance of this Agreement by **ENTITY** and **SUBRECIPIENT** have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of **ENTITY** and **SUBRECIPIENT** in accordance with its terms.

SECTION XVII
Effective Date

The effective date of this agreement shall be the **1st day of July 2012** such date being the date the HIDALGO COUNTY COMMISSIONERS' COURT approved entering into this Agreement with SUBRECIPIENT and shall terminate on the **31st day of May 2013.**

Approved and signed this _____ day of _____ 20___.

_____ _____
Print or Type Name of Authorized Official Signature of Authorized Official

SUBRECIPIENT Name: La Union Del Pueblo Entero (LUPE)
Address: P.O. Box 188
City/State/Zip: San Juan, Texas 78589
Federal I.D. # or Soc. Sec. #: 93-1029197
DUNS #: 148978161

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

_____ personally appeared before me and declared that he/she signed this application in the capacity designated, if any, and further states that, he/she has read the above application, and the statements therein contained are true.

Subscribed and sworn to before me this _____ day of_____, 20_____ .

_____
Notary - Signature

COUNTY OF HIDALGO – URBAN COUNTY PROGRAM

_____ _____
Witness: **Diana R. Serna, UCP Director**

APPROVED AS TO FORM
Atlas & Hall L.L.P.
By: Steve Crain
Date: June 21, 2011

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

We will provide 5 self-development classes divided between the Mercedes Center (Casa Saldana) and the Edcouch Center (Casa Messina) for people who wish to learn English, to study for their GED exams, or prepare for the USCIS naturalization exam. In addition an Outreach Specialist will disseminate information about LUPE programs and services to residents of Hidalgo County Precinct #1 and conduct leadership development activities for residents of Hidalgo County Precinct #1.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 18,674 Awarded By: Hidalgo County Precinct #1

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Partial salary support for staff providing direct services.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

1. ESL class will meet for a total of nine hours per month at the Mercedes Center
2. GED class will meet for a total of nine hours per month at the Mercedes Center.
3. Citizenship – English class will meet for a total of nine hours per month at the Mercedes Center.
4. Citizenship – Spanish class will meet for a total of nine hours per month at the Mercedes Center.
5. ESL class will meet for a total of nine hours per month at the Edcouch Center
6. Citizenship – English class will meet for a total of nine hours per month at the Edcouch Center.
7. An Outreach Specialist will provide information about LUPE programs, benefits, and services and conduct leadership development activities for residents of Precinct #1.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Restoration of funding will allow us to open two new classes in Mercedes and one in Edcouch to serve residents in those areas.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

At least 120 low-income residents residing in Precinct #1, will participate in one of the ESL, Citizenship, or GED classes. People of any age may enroll in the ESL class, but only Legal Permanent Residents may enroll in the citizenship classes.

Section VII List all locations (physical address) where the funded service(s) will be provided.

1225 N. FM491 Mercedes TX 78570 (Casa Saldaña Community Center)
7766 Mile 16 North Edcouch TX 78538 (Casa Messina Community Center)

Exhibit B-1
GRANT BUDGET
Awarded by: Hidalgo County Precinct #1

Sub-recipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Sub-recipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	BUDGETED AMOUNT
Salary support for staff who provide direct services	$ 18,674
TOTAL GRANT BUDGET:	$ 18,674

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Hidalgo County Precinct #1

Sub-recipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Sub-recipient will be allowed up to two (2) amendments to the payment schedule.

For the Months of...	Estimated Amount of Expenditures	Type of Budgeted Expenditures
July 2012	**$1698**	Salary for staff who provide direct services
August 2012	**$1698**	Salary for staff who provide direct services
September2012	**$1697**	Salary for staff who provide direct services
October 2012	**$1698**	Salary for staff who provide direct services
November 2012	**$1697**	Salary for staff who provide direct services
December 2012	**$1697**	Salary for staff who provide direct services
January 2013	**$1697**	Salary for staff who provide direct services
February 2013	**$1698**	Salary for staff who provide direct services
March 2013	**$1698**	Salary for staff who provide direct services
April 2013	**$1698**	Salary for staff who provide direct services
May 2013	**$1698**	Salary for staff who provide direct services
TOTAL:	**$18,674**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Hidalgo County Precinct #1

Sub-recipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The Sub-recipient will be allowed up to two (2) amendments for the term of the agreement.

For the months of....	Number of Unduplicated Beneficiaries to be Served	Services Provided
July 2012	**40**	Self-development classes, outreach, & leadership development activities
August 2012	**15**	Self-development classes, outreach, & leadership development activities
September 2012	**10**	Self-development classes, outreach, & leadership development activities
October 2012	**8**	Self-development classes, outreach, & leadership development activities
November 2012	**8**	Self-development classes, outreach, & leadership development activities
December 2012	**8**	Self-development classes, outreach, & leadership development activities
January 2013	**8**	Self-development classes, outreach, & leadership development activities
February 2013	**8**	Self-development classes, outreach, & leadership development activities
March 2013	**5**	Self-development classes, outreach, & leadership development activities
April 2013	**5**	Self-development classes, outreach, & leadership development activities
May 2013	**5**	Self-development classes, outreach, & leadership development activities
Total for the Year:	**120**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

We will provide 3 self-development classes at the San Juan Center for people who wish to learn English or to prepare to apply to become naturalized citizens of the U.S. In addition an Outreach Specialist will disseminate information about LUPE benefits, programs, and services to residents of Hidalgo County Precinct #2 and conduct leadership development activities for residents of Hidalgo County Precinct #2.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 11,532 Awarded By: Hidalgo County Precinct #2

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Partial salary support for staff providing direct services.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

8. English Citizenship class will meet for a total of nine hours per month at the San Juan Center.
9. Spanish Citizenship class will meet for a total of nine hours per month at the San Juan Center.
10. ESL class will each meet for a total of nine hours per month at the San Juan Center
11. An Outreach Specialist will provide information about LUPE programs and services to residents of Precinct #2 and conduct leadership development activities for residents of Precinct #2.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

CDBG funds will maintain current levels of service. No new services will be offered for this fiscal year

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

At least 72 low-income residents residing in all parts of Precinct #2, except for the City of Pharr, will be enrolled in the ESL class or one of the Citizenship preparation classes. People of any age may enroll in the ESL class, but only individuals who meet certain criteria may enroll in the citizenship classes.

Section VII List all locations (physical address) where the funded service(s) will be provided.

1601 E. Business Highway 83 San Juan TX 78589

Exhibit B-1
GRANT BUDGET
Awarded by: Hidalgo County Precinct #2

Sub-recipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Sub-recipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	BUDGETED AMOUNT
Salary support for staff who provide direct services	$ 11,532
TOTAL GRANT BUDGET:	$ 11,532

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Hidalgo County Precinct #2

Sub-recipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Sub-recipient will be allowed up to two (2) amendments to the payment schedule.

For the Months of...	Estimated Amount of Expenditures	Type of Budgeted Expenditures
July 2012	$ 1,048	Salary for staff who provide direct services
August 2012	$ 1,048	Salary for staff who provide direct services
September2012	$ 1,049	Salary for staff who provide direct services
October 2012	$ 1,048	Salary for staff who provide direct services
November 2012	$ 1,048	Salary for staff who provide direct services
December 2012	$ 1,049	Salary for staff who provide direct services
January 2012	$ 1,048	Salary for staff who provide direct services
February 2012	$ 1,048	Salary for staff who provide direct services
March 2012	$ 1,049	Salary for staff who provide direct services
April 2012	$ 1,048	Salary for staff who provide direct services
May 2012	$ 1,049	Salary for staff who provide direct services
TOTAL:	$11,532	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Hidalgo County Precinct #2

Sub-recipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The Sub-recipient will be allowed up to two (2) amendments for the term of the agreement.

For the months of....	Number of Unduplicated Beneficiaries to be Served	Services Provided
July 2012	**20**	Self-development classes, outreach, & leadership development activities
August 2012	**8**	Self-development classes, outreach, & leadership development activities
September 2012	**6**	Self-development classes, outreach, & leadership development activities
October 2012	**6**	Self-development classes, outreach, & leadership development activities
November 2012	**6**	Self-development classes, outreach, & leadership development activities
December 2012	**4**	Self-development classes, outreach, & leadership development activities
January 2013	**6**	Self-development classes, outreach, & leadership development activities
February 2013	**4**	Self-development classes, outreach, & leadership development activities
March 2013	**4**	Self-development classes, outreach, & leadership development activities
April 2013	**4**	Self-development classes, outreach, & leadership development activities
May 2013	**4**	Self-development classes, outreach, & leadership development activities
Total for the Year:	**72**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

We will provide 5 self-development classes at the Alton Center for people who wish to learn English, to prepare to apply to become naturalized citizens of the U.S., or to earn a GED. In addition an Outreach Specialist will disseminate information about LUPE benefits, programs, and services to and leadership development activities for eligible residents of Hidalgo County Precinct #3.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 16,430 Awarded By: Hidalgo County Precinct #3

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Partial salary support for staff providing direct services.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

12. English Citizenship classes will meet for a total of nine hours per month at the Alton Community Center.
13. Spanish Citizenship class will meet for a total of nine hours per month at the Alton Community Center.
14. 2 ESL classes will each meet for a total of nine hours per month at the Alton Community Center
15. One GED Class will meet for a total of nine hours per month at the Alton Community Center
16. An Outreach Specialist will provide information about LUPE benefits, programs, and services to and leadership development activities for eligible residents of Hidalgo County Precinct #3.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

CDBG funds will maintain current level of service with higher enrollment anticipated.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

At least 140 low-income residents, from all parts of Precinct #3 except for the City of Mission, will enroll in one of the ESL classes or Citizenship preparation classes, or the GED preparation class. People of any age may enroll in the ESL class, but Legal Permanent Residents may enroll in the citizenship classes.

Section VII List all locations (physical address) where the funded service(s) will be provided.

314 W. Dawes Street, Alton TX 78573

Exhibit B-1
GRANT BUDGET
Awarded by: Hidalgo County Precinct #3

Sub-recipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Sub-recipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	BUDGETED AMOUNT
Salary support for staff who provide direct services	$ 16,430
TOTAL GRANT BUDGET:	$ 16,430

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: Hidalgo County Precinct #3

Sub-recipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Sub-recipient will be allowed up to two (2) amendments to the payment schedule.

For the Months of...	Estimated Amount of Expenditures	Type of Budgeted Expenditures
July 2012	**$1503**	Salary for staff providing direct services
August 2012	**$1503**	Salary for staff providing direct services
September2012	**$1503**	Salary for staff providing direct services
October 2012	**$1503**	Salary for staff providing direct services
November 2012	**$1503**	Salary for staff providing direct services
December 2012	**$1400**	Salary for staff providing direct services
January 2013	**$1503**	Salary for staff providing direct services
February 2013	**$1503**	Salary for staff providing direct services
March 2013	**$1503**	Salary for staff providing direct services
April 2013	**$1503**	Salary for staff providing direct services
May 2013	**$1503**	Salary for staff providing direct services
TOTAL:	**$16,430**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: Hidalgo County Precinct #3

Sub-recipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The Sub-recipient will be allowed up to two (2) amendments for the term of the agreement.

For the months of....	Number of Unduplicated Beneficiaries to be Served	Services Provided
July 2012	**30**	Self-development classes, outreach, & leadership development activities
August 2012	**15**	Self-development classes, outreach, & leadership development activities
September2012	**12**	Self-development classes, outreach, & leadership development activities
October 2012	**12**	Self-development classes, outreach, & leadership development activities
November 2012	**12**	Self-development classes, outreach, & leadership development activities
December 2012	**9**	Self-development classes, outreach, & leadership development activities
January 2013	**10**	Self-development classes, outreach, & leadership development activities
February 2013	**10**	Self-development classes, outreach, & leadership development activities
March 2013	**10**	Self-development classes, outreach, & leadership development activities
April 2013	**10**	Self-development classes, outreach, & leadership development activities
May 2013	**10**	Self-development classes, outreach, & leadership development activities
Total for the Year:	**140**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit D
RECORDS & REPORTS

REPORTS

A **Monthly Performance Report (Exhibit D - Activity Report)** must be submitted with each request for payment on or before the 15th of each month. Each activity report must include the following information:

- **Type of expenditures utilizing CDBG funds, type of service(s) provided and how the service met one of the HUD national objectives:**
  - Benefit to Low and Moderate Income Persons
  - Provides Decent Affordable Housing
  - Creates Economic Opportunities

  Number of persons assisted with New Access to service

  Number of persons assisted with Improved Access to service

  Number of low-mod beneficiaries served

  Ethnic Data

  Number of persons served living with a disability

  Number of female head of households served

  Income levels of persons or households with the categories of extremely low, low to moderate and non-low income.

- **Type of Outcome:**

  - **Availability/Accessibility**. Description of how services were made available or accessible to low and moderate income people, including persons with disabilities.

  - **Affordability**. How grant funds made the service affordable to low and moderate income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

  - **Sustainability**: **Promoting Livable or Viable Communities.** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

- **Other significant information** (such as special events, fundraisers, award ceremonies, etc.)Agency agrees to provide Entity with summaries of any events, fundraisers, and/or ceremonies held and provide photos of such events prior to the end date of the Agreement.

RECORDS **Cont. Exhibit D**

All records pertaining to each fiscal year of CDBG funds must be retained, from the date of submission of the COUNTY's Consolidated Annual Performance and Evaluation Report (CAPER) in which the specific activity is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 4-year period. In such cases, the records must be retained until completion of the action and resolution of all issues which arise from it or the end of the regular 4-year period, whichever is longer, except as provided below:

- Written agreements must be retained for four (4) years after the agreement terminates.
- If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
- In the event more than one exception applies to a particular record, the largest retention period shall apply to such record.

(a) Beneficiary Files

Subrecipient must maintain individual beneficiary files served utilizing CDBG funds. Such files must contain the following:

- Membership/registration Application
- Original Program Application (UCP self certification form)
- Physical address of residence

(b) Program Files

Subrecipient must maintain program files related to the Urban County Program CDBG award. Such files must contain the following:

- CDBG funding proposal letter to city and/or precinct
- Urban County Program Subrecipient Questionnaire, exhibits and supporting documentation
- Subrecipient Agreement
- Correspondence to and from Urban County
- Expenditure Reports
- Copies of reimbursement requests
- Monthly Performance Reports
- If applicable, fixed asset inventory list

(c) Financial Records

Subrecipient must maintain proper financial records.

(d) Program Income

Subrecipient must report program income earned, retained and expended to the Urban County Program that was generated by the use of the CDBG award.

Exhibit E
REQUEST FOR PAYMENTS

1. Subrecipient must submit **monthly** reimbursement requests as approved on the Schedule of Payment hereto attached as Exhibit B-2 (the "Schedule of Payment") **due on or before the 15th of each month.**

2. Subrecipient must inform Urban County in writing if the reimbursement request and/or monthly performance report will not be submitted by the due date.

3. Request for reimbursements that are submitted after the last working day of the month will be returned unpaid if the subrecipient did not comply with Request for Payments (2) hereto attached as Exhibit E (the "Request for Payments").

4. Urban County Program will return incorrect and/or incomplete reimbursement requests to the subrecipient as soon as possible in order for corrections to be made.

5. Subrecipient must submit the corrections and/or pending documentation no later than 10 days from notification by UCP. Should the subrecipient fail to submit the corrections within the allotted time, the RFP will be returned, and will NOT qualify for re-submission.

6. Subrecipient must submit May's reimbursement request and monthly performance report to the Urban County Program on or before June 15th.

7. May expenditures (equipment / supplies) must be invoiced and paid by May 31st to be eligible for reimbursement.

8. Subrecipient must submit all required documentation as stated on the UCP Reimbursement Checklist.

9. Should the Subrecipient fail to comply with timely submittals of monthly reimbursement requests and/or performance reports, the Urban County Program shall consider termination of the Subrecipient Agreement as per Section X "Suspension and Termination".

10. Subrecipient must submit a copy of the monthly reimbursement request and performance reports to the respective City and/or Precinct providing CDBG funds to the organization. Failure to submit copies may require pre-approval of the City and/or Precinct prior to Urban County processing the reimbursement request.

11. All reimbursement requests and reports submitted to Urban County must be originals signed with blue ink.

12. As per Section IV of this Agreement, the Urban County Program Monitoring Division will conduct on-site monitoring visits to ensure compliance with applicable Federal requirements and performance goals are being met.

13. Reimbursement requests are processed by Urban County on a first come first serve basis.

14. Payments to Subrecipients will only be mailed. Checks will not be allowed for pickup.

Checks are mailed eleven (11) days from the date the reimbursement request is submitted to the finance division, **only** after all documentation is reviewed, corrections are made, and all documentation is in order.

Exhibit F
Other Applicable Provisions
As stated in Section VIII
OMB Circular A–110 (implemented at 24 CFR part 84)
Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

(1) Subpart A—"General";

(2) Subpart B—"Pre-Award Requirements," except for §84.12, "Forms for Applying for Federal Assistance";

(3) Subpart C—"Post-Award Requirements," except for:

(i) Section 84.22, "Payment Requirements." Grantees shall follow the standards of §§85.20(b)(7) and 85.21 in making payments to subrecipients;

(ii) Section 84.23, "Cost Sharing and Matching";

(iii) Section 84.24, "Program Income." In lieu of §84.24, CDBG subrecipients shall follow §570.504;

(iv) Section 84.25, "Revision of Budget and Program Plans";

(v) Section 84.32, "Real Property." In lieu of §84.32, CDBG subrecipients shall follow §570.505;

(vi) Section 84.34(g), "Equipment." In lieu of the disposition provisions of §84.34(g), the following applies:

(A) In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and

(B) Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient;

(vii) Section 84.51 (b), (c), (d), (e), (f), (g), and (h), "Monitoring and Reporting Program Performance";

(viii) Section 84.52, "Financial Reporting";

(ix) Section 84.53(b), "Retention and access requirements for records." Section 84.53(b) applies with the following exceptions:

(A) The retention period referenced in §84.53(b) pertaining to individual CDBG activities shall be four years; and

(B) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;

(x) Section 84.61, "Termination." In lieu of the provisions of §84.61, CDBG subrecipients shall comply with §570.503(b)(7); and

(4) Subpart D—"After-the-Award Requirements," except for §84.71, "Closeout Procedures."

Exhibit G
Applicable Provisions - 24 CFR Part 85
As stated in Section VIII

Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"

(1) Section 85.3, "Definitions";

(2) Section 85.6, "Exceptions";

(3) Section 85.12, "Special grant or subgrant conditions for 'high-risk' grantees";

(4) Section 85.20, "Standards for financial management systems," except paragraph (a);

(5) Section 85.21, "Payment," except as modified by §570.513;

(6) Section 85.22, "Allowable costs";

(7) Section 85.26, "Non-federal audits";

(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;

(9) Section 85.33, "Supplies";

(10) Section 85.34, "Copyrights";

(11) Section 85.35, "Subawards to debarred and suspended parties";

(12) Section 85.36, "Procurement," except paragraph (a);

(13) Section 85.37, "Subgrants";

(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) through (d) and paragraph (f);

(15) Section 85.41, "Financial reporting," except paragraphs (a), (b), and (e);

(16) Section 85.42, "Retention and access requirements for records," except that the period shall be four years;

(17) Section 85.43, "Enforcement";

(18) Section 85.44, "Termination for convenience";

(19) Section 85.51 "Later disallowances and adjustments" and

(20) Section 85.52, "Collection of amounts due."

STATE OF TEXAS }
}
COUNTY OF HIDALGO }

SUBRECIPIENT AGREEMENT

This Agreement is made and entered into on this the **26th day of June, 20 12,** by and between the COUNTY OF HIDALGO, Urban County Program, a political subdivision of the State of Texas, hereinafter referred to as **"ENTITY"**, and **WOMEN TOGETHER FOUNDATION, INC.**, hereinafter referred to as **"SUBRECIPIENT".**

WITNESSETH

WHEREAS, **SUBRECIPIENT** desires to carry out eligible activities as described in the Statement of Work attached hereto as **Exhibit A** (the "Statement of Work**")**, to this Agreement, and permitted by Title I of the Housing and Community Development Act of 1992 (1992 Act) pursuant to the U. S. Department of Housing and Urban Development Community Development Block Grant Program Entitlement Grant Regulations and covered in 24 CFR 570.

WHEREAS, the **ENTITY** proposes to contract with **SUBRECIPIENT** in order that the eligible activities described in **Exhibit A** (the "Statement of Work**")** can be carried out for the benefit of residents in the ENTITY'S jurisdiction.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that for and in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration the receipt of which is hereby acknowledged, the **ENTITY** and the **SUBRECIPIENT** do mutually agree as follows:

SECTION I
Rules and Regulations

The **SUBRECIPIENT** agrees to cooperate with the **ENTITY** in respect to the implementation of Community Development Block Grant CFDA No. 14.218 (CDBG) activities to be carried out by **SUBRECIPIENT** pursuant to 24 CFR Part 570 and other rules, regulations and decisions as may be made by the U. S. Department of Housing and Urban Development (HUD) or any other federal or state agency that may legally exercise its jurisdiction over expenditures of CDBG program funds.

SECTION II
Statement of Work

SUBRECIPIENT agrees to perform services as outlined in the Statement of Work for and in consideration of payment in the amount of **$46,500.00,** and as delineated in the Grant Budget and the Payment Schedule attached hereto as Exhibit B-1 (the "Grant Budget") and Exhibit B-2 (the "Payment Schedule").

SUBRECIPIENT agrees to notify **ENTITY**, in writing, prior to any changes in its Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"). SUBRECIPIENT shall obtain approval, in writing, from ENTITY prior to commencing work on any changes made to the Statement of Work, the Grant Budget, the Payment Schedule and the Schedule of Activity.

ENTITY shall not be liable for costs incurred or performances rendered by **SUBRECIPIENT** before commencement of this Agreement or after termination of this Agreement.

SUBRECIPIENT agrees to follow the schedule outlined in the Schedule of Activity of this Agreement, and shall notify **ENTITY**, in writing, prior to any changes, delays or departures from the Schedule of Activity. If **SUBRECIPIENT** demonstrates that delays or departure from the Schedule of Activity is due to circumstances beyond its control, **ENTITY** and **SUBRECIPIENT** may (but Entity shall not be required) to amend the Schedule of Activity.

SECTION III
Records and Reports

SUBRECIPIENT agrees to establish and maintain records and reports as outlined in the Records and Reports attached hereto as Exhibit D (the "Records and Reports") and agrees to make the Records and Reports available to the **ENTITY**, HUD, and any other local, state or federal entity or authority that may exercise jurisdiction over CDBG funds. Monthly performance reports must be submitted on or before the 15th of every month.

SECTION IV
Monitoring Visits

SUBRECIPIENT agrees that **ENTITY** shall conduct on-site monitoring visits to assure compliance with applicable Federal requirements and that performance goals are being achieved, if applicable, as per 24 CFR Part 85.40 (a) and 24 CFR Part 84.51(a). **SUBRECIPIENT** shall attend an orientation prior to the award of funds and prior to the first draw of funds. After each monitoring visit, **ENTITY** shall provide **SUBRECIPIENT** with a written report of the monitor's findings. If the monitoring reports note deficiencies in **SUBRECIPIENT's** performance under the terms of this Agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by **SUBRECIPIENT**. Failure by **SUBRECIPIENT** to take action specified in the monitoring report may be cause for suspension or termination of this Agreement, as provided in Section X of this Agreement. In addition, **SUBRECIPIENT** shall give HUD, the Comptroller General of the United States, **ENTITY**, and any of their duly authorized representatives, unobstructed and full 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 **SUBRECIPIENT** pertaining to this Agreement.

SECTION V
Payment Requests and Program Income

SUBRECIPIENT agrees to follow administrative directions from the **ENTITY** regarding documenting and processing payment requests as defined in the Requests for Payments attached hereto as Exhibit E (the "Requests for Payments") of this Agreement.

SUBRECIPIENT shall submit final reimbursement request to **ENTITY** within fifteen (15) days (by June 15, 2012) of the Agreement termination date.

SUBRECIPIENT and **ENTITY** agree that if applicable, program income generated from the use of CDBG funds shall be retained by the **SUBRECIPIENT**. If the activity is partially assisted with CDBG funds, the **SUBRECIPIENT** agrees to pro-rate the gross income to reflect the percent of CDBG funds assisted in the activity. The **SUBRECIPIENT** is to provide to the **ENTITY** by the third Wednesday of each month an accounting of program income through Monthly Performance Reports outlined in the Records and Reports. The **ENTITY** is then required to report all CDBG program income earned, retained, and expended. The **SUBRECIPIENT** shall be allowed to use program income for the same or similar activities as generated by program income. Failure of the **SUBRECIPIENT** to report program income as required shall cause the **ENTITY** to require all program income to be recovered by the **ENTITY**.

SUBRECIPIENT and **ENTITY** agree that all unused CDBG funds at the end or termination of this agreement will be reallocated or reprogrammed by **ENTITY.**

SECTION VI
Religious Activities

The **SUBRECIPIENT** and **ENTITY** both agree that none of the funds expended or activities undertaken shall be used in support of any sectarian or religious activity, nor shall any building or structure funded under this Agreement be used for sectarian or religious activities.

SECTION VII
Other Program Requirements

SUBRECIPIENT agrees to comply with "Other Program Requirements" as listed in 24 CFR §570.600 through 611 except for those environmental review requirements listed as 24 CFR §570.604 and initiation of review process under the provisions of 24 CFR Part 52.

SECTION VIII
Uniform Administrative Requirements

Subrecipients, except subrecipients that are governmental entities, shall comply with the requirements and standards of OMB Circular No. A–122, "Cost Principles for Non-profit Organizations", or OMB Circular No. A–21, "Cost Principles for Educational Institutions", as applicable, and OMB Circular A–133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions" (as set forth in 24 CFR part 45). Audits shall be conducted annually. Such subrecipients shall also comply with the provisions of the Uniform Administrative requirements of OMB Circular A–110 (implemented at 24 CFR part 84, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations") or the related CDBG provisions, as specified in the other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions") and any subsequent amendments thereto.

Recipients and Subrecipients that are governmental entities (including public agencies) shall comply with the requirements and standards of OMB Circular No. A–87, "Cost Principles for State, Local, and Indian Tribal Governments"; OMB Circular A–133, "Audits of State and Local Governments" (implemented at 24 CFR part 44); and with sections of 24 CFR part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" or other related CDBG provision, as specified in the other Applicable Provisions attached hereto as Exhibit G (the "Other Applicable Provisions") and any subsequent amendments thereto.

SECTION IX
Audit Requirements

SUBRECIPIENT agrees to comply with the applicable requirements and standards as set forth in OMB Circular A-133, Audits of States, Local Governments and Non-Profit organizations.

SUBRECIPIENT agrees to furnish **ENTITY** with a current Financial Management Letter (financial statements) within six (6) months from the end of its fiscal year covering the period of this Agreement that includes detailed receipts and disbursement of payments to **SUBRECIPIENT** hereunder. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit a Financial Management Letter within the allotted time.**

However, if **SUBRECIPIENT** expends Five Hundred Thousand Dollars ($500,000.00) or more in federal funds, **SUBRECIPIENT** must, within nine (9) months from the end of its fiscal year, supply **ENTITY** with an audit of revenues and expenditures conducted by a certified public accountant. **Grant funds will automatically be forfeited to funding source(s) (city and/or precinct) if the SUBRECIPIENT fails to submit an audit within the allotted time.**

If the **SUBRECIPIENT** expends less than Five Hundred Thousand Dollars ($500,000.00) a year in federal awards, then they are exempt from the OMB Circular A-133 audit requirements for that year; however, records must be available for review or audit by appropriate officials of the federal agency, pass-through entity and the General Accounting Office.

SUBRECIPIENT is required to submit a 990 Tax Return (Return of Organization Exempt from Income Tax) for the most recent fiscal year within six (6) months if submitting a Financial Management Letter or within nine (9) months if submitting a Financial Audit. If the Subrecipient is not classified as an exempt entity, the Subrecipient will not be awarded grant funds.

If applicable, **SUBRECIPIENT** agrees to cooperate with **ENTITY** relating to any inquiries regarding the Financial Audit or Financial Management Letter and **SUBRECIPIENT** acknowledges that a Financial Audit or Financial Management Letter shall be provided to **ENTITY** at the expense of the **SUBRECIPIENT.** Financial

Audit or Financial Management Letter shall be available to **ENTITY** staff, and any and all applicable federal agencies, and be of unrestricted access, as listed in 24 CFR Part 85.42.

SECTION X
Suspension and Termination

SUBRECIPIENT understands that this Agreement may be suspended or terminated, in accordance with 24 CFR §85.43, if applicable, and 24 CFR §84.61, if the **SUBRECIPIENT** materially fails to comply with the provisions of this Agreement or the provisions so listed in the Statement of Work attached hereto as Exhibit A (the "Statement of Work"), the Grant Budget attached hereto as Exhibit B-1 (the "Grant Budget), the Payment Schedule attached hereto as Exhibit B-2 (the "Payment Schedule), the Schedule of Activity attached hereto as Exhibit C (the "Schedule of Activity"), the Records & Reports attached hereto as Exhibit D (the "Records & Reports"), the Request for Payments attached hereto as Exhibit E (the "Request for Payments"), Other Applicable Provisions attached hereto as Exhibit F (the "Applicable Provisions"), and the Applicable Provisions - 24 CFR Part 85 attached hereto as Exhibit G (the "Other Applicable Provisions – 24 CFR Part 85").

If **SUBRECIPIENT** fails to fulfill in a timely and proper manner its obligations under this Agreement, or **SUBRECIPIENT** violates any of the Agreements or stipulations of this Agreement, then the **ENTITY** shall provide **SUBRECIPIENT** written notification of such non-performance. Such non-performance, (***i.e., timely submittal of monthly reports and/or reimbursements)***, may be the basis for immediate termination of this Agreement. Should any breach of contract (Agreement) relate to a violation of federal law or regulation that results in HUD demanding reimbursement from the **ENTITY OR SUBRECIPIENT** or its successor, the **ENTITY** may terminate this Agreement and seek reimbursement of all funds from **SUBRECIPIENT**. **SUBRECIPIENT** shall not be relieved of the liability to the **ENTITY** for damages sustained by the **ENTITY** by virtue of any breach of this contract (Agreement) by **SUBRECIPIENT** and **ENTITY** may withhold any payments to **SUBRECIPIENT** for violations of federal regulations or any breach of this Agreement. Should the **ENTITY** become aware of any activity by **SUBRECIPIENT,** which would jeopardize the **ENTITY'S** position with the U. S. Department of Housing and Urban Development (HUD) or which would cause a payback of federal funds, then the **ENTITY** may take appropriate action including injunctive relief against **SUBRECIPIENT** to prevent the transaction. The failure of the **ENTITY** to exercise any right shall in no way constitute a waiver by the **ENTITY** to otherwise demand payment or seek any other relief in law or in equity to which it may be justly entitled.

It is expressly agreed that this Agreement may not be amended except upon the joint action of both the **ENTITY** and the **WOMEN TOGETHER FOUNDATION, INC.**

SECTION XI
Assets

SUBRECIPIENT shall not purchase any asset unless prior written approval is obtained from the **ENTITY** and such procurement shall be done in the form and manner so prescribed by the **ENTITY**.

Any asset acquired or improved in part or in whole with CDBG funds in excess of $25,000 must be used in an activity that meets one of the national objectives listed in 24 CFR §570.208 for a period of five (5) years after the expiration of this Agreement or a longer period if so determined by the **ENTITY**.

The disposition of any asset improved or acquired in part or in whole with CDBG funds by the **SUBRECIPIENT** must be done with prior written approval of the **ENTITY** and the **ENTITY** shall be reimbursed for the asset, if sold, in the full amount of the disposed value of the asset. The **ENTITY** may, at its option, request that such asset be transferred to **ENTITY** if the asset is no longer being used to meet one of the national objectives or in any case where the **SUBRECIPIENT** no longer provides services shown on the Statement of Work.

SECTION XII
Indemnity Clause

SUBRECIPIENT agrees to hold **ENTITY** harmless from, and indemnify **ENTITY** from and defend **ENTITY** against any and all claims brought against **ENTITY** by employees or officers of **SUBRECIPIENT** or brought by any third person arising in any manner directly or indirectly from **SUBRECIPIENT** programs, activities or events conducted pursuant to this Agreement.

SUBRECIPIENT shall acquire, maintain and furnish to **ENTITY** a Certificate of Insurance as proof that it has secured and paid for policies of public liability and automobile insurance to cover all operations and services under this Agreement with limits of not less than $300,000.00 per occurrence, $300,000.00 aggregate, covering all risks incident to or in connection with the execution, performance, attempted performance or non-performance of this Agreement.

SECTION XIII
Procurement

SUBRECIPIENT agrees to follow the statues and rules governing the **ENTITY** in the procurement of services, supplies or non-real property in relation to **ENTITY**-funded projects. The legal standards that will apply include the procurement standards of the HIDALGO COUNTY Urban County Program, which includes 24 CFR Part 85.36, and the TEXAS COUNTY PURCHASING ACT.

SECTION XIV
Conflict of Interest

SUBRECIPIENT covenants that members of its organization or staff members who exercise influence on the decision-making process will not have any interest, direct or indirect, with any person, corporation, company or association that is hired to carry out any of the activities so listed in the Statement of Work, 24 CFR Part 570.611, 24 CFR Part 84.40-48, and 24 CFR Part 85.36.

SUBRECIPIENT agrees that no person who is an elected official, officer, director, employee, consultant, or agent of the **SUBRECIPIENT**'s organization or the **ENTITY**'s organization shall gain any interest in any corporation, company, or association that is hired to carry out any of the activities so listed in Statement of Work during their tenure or for a period of one year thereafter.

SUBRECIPIENT is responsible for repayment of funds associated with any conflict of interest that may occur either knowingly or unknowingly.

No **ENTITY** employee, elected official, consultant and/or agent shall solicit nor accept gratuities, favors, or anything of monetary value from any person, corporation, company, or association that has been hired or expects to be hired to perform any of the activities so described in the Statement of Work.

SECTION XII
Legal Action and Venue

SUBRECIPIENT agrees to notify the **ENTITY** when a problem arises that may lead to legal action or claim against the **SUBRECIPIENT**. The **SUBRECIPIENT** agrees to furnish to the **ENTITY** any and all information with respect to such action or claim. The **SUBRECIPIENT** agrees not to take any action with respect to any legal action or claim sought against the **SUBRECIPIENT** without the advice and written consent of the **ENTITY**.

Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this Agreement shall lie exclusively in HIDALGO COUNTY.

SECTION XIII
Miscellaneous Provisions

Conflict with Applicable Law. Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

No Waiver. No waiver by **ENTITY** of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

Entire Agreement. This Agreement contains the entire contract between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by **ENTITY** and **SUBRECIPIENT**, and not otherwise.

Texas Law to Apply. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THIE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.

Notice. Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by electronic mail, or (iii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or (iv) sent by facsimile or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to **ENTITY**:

COUNTY OF HIDALGO
Urban County Program
1916 Tesoro Blvd.
Pharr, TX 78577
Email: ucp@ucp.co.hidalgo.tx.us
Phone # (956) 787-8127
Fax # (956) 787-5291

If to **SUBRECIPIENT**:

Women Together Foundation, Inc.
Attn: Estella De Anda, Executive Director
511 N. Cynthia
McAllen, Texas 78501
Email: womentog@swbell.net
Phone: (956) 630-4878
Fax: (956) 687-4715

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the Unites States mail.

Additional Documents. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.

Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

Assignment. This Agreement shall not be assignable by **SUBRECIPIENT**. **ENTITY** may assign this Agreement without the consent of **SUBRECIPIENT**.

Headings. The headings and captions contained in this Agreement are solely for convenient reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

Gender and Number. All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate.

Authority to Execute. The execution and performance of this Agreement by **ENTITY** and **SUBRECIPIENT** have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of **ENTITY** and **SUBRECIPIENT** in accordance with its terms.

SECTION XVII
Effective Date

The effective date of this agreement shall be the **1st day of July 2012** such date being the date the HIDALGO COUNTY COMMISSIONERS' COURT approved entering into this Agreement with SUBRECIPIENT and shall terminate on the **31st day of May 2013.**

Approved and signed this _____ day of _____ 20___.

_____ _____
Print or Type Name of Authorized Official Signature of Authorized Official

SUBRECIPIENT Name: Women Together Foundation, Inc.
Address: 511 North Cynthia
City/State/Zip: McAllen, Texas 78501
Federal I.D. # or Soc. Sec. #: 74-2007536
DUNS #:170221972

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

_____ personally appeared before me and declared that he/she signed this application in the capacity designated, if any, and further states that, he/she has read the above application, and the statements therein contained are true.

Subscribed and sworn to before me this _____ day of_____, 20_____ .

_____
Notary - Signature

COUNTY OF HIDALGO – URBAN COUNTY PROGRAM

_____ _____
Witness: **Diana R. Serna, UCP Director**

APPROVED AS TO FORM
Atlas & Hall L.L.P.
By: Steve Crain
Date: June 21, 2011

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

Services that will be provided to victims of family violence and/or sexual assault as a result of this funding include: crisis intervention, shelter services, legal advocacy and outreach services

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 10,000 Awarded By: Pct. #1

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Funding will be used to pay for the salary of a part-time Intake Clerk/Outreach Advocate.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

This staff person will answer hotline calls and provide crisis intervention and referral services to victims and conduct some outreach services and onsite crisis intervention as needed.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Victims of family violence and/or sexual assault will have accessible crisis intervention and shelter services. Many victims are low income and live in colonias and rural areas and lack the knowledge about services available to them. Through this project, awareness and direct services will be provided.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

It is estimated that approximately 300 Low-Income women, children and men who are residents of Precint 1 will receive crisis intervention and information & referrals to the emergency shelter and other social services

Section VII List all locations (physical address) where the funded service(s) will be provided.

420 N. 21st St., Mcallen, TX 78501, 111 E. 5th St., Weslaco, TX 78596, Shelter – Location is confidential

Exhibit B-1
GRANT BUDGET
Awarded by: Precinct No. 1

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Salaries for staff providing direct services to clients such as: Intake Clerk/Receptionist, hotline advocate, crisis advocates and case workers, etc.	$10,000
TOTAL GRANT BUDGET:	**$10,000**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: ___Pct. #1____

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	$980.00	Wages for staff providing direct services
August	$980.00	Wages for staff providing direct services
September	$980.00	Wages for staff providing direct services
October	$980.00	Wages for staff providing direct services
November	$980.00	Wages for staff providing direct services
December	$980.00	Wages for staff providing direct services
January	$980.00	Wages for staff providing direct services
February	$980.00	Wages for staff providing direct services
March	$980.00	Wages for staff providing direct services
April	$980.00	Wages for staff providing direct services
May	$200	Wages for staff providing direct services
TOTAL:	**$10,000**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: ___Pct. #1_____

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	20	Crisis Intervention, advocacy and outreach services
August	20	Crisis Intervention, advocacy and outreach services
September	20	Crisis Intervention, advocacy and outreach services
October	20	Crisis Intervention, advocacy and outreach services
November	20	Crisis Intervention, advocacy and outreach services
December	20	Crisis Intervention, advocacy and outreach services
January	20	Crisis Intervention, advocacy and outreach services
February	20	Crisis Intervention, advocacy and outreach services
March	20	Crisis Intervention, advocacy and outreach services
April	20	Crisis Intervention, advocacy and outreach services
May	20	Crisis Intervention, advocacy and outreach services
Total for the Year:	220	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

Services that will be provided to victims of family violence and/or sexual assault as a result of this funding include: crisis intervention, case management, shelter services, transitional housing, legal advocacy.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 13,500 Awarded By: Pct. #2

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

The receptionist/intake clerk will answer hotline calls and conduct initial screening of victims coming in for services. She will also provide crisis intervention and referral services to victims. Case worker will provide direct services to victims residing at our transitional housing facility.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

Victims of family violence and/or sexual assault will have accessible crisis intervention and shelter services. They will also receive case management and referral services to other social services available within the community

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Victims of family violence and/or sexual assault will have accessible crisis intervention and shelter services. They will also receive referrals to other social services available within the community.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

It is estimated that approximately 600 Low-Income women, children and men who are residents of Precint 2 will receive crisis intervention and information & referrals to the emergency shelter and other social services.

Section VII List all locations (physical address) where the funded service(s) will be provided.

420 N. 21st St., and 511 N. Cynthia. Mcallen, TX 78501, Shelter – Location is confidential

Exhibit B-1
GRANT BUDGET
Awarded by: ___Pct #2_____

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Salaries for staff providing direct services such as: intake clerk/receptionist, case workers, advocates and crisis intervention staff.	$13,500
TOTAL GRANT BUDGET:	$13,500

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: __Pct. #2_____

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	$1,227.27	Wages for staff providing direct services
August	$1,227.27	Wages for staff providing direct services
September	$1,227.27	Wages for staff providing direct services
October	$1,227.27	Wages for staff providing direct services
November	$1,227.27	Wages for staff providing direct services
December	$1,227.27	Wages for staff providing direct services
January	$1,227.27	Wages for staff providing direct services
February	$1,227.27	Wages for staff providing direct services
March	$1,227.27	Wages for staff providing direct services
April	$1,227.27	Wages for staff providing direct services
May	$1,227.30	Wages for staff providing direct services
TOTAL:	**$13,500**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: ____Pct. #2_____

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	27	Crisis Intervention, advocacy services and case management
August	27	Crisis Intervention, advocacy services and case management
September	27	Crisis Intervention, advocacy services and case management
October	27	Crisis Intervention, advocacy services and case management
November	27	Crisis Intervention, advocacy services and case management
December	27	Crisis Intervention, advocacy services and case management
January	27	Crisis Intervention, advocacy services and case management
February	27	Crisis Intervention, advocacy services and case management
March	28	Crisis Intervention, advocacy services and case management
April	28	Crisis Intervention, advocacy services and case management
May	28	Crisis Intervention, advocacy services and case management
Total for the Year:	**300**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

Services that will be provided to victims of family violence and/or sexual assault as a result of this funding include: crisis intervention, shelter services, legal advocacy.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 11,000 Awarded By: Pct. #3

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

The receptionist/intake clerk will answer hotline calls and conduct initial screening of victims coming in for services. She will also provide crisis intervention and referral services to victims. Shelter advocate will provide direct services to victims residing at the emergency shelter.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

Victims of family violence and/or sexual assault will have accessible crisis intervention and shelter services. They will also recieve referral services to other social services available within the community.

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Victims of family violence and/or sexual assault will have accessible crisis intervention and shelter services. They will also receive referrals to other social services available within the community.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

It is estimated that approximately 400 Low-Income women, children and men who are residents of Precint 1 will receive crisis intervention and information & referrals to the emergency shelter and other social services

Section VII List all locations (physical address) where the funded service(s) will be provided.

420 N. 21st St., and 511 N. Cynthia. Mcallen, TX 78501, Shelter – Location is confidential

Exhibit B-1
GRANT BUDGET
Awarded by: Precinct No. 3

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Salaries for staff providing direct services to clients such as: shelter advocates, intake clerk/receptionist, hotline crisis intervention advocates, etc.	$11,000
TOTAL GRANT BUDGET:	$11,000

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: ____Pct. #3_____

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	$1,000	Salaries for staff providing direct services
August	$1,000	Salaries for staff providing direct services
September	$1,000	Salaries for staff providing direct services
October	$1,000	Salaries for staff providing direct services
November	$1,000	Salaries for staff providing direct services
December	$1,000	Salaries for staff providing direct services
January	$1,000	Salaries for staff providing direct services
February	$1,000	Salaries for staff providing direct services
March	$1,000	Salaries for staff providing direct services
April	$1,000	Salaries for staff providing direct services
May	$1,000	Salaries for staff providing direct services
TOTAL:	**$11,000**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: __Pct. #3_____

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 **For the months of....**	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	20	Crisis Intervention, Shelter Services, Advocacy and Referral Services
August	20	Crisis Intervention, Shelter Services, Advocacy and Referral Services
September	20	Crisis Intervention, Shelter Services, Advocacy and Referral Services
October	20	Crisis Intervention, Shelter Services, Advocacy and Referral Services
November	20	Crisis Intervention, Shelter Services, Advocacy and Referral Services
December	20	Crisis Intervention, Shelter Services, Advocacy and Referral Services
January	20	Crisis Intervention, Shelter Services, Advocacy and Referral Services
February	20	Crisis Intervention, Shelter Services, Advocacy and Referral Services
March	20	Crisis Intervention, Shelter Services, Advocacy and Referral Services
April	20	Crisis Intervention, Shelter Services, Advocacy and Referral Services
May	20	Crisis Intervention, Shelter Services, Advocacy and Referral Services
Total for the Year:	**220**	

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit A
STATEMENT OF WORK

Section I In summary, describe the service(s) that will be provided by the agency as a result of the 2012 CDBG award.

Services that will be provided to victims of family violence and/or sexual assault as a result of this funding include: crisis intervention, shelter services, legal advocacy and outreach services.

Section II State the CDBG amount awarded and name of awarding City / Precinct.

$ 12,000 Awarded By: Pct. #4

Section III Describe the proposed type of expenditure(s) utilizing CDBG funds.

Funding is being requested to pay for the salary of an intake clerk/outreach advocate who will provide direct services to victims who are residents are precinct #4.

Section IV Describe what services will be provided as a result of the CDBG award, describe how the activity awarded CDBG funds will be performed, describe when services will be conducted (day, time, in school / afterschool, seasonal, etc.).

This staff person will answer hotline calls and conduct initial screening of victims coming in for services. She will also provide crisis intervention and referral services to victims and conduct some outreach services and onsite crisis intervention as needed

Section V Describe how funds will provide an increase in services or provide a new service to extremely low and/or low to moderate income residents. (EX: Additional ESL classes will be offered; new sports program will be created for the youth, etc.)

Victims of family violence and/or sexual assault will have accessible crisis intervention and shelter services. Many victims are low income and live in colonias and rural areas. Many lack the knowledge about services available to them.

Section VI Describe the program beneficiaries (age/gender), estimated number to be serviced within the boundaries of the service area, economic background and area of residency.

It is estimated that approximately 240 Low-Income women, children and men who are residents of Precint 4 will receive crisis intervention and information & referrals to the emergency shelter and other social services.

Section VII List all locations (physical address) where the funded service(s) will be provided.

420 N. 21st McAllen, 511 N. Cynthia McAllen, TX 78501

Exhibit B-1
GRANT BUDGET
Awarded by: __Pct. #4_____

Subrecipient agrees to follow the approved list of expenditures. If necessary and upon Urban County approval, the Subrecipient will be allowed up to two (2) amendments to the budgeted amounts. Proposed changes to the budgeted amounts must be submitted in writing to UCP **prior to the preceding month of the change.**

TYPE OF EXPENDITURES	**BUDGETED AMOUNT**
Salary for part-time staff providing direct services to clients such as: intake clerk, outreach and crisis intervention advocates.	$12,000
TOTAL GRANT BUDGET:	**$12,000**

Exhibit B-2
PAYMENT SCHEDULE
Awarded by: __Pct.4_____

Subrecipient must submit a payment schedule to expend the CDBG award by completing the table below. Proposed changes to the payment schedule must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. Subrecipient will be allowed up to two (2) amendments to the payment schedule.

2012 - 2013 For the Months of...	**Estimated Amount Of Expenditures**	**Type of Budgeted Expenditures**
July	$1,091.00	Salary for staff providing direct services to clients.
August	$1,091.00	Salary for staff providing direct services to clients.
September	$1,091.00	Salary for staff providing direct services to clients.
October	$1,091.00	Salary for staff providing direct services to clients.
November	$1,091.00	Salary for staff providing direct services to clients.
December	$1,091.00	Salary for staff providing direct services to clients.
January	$1,091.00	Salary for staff providing direct services to clients.
February	$1,091.00	Salary for staff providing direct services to clients.
March	$1,091.00	Salary for staff providing direct services to clients.
April	$1,091.00	Salary for staff providing direct services to clients.
May	$1,090.00	Salary for staff providing direct services to clients.
TOTAL:	**$12,000**	

Note: Monthly expenditures are considered proposed. Amendments to the payment schedule must be requested when the *actual* monthly expenditure **exceeds** the estimated amount by 50%. If the *actual* monthly expenditure is **less** than 50% of the estimated amount, an amendment must be requested to the Urban County Program for review and approval.

Exhibit C
SCHEDULE OF ACTIVITY
Awarded by: _Pct. #4_____

Subrecipient hereby agrees to perform services as outlined in Exhibit A. A proposed monthly schedule of activity should be provided in the table below. The schedule should not exceed the agreement time frame of eleven months.

Proposed changes to the schedule of activity must be submitted in writing to UCP for review and approval **prior to the preceding month of the change**. The subrecipient will be allowed up to two (2) amendments for the term of the agreement.

2012 - 2013 For the months of....	**Number of Unduplicated Beneficiaries to be Serviced**	**Services Provided**
July	18	Crisis Intervention, advocacy and outreach services
August	18	Crisis Intervention, advocacy and outreach services
September	18	Crisis Intervention, advocacy and outreach services
October	18	Crisis Intervention, advocacy and outreach services
November	18	Crisis Intervention, advocacy and outreach services
December	18	Crisis Intervention, advocacy and outreach services
January	18	Crisis Intervention, advocacy and outreach services
February	18	Crisis Intervention, advocacy and outreach services
March	18	Crisis Intervention, advocacy and outreach services
April	19	Crisis Intervention, advocacy and outreach services
May	19	Crisis Intervention, advocacy and outreach services
Total for the Year:	**200**	(presumed)

Note: The number of unduplicated (individual) beneficiaries to be served should be counted only **once** per year.

Exhibit D
RECORDS & REPORTS

REPORTS

A **Monthly Performance Report (Exhibit D - Activity Report)** must be submitted with each request for payment on or before the 15th of each month. Each activity report must include the following information:

- **Type of expenditures utilizing CDBG funds, type of service(s) provided and how the service met one of the HUD national objectives:**
  - Benefit to Low and Moderate Income Persons
  - Provides Decent Affordable Housing
  - Creates Economic Opportunities

  Number of persons assisted with New Access to service

  Number of persons assisted with Improved Access to service

  Number of low-mod beneficiaries served

  Ethnic Data

  Number of persons served living with a disability

  Number of female head of households served

  Income levels of persons or households with the categories of extremely low, low to moderate and non-low income.

- **Type of Outcome:**

  - **Availability/Accessibility**. Description of how services were made available or accessible to low and moderate income people, including persons with disabilities.

  - **Affordability**. How grant funds made the service affordable to low and moderate income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

  - **Sustainability**: **Promoting Livable or Viable Communities.** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

- **Other significant information** (such as special events, fundraisers, award ceremonies, etc.)Agency agrees to provide Entity with summaries of any events, fundraisers, and/or ceremonies held and provide photos of such events prior to the end date of the Agreement.

RECORDS **Cont. Exhibit D**

All records pertaining to each fiscal year of CDBG funds must be retained, from the date of submission of the COUNTY's Consolidated Annual Performance and Evaluation Report (CAPER) in which the specific activity is reported for the last time, unless there is litigation, claims, audit, negotiation, or other actions involving the records, which has started before expiration of the 4-year period. In such cases, the records must be retained until completion of the action and resolution of all issues which arise from it or the end of the regular 4-year period, whichever is longer, except as provided below:

- Written agreements must be retained for four (4) years after the agreement terminates.
- If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
- In the event more than one exception applies to a particular record, the largest retention period shall apply to such record.

(a) Beneficiary Files

Subrecipient must maintain individual beneficiary files served utilizing CDBG funds. Such files must contain the following:

- Membership/registration Application
- Original Program Application (UCP self certification form)
- Physical address of residence

(b) Program Files

Subrecipient must maintain program files related to the Urban County Program CDBG award. Such files must contain the following:

- CDBG funding proposal letter to city and/or precinct
- Urban County Program Subrecipient Questionnaire, exhibits and supporting documentation
- Subrecipient Agreement
- Correspondence to and from Urban County
- Expenditure Reports
- Copies of reimbursement requests
- Monthly Performance Reports
- If applicable, fixed asset inventory list

(c) Financial Records

Subrecipient must maintain proper financial records.

(d) Program Income

Subrecipient must report program income earned, retained and expended to the Urban County Program that was generated by the use of the CDBG award.

Exhibit E
REQUEST FOR PAYMENTS

1. Subrecipient must submit **monthly** reimbursement requests as approved on the Schedule of Payment hereto attached as Exhibit B-2 (the "Schedule of Payment") **due on or before the 15th of each month.**

2. Subrecipient must inform Urban County in writing if the reimbursement request and/or monthly performance report will not be submitted by the due date.

3. Request for reimbursements that are submitted after the last working day of the month will be returned unpaid if the subrecipient did not comply with Request for Payments (2) hereto attached as Exhibit E (the "Request for Payments").

4. Urban County Program will return incorrect and/or incomplete reimbursement requests to the subrecipient as soon as possible in order for corrections to be made.

5. Subrecipient must submit the corrections and/or pending documentation no later than 10 days from notification by UCP. Should the subrecipient fail to submit the corrections within the allotted time, the RFP will be returned, and will NOT qualify for re-submission.

6. Subrecipient must submit May's reimbursement request and monthly performance report to the Urban County Program on or before June 15th.

7. May expenditures (equipment / supplies) must be invoiced and paid by May 31st to be eligible for reimbursement.

8. Subrecipient must submit all required documentation as stated on the UCP Reimbursement Checklist.

9. Should the Subrecipient fail to comply with timely submittals of monthly reimbursement requests and/or performance reports, the Urban County Program shall consider termination of the Subrecipient Agreement as per Section X "Suspension and Termination".

10. Subrecipient must submit a copy of the monthly reimbursement request and performance reports to the respective City and/or Precinct providing CDBG funds to the organization. Failure to submit copies may require pre-approval of the City and/or Precinct prior to Urban County processing the reimbursement request.

11. All reimbursement requests and reports submitted to Urban County must be originals signed with blue ink.

12. As per Section IV of this Agreement, the Urban County Program Monitoring Division will conduct on-site monitoring visits to ensure compliance with applicable Federal requirements and performance goals are being met.

13. Reimbursement requests are processed by Urban County on a first come first serve basis.

14. Payments to Subrecipients will only be mailed. Checks will not be allowed for pickup.

Checks are mailed eleven (11) days from the date the reimbursement request is submitted to the finance division, **only** after all documentation is reviewed, corrections are made, and all documentation is in order.

Exhibit F
Other Applicable Provisions
As stated in Section VIII
OMB Circular A–110 (implemented at 24 CFR part 84)
Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

(1) Subpart A—"General";

(2) Subpart B—"Pre-Award Requirements," except for §84.12, "Forms for Applying for Federal Assistance";

(3) Subpart C—"Post-Award Requirements," except for:

(i) Section 84.22, "Payment Requirements." Grantees shall follow the standards of §§85.20(b)(7) and 85.21 in making payments to subrecipients;

(ii) Section 84.23, "Cost Sharing and Matching";

(iii) Section 84.24, "Program Income." In lieu of §84.24, CDBG subrecipients shall follow §570.504;

(iv) Section 84.25, "Revision of Budget and Program Plans";

(v) Section 84.32, "Real Property." In lieu of §84.32, CDBG subrecipients shall follow §570.505;

(vi) Section 84.34(g), "Equipment." In lieu of the disposition provisions of §84.34(g), the following applies:

(A) In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and

(B) Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient;

(vii) Section 84.51 (b), (c), (d), (e), (f), (g), and (h), "Monitoring and Reporting Program Performance";

(viii) Section 84.52, "Financial Reporting";

(ix) Section 84.53(b), "Retention and access requirements for records." Section 84.53(b) applies with the following exceptions:

(A) The retention period referenced in §84.53(b) pertaining to individual CDBG activities shall be four years; and

(B) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;

(x) Section 84.61, "Termination." In lieu of the provisions of §84.61, CDBG subrecipients shall comply with §570.503(b)(7); and

(4) Subpart D—"After-the-Award Requirements," except for §84.71, "Closeout Procedures."

Exhibit G
Applicable Provisions - 24 CFR Part 85
As stated in Section VIII

Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"

(1) Section 85.3, "Definitions";

(2) Section 85.6, "Exceptions";

(3) Section 85.12, "Special grant or subgrant conditions for 'high-risk' grantees";

(4) Section 85.20, "Standards for financial management systems," except paragraph (a);

(5) Section 85.21, "Payment," except as modified by §570.513;

(6) Section 85.22, "Allowable costs";

(7) Section 85.26, "Non-federal audits";

(8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;

(9) Section 85.33, "Supplies";

(10) Section 85.34, "Copyrights";

(11) Section 85.35, "Subawards to debarred and suspended parties";

(12) Section 85.36, "Procurement," except paragraph (a);

(13) Section 85.37, "Subgrants";

(14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) through (d) and paragraph (f);

(15) Section 85.41, "Financial reporting," except paragraphs (a), (b), and (e);

(16) Section 85.42, "Retention and access requirements for records," except that the period shall be four years;

(17) Section 85.43, "Enforcement";

(18) Section 85.44, "Termination for convenience";

(19) Section 85.51 "Later disallowances and adjustments" and

(20) Section 85.52, "Collection of amounts due."

AI-32815 **Urban County 10. K.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Steve de la Garza **Submitted By:** Mary Flores, URBAN COUNTY

Department: URBAN COUNTY

Information

CAPTION

Request for approval of six (6) month extension for an Urban County Program – Community Housing Development Organization (CHDO) contract.

BACKGROUND

In June of 2011, the U.S. Department of Housing and Urban Development (HUD) completed a review of the Consolidated Plans submitted by the Urban County Program. Due to this review, HUD halted UCP's homebuyer program in July 2011. As per the report, the UCP was advised to re-evaluate and revise its current recapture policy including lien documents. All pertinent documents and policies were revised and the freeze was lifted December 2011. This contract was directly affected by this freeze. The UCP recommends and extension to the contract in order to ensure successful project completion by Proyecto Azteca. Proyecto Azteca is under contract to construct twenty-five (25) single-family housing units for low-income families. By granting the extension, Proyecto Azteca will be able to produce thirty-five (35) units. The contract information is a follows:

CHDO	Fiscal Year	Amount	Contract Date	Original Contract Exp.	New Contract Exp.
Proyecto Azteca	2009	$1,000,700	Sept. 28, 2009	Sept 27, 2011	Nov. 27, 2012

Attachments

Letter to UC

CHDO Agreement

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/13/2012 03:02 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Mary Flores Started On: 06/13/2012 01:38 PM

Final Approval Date: 06/22/2012

EQUAL HOUSING OPPORTUNITY

PROYECTO AZTECA

4 June 2012

Diana R. Serna, Director
Hidalgo County Urban County Program
1916 Tesoro Blvd.
Pharr, TX 78589

Dear Ms. Serna,

I am writing to request a six month extension to the Home 09 contract. While we have met the promised 25 units, we are finishing an additional two units and are working on eight additional houses being constructed on lots in Lynchburg purchased with Home 09 money. This will be a total of 35 units with the Home 09 contract, ten additional units altogether.

We appreciate all the assistance we receive from your staff. Every Urban County program should be as helpful as the one you direct, Ms. Serna. Thank you for cooperating with us.

Peace and all good things,

Ann Williams Cass

Ann Williams Cass
Executive Director

Building a New Millennium

P.O. Box 27
Phone (956) 702-3307 San Juan, TX 78589 fax (956) 702-3309

CHDO AGREEMENT

STATE OF TEXAS §
§ **KNOW ALL BY THESE PRESENTS:**
COUNTY OF HIDALGO §

SECTION 1. PARTIES TO AGREEMENT

This agreement is made and entered into by and between the County of Hidalgo – Urban County Program (UCP) and Proyecto Azteca, a nonprofit corporation organized under the laws of the State of Texas, hereinafter referred to as a Community Housing Development Organization, (C.H.D.O.). The parties hereto have severally and collectively agreed and by the execution hereof are bound to the mutual obligations and to the performance and accomplishment of the tasks described herein.

SECTION 2. AGREEMENT PERIOD

This agreement shall commence on the date of execution by the CHDO and the UCP and shall terminate on September 28, 2011, unless otherwise specifically provided by the terms of this agreement.

SECTION 3. GRANT

UCP agrees to grant CHDO $1,000,700 utilizing FY 2009 HOME funds, subject to the conditions of this agreement.

SECTION 4. CHDO PERFORMANCE

A. CHDO shall construct twenty-five (25) 2, 3 and 4 bedroom wood frame self-help pre-manufactured units of affordable housing to low-income qualified first time homebuyers. Homes will range between 784 and 1,033 square feet.

Type of Home	Total Living Area (Sq. ft.)
2 bedroom / 1 bath	784
3 bedroom / 1 bath	864
4 bedroom / 2 bath	1,033

B. In this agreement low and moderate income families is defined in accord with Title 24 CFR 92.2 and calculated based on 24 CFR 92.203(b)(1), ("Housing"), such dwellings to be located in the County of Hidalgo (with the exception of the city limits of Edinburg, Pharr, McAllen and Mission), Texas, as described in Exhibit A.

C. CHDO will target twenty-five (25) families at or below 60% of the median income.

D. CHDO will provide zero percent (0%) interest mortgages to each family, which will be amortized over a 20/25-year period.

E. CHDO will enroll participating families in "Homeownership Success Classes" with curriculum targeting extremely low-income colonia residents.

F. CHDO will leverage over three hundred and twenty-three thousand dollars ($323,000) in public and private funds, of which $137,500 are listed as sweat equity from members of the families to be assisted.

The project shall be administered in accordance with Exhibit A and the HOME Investment Partnerships Act at title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U.S.C. 12701 et seq. and implementing federal regulations contained in 24 CFR Part 92; and the HOME Program Guidelines, UCP CHDO Policies and Application Package.

CHDO represents and warrants that it is a "Community Housing Development Corporation" as defined in 24 CFR 92.4 and agrees that it shall comply with all applicable government requirements including without limitation those contained 24 CFR Part 92.

CHDO agrees to acknowledge the sponsorship of the UCP at any event promoting the project or any other project sponsor.

CHDO perform all activities in accordance with the terms of the Performance Statement ("Exhibit A"); the Budget and Project Implementation Schedule, (" Exhibit B"); the Applicable Laws and Regulations, ("Exhibit C"); the Certifications, ("Exhibit D"); the assurances, certifications, and all other statements made by CHDO in its application for the project funded under this agreement; and with all other terms, provisions, and requirements set forth in this agreement.

SECTION 5. UCP OBLIGATIONS

A. Measure of Liability

In consideration of full and satisfactory performance of the activities referred to in Section 4 of this agreement, UCP shall make payment under the grant for the actual and reasonable costs incurred by CHDO during the agreement period for performance rendered under this agreement by CHDO, subject to the limitations set forth in this Section 5.

1. It is expressly understood and agreed by the parties hereto that UCP's obligations under this Section 5 are contingent upon the actual receipt of adequate federal funds to meet UCP's liabilities under this agreement. If adequate funds are not available to make payments under this agreement, UCP shall notify CHDO in writing within a reasonable time after such fact is determined, UCP shall then terminate this agreement and will not be liable for failure to make payments to CHDO under this agreement.

2. UCP shall not be liable to grant CHDO money for any costs incurred by CHDO, or any portion thereof, which has been paid to CHDO or is subject to payment to

CHDO, or has been reimbursed to CHDO or is subject to reimbursement to CHDO by any source other UCP.

3. UCP shall not be liable to grant CHDO money for any costs incurred by CHDO which are not allowed costs, as set forth in 24 CFR 92.206 and Section 6 of this agreement. Funds provided under this agreement may not be used for payment of prohibited activities as defined in 24 CFR 92.214.

4. UCP shall not be liable to grant CHDO money for any costs incurred by CHDO or for any performances rendered by CHDO which are not strictly in accordance with the terms of this agreement, including terms of Exhibit A, B, C, and D of this agreement.

5. UCP shall not be liable to grant CHDO money for any costs incurred or performances rendered by CHDO before commencement or this agreement or after termination of this agreement.

B. Limit of Liability

Notwithstanding any other provision of this agreement, the total of all payments and other obligations incurred by UCP under this agreement shall not exceed the sum of $1,000,700.

SECTION 6. DISBURSEMENT OF FUNDS

A. UCP will provide funds under this agreement in accordance with the requirements of 24 CFR 92.502. CHDO may not request disbursement of funds under this agreement until funds are needed for payment of eligible costs and in accordance with the UCP CHDO Policy. All work related to a request for disbursement will inspected prior to disbursement of funds. Funds will be disbursed within thirty (30) days provided all required supporting documentation have been submitted.

B. It is expressly understood and agreed by the parties hereto that payments under this agreement are contingent upon CHDO's full and satisfactory performance of its obligations under this agreement. UCP reserves the right to recapture unexpended funds provided under this agreement in the event UCP determines that CHDO will be unable to expend funds within the prescribed time as determined by UCP.

C. UCP shall not be liable to CHDO for any costs incurred or performance rendered by CHDO before commencement or after termination of this agreement.

SECTION 7. ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES AND PROGRAM INCOME

A. CHDO must comply with applicable regulations under OMB Circular No. A-122 and the following requirements of 24 CFR Part 84 § 84.2, 84.5, 84.13 through 84.16, 84.26 through 84.28, 84.30, 84.31, 84.34 through 84.37, 84.40 through 84.48, 84.51, 84.60 through 84.62, 84.72, and 84.73 pursuant to 24 CFR 92.505(b).

B. CHDO shall maintain records of the receipt, accrual, and disposition of all CHDO Proceeds funds in the same manner as required for in Section 7.A above for all funds under this agreement. Prior to disposition of it's CHDO proceeds, the CHDO shall request, in writing, approval from UCP Director indicating proceeds origination, amount and utilization type (rehab., acquisition, construction, etc.). CHDO shall provide reports of CHDO proceeds as requested by UCP and at the termination of this agreement.

C. All CHDO proceeds shall be retained by the CHDO however must be re-invested by CHDO and applied towards housing initiatives for low and moderate income individuals and families including, but not limited to, acquisition, construction and rehabilitation of home ownership projects.

SECTION 8. RETENTION AND ACCESSIBILITY OF RECORDS

A. CHDO must establish and maintain those records listed under 24 CFR 92.508 and other records as may be determined by UCP.

B. CHDO shall give the UCP, the Comptroller of the United States, or any of their duly authorized representatives, 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 CHDO pertaining to this agreement. Such right to access shall continue as long as the records are retained by CHDO. CHDO agrees to maintain such records in an accessible location.

C. All records pertinent to this agreement shall be retained by CHDO for five years following affordability period or of submission of the final closeout reports, whichever is later, with the following exceptions:

1. If any litigation, claim or audit is started before the expiration of the five-year period and extends beyond the five-year period, the records will be maintained until all litigation, claims or audit findings involving the records have been resolved.

2. Records relating to real property acquisition shall be retained for the period of affordability required under 24 CFR 92.254 or 24 CFR 92.252 as applicable, plus five years

3. Records covering displacement and acquisitions must be retained for at least five years after the date by which all person displaced from the property and all person whose property is acquired for the project have received the final payment to which they are entitled in accordance with 24 CFR 92.353.

D. CHDO shall include the substance of this Section 8 in all subcontracts.

E. CHDO must provide citizens, public agencies, and other interested parties with reasonable access to records consistent with the Texas Public Information Act, TEXAS GOVERNMENT CODE, Chapter 522.

SECTION 9. REPORTING REQUIREMENTS

A. CHDO shall submit to UCP such reports on the operation and performance of this agreement as may be required by UCP including but not limited to the reports specified in this Section 9. In addition, CHDO shall provide UCP with all reports necessary for UCP compliance with 24 CFR 92.509 and 24 CFR Part 92, Subpart L and those reports listed in the UCP CHDO policy Section VII.

B. In addition to the limitations on liability otherwise specified in this agreement, it is expressly understood and agreed by the parties hereto that if CHDO fails to submit to UCP in a timely and satisfactory manner any report required by this agreement, UCP may, at its sole option and in its sole discretion, withhold any or all payments otherwise due or requested by CHDO hereunder. If UCP withholds such payments, it shall notify CHDO in writing of its decision and the reasons therefore. Payments withheld pursuant to this paragraph may be held by UCP until such time as the delinquent obligations for which funds are withheld are fulfilled by CHDO.

C. Acknowledgment of Funding Source. CHDO shall give credit to the UCP as the project-funding source in all presentations, written documents, publicity and advertisements regarding the development.

SECTION 10. MONITORING

The UCP reserves the right to, from time to time, carry out field inspections to ensure compliance with the requirements of this agreement. CHDO shall attend a preconstruction meeting prior to first construction draw. After each monitoring visit, UCP shall provide CHDO with a written report of the monitor's finding. If the monitoring reports note deficiencies in CHDO's performances under the terms of this agreement, the monitoring report shall include requirements for the timely correction of such deficiencies by CHDO. Failure by CHDO to take action specified in the monitoring report may be cause for suspension or termination of this agreement, as provided in Section 18 and Section 19 of this agreement.

SECTION 11. INDEPENDENT CHDO

A. It is expressly understood and agreed by the parties hereto that UCP is contracting with CHDO as an independent CHDO, and that CHDO, as such, agrees to hold UCP harmless and to indemnify UCP from and against any and all claims, demands, and causes of action of every kind and character which may be asserted by any third party occurring or in any way incident to, arising out of, or in connection with the services to be performed by CHDO under this agreement.

B. CHDO agrees that it will indemnify the County of Hidalgo and the UCP ("Indemnities") and hold County of Hidalgo and UCP harmless of, from, and against all claims, demands, actions, damages, losses, costs, liabilities, expenses, and judgments recovered from or asserted against County of Hidalgo and UCP on account of injury or damage to person or property to the extent any such damage or injury may be incident to, arise out of, or be caused, either proximately or remotely, wholly or in part, by an act or omission, negligence or misconduct on the part of CHDO or any of its agents, servants, employees, contractors, patrons, guests, licensees, or invitees entering upon the Housing being improved pursuant to

this Agreement or when any such injury or damage is the result, proximate or remote, of the violation by CHDO, or any of its agents, servants, employees, contractors, patrons, guests, licensees, or invitees of any law, ordinance or governmental order of any kind, or when any such injury or damage may in any other way arise from or out of the acquisition, rehabilitation, modification, or construction at the Housing herein or out of the use or occupancy of the Housing or the Housing themselves by CHDO, its agents, servants, employees, contractors, patrons, guests, licensees, or invitees, including without limitation, any damages or costs which may occur as a result of the design of the rehabilitation, modification, or construction of the Housing, the bidding process, actual rehabilitation, modification, or construction of the Housing, administration of the construction contracts by the County of Hidalgo and UCP or its designee, failure of the Housing prior to completion and acceptance of rehabilitation, modification, or construction of the Housing to work as designed, failure of the Contractor or manufacturer to honor its warranties, failure of CHDO to maintain the Housing, or the Housing themselves.

These terms of indemnification shall be effective upon the date of execution of this agreement and whether such injury or damage may result from the sole negligence, contributory negligence, or concurrent negligence of Indemnities; but not if such damage or injury may result from gross negligence or willful misconduct of Indemnities.

CHDO covenants and agrees that, in case the County of Hidalgo and/or UCP shall be made a party to any litigation against CHDO or in any litigation commenced by any party relating to this Agreement and the construction of the Housing contemplated hereunder, CHDO shall and will pay all costs and expenses, including reasonable attorneys' fees and court costs incurred by or imposed upon the County of Hidalgo or UCP by virtue of any such litigation.

CHDO, for and in consideration of UCP participation in this agreement, hereby agrees and covenants that CHDO will never institute any suit or action at law against the County of Hidalgo, UCP, their officers, agents, servants, or employees, (hereinafter referred to as RELEASEES), related to the performance by any party under this Agreement, nor institute, prosecute, or in any way aid in the institution or prosecution of any claim, demand, action or cause of action for damages, costs, expenses or compensation for, related to the performance by any party under this Agreement, whether or not caused by the negligence of Releases.

SECTION 12. SUBCONTRACTS

A. Except for subcontracts to which the federal labor standards requirements apply, CHDO may not subcontract for performances described in this agreement without obtaining UCP's prior written approval. CHDO shall only subcontract for performances described in this agreement to which the federal labor standards requirements apply after CHDO has submitted a Subcontractor Eligibility form, as specified by UCP, for each such proposed subcontract, and CHDO has obtained UCP's prior written approval, based on the information submitted, of CHDO's intent to enter into such proposed subcontract. CHDO, in subcontracting for any performances described in this agreement, expressly understands that in entering into such subcontracts, UCP is not in any manner liable to CHDO's subcontractor(s).

B. In no event shall any provision of this Section 12, specifically the requirement that CHDO obtain UCP's prior written approval of a subcontractor's eligibility, be construed as relieving

CHDO of the responsibility for ensuring that the performances rendered under all subcontracts are rendered as so as to comply with all of the terms of this agreement, as if such performances rendered were rendered by CHDO. UCP's approval of subcontractor's eligibility under this Section 12 does not constitute adoption, ratification or acceptance of CHDO's or subcontractor's performance hereunder. The act of approval of subcontractor's eligibility under this Section 12 does not waive any right of action which may exist or which may subsequently accrue to UCP under this agreement. UCP retains at all times the right to insist upon CHDO's full compliance with the terms of this agreement.

C. CHDO shall comply with all applicable federal, state, and local laws, regulations, and ordinances when making procurements under this agreement.

D. CHDO shall comply with all applicable federal, state, and local laws, regulations and ordinances for the term of this agreement.

SECTION 13. CONFLICT OF INTEREST

UCP shall ensure that no person who (1) is an employee, agent, consultant, officer or elected or appointed official of UCP that receives funds and who exercise or has exercised any functions or responsibilities with respect to activities assisted with funds provided under this agreement or (2) who is in a position to participate in a decision making process or gain inside information with regard to such activities may obtain a personal or financial interest or benefit from a HOME assisted activity, or have an interest in any agreement, subcontract, or contract (or the proceeds thereof) with respect to a HOME assisted activity either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. CHDO shall ensure compliance with applicable provisions under 24 CFR 92.356 and OMB Circular A-110 in the procurement of property and services.

SECTION 14. NONDISCRIMINATION AND SECTARIAN ACTIVITY

A. Equal Opportunity. CHDO shall ensure that no person shall on the grounds of race, color, religion, sex, age, handicap, familial status, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds provided under this agreement. In addition, funds provided under this agreement must be made available in accordance with the requirements of section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. §1701u) such that:

1. To the greatest extent feasible, opportunities for training and employment arising in connection with the planning and carrying out of any project assisted with HOME funds provided under this agreement be given to low-income persons residing within the general local government area or metropolitan area or non-metropolitan county in which the project is located; and

2. To the greatest extent feasible, agreements for work to be performed in connection with any such project be awarded to business concerns, including. But not limited to, individuals or firms doing business in the field of planning, consulting, design, architecture, building construction, rehabilitation, maintenance, or repair, which are

located in or owned in substantial part by persons residing in the same metropolitan area or nonmetropolitan county as the project.

3. Religious Organizations. In accordance with 24 CFR 92.257, organizations religious or faith-based are eligible, on the same basis as any other organization, to participate in the HOME program. Organizations that are directly funded under the HOME program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the assistance funded under this part. If an organization conducts such activities, the activities must be offered separately, in time or location, from the assistance funded under this part, and participation must be voluntary for the beneficiaries of the assistance provided. A religious organization that participates in the HOME program will retain its independence from Federal, State and local governments, and may continue to carry out its missions including the definition, practice, and expression of religious beliefs, provided that it does not use direct HOME funds to support any inherently religious activities, such as worship, religious instruction or proselytization. An organization that participates in the HOME program assistance program shall not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief. HOME funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those are used for inherently religious activities, HOME funds may not exceed the cost of those portions of the acquisition, construction or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to HOME funds in this part. Sanctuaries, chapels, or other rooms that a HOME-funded religious congregation uses as its principal place of worship, however, are ineligible for HOME-funded improvements.

SECTION 15. LEGAL AUTHORITY

A. CHDO assures and guarantees that CHDO possesses the legal authority to enter into this agreement, receive funds authorized by this agreement, and to perform the services CHDO has obligated itself to perform hereunder.

B. The person or persons signing and executing this agreement on behalf of CHDO, or representing themselves as signing and executing this agreement on behalf of CHDO, do hereby warrant and guarantee that he, she or they have been duly authorized by CHDO to execute this agreement on behalf of CHDO and to validly and legally bind CHDO to all terms, performances, and provisions herein set forth.

C. CHDO shall not employ, award contract to, or fund any person that has been debarred, suspended, proposed for debarment, or placed on ineligibility status by the U.S. Department of Housing and Urban Development. In addition, UCP shall have the right to suspend or terminate this agreement if CHDO is debarred, suspended, proposed for debarment, or ineligible from participating in the HOME Program.

SECTION 16. LITIGATION AND CLAIMS

CHDO shall give UCP immediate notice in writing of:

1) Any action, including any proceeding before an administrative agency filed against CHDO in connection with this agreement; and
2) Any claim against CHDO, the cost and expense of which CHDO may be entitled to be reimbursed by UCP. Except as otherwise directed by UCP, CHDO shall furnish immediately to UCP copies of all pertinent papers received by CHDO with respect to such action or Claim.

SECTION 17. CHANGES AND AMENDMENTS

A. Except as specifically provided otherwise in this agreement, any alterations, additions, or deletions to the terms of this agreement shall be requested by CHDO in writing and approved by the UCP Director. The amendment hereto shall be in writing and executed by both parties to this agreement.

B. It is understood and agreed by the parties here to that performances under this agreement must be rendered in accordance with the HOME investment Partnerships Act of 1990, 42 U.S.C. §§12701 et. Seq., the regulations promulgated under such Act, the assurances and certifications made to UCP by CHDO, and the assurances and certifications made to the United States Department of Housing and Urban Development by UCP with regard to the operation of the HOME Program. Based on these considerations, and in order to ensure the legal and effective performance of this agreement by both parties, it is agreed by the parties hereto that the performances under this agreement are amended by the provisions of the HOME Program, and any amendments thereto and may further be amended in the following manner: The Department of Housing and Urban Development may from time to time during the period of performance of this agreement issue policy directives which serve to establish, interpret, or clarify performance requirements under this agreement. Such policy directives promulgated in the form of HOME Issuances, shall have the effect of modifying the terms of this agreement and shall be binding upon CHDO, as if written herein, provided however that said policy directives and any amendments shall not alter the terms of this agreement so as to release UCP of any obligation specified in Section 5 of this agreement to reimburse costs incurred by CHDO prior to the effective date of said amendments or policy directives.

C. Any alterations, additions, or deletions to the terms of this agreement which are required by changes in Federal law or regulations are automatically incorporated into this agreement without written amendment hereto and shall become effective on the date designated by such law or regulation. The UCP or CHDO may require written changes or amendments to this Agreement when any substantial alterations, additions, or deletions to the terms of this agreement are required by changes in Federal law or regulations.

D. CHDO has provided an estimated Budget and Project Implementation Schedule based upon the proposed construction listed above, which budget and schedule will be attached hereto and made a part hereof for all purposes as Exhibit B.

SECTION 18. SUSPENSION

In the event CHDO fails to comply with any term of this agreement, UCP may, in accordance with 24 CFR 85.43 and upon written notification to CHDO, suspend this agreement in whole or in part and withhold further payments to CHDO, and prohibit CHDO from incurring additional obligations of funds under this agreement.

SECTION 19. TERMINATION

The UCP may terminate this Agreement, in whole or in part, in accordance with 24 CFR 85.43 and this Section 19. UCP may terminate this agreement for convenience in accordance with 24 CFR 85.44. In the event CHDO materially fails as determined by UCP to comply with any term of this agreement, whether stated in a Federal statute or regulation, an assurance, in a State plan or application, a notice of award, or elsewhere, UCP may take one or more of the following actions:

1. Temporarily withhold cash payments pending correction of the deficiency by the CHDO or take more severe enforcement action against CHDO.
2. Disallow all or part of the cost of the activity or action not in compliance.
3. Wholly or partly suspend or terminate the current award for the CHDO program.
4. Withhold further HOME award from CHDO.
5. Take other remedies that may be legally available.

Additionally, this agreement may be cancelled upon thirty-day notice of cancellation upon mutual agreement of the parties.

SECTION 20. AUDIT

A. Unless otherwise directed by UCP, CHDO shall arrange for the performance of an annual financial and compliance audit of funds received and performances rendered under this agreement, subject of the following conditions and limitations:

1. CHDO shall have an audit and/or financial statement made in accordance with 24 CFR 92.506, 24 CFR Part 85.26 or OMB Circular A-133 and the UCP CHDO Policy for any of its fiscal years included within the agreement period specified in Section 2 of this agreement in which CHDO receives more than $500,000 in federal financial assistance provided by a federal agency in the form of grants, agreements, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance or direct appropriations, but federal financial assistance does not include direct federal cash assistance to individuals. The term includes awards of federal financial assistance received directly from federal agencies, or indirectly through other units of state and local government.

2. At the option of CHDO, each audit required by this section may cover either CHDO's entire operations or each department, agency, or establishment of CHDO which received, expended or otherwise administered federal funds.

3. Notwithstanding Section 5(a)(4), Section 5(a)(5), and Section 6 of this agreement, CHDO may utilize funds budgeted under this agreement to pay for that portion of the cost of such audit services properly allocable to the activities funded by UCP under this agreement, provided however that UCP shall not make payment for the cost of such audit services until UCP has received such audit report from CHDO.

4. Unless otherwise specifically authorized by UCP in writing, CHDO shall submit the report of such audit to UCP within thirty (30) days after completion of the audit, but no later than one (1) year after the end of each federal fiscal period included within the

period of this agreement. Audits performed under Subsection A of this Section 20 are subject to review and resolution by UCP or its authorized representative.

5. As part of its audit, CHDO shall verify expenditures according to the Budget attached as Exhibit B.

B. Notwithstanding Subsection A of this Section 20, UCP reserves the right to conduct an annual financial and compliance audit of funds received and performances rendered under this agreement. CHDO agrees to permit UCP or its authorized representative to audit CHDO's records and to obtain any documents, materials, or information necessary to facilitate such audit. Should an audit not be required by Subsection A of this Section 20, CHDO shall provide an annual audit to UCP of funds received in performance of this Agreement.

C. CHDO understands and agrees that it shall be liable to UCP for any costs disallowed pursuant to financial and compliance audit(s) of funds received under this agreement. CHDO further understands and agrees that reimbursement to UCP of such disallowed costs shall be paid by CHDO from funds which were not provided or otherwise made available to CHDO under this agreement.

D. CHDO shall take necessary action to facilitate the performance of such audit or audits conducted pursuant to this Section 20 as UCP may require of CHDO.

E. All approved HOME audit reports shall be made available for public inspection within 30 days after completion of the audit.

SECTION 21. ENVIRONMENTAL CLEARANCE REQUIREMENTS

A. CHDO understands and agrees that by the execution of this agreement UCP shall assume the responsibilities for environmental review, decision making, and other actions in accordance with and to the extent specified in 24 CFR 92.352 and 24 CFR, Part 58. However, if CHDO has staff experience and/or means to perform the environmental review, CHDO may request in writing, from UCP, approval to perform them.

SECTION 22. LABOR STANDARDS

All laborers and mechanics employed in the rehabilitation of a project assisted under this agreement that contains 12 or more dwelling units shall be paid wages at rates as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C.§276A-5), and contracts involving their employment shall be subject to the applicable provisions of the Contract Work Hours and Safety Standards Act (40 U.S.C.§§327-333). Construction contractors and subcontractors, must comply with regulations issued under these Acts and with other federal laws and regulations pertaining to labor standards and HUD Handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs), as applicable.

SECTION 23. SPECIAL CONDITIONS

A. Release of Funds. UCP shall not release any funds for any costs incurred by CHDO under this agreement until UCP has received certification from CHDO that its fiscal control and

fund accounting procedures are adequate to assure the proper disbursal of and accounting for funds provided under this agreement.

B. Affordability. Funds provided under this agreement must meet the affordability requirements of the HOME rules for a period of 5 or 10 years (based on the direct HOME subsidy). CHDO agrees to repay all HOME funds governed by this Agreement if the project fails to comply or ceases to comply with the affordability requirements as set forth herein. The affordability requirements must continue to be met throughout the term of the agreement and shall be binding upon the successors, assigns, and transfers of the CHDO as required 24 CFR 92.254. Also, in compliance with 24 CFR 92.254, CHDO shall perform principal residency verifications annually on all properties that are within their affordability periods.

C. The UCP has adopted a Recapture Policy that serves to address the continued affordability of housing units acquired with HOME funds. Under the CHDO Program, the homeowner must occupy the HOME assisted unit as their principal residence for a period of five (5) or ten (10) consecutive years. The UCP will recoup all or a portion of the assistance provided to the homeowner if the homes does not continue to be the principal residence, if the property is sold, if the property is foreclosed upon, or if the client otherwise fails to adhere to program requirements within the affordability time frame. The recapture of HOME funds will be on a pro-rata basis according to the following formula if the "Direct HOME subsidy" assistance if less than $15,000:

- 1st Year – Repayment of the full amount of assistance provided
- 2nd Year – Repayment of 80% of the assistance provided
- 3rd Year – Repayment of 60% of the assistance provided
- 4th Year – Repayment of 40% of the assistance provided
- 5th Year – Repayment of 20% of the assistance provided

In those projects where the "Direct HOME subsidy" is $15,000 up to $40,000, the UCP will enforce a 10-year affordability with a prorating schedule spread over ten years.

- 1st Year – Repayment of the full amount of assistance provided
- 2nd Year – Repayment of 90% of the assistance provided
- 3rd Year – Repayment of 80% of the assistance provided
- 4th Year – Repayment of 70% of the assistance provided
- 5th Year – Repayment of 60% of the assistance provided
- 6th Year – Repayment of 50% of the assistance provided
- 7th Year – Repayment of 40% of the assistance provided
- 8th Year – Repayment of 30% of the assistance provided
- 9th Year – Repayment of 20% of the assistance provided
- 10th Year – Repayment of 10% of the assistance provided

If net proceeds from the sale or foreclosure are not sufficient to repay the UCP, in accordance with the appropriate schedule above, the UCP will accept the amount of the net sales proceeds as the amount to be recaptured and thereby satisfy all programmatic requirements – as allowed by 24 CFR 92.254(a)(5)(ii)(A).

D. Housing Quality Standards. CHDO shall ensure that all Housing assisted with funds provided under this agreement shall meet the requirements of 24 CFR 92.251.

E. Affirmative Marketing. CHDO shall adopt and submit for UCP's approval affirmative marketing procedures and requirements, not later than 30 days after the date this agreement is executed. The affirmative marketing procedures and requirements shall include, but need not be limited to, those specified in 24 CFR 92.351. UCP will assess the efforts of the CHDO's during marketing of the units by use of compliance certification or personal monitoring visit to the project at least annually. Where a CHDO fails to follow the affirmative marketing requirements, corrective actions shall include extensive outreach efforts to appropriate contacts to achieve the occupancy goals or other sanctions the UCP may deem necessary. CHDO must provide UCP with an annual assessment of the affirmative marketing program of the development. The assessment must include:

1. Method used to inform the public and potential homebuyers about federal fair housing laws and affirmative marketing policy. CHDO's advertising vacant units must include the equal housing opportunity logo or statement. Advertising media may include newspaper, radio, television, brochures, leaflets, or may involve simply a sign in a window. CHDO may wish to use community organizations, places of worship, employment centers, fair housing groups, housing counseling agencies, social service centers or medical service centers as resources for this outreach.

2. Records describing actions taken by the CHDO to affirmatively market units and records to assess the results of these actions. CHDO must maintain a file containing all marketing efforts (i.e. copies of newspaper ads, memos of phone calls, copies of letters) to be available for inspection at least annually by UCP.

3. CHDO shall solicit applications for vacant units from persons in the housing market who are least likely to apply for the rehabilitated housing without benefit of special outreach efforts. In general, persons who are not of the race/ethnicity of the residents of the neighborhood in which the rehabilitated building is located shall be considered those least likely to apply.

4. CHDO shall maintain a listing of all homebuyers residing in each unit through the end of the compliance period. Compliance period is as stated in 24 CFR 92.508(4) and (7)(c)(2), "records must be retained for a five years after the project completion date, except for documents imposing recapture restrictions which must be retained for five years after the affordability period terminates."

F. Reversion of Assets. When applicable, upon termination of this Agreement, all funds remaining on hand on the date of termination, and all accounts receivable attributes to the use of funds received under this agreement shall revert to UCP. CHDO shall return these assets to UCP within seven (7) business days after the date of termination.

G. Enforcement of Agreement. CHDO shall provide UCP with a legally enforceable agreement to enforce the affordability requirements of Subsection B of this Section 23. CHDO shall record said agreement in the real property records of the county where the project is located and return the original document, duly certified as to recordation by the appropriate county official, to the UCP within two business days of closing.

H. Flood Insurance. Funds provided under this agreement may not be used in connection with acquisition or rehabilitation of a development located in an area identified by the Federal Emergency Agency (FEMA) as having special flood hazards, unless the locality in which the site is located is participating in the National Flood Insurance Program.

I. Displacement, Relocation, and Acquisition. CHDO must ensure that it has taken all reasonable steps to minimize the displacement of persons (families, business and nonprofit organizations) as a result of a project assisted with funds provided under this agreement. CHDO must comply with the applicable provisions of 24 CFR 92.353.

SECTION 24. INSURANCE

A. Insurance. CHDO shall have in force throughout the term of this Agreement insurance coverage consistent with the requirement in Exhibit E. A certificate to that effect will be provided to the County of Hidalgo/UCP at least ten (10) days prior to start of construction.

B. Notice to the UCP. CHDO shall require its insurance policies to provide that the HOME Manager of the UCP shall be given thirty (30) days advance notice by the insurer prior to cancellation, nonrenewal, or material change of the insurance policies required by this Section 24. The insurer shall be subject to approval by the UCP.

C. Failure to maintain required insurance will be cause for the UCP to take control of the Housing UNITS and will cancel any claim that CHDO may have to the use of the Housing UNITS. CHDO shall provide UCP with certificates of insurance reflecting all coverages required in Exhibit E , and shall, upon request of UCP, promptly provide UCP with copies of the insurance policies.

D. Right to Re-evaluate and Adjust Limits. The UCP shall retain the right to reevaluate the insurance requirements and adjust the coverage limits upon thirty (30) days written notice. Insurance coverage limits shall be adjusted no more frequently than once a year.

SECTION 25. ORAL AND WRITTEN AGREEMENTS

A. All oral and written agreements between the parties to this agreement relating to the subject matter of this agreement that were made prior to the execution of this agreement have been reduced to writing and are contained in this agreement.

B. The attachments enumerated and denominated below are hereby made a part of this agreement, and constitute promised performances by CHDO in accordance with Section 4 of this agreement;

1. Exhibit A, Performance Statement

2. Exhibit B, Budget and Project Implementation Schedule

3. Exhibit C, Applicable Laws and Regulations

4. Exhibit D, Certifications

5. Exhibit E, Insurance Requirements

SECTION 26. JURISDICTION AND VENUE

The laws of the State of Texas shall apply to any dispute arising under this Agreement. For purposes of litigation pursuant to this agreement, venue shall lie in the County of Hidalgo, Texas where this Agreement was entered into and shall be performed.

SECTION 27. COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS

CHDO shall comply with all federal, state and local laws, statutes, ordinances, rules, regulations, orders and decrees of any court or administrative body or tribunal related to the activities and performances of CHDO under this agreement. Upon request by UCP, CHDO shall furnish satisfactory proof of its compliance herewith.

SECTION 28. MARKET VOLATILITY AND UNIT PRICE ADJUSTMENTS

Hidalgo County recognizes that during periods of national crisis and unstable economic conditions, unforeseen price increases might affect costs for goods and services contracted on an annual basis. The following procedure may be employed to mediate price volatility:

A. **Requesting Price Adjustment**: Upon written request of the CHDO to the County Purchasing Agent, the County may review evidence of prevailing industry-wide market conditions that warrant an adjustment in bid prices contained in the contract.

- A CHDO must tie any price change clause to an industry-wide or otherwise nationally recognized index, or some other form of verifiable document. Such written request must be accompanied by a certified copy of the supplier's advisory or notification to the CHDO of the price changes.
- The CHDO must put the Purchasing Agent on the mailing lists for such publications so that the Purchasing Agent can monitor said changes. Such membership shall be at no cost to the County.
- The County Purchasing Agent retains the right to determine whether or not such proposed price changes are in the best interest of the County.
- No price escalation will be authorized in excess of the amount of the increase referred to in the supplier's notice.
- The County may only grant a price increase if the evidence presented is deemed reliable. Should the County allow a price increase, the approved price change shall be honored for all orders received by the CHDO or contractor after the effective date of such price change. Approved price changes are not applicable to orders already issued and in process at time of price change.

B. **Price Reduction**: CHDO shall notify the County at the time when the CHDO's costs for items and/or supplies reduce due to stabilization in the market at which time prices for items on this contract shall be reduced accordingly. Failure by the CHDO to notify the County of a decrease in costs for items and/or supplies for which the CHDO was granted a price adjustment, may result in immediate termination of this contract and the County shall not be obligated to pay the CHDO the difference between the contract price and the price adjustment.

C. **Timeframe for Adjusted Price Increases:** Price increases are only valid for the quarter in which they are requested and approved. Prices shall return to the original contract price at the beginning of the following quarter unless a CHDO notifies the County in writing within ten (10) days of expiration of the quarter in which the price increase is in effect, that it desires to have the price increase continue or that the CHDO is requesting a different price increase for the following quarter. Such request must be supplemented with sufficient justification to demonstrate that the price increase remains necessary. The County Purchasing Department shall have sole discretion whether to grant the price increase extension. The County too, shall have discretion to unilaterally reduce, eliminate or extend a price adjustment to the CHDO at any time upon written notice from the County to the CHDO demonstrating justification for such reduction, elimination or extension of the price adjustment.

D. **Allowable Review Periods**: Price adjustment reviews may only be requested by the CHDO on a quarterly basis. However, the County may at its own discretion, conduct temporary price adjustment reviews at any time. The County Purchasing Agent and/or the County Auditor reserve the right to audit and/or examine any pertinent books, documents, papers, records or invoices relating directly to the contract transaction in question after reasonable notice and during normal business hours.

E. **Dollar Limit to Price Changes**: The total increase in contract price shall not exceed twenty-five percent (25%) of the original contract price during the contract term.

SECTION 29. REMEDIES

It is expressly understood and agreed by the parties hereto that any right or remedy provided for in this Section 28 or in any other provision of this agreement shall not preclude the exercise of any other right or remedy under this agreement or under any provision of law, nor shall any action taken in the exercise of any right or remedy be deemed a waiver of any other rights or remedies. Failure to exercise any right or remedy hereunder shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

Executed this 28th day of September, 2009.

ATTEST:
Hidalgo County, Urban County Program

_____
UCP Director

Proyecto Azteca

Ann Williams Case
CHDO Director

ACKNOWLEDGEMENT

STATE OF TEXAS §
§ **KNOW ALL BY THESE PRESENTS:**
COUNTY OF HIDALGO §

This instrument was acknowledged before me on September 28, 2009 by Ann Williams Cass as Director of Proyecto Azteca, a Texas nonprofit corporation, on behalf of said corporation.

(seal)

IRENE MONTOYA
MY COMMISSION EXPIRES
June 22, 2013

NOTARY PUBLIC, State of Texas
NAME: Irene Montoya
My Commission Expires: June 22, 2013

ACKNOWLEDGEMENT

STATE OF TEXAS §
§ **KNOW ALL BY THESE PRESENTS:**
COUNTY OF HIDALGO §

This instrument was acknowledged before me on September 28, 2009 by Diana R. Serna as Director of the Hidalgo County Urban County Program .

(seal)

NOTARY PUBLIC, State of Texas
NAME: _____
My Commission Expires: _____

EXHIBIT A

PERFORMANCE STATEMENT

A. CHDO shall construct twenty-five (25) 2, 3 and 4 bedroom wood frame self-help pre-manufactured units of affordable housing to low-income qualified first time homebuyers. Homes will range between 784 and 1,033 square feet.

Type of Home	Total Living Area (Sq. ft.)
2 bedroom / 1 bath	784
3 bedroom / 1 bath	864
4 bedroom / 2 bath	1,033

B. In this agreement low and moderate income families is defined in accord with Title 24 CFR 92.2 and calculated based on 24 CFR 92.203(b)(1), ("Housing"), such dwellings to be located in the County of Hidalgo (with the exception of the city limits of Edinburg, Pharr, McAllen and Mission), Texas, as described in Exhibit A.

C. CHDO will target twenty-five (25) families at or below 60% of the median income.

D. CHDO will provide zero percent (0%) interest mortgages to each family, which will be amortized over a 20/25-year period.

G. CHDO will enroll participating families in "Homeownership Success Classes" with curriculum targeting extremely low-income colonia residents.

D. CHDO will leverage over three hundred and twenty-three thousand dollars ($323,000) in public and private funds, of which $137,500 are listed as sweat equity from members of the families to be assisted.

CHDO must comply with the HOME Program rules that state households will not exceed 80% of the area median income.

EXHIBIT B

BUDGET AND PROJECT IMPLEMENTATION SCHEDULE

Detailed Project Budget		
	Cost	**Funding Source**
TOTAL PREDEVELOPMENT		
ACQUISTION		
Site and/or Land	$5,000 x 25 lots= 125,000 125,000 SHOP 2008	SHOP '08 Funds
Other (specify)		
TOTAL ACQUISTION	125,000	
CONSTRUCTION		
Cost for building materials	12,435	'08 CHDO Funds
Wall Framing	2,011	'08 CHDO Funds
Ceiling/Roof	600	'08 CHDO Funds
Exterior Finish	750	'08 CHDO Funds
Exterior Doors	600	'08 CHDO Funds
Windows	1,000	'08 CHDO Funds
Electrical	1,550	'08 CHDO Funds
Central	2,239	'08 CHDO Funds
Plumbing / Connections	2,400	'08 CHDO Funds
Interior Wall	565	'08 CHDO Funds
Paint / Acoustic	598	'08 CHDO Funds
Cabinets	915	'08 CHDO Funds
Tile – Countertop	200	'08 CHDO Funds
Floor	460	'08 CHDO Funds
Interior Finish	600	'08 CHDO Funds
Closet Doors	250	'08 CHDO Funds
Kitchen Range w/ Hood	350	'08 CHDO Funds
Light Fixtures	350	'08 CHDO Funds
Septic Tank / Installation	1,455	'08 CHDO Funds
Trainer/Builder's Fees	8,000	'08 CHDO Funds
TOTAL CONSTRUCTION	37,328 x 25 homes = 933,200	
SOFT & CARRYING COST		
Closing costs	1,700 x 25 homes = 42,500	'08 CHDO Funds
Permits / Inspections	1,000 x 25 homes = 25,000	'08 CHDO Funds
Architectural (Inspection)		
Construction Period Insurance		
Construction Period Taxes		
Marketing		
Other (specify) Administrative Cost including Fringe Benefits	60,956	USDA Funds
Sweat Equity Hours 550 hrs X 15 Families X 9.00 hr	5,500 x 25 homes = 137,500	Family contribution as a requirement for program.
Total Soft/Carrying Cost	265,956	
TOTAL PROJECT BUDGET	**$ 1,324,156**	**$ 1,000,700 '09 CHDO Funds**

		137,500 Sweat Equity Hours **60,956 USDA**

UCP FY 2008 FUNDS		
	Total Project Cost	Total Cost Per Unit (25 units)
Acquisition		
Construction	$933,200	$37,328
Soft Costs	$67,500	$2,700

*Any homes that will require to be Three or Four bedrooms, Proyecto Azteca will leverage the difference in price.

CONSTRUCTION SCHEDULE

ACTIVITY	DATE(S)
Securing pre-qualified prospective buyers/tenants	September - November 2009
Acquisition	December 20098
Environmental Review	January 30, 2010
Homeownership Counseling	January 30, 2010
Construction Specifications and Cost Est.	N/A
Construction Bids	Our bidding process is every 6 months, January and July of each year
Construction Start	October 2009
Securing and packaging project financing	25 homes done by September 30, 2011
Anticipated Draws	Aug. '09 – Sept. '11
End Construction	September 2011
Sign Sales Contract(s)	January 30, 2012
Close on Home Sale(s) ***(Single Family Const. Projects)***	January 30, 2012
Signing of Lease Agreements ***(Multi-family Projects)***	

EXHIBIT C

OTHER FEDERAL REQUIREMENTS

1. Compliance with Federal Laws and Regulations. CHDO agrees to comply with all federal laws and regulations applicable to HOME and to the services and work covered under this Agreement.

2. Applicable Federal Civil Rights Laws and Executive Orders. The work to be performed under this Agreement is on a project assisted under a program providing direct federal financial assistance from HUD. In providing the services and work set forth in this Agreement, CHDO will carry out its work in a manner which will permit full compliance by UCP with the following, and CHDO shall strictly adhere to the following:

   a. Title VI of the Civil Rights Act of 1964, which provides that no person in the United States shall be excluded on the basis of race, color or national origin, from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

   b. Section 109 of the Housing and Community Development Acts of 1974 and 1977, as amended, which provide that no person in the United States shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available pursuant to said Acts.

   c. Title VIII of the Civil Rights Act of 1968, which mandates affirmative action toward furthering fair housing (in sale or rental of housing, financing of housing and provision of brokerage services) throughout the United States;

   d. Executive Order 11063, which provides for equal opportunity in housing and related facilities provided by federal financial assistance;

   e. Executive Order 11246, which provides that there shall be no discrimination in employment under federally assisted construction.

   f. Section 3 of the Housing and Urban Development Act of 1968, which provides for training, employment, and contracting Opportunities for business and lower income persons assurance of compliance.

      (1) The work to be performed under this Agreement is on a project assisted under a program providing direct federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given low-income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the area of the project.

(2) The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR Part 135, and all applicable rules and orders of the Department of Housing and Community Development issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.

(3) CHDO will send to each labor organization or representative of workers with which it has a collective bargaining contract or other contract or understanding, if any, a notice advertising to the said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

(4) CHDO will include these Section 3 clauses in every contact and subcontract for work in connection with the project and will, at the direction of the State, take appropriate action pursuant to the contract upon a finding that any CHDO or subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135, and will not let any contract unless CHDO or subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

(5) Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of the Rehabilitation Contract shall be a condition of the federal financial assistance provided to the project, binding upon CHDO, its successors, and assigns. Failure to fulfill these requirements shall subject CHDO, its contractors and subcontractors, its successors, and assigns to those sanctions specified by the grant or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135 which provides that, to the greatest extent feasible, opportunities for training and employment shall be given to lower-income residents of HUD-assisted project areas, and that contracts for work in connection with such projects be awarded to business concerns which are located in, or are owned in substantial part by, persons residing in the area of the Program.

g. Section 504 of the Rehabilitation Act of 1973 (prohibits discrimination based on physical handicap) (Pub.L. 93-112), as amended, and implementing regulations when published for effect.

The Age Discrimination Act of 1975, as amended (Pub.L. 94-135), and implementing regulations when published for effect.

i. The relocation requirements of Title II and the acquisition requirements of Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and the implementing regulations at 24 CFR Part 42.

j. The requirements relating to minority and women's business enterprises set forth in Executive Order No. 11625 of October 13, 1971, 36 Fed. Reg. 1967, as amended by Executive Order No. 12007 of August 22, 1977, 42 Fed. Reg. 42839; and Executive Order No. 12432 of July 14, 1983, 48 Fed. Reg. 32551; and Executive Order No. 12138 of May 18, 1979, 44 Fed. Reg. 23637.

k. The Uniform Federal Accessibility Standards set forth in 24 CFR, Part 40, Appendix A.

The provisions of 24 CFR, Part 24, relating to the employment, engagement of services, awarding of contracts, or funding of any CHDOs or subcontractors during any period of debarment, suspension or placement in ineligibility status.

m. The provisions of 24 CFR, Part 570, relating to compliance with applicable uniform administrative requirements in acceptance and use of funds, as described in Section 570.502 (this document is available at the UCP office).

The provisions of 24 CFR, Part 570, relating to compliance with: 1) OMB Circular A-110 which sets standards for uniform administrative requirements for grants to non-profit organizations; and 2) OMB Circular A-122, which provides a set of cost principles for determining costs of grants and other agreements with non-profit organizations.

3. Nondiscrimination Under Title VI of the Civil Rights Act of 1964. CHDO under this Agreement shall be subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and HUD regulations with respect thereto including the regulations under 24 CFR, Part 1. In the sale, lease or other transfer of land acquired, cleared or improved with assistance provided under this Agreement, CHDO shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer prohibiting discrimination upon the basis of race, color, religion, sex or national origin, in the sale, lease or rental, or in the use of occupancy of such land or any improvements erected or to be erected thereon, and providing that CHDO and the United States are beneficiaries of and entitled to enforce such covenant. CHDO, in providing the services and work it is to provide pursuant to this Agreement, agrees to take such measures as are necessary to enforce such covenant and will not itself so discriminate.

4. Equal Employment Opportunity. In providing the work and services herein specified, CHDO shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. CHDO 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 be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. CHDO shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Federal Government or the UCP setting forth the provisions of this nondiscrimination clause. CHDO shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin. CHDO shall incorporate the foregoing requirements of this Paragraph 4 in all of its

contracts for program work, and will require all of its subcontractors for such work to incorporate such requirements in all subcontracts for program work.

CHDO shall also maintain records containing:

a. Data on the extent to which each racial and ethnic group and single-headed households (by gender of household head) have applied for, participated in, or benefited from, any program or activity funded in whole or in part with HOME or other Federal funds. Such information shall be used only as a basis for further investigation as to compliance with nondiscrimination requirements. No CHDO is required to attain or maintain any particular statistical measure by race, ethnicity, or gender in covered programs.

b. Documentation of actions undertaken to meet the requirements of 8 570.607(b) which implements section 3 of the Housing Development Act of 1968, as amended (12 U.S.C. 1701U) relative to the hiring and training of low- and moderate-income persons and the use of local businesses.

c. Data indicating the racial/ethnic character of each business entity receiving a contract or subcontract of $25,000 or more paid, or to be paid, with HOME or other Federal funds, data indicating which of those entities are women's business enterprises as defined in Executive Order 12138, the amount of the contract or subcontract, and documentation of recipient's affirmative steps to assure that minority business and women's business enterprises have an equal opportunity to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction and services. Such affirmative steps may include, but are not limited to, technical assistance open to all businesses but designed to enhance opportunities for these enterprises and special out-reach efforts to inform them of contract opportunities. Such steps shall not include preferring any business in the award of any contract or subcontract solely or in part on the basis of race or gender.

5. Lead-Based Paint Hazards. Assistance provided under this Agreement is subject to the HUD Lead-Based Paint regulations at 24 CFR Part 35, hereby incorporated and made a part of this Agreement by reference. Any funding commitments made by UCP or CHDO shall be made subject to the provisions for the elimination of lead-based paint hazards under subpart B of said regulations.

6. Flood Disaster Protection. Notwithstanding any other provision of this Agreement, CHDO shall comply with the Flood Disaster Protection Act of 1973, as amended (P.L. 93-234), and the standards issued thereto. No portion of the monies to be paid to CHDO pursuant to this Agreement shall be used for acquisition or construction purposes as defined under Section 3(a) of said Act, for use in an area identified by the Secretary of HUD as having special flood hazards which is located in an area not in compliance with the requirements for participation in the National Flood Insurance Program pursuant to Section 201(d) of said Act; and the use of any of said monies for such acquisition or construction in such identified areas in communities then participating in the National Flood Insurance Program shall be subject to the mandatory purchase of flood insurance requirements of Section 102(a) of said Act.

Any contract or Agreement for the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement shall contain, if such land is located in an area identified by the Secretary of HUD as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001, et seq., provisions obligating the transferee and its successors or assigns to obtain and maintain, during the ownership of such land, such flood insurance as required with respect to financial assistance for acquisition or construction purposes under Section 102(a) of the Flood Disaster Protection Act of 1973, as amended. Such provisions shall be required notwithstanding the fact that the construction on such land is not itself funded with assistance provided under this Agreement.

7. 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 arising from same.

8. Conflict of Interest. No officer, employee, or agent of CHDO who exercises any functions or responsibilities with respect to the HOME Program or to the services and work to be performed by CHDO pursuant to this Agreement, during such officer's employee's, or agent's tenure or for one (1) year thereafter, shall have any personal or financial interest or benefit, direct or indirect, in this Agreement or the proceeds thereof. CHDO shall incorporate or cause to be incorporated in every contract required to be in writing a provision prohibiting such interest pursuant to the purposes of this Section.

9. Prohibition Against Payments of Bonuses or Commissions. The assistance provided under this Agreement shall not be used in the payment of any bonus or commission for the purposes of obtaining HUD approval of the application for such assistance, or HUD approval of applications for additional assistance, or any other approval or concurrence of HUD required under this Agreement, Title I of the Housing and Community Development Acts of 1974 or 1977, or HUD regulations with respect thereto; provided, however, that reasonable fees or bona fide technical, consultant, managerial or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as program costs.

10. Copyrights. If this Agreement results in a book or other copyrightable material, the author is free to copyright the work, but HUD reserves a royalty-free, nonexclusive and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, all copyrighted material and all material which can be copyrighted.

11. Patents. Any discovery or invention arising out of or developed in the course of work aided by this Agreement shall be promptly and fully reported to UCP and HUD for determination by HUD as to whether patent protection on such invention or discovery shall be sought and how the rights in the invention or discovery, including the rights under any patent issued thereon, shall be disposed of and administered, in order to protect the public interest.

12. Political Activity.

a. Political Reform Act. CHDO shall comply with the applicable provisions of the Political Reform Act of 1974, as amended, relating to conflicts of interest (codified at

Texas Government Code Section 87000, et seq.). CHDO will promptly advise UCP of the facts and circumstances concerning any disclosure made to it or any information obtained by it relating to conflicts of interest.

b. Partisan Activity Prohibited. No funds provided in this Agreement shall be used for any partisan political activity or to further the election or defeat of any candidate for public office; nor shall they be used to provide services, or for the employment or assignment of personnel in a manner supporting or resulting in the identification of programs conducted pursuant to this Agreement with the following: (1) any partisan or nonpartisan political activity or any other political activity associated with a candidate, or contending faction or group, in an election for public or party office; (2) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election; or (3) any voter registration activity.

Participants employed in the administration of UCP's programs funded by HOME or other Federal funding, and participants whose principle employment is in connection with an activity financed by HOME or other Federal funding or resultant proceeds are subject to limitation on political activities under the Hatch Act (U.S.C. 1502(a), 18 U.S.C. 595). All participants may take part in nonpartisan activities outside working hours.

c. Lobbying Prohibited. None of the funds provided under this Agreement shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before the Congress.

13. Guidelines on Church-Related Activities.

a. Construction or Rehabilitation of Facilities. HOME or other Federal funding recipients shall not use any funds to construct, rehabilitate, maintain, or restore religious structures (including those which may be historic properties) currently used for religious purposes. Block Grant funds shall not be used to construct, rehabilitate, maintain, or restore structures or other real property owned by "pervasively sectarian" organizations. Block Grant funds shall not be used to assist a religious organization in acquiring property. These prohibitions apply whether or not the property is used for religious services or instruction or is used in any other way for religious activities.

14. Property Standards

In accordance with 24 CFR 92.251, housing that is newly constructed with HOME funds must meet all applicable local codes, ordinances, and zoning ordinances at the time of project completion. Newly constructed housing must meet the current edition of the, Model Energy Code published by the Council of American Building Officials. The CHDO must assure that unit design specifications and necessary inspections of each unit is conducted to meet compliance requirements. File documentation must demonstrate compliance.

15. Environmental Requirements

Notwithstanding any provisions of this Agreement, the parties hereto agree and acknowledge that this Agreement does not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt by the Participating Jurisdiction of a release of funds from the U.S. Department of Housing and Urban Development under 24CFR Part 58. The parties further agree that the provision of any funds to the project is conditioned on the Participating Jurisdiction's determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review.

END CONDITIONS OF FEDERAL FUNDING

EXHIBIT D

Certification Regarding Lobbying for Agreements, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of its knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or any employee of a member of Congress in connection with the awarding of any federal agreement, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, or modification of any federal agreement, grant, loan, or cooperative agreement.

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal agreement, grant loan, or cooperative agreement, the undersigned shall complete and submit standard form –LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subagreements, subgrants, and agreement under grants, loans and cooperative agreements) and that CHDOs certify and disclose accordingly.

This certification is material representation of fact which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 132. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Proyecto Azteca

Signed: Ann Williams Case

Director

9/28/09

Date

EXHIBIT E

INSURANCE REQUIREMENTS

1. CHDO Insurance. CHDO, at its sole cost and expense, for the full term of this Agreement (and any extensions thereof), shall obtain and maintain at minimum compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects UCP and any insurance or self-insurance maintained by UCP shall be excess of CHDO's insurance coverage and shall not contribute to it.

2. Subcontractor(s) Insurance. If CHDO utilizes one or more subcontractors in the performance of this Agreement, CHDO shall obtain and maintain independent insurance as to each subcontractor or otherwise provide evidence of insurance coverage for each subcontractor equivalent to that required of CHDO in this Agreement.

3. Types of Insurance and Minimum Limits. The following types of insurance and minimum limits are required for at least the following minimum coverage and limits of liability.

   a. Worker's Compensation written in accordance with the laws of the State of Texas and providing coverage for any and all employees of CHDO in the minimum statutorily required coverage amounts.

   b. Automobile Liability Insurance for each of CHDO's vehicles used in the performance of this Agreement, including owned, non-owned (e.g. owned by CHDOs employees or contractors), leased or hired vehicles, in the minimum amount of $300,000 combined single limit per occurrence for bodily injury and property damage. This insurance coverage shall not be required if vehicle used by CHDO is not a material part of performance of this Agreement and CHDO and UCP both certify to this fact.

   c. Comprehensive or Commercial General Liability Insurance coverage in the minimum amount of $300,000 combined single limit, including coverage for:

      (1) Bodily injury.
      (2) Personal injury.
      (3) Broad form property damage.
      (4) Contractual liability.
      (5) Cross-liability.

4. Other Insurance Provisions.

   a. If any insurance coverage required in this Agreement is provided on a "Claims Made" rather than "Occurrence" form, CHDO agrees to maintain the required coverage for duration of this Agreement (hereinafter "post agreement coverage") and any extensions thereof. CHDO may maintain the required post agreement coverage by renewal or purchase of prior acts or tail coverage. This provision is contingent upon post agreement coverage being both available and reasonably affordable in relation to the coverage provided during the term of this Agreement. For purposes of

interpreting this requirement, a cost not exceeding 100% of the last annual policy premium during the term of this Agreement in order to purchase prior acts or tail coverage for post agreement coverage shall be deemed to be reasonable.

5. Endorsements.

a. All required Automobile and Comprehensive or Commercial General Liability Insurance shall be endorsed to contain the following clause, with the exception that Endorsement (ii), providing for 30-day notices, is the only endorsement required to be made a part of the Worker's Compensation and Employers' Liability policy coverage.

(1) "The County of Hidalgo, its employees, officers, agents and volunteers are hereby added as additional insurers, but only as respects work done by, for, or on behalf of the named insured under Agreement with the County of Hidalgo."

(2) "Thirty (30) days prior written notice shall be given to the County of Hidalgo in the event of cancellation, reduction in coverage, or non-renewal of this policy for whatever reason."

6. Proof of Coverage.

a. CHDO agrees to provide its insurance broker(s) with a full copy of these insurance provisions and provide UCP on or before the effective date of this Agreement with Certificate of Insurance for all required coverages. Copies of all the required Endorsements required above shall be attached to the Certificate(s) of Insurance or other evidence of insurance acceptable to the County of Hidalgo, which shall be provided by CHDO's insurance company as evidence of the stipulated coverages. This Proof of Coverage shall then be mailed to the County of Hidalgo at the following address:

HOME Coordinator
County of Hidalgo
Urban County Program
1916 Tesoro Blvd.
Pharr, TX 78577

END INSURANCE REQUIREMENTS

Hidalgo County Urban County Program
Community Housing Development Organization (CHDO)Certification

Affidavit of Standards for Financial Management Systems

Date: September 28, 2009

Affiant: Ann Cass

Recipient: Proyecto Azteca,

Affiant on oath swears that the following statements are true and are within the personal knowledge of Affiant:

1. Affiant is the Director, President AND/OR Chief Financial Officer of the Recipient and is authorized to make this affidavit on behalf of Recipient.
2. Recipients' financial management systems conform to the financial accountability standards set forth in 24 CFR 84.21, by providing for and incorporating the following:

    a. Accurate, current and complete disclosure of the financial results of each federally-sponsored project;
    b. Records, which identify the source and application of funds for federally-sponsored activities. These records contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, income and interest;
    c. Control over and accountability for all funds, property and other assets; adequate safeguards of all such assets shall be adopted to assure that all assets are used solely for authorized purposes;
    d. Comparison of outlays with budget amounts for each award;
    e. Written procedures to minimized the time elapsing between the receipt of funds and the issuance of redemption of checks for program purposes by the recipient;
    f. Written procedures for determining the reasonableness, allocability, and allowability of costs in accordance with the provisions of Federal cost principles [Circular A-122] and the terms and conditions of the award;
    g. Accounting records, including cost-accounting records, that are supported by source documentation.

Affiant signature: Ann Williams Cass

Title: EXECUTIVE DIRECTOR

Subscribed and sworn before me on the 28 day of September, 2009

by Ann W. Cass, on behalf of _____.

Notary Signature

My commission expires: June 22, 2013

Seal:

IRENE MONTOYA
MY COMMISSION EXPIRES
June 22, 2013

Addendum
FY 2009 Contract Extension
PROYECTO AZTECA

Right of Exercise

County and CHDO, hereby attach as an addendum to the 2009 HOME Contract the following:

Due to a mandated halt in all Urban County Program homebuyer programs, the Urban County Program is granting an extension to the 2009 CHDO Agreement with the Proyecto Azteca. The original contract expiration date is September 27, 2011. This amendment to the contract will allow for a **new contract expiration** date of **May 26, 2012.**

County does hereby commit to allow for this extension.

County:
HIDALGO COUNTY
Diana R. Serna
Name

URBAN COUNTY PROGRAM DIRECTOR
Title

2-15-12
Date

CHDO:
PROYECTO AZTECA
Ann Williams Cass
Name

DIRECTOR
Title

2/10/12
Date

STATE OF TEXAS {
COUNTY OF HIDALGO {

Diana R. Serna, personally appeared before me and declared that he/she signed this agreement in the capacity designated, if any, and further states he/she has read the above agreement, and the statements contained therein contained are true.

Subscribed and sworn before me this 15th day of February, 2012.

Notary – Signature

STATE OF TEXAS {
COUNTY OF HIDALGO {

Ann Williams Cass, personally appeared before me and declared that he/she signed this agreement in the capacity designated, if any, and further states he/she has read the above agreement, and the statements contained therein contained are true.

Subscribed and sworn before me this 10th day of February, 2012.

Notary - Signature

AI-32805 **WIC 11. A.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Norma L. Longoria **Submitted By:** Margarita Gonzalez, WIC

Department: WIC

Information

CAPTION

WIC Program (1292):
1.Permission to apply for the following grants:

Grant Name:	Amount	Year
Nutrition Physical Activity & Obesity Prevention Grant	$50,000.00	2013
Obesity Prevention Mini Grant	$18,000.00	2013
March of Dimes Community Award Grant	$ 3,000.00	2013

2.WIC - BF (1292):
a. Approval to amend the 2012 Budget for the WIC BF Peer Counselor Grant in the amount of $82,463.00
b. Approval of Certification of Revenues as certified by the County Auditor in the amount of $82,463.00.
c. Approval of appropriation of funds for the 2012 WIC BF Peer Counselor Grant.

3.WIC - Lactation Services (1292):
a. Approval to amend the 2012 Budget for the WIC Lactation Services Grant in the amount of $11,410.00
b. Approval of Certification of Revenues as certified by the County Auditor in the amount of $11,410.00.
c. Approval of appropriation of funds for the 2012 WIC Lactation Services Grant.

BACKGROUND

Letter of Amendment from DSHS

Fiscal Impact

FISCAL YEAR: 2012 **ACCT. #:** 2-1292-441-00-350-002-2-XXX

FUNDS AVAILABLE Y/N?: Y **MATCHING FUNDS Y/N?:** N

BUDGETARY IMPACT:

Amending grant. Appropriation of funds in the amount of $82,463.00 for WIC B/F Program Grant.

Revenue Account: 2-1292-331-12-350-002-2-XXX

FISCAL YEAR: 2012 **ACCT. #:** 2-1292-441-00-350-013-2-XXX

FUNDS AVAILABLE Y/N?: Y **MATCHING FUNDS Y/N?:** N

BUDGETARY IMPACT:

Amending grant. Appropriation of funds in the amount of $11,410.00 for Lactation Services Grant.

Revenue account: 2-1292-331-12-350-013-2-XXX

Attachments

Amendment from DSHS
March of Dimes Grant Info
Obesity Mini Grant Info
Nutrition Physical Activity & Obesity Grant Info
WIC- BF Appropriation
WIC- Lactation Appropriation

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/13/2012 04:15 PM
Erika Zamora	Erika Zamora	06/21/2012 04:47 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Margarita Gonzalez Started On: 06/13/2012 10:59 AM

Final Approval Date: 06/22/2012

COUNTY of HIDALGO



EDINBURG, TEXAS 78539

HIDALGO COUNTY AUDITOR'S OFFICE
Hidalgo County Administration Building
2808 South Business Highway 281
Edinburg, Texas 78539-6243
PHONE: (956) 318-2511
FAX: (956) 318-2577
WEBSITE: www.co.hidalgo.tx.us/auditor

June 22, 2012

The Honorable Ramon Garcia, Hidalgo County Judge
The Honorable Joel Quintanilla, Commissioner, Precinct No. 1
The Honorable Hector "Tito" Palacios, Commissioner, Precinct No. 2
The Honorable Jose M. Flores, Commissioner, Precinct No. 3
The Honorable Joseph Palacios, Commissioner, Precinct No. 4

RE: Certification of Revenue

Dear Judge and Commissioners:

Pursuant to Local Government Code § 111.0706 SPECIAL BUDGET FOR GRANT OR AID MONEY:

> The county auditor shall certify to the commissioners court the receipt of all public or private grant or aid money that is available for disbursement in a fiscal year but not included in the budget for that fiscal year. On certification, the court shall adopt a special budget for the limited purpose of spending the grant or aid money for its intended purpose.

I, Ray Eufracio, County Auditor of Hidalgo County, certify to the Hidalgo County Commissioners Court the receipt of an award from the Texas Department of State Health Services (DSHS). These funds may now be made available by creating a new special budget or amending a current budget for its intended purposes.

AMOUNT	PURPOSE
$11,410.00	Award No. 2012-039974-001A NSS/WIC LOCAL AGENCY – Lactation Services

CERTIFIED BY:

Raymundo Eufracio, CPA
Hidalgo County Auditor

6/22/12
Date

HIDALGO COUNTY DISTRICT JUDGES

ARDO P. RODRIGUEZ, JR. JUDGE, 92ND D.C. | RODOLFO DELGADO JUDGE, 93RD D.C. | J. R. "BOBBY" FLORES JUDGE, 139TH D.C. | ROSE GUERRA REYNA JUDGE, 206TH D.C. | JUAN R. PARTIDA JUDGE, 275TH D.C. | MARIO E. RAMIREZ, JR. JUDGE, 332ND D.C. | NOE GONZALEZ JUDGE, 370TH D.C. OVERSEER | LETICIA LOPEZ JUDGE, 389TH D.C. | AIDA SALINAS FLORES JUDGE, 398TH D.C. | ISRAEL RAMON, JR. JUDGE, 430TH D.C. | JESSE CONTRERAS JUDGE, 449TH D.C.

TEXAS DEPARTMENT OF STATE HEALTH SERVICES

1100 West 49th Street • Austin, Texas 78756
P.O. Box 149347 • Austin, Texas 78714-9347
1-888-963-7111 •
TDD: 1-800-735-2989

DAVID L. LAKEY, M.D.
COMMISSIONER

Letter of Amendment

June 15, 2012

Norma I. Longoria, WIC Director
LA #012, Hidalgo County Health & Human Services
WIC Administrative Office
3105 West University Drive
Edinburg, TX 78539

Dear Ms. Longoria:

The Hidalgo County Health & Human Services WIC contract will be amended to reflect revisions as detailed in the table below. This letter constitutes a formal contract amendment.

Project	Project Contact	Current Award Amount	Amended Amount Increase	Amended Amount (Decrease)	Revised Project Total
Peer Counselor	Kristina Arrieta (512) 341-4593	$935,890.00	$82,463.00		$1,018,353.00
Obesity	Angela Gil (512) 341-4590	$16,000.00	$8,000.00		$24,000.00
Lactation Services	Helen Sullivan (512) 341-4591	$50,000.00	$11,410.00		$61,410.00

This project increase will be reflected in your contract "Not to Exceed" amount as shown below:

Contract "Not to Exceed" Amount			
Current Contract Amount	Amended Amount Increase	Amended Amount (Decrease)	Revised Contract "Not to Exceed" Amount
$12,235,614.00	$101,873.00		$12,337,487.00

FY 2012 CONTRACT AMOUNT WITH LETTERS OF AMENDMENT

LA #012

Project Name	Original Contract Amount	1st Amendment 1/31/12	2nd Amendment **/**/**	3rd Amendment **/**/**	4th Amendment **/**/**	Total Project Amounts
WIC 257 admin	3,636,985.00	3,636,985.00				7,273,970.00
WIC 255 ADMIN	1,958,377.00	1,958,377.00				3,916,754.00
						0.00
Peer Counselors	467,945.00	467,945.00	82,463.00			1,018,353.00
Registered Dietitians	23,000.00	20,000.00				43,000.00
Obesity Prevention	8,000.00	8,000.00	8,000.00			24,000.00
Lactation Consultants	25,000.00	25,000.00	11,410.00			61,410.00
Clinical Lactation Practicum						0.00
Dietetic Interns						0.00
Infrastructure Funding						0.00
Extra Funding						0.00
Immunizations						0.00
						0.00
						0.00
						0.00
Total Amendment Amount		**6,116,307.00**	**101,873.00**	**0.00**	**0.00**	
Total "Not to Exceed" Amount	**6,119,307.00**	**12,235,614.00**	**12,337,487.00**	**12,337,487.00**	**12,337,487.00**	**12,337,487.00**



Print Return Copy Agenda Item

AI- 32805 WIC 11. A.
CC REGULAR
Meeting Date: 06/26/2012
Department Head: Norma L. Longoria Submitted By: Margarita Gonzalez, WIC
Department: WIC

Information

CAPTION
WIC Program (1292):
1.Permission to apply for the following grants:

Grant Name:	Amount	Year
Nutrition Physical Activity & Obesity Prevention Grant	$50,000.00	2013
Obesity Prevention Mini Grant	$18,000.00	2013
March of Dimes Community Award Grant	$ 3,000.00	2013

2.WIC - BF (1292):
a. Approval to amend the 2012 Budget for the WIC BF Peer Counselor Grant in the amount of $82,463.00
b. Approval of Certification of Revenues as certified by the County Auditor in the amount of $82,463.00.
c. Approval of appropriation of funds for the 2012 WIC BF Peer Counselor Grant.

3.WIC - Obesity (1292):
a. Approval to amend the 2012 Budget for the WIC Obesity Grant in the amount of $8,000.00
b. Approval of Certification of Revenues as certified by the County Auditor in the amount of $8,000.00.

4.WIC - Lactation Services (1292):
a. Approval to amend the 2012 Budget for the WIC Lactation Services Grant in the amount of $11,410.00
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c. Approval of appropriation of funds for the 2012 WIC Lactation Services Grant.

BACKGROUND
Letter of Amendment from DSHS

Fiscal Impact

FISCAL YEAR: 2012 **ACCT. #:** 2-1292-441-00-350-002-2-XXX
FUNDS AVAILABLE Y/N?: Y **MATCHING FUNDS Y/N?:** N
BUDGETARY IMPACT:

Amending grant. Appropriation of funds in the amount of $82,463.00 for WIC B/F Program Grant.

Revenue Account: 2-1292-331-12-350-002-2-XXX

FISCAL YEAR: 2012 **ACCT. #:** 2-1292-441-00-350-013-2-XXX
FUNDS AVAILABLE Y/N?: Y **MATCHING FUNDS Y/N?:** N
BUDGETARY IMPACT:

Amending grant. Appropriation of funds in the amount of $11,410.00 for Lactation Services Grant.

Revenue account: 2-1292-331-12-350-013-2-XXX

Attachments

Amendment from DSHS
March of Dimes Grant Info
Obesity Mini Grant Info
Nutrition Physical Activity & Obesity Grant Info
WIC- BF Appropriation
WIC- Lactation Appropriation

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/13/2012 04:15 PM
Erika Zamora	Erika Zamora	06/21/2012 04:47 PM
Budget & Management	Merlen P. Munoz	06/13/2012 04:15 PM
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Auditor's Office		
Purchasing Department		

Form Started By: Margarita Gonzalez **Started On:** 06/13/2012 10:59 AM

AgendaQuick by Destiny Software, Inc.

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Benito Luna

From: Mague Gonzalez [mague.gonzalez@wic.co.hidalgo.tx.us]
Sent: Friday, June 22, 2012 3:50 PM
To: benito.luna@auditor.co.hidalgo.tx.us
Subject: Certification of Revenues

Benito, can you provide a Certification of Revenues for the following grants.
Peer Counselor 2.1292.441.00.350.002.2.xxx in the amount of $82,463.00.
Lactation 2.1292.441.00.350.013.001.2.xxx in the amount of $11,410.00.
Thank you!

Margarita Gonzalez,
Hidalgo County WIC Program
3105 W. University Drive
Edinburg, Texas 78539
(956)381-4646 ext. 4042
(956)381-0017 Fax
mague.gonzalez@wic.co.hidalgo.tx.us

COUNTY of HIDALGO



EDINBURG, TEXAS 78539

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June 22, 2012

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The Honorable Hector "Tito" Palacios, Commissioner, Precinct No. 2
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I, Ray Eufracio, County Auditor of Hidalgo County, certify to the Hidalgo County Commissioners Court the receipt of an award from the Texas Department of State Health Services (DSHS). These funds may now be made available by creating a new special budget or amending a current budget for its intended purposes.

AMOUNT	PURPOSE
$82,463.00	Award No. 2012-039974-001A NSS/WIC LOCAL AGENCY – Peer Counselor

CERTIFIED BY:

Raymundo Eufracio, CPA
Hidalgo County Auditor

6/22/12
Date

THE COUNTY OF HIDALGO

TEXAS DEPARTMENT OF STATE HEALTH SERVICES

1100 West 49th Street • Austin, Texas 78756
P.O. Box 149347 • Austin, Texas 78714-9347
1-888-963-7111 •
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DAVID L. LAKEY, M.D.
COMMISSIONER

Letter of Amendment

June 15, 2012

Norma I. Longoria, WIC Director
LA #012, Hidalgo County Health & Human Services
WIC Administrative Office
1105 West University Drive
Edinburg, TX 78539

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AI- 32805 WIC 11. A.

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Norma L. Longoria **Submitted By:** Margarita Gonzalez, WIC

Department: WIC

Information

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BACKGROUND

Letter of Amendment from DSHS

Fiscal Impact

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Attachments

Amendment from DSHS
March of Dimes Grant Info
Obesity Mini Grant Info
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Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/13/2012 04:15 PM
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Auditor's Office		
Purchasing Department		

Form Started By: Margarita Gonzalez **Started On:** 06/13/2012 10:59 AM

AgendaQuick by Destiny Software, Inc.

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Benito Luna

From: Mague Gonzalez [mague.gonzalez@wic.co.hidalgo.tx.us]
Sent: Friday, June 22, 2012 3:50 PM
To: benito.luna@auditor.co.hidalgo.tx.us
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Thank you!

Margarita Gonzalez,
Hidalgo County WIC Program
3105 W. University Drive
Edinburg, Texas 78539
(956)381-4646 ext. 4042
(956)381-0017 Fax
mague.gonzalez@wic.co.hidalgo.tx.us

TEXAS DEPARTMENT OF STATE HEALTH SERVICES

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1-888-963-7111 • www.dshs.state.tx.us
TDD: 1-800-735-2989

DAVID L. LAKEY, M.D.
COMMISSIONER

Letter of Amendment

June 15, 2012

Norma L. Longoria, WIC Director
LA #012, Hidalgo County Health & Human Services
WIC Administrative Office
3105 West University Drive
Edinburg, TX 78539

Dear Ms. Longoria:

The Hidalgo County Health & Human Services WIC contract will be amended to reflect revisions as detailed in the table below. This letter constitutes a formal contract amendment.

Project	Project Contact	Current Award Amount	Amended Amount Increase	Amended Amount (Decrease)	Revised Project Total
Peer Counselor	Kristina Arrieta kristina.arrieta@dshs.state.tx,us (512) 341-4593	**$935,890.00**	**$82,463.00**		**$1,018,353.00**
Obesity	Angela Gil angela.gil@dshs.state.tx.us (512) 341-4590	**$16,000.00**	**$8,000.00**		**$24,000.00**
Lactation Services	Helen Sullivan hellen.sullivan@dshs.state.tx.us (512) 341-4591	**$50,000.00**	**$11,410.00**		**$61,410.00**

This project increase will be reflected in your contract "Not to Exceed" amount as shown below:

Contract "Not to Exceed" Amount			
Current Contract Amount	**Amended Amount** Increase	**Amended Amount** (Decrease)	**Revised Contract "Not to Exceed" Amount**
$12,235,614.00	**$101,873.00**		**$12,337,487.00**

An Equal Employment Opportunity Employer and Provider

Hidalgo County WIC Baby Café

Hidalgo County WIC Baby Café is a drop-in center offering free breastfeeding help, information and support in a relaxed environment. Hidalgo County WIC Baby Café is part of the Baby Café Charitable Trust out of the U.K. (www.thebabycafé.org).
We welcome all pregnant women, breastfeeding moms and their supporters to our friendly drop-in center.
Mothers and potential mothers will receive:

- Information about pregnancy
- Information about breastfeeding
- Support with common breastfeeding problems
- Advice on returning to work while still breastfeeding
- Information on re-lactation and weaning
- Information about other agencies

A relaxing non-clinical, café-style environment is the setting that will be provided. Decaff coffee, tea and a healthy snack will be available. A child friendly play area is also available for accompanying children.

We would like to provide March of Dimes health education materials for every woman and their supporter that attends along with incentive items such as baby hygiene items and diapers. This would act as an incentive to get the word out to other moms so that they will visit Baby Café too.
Hidalgo County WIC Baby Café is located behind the North San Juan Resource Center 509 E. Earling (Nolana) Road. Our hours of operation are Mondays and Wednesdays from 2:00 p.m. to 4:00 p.m. Also, the 1st and 3rd Saturdays from 9:00 am to 12:00 pm. Approximately opens 20 hours a month. The facility is staffed by a Lactation Consultant and a Peer counselor at all times to help moms.

March of Dimes
2012 Chapter Community Grants Program
COMMUNITY AWARD APPLICATION COVER SHEET

march of dimes

Region: 11

Applicant Organization	Hidalgo County Health and Human Services WIC Program
Website:	http://co.hidalgo.tx.us/wic
Project Title	Hidalgo County WIC Baby Cafe
Street Address	3105 W. University Dr
City/State/Zip Code	Edinburg, Texas 78539
Contact Name	Norma L. Longoria, MS, LD
Phone/Fax	956-381-4646; 956-380-4056 Fax
E-mail	norma.longoria@wic.co.hidalgo.tx.us
Executive Director/email	same as above

Description:
(Please include a brief description of how Community Award funds would be used)

The Community Award funds would be used to provide March of Dimes pamphlets, baby hygeine items and diapers for moms that attend our Baby Cafe. (See attached description of Baby Cafe)

Please indicate the following:

Approximately how many individuals will be served by your project? 200

List the race/ethnicity of the *majority* of individuals served (if applicable): Hispanic

Total Community Award requested: $ 3,000

Check should be made out to: Hidalgo County WIC Baby Cafe

Check remittal address if different from above: _____

X I understand the grant period is from July 1 – December 31, 2012 and the project that my organization is applying for will provide the activities during the grant period.

X I understand a final report will be due by January 18, 2013.

Norma L Longoria 06/13/2012 Norma L. Longoria, WIC Director
Signature - Primary Staff Person Date Type Name and Title

Norma L Longoria 06/13/2012 Same as above
Signature - Executive Director Date Type Name and Title

Applications must be received by 5:00PM on 6/30/2012. Late applications will not be accepted.

March of Dimes

Chapter Community Grants Program
2012 COMMUNITY AWARD BUDGET PAGE

Region: 11

Organization: Hidalgo County Health and Human Services WIC Program

Project Name: Hidalgo County WIC Baby Cafe

Grant Period: July 1 – December 31, 2012

BUDGET (Please detail how funds will be spent) *Funds may not be used to support equipment or furniture, individual tuition or conference fees, dues or membership fees, employee salary or programs requiring long-term March of Dimes funding.*	*PROPOSED AMOUNT*
March of Dimes Material	$1500
Baby Hygiene items and diapers	$1500
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
TOTAL AMOUNT REQUESTED *(Please round figures to the nearest dollar and check budget totals for accuracy.)*	$3000

Norma L Longoria 6/13/2012
Signature – Primary Staff Person Date

Norma L Longoria 6/13/2012
Signature – Executive Director Date

Form **W-9**
(Rev. January 2005)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type See Specific Instructions on page 2.

Name (as shown on your income tax return)

Business name, if different from above: Hidalgo County WIC Program

Check appropriate box: ☐ Individual/ Sole proprietor ☐ Corporation ☐ Partnership ☒ Other ► ☐ Exempt from backup withholding

Address (number, street, and apt. or suite no.): 3105 W. University

Requester's name and address (optional)

City, state, and ZIP code: Edinburg Texas 78539,

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. *If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.*

Social security number: | | | + | | + | | | |

or

Employer identification number: 7|4|6|0|0|0|7|1|1|7

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here Signature of U.S. person ► Norma Lozano Date ► 6-14-12

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

Note. *If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.*

For federal tax purposes you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or
- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

TEXAS Department of State Health Services

Memorandum

#12-046

TO: WIC Regional Directors
WIC Local Agency Directors

FROM: Linda Brumble, Unit Manager
Nutrition Education/Clinic Services Unit
Nutrition Services Section

DATE: May 18, 2012

SUBJECT: FY 2013 Obesity Prevention Mini-Grant Application

Applications are being accepted for funds for the **Obesity Prevention Mini-Grant (OPMG) for FY 2013**. Local agencies (LA) will be awarded grants of up to $20,000 per agency. To apply for the funds, please complete the application and send it via email to angela.gil@dshs.state.tx.us by close of business on **Friday, June 15, 2012**.

FY 2013 Obesity Prevention Mini Grant (OPMG) Application (28 kb, Word)

FY 2013 Obesity Prevention Grant Budget and Tracking Worksheet (38 kb, Excel)

For each OPMG project that needs funding (for example, community gardens, cooking demo, or health fair), a separate application must be completed. The application has a fixed deadline. Local agencies will be notified of approval. The funding must be spent by **September 30, 2013**.

Examples of Projects:

- Implement a series of cooking classes. Use the funding to purchase items for demonstrations, a food demonstration table and/or staff to teach the class.
- Start a gardening class and use the funding to develop a demonstration garden and/or staff to teach the class.
- Begin a walking group or other type of physical activity that encourages family fitness. Use the funding for inexpensive incentives such as water bottles, pedometers or jump ropes.
- A breastfeeding promotion activity that addresses obesity prevention.

Funding will be awarded based on:

- The objectives, activities, evaluation component and timeline for the project.
- Whether the funds requested are likely to be spent by September 30, 2013.
- The dollar amount allocated to each local agency will be determined by the total requests received and the amount of funds available.

Local agencies that are awarded the OPMG funds are required to:

- Write an article for *WIC News* when requested.
- Submit mid-year and end of year reports including budget status and results.
- Participate in quarterly web conferences via Century Link conferencing.

Resources:

To help you plan your project and complete the application we have attached a sample budget worksheet. For additional tools and resources for planning and evaluating your projects, please visit: http://www.dshs.state.tx.us/wichd/nut/obesity.shtm.

If you have questions or require additional information, please contact Angela Gil, Nutrition Education Consultant, Nutrition Education/Clinic Services Unit, at (512) 341-4590 or email angela.gil@dshs.state.tx.us.

Erika Zamora

From: Norma Longoria <norma.longoria@wic.co.hidalgo.tx.us>
Sent: Thursday, June 14, 2012 11:48 AM
To: erika.zamora@co.hidalgo.tx.us
Subject: Fwd: New Grant - Budget Request
Attachments: image003.jpg; Hidalgo Budget as of Jan 2012 amendment.xls

Please read below. Thanks

Norma Longoria, MS, LD
WIC Director
Hidalgo County WIC Program
3105 W. University Dr.
Edinburg, TX 78539
(956) 381-4646
(956) 380-4056 Fax

---- Original Message ----
From: "Noemi Hernandez" <noemi.hernandez@wic.co.hidalgo.tx.us>
Sent: 5/3/2012 1:49:36 AM
To: norma.longoria@wic.co.hidalgo.tx.us
Subject: Fwd: New Grant - Budget Request

Ms. Norma,

Please review.

Thank you,

Noemi Hernandez, MBA, RD, LD, IBCLC, RLC
Assistant Breastfeeding Coordinator
Hidalgo County WIC Program
3105 W. University Dr.
Edinburg, Tx 78539
(p)956-381-4646 ext.4051
(f)956-381-0297
noemi.hernandez@wic.co.hidalgo.tx.us

---- Original Message ----
From: "Gambrell,Jon (DSHS)" <Jon.Gambrell@dshs.state.tx.us>
Sent: 5/3/2012 1:41:06 AM

To: "Noemi Hernandez (noemi.hernandez@wic.co.hidalgo.tx.us)" <noemi.hernandez@wic.co.hidalgo.tx.us>
Subject: New Grant - Budget Request

Good afternoon, Noemi:

I'm working with Maribel and Christina on your contract renewal. Thank you for submitting your Performance Measures Proposal.

One other thing we need from you is a new itemized budget. As Maribel and Christina mentioned in their email below, DSHS would like to award Hidalgo WIC $50,000 for your next contract year, which will run from 06/30/2012 through 06/29/2012.

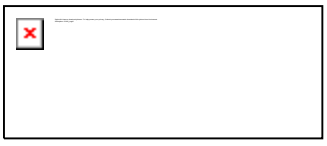
Attached, you will find the itemized budget for your current contract. If you could please review it and revise it to reflect your $50,000 budget for your next contract year, we would certainly appreciate it.

I will need your new itemized budget no later than May 11th at COB.

Please let me know if you have any questions or concerns.

Thank you,

Jon



Jon Gambrell , Contract Manager

Division for Prevention and Preparedness

Contract Management Unit

512.776.2185

512.458.7391 fax

1100 W. 49th Street, MC 1990

Austin, TX 78756

From: Noemi Hernandez [mailto:noemi.hernandez@wic.co.hidalgo.tx.us]
Sent: Thursday, April 26, 2012 3:25 PM
To: Valls,Maribel (DSHS); norma.longoria@wic.co.hidalgo.tx.us
Cc: Thi,Christina (DSHS); diana.cardona@wic.co.hidalgo.tx.us
Subject: Re: New Grant Performance Measures due this Friday: 4/27/2012

Hi Maribel,

We have attached the FY2012 Performance Measures Proposal that you asked of us. Please let us know that you have received the attachment.

Thank you,

Noemi Hernandez, MBA, RD, LD, IBCLC, RLC
Assistant Breastfeeding Coordinator
Hidalgo County WIC Program
3105 W. University Dr.
Edinburg, Tx 78539
(p)956-381-4646 ext.4051
(f)956-381-0297
noemi.hernandez@wic.co.hidalgo.tx.us

---- Original Message ----
From: "Valls,Maribel (DSHS)" <Maribel.Valls@dshs.state.tx.us>
Sent: 4/26/2012 1:34:56 AM
To: "Noemi Hernandez (noemi.hernandez@wic.co.hidalgo.tx.us)" <noemi.hernandez@wic.co.hidalgo.tx.us>, "norma.longoria@wic.co.hidalgo.tx.us" <norma.longoria@wic.co.hidalgo.tx.us>
Subject: New Grant Performance Measures due this Friday: 4/27/2012

Good afternoon Norma and Noemi,

Our leadership decided against the media projects—so we are asking for all of our CDC contractors to submit new performance measures for year 5. Here are your current performance measures (see attachment). The new budget will be **$50,000.00**. Please edit using my suggestions in red for the following performance measures. I encourage you to create new performance measures that reflect policy and environmental changes:

Please create a new project or modify the existing performance measures (for example: using a new location for the baby café) while still applying the same target area—the performance measures can be broad—we can modify/amend later. We just need to get this paperwork processed. You don't need to include a budget at this time.

o Open one (1) Baby Café in the community in Hidalgo County.

o Visit with a minimum of 50 pregnant or breastfeeding mothers in the community.

o Establish a community advisory committee consisting of potential members from the Rio Grande Valley Breastfeeding Coalition, Texas A&M University School of Public Health, Hidalgo County WIC, local neonatologist and other identified groups.

o Disseminate information about the Hidalgo County WIC Baby Café in the region through marketing tools and outreach techniques in collaboration with local and state healthcare professionals.

o Implement an obesity prevention policy to sustain the Baby Café.

o Develop a referral system for Baby Café in coordination with Doctor's Hospital at Renaissance, Rio Grande Regional Medical Center, McAllen Medical Center, Mission Regional Medical Center, Knapp Medical Center and WIC.

o Promote the local AgriLife Extension's farmer's market and Master Gardener's class, which is co-located with the Baby Café, to participants/patrons.

Keep these performance measures below:

o Establish a sustainability plan for the project.

o Disseminate quarterly promotional spots to be picked up by local media such as newspaper, county website, television and/or radio. A quarterly letter will be submitted to the editor of the local newspaper describing ~~Baby Café~~ project.

This assignment is due by Friday, April 27th. Please let me know if you have any questions.

Thanks,

Maribel Garcia Valls, MPH

Team Lead

Nutrition, Physical Activity and Obesity Prevention (NPAOP)

Health Promotion and Chronic Disease Prevention Section

Division for Prevention and Preparedness Services

Texas Department of State Health Services MC 1944
P.O. Box 149347
Austin, TX 78714-9347
P: 512-776-3434
F: 512-458-7618
Maribel.Valls@dshs.state.tx.us

DATE: 6/14/2012

DEPARTMENT HEAD: NORMA LONGORIA

DEPARTMENT NAME: WIC- BF Peer Counselor

ACCOUNT NUMBER: 2.1292.441.00.350.002.2.XXX

SUBJECT: Budget Amendments (Increases) in Accordance with Local Government Code, Chapter 111, Subchapter C

Honorable Commissioner's Court of Hidalgo County :

I would like to request the follwing amendments (increases) to my depatment budget in accordance with Local Government Code, Chapter 111, Subchapter C.

INCREASE OBJECT NUMBERS	ACCOUNT (OBJECT) NAME	AMOUNT
2.1292.441.00.350.002.2.113	Salaries of F/T Employees	42,263.00
2.1292.441.00.350.002.2.211	Health Insurance	10,000.00
2.1292.441.00.350.002.2.212	Life Insurance	200.00
2.1292.441.00.350.002.2.220	FICA	15,000.00
2.1292.441.00.350.002.2.230	Retirement	10,000.00
2.1292.441.00.350.002.2.250	Unemployment Compensation	5,000.00
2.1292.331.12.350.002.2.XXX	WIC BF Program Revenues	82,463.00
	TOTAL FUND BALANCE IMPACT	82,463.00

REASON: Appropriate money from amended award letter for the FY2012

DEPARTMENT HEAD SIGNATURE

APPROVED COMMISSIONERS COURT DATE: ATTEST COUNTY CLERK

DATE: 6/14/2012

DEPARTMENT HEAD: NORMA LONGORIA

DEPARTMENT NAME: WIC - LACTATION

ACCOUNT NUMBER: 2.1292.441.00.350.013.2.XXX

SUBJECT: Budget Amendments (Increases) in Accordance with Local Government Code, Chapter 111, Subchapter C

Honorable Commissioner's Court of Hidalgo County :

I would like to request the follwing amendments (increases) to my depatment budget in accordance with Local Government Code, Chapter 111, Subchapter C.

INCREASE OBJECT NUMBERS	ACCOUNT (OBJECT) NAME	AMOUNT
2.1292.441.00.350.013.2.113	Salaries	5,160.00
2.1292.441.00.350.013.2.211	Health Insurance	1,800.00
2.1292.441.00.350.013.2.212	Life Insurance	50.00
2.1292.441.00.350.013.2.220	FICA	2,000.00
2.1292.441.00.350.013.2.230	Retirement	2,000.00
2.1292.441.00.350.013.2.250	Unemployment	400.00
2.1292.331.12.350.013.2.XXX	WIC Lactation Program Revenue	11,410.00
	TOTAL FUND BALANCE IMPACT	11,410.00

REASON: Appropriate money from amended award letter for the FY2012.

DEPARTMENT HEAD SIGNATURE

APPROVED COMMISSIONERS COURT DATE: ATTEST COUNTY CLERK

AI-32939 **Head Start 12. A.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Teresa Flores **Submitted By:** Linda Galaviz, HEAD START

Department: HEAD START

Information

CAPTION

Acceptance and Approval to Award the Best Valued Proposal from Job Order Contractor, Alpha Building Corp. (awarded JOC through HCDE-Choice Facility Parterns) in the Amount of $176,683.24 for Building Repairs/Renovations, Additions and/or Alternations Project#2012-018006-12 to the Palmview III Head Start Center, Located at 1208 Paula Drive, Palmview, Texas

BACKGROUND

Attachments

P III

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/21/2012 11:52 AM
Auditor's Office	Arcilia Duran	06/22/2012 11:52 AM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Linda Galaviz Started On: 06/21/2012 10:42 AM

Final Approval Date: 06/22/2012

Hidalgo County Head Start Program
Policy Council Agenda

DATE: June 26, 2012

SUBJECT: Acceptance and Approval to Award the Best Valued Proposal from Job Order Contractor, Alpha Building Corp. (awarded JOC through HCDE-Choice Facility Partners) in the Amount of $ 176,683.24 for Building Repairs/Renovations, Additions and/or Alterations Project # 2012-018-06-12 to the Palmview III Head Start Center, Located at 1208 Paula Drive, Palmview, Texas.

RATIONALE/NEED: Facility is in need of roof repairs for the purpose of maintaining a safe learning environment for the Head Start children and families.

RECOMMENDATION: Administration Recommends Approval

COST: Funding for this Project is anticipated to be made available by Centennial Inc. as a Result of an Agreed upon Settlement.

RELATED INFORMATION INCLUDED: Estimate / Recommendation letter

* *

INITIATED BY: Ambrosio Tovar, Procurement Director

REVIEWED BY: Mr. Edmundo Garcia, Assistant Director

PROGRAM DIRECTOR'S APPROVAL: *Teresa Flores, Executive Director*

HINOJOSA ENGINEERING, INC. Structural Engineering • Civil Engineering • Land Surveying
REGISTRATION NUMBER F-908 EXPIRATION DATE 09/30/2012

June 21, 2012

Ms. Teresa Flores
Hidalgo County Head Start Program
1901 West State Hwy 107
McAllen, Texas 78503

RE: Letter of Recommendation

PROJECT: Hidalgo County Head Start Program Pamlview III Roof Repair.

Ms. Flores,

On Tuesday, June 12, 2012 at 3:00 p.m. sealed proposals were opened on the above referenced project at the Hidalgo County Head Start Program Office. A total of one proposal was submitted to the Hidalgo County Head Start Program. Contractor submitting proposal was Alpha Building Corporation.

We reviewed one bid proposal for bid document compliance. Alpha Building Corporation was the only bidder with a price of $192,448.56. We declined this number and asked Alpha Building Corporation to reduce this number.

On Wednesday, June 20, 2012 at 3:00 p.m., we met with Alpha Building Corporation to review their new quote. The new quote has a grand total of $176,683.24.

Based on this quote, Hinojosa Engineering, Inc. recommends the project to be awarded to Alpha Building Corporation.

Respectfully Submitted,
Hinojosa Engineering, Inc.

Alberto Trevino,

108 W. 18TH STREET • MISSION, TEXAS 78572 • TEL (956) 581-0143 • FAX (956) 581-2074

Final Estimate

Fred Lozano
Alpha Building Corporation
RFP# 10/030JC - HCDE Statewide
Hidlgo County Head Start Roof Repair - 01120601
Fred Lozano

Estimator: Fred Lozano — Hidlgo County Head Start Roof Repair

Division Summary (MF04)

01 - General Requirements		26 - Electrical	$4,399.00
02 - Existing Conditions	$4,725.00	27 - Communications	
03 - Concrete		28 - Electronic Safety and Security	$1,167.50
04 - Masonry		31 - Earthwork	
05 - Metals		32 - Exterior Improvements	
06 - Wood, Plastics, and Composites	$54,936.22	33 - Utilities	
07 - Thermal and Moisture Protection	$27,933.64	34 - Transportation	
08 - Openings	$604.80	35 - Waterway and Marine Transportation	
09 - Finishes	$28,905.08	41 - Material Processing and Handling Equipment	
10 - Specialties		44 - Pollution Control Equipment	
11 - Equipment		46 - Water and Wastewater Equipment	
12 - Furnishings		48 - Electric Power Generation	
13 - Special Construction		Alternates	$54,012.00
14 - Conveying Equipment		Trades	
21 - Fire Suppression		Assemblies	
22 - Plumbing		**MF04 Bare Total (Without totalling components)**	**$176,683.24**
23 - Heating, Ventilating, and Air-Conditioning (HVAC)			

Material, Labor, and Equipment Totals (No Totalling Components)

Material:	$46,026.87
Labor:	$97,734.41
Equipment:	$1,215.20
Other:	$31,706.76
Laborhours:	1,897.18
Green Line Items:3	$9,832.96

Priced/Non-Priced

Total Priced Items:	35	$176,683.24	
Total Non-Priced Items:	0	$0.00	0.00%
	35	$176,683.24	

Grand Total **$176,683.24**

Estimator: Fred Lozano — **Hidlgo County Head Start Roof Repair**

	Item	Description	UM	Quantity	Unit Cost	Total	Book	
02 - Existing Conditions								
1	02-41-19-19-0840	Selective facility services demolition, rubbish handling, the following are to be added to the demolition prices, dumpster, weekly rental, includes one dump per week, 40 C.Y. capacity, 10 tons 2 4weeks	Week	5.0000	$945.00	$4,725.00	RSM12FAC M, O&P	P
		02 - Existing Conditions Total				**$4,725.00**		
06 - Wood, Plastics, and Composites								
2	06-05-23-70-0020-M	Rough hardware, average percent of carpentry material, minimum	Job	176,500.0000	0.5000%	$882.50	RSM12FAC M, O&P	P
3	06-11-10-02-2620	Blocking, miscellaneous, to wood construction, 2" x 4" PRE FABRICATED BLOCKING FOR PRE FARICATED TRUSSES ON EVERY OTHER. AS WELL AS SUB FACIA BOARD	M.B.F.	1.0000	$3,950.00	$3,950.00	RSM12FAC M, L, O&P	P
4	06-16-23-10-0202	Subfloor, plywood, CDX, 3/4" thick WALK WAY IN ATTIC	SF Flr.	588.0000	$1.70	$999.60	RSM12FAC M, L, O&P	P
5	06-16-36-10-0302	Sheathing, plywood on roofs, CDX, 3/4" thick	S.F.	6,076.0000	$1.73	$10,511.48	RSM12FAC M, L, O&P	P
6	06-17-53-10-0400	Roof trusses, fink (W) or king post type, 2'-0" O.C., metal plate connected, 4 in 12 slope, 44' to 60' span CLOSEST DISCRIPTION FOR 2-1/2 ON 12 PITCH WITH THE EXCEPTION OF WOOD PLATE CONNECTION	SF Flr.	6,076.0000	$3.78	$22,967.28	RSM12FAC M, L, E, O&P	P
7	06-17-53-10-0400-0700	Roof trusses, glued and nailed, add (Modified using 06-17-53-10-0700) WITH THE EXCEPTION OF WOOD PLATE CONNECTION	SF Flr.	6,076.0000	$1.18	$7,169.68	RSM12FAC M, O&P	P
8	06-22-13-60-0200	Moldings, soffits, soffits, pine, 1" x 4" CLOSEST DISCRIPTION TO MATCH 1X4 STRIPPING AT 16"OC TO ACCEPT GYPSYM BOARD. QUANITIES IS LESS THAN ACUALLY NEEDED TO JUSTIFY AMOUNT	L.F.	2,000.0000	$3.20	$6,400.00	RSM12FAC M, L, O&P	P
9	06-25-13-10-0100	Paneling, hardboard, excluding furring or trim, tempered, 1/4" thick SOFFIT TYPE 2 HARD BOARD	S.F.	704.0000	$2.92	$2,055.68	RSM12FAC Grn, M, L, O&P	P
		06 - Wood, Plastics, and Composites Total				**$54,936.22**		
07 - Thermal and Moisture Protection								
10	07-05-05-10-2120	Selective demolition, thermal and moisture protection, roof edge, aluminum soffit and fascia	L.F.	375.0000	$0.81	$303.75	RSM12FAC L, O&P	P
11	07-05-05-10-2220	Selective demolition, thermal and moisture protection, roof edge, drip edge	L.F.	375.0000	$0.28	$105.00	RSM12FAC L, O&P	P
12	07-05-05-10-2620	Selective demolition, thermal and moisture protection, roof ventilation, louvered gable vent	Ea.	10.0000	$29.00	$290.00	RSM12FAC L, O&P	P
13	07-05-05-10-3125	Selective demolition, thermal and moisture protection, roofing, felt paper, #30 felt	Sq.	60.7600	$15.35	$932.67	RSM12FAC L, O&P	P

Estimator: Fred Lozano — **Hidlgo County Head Start Roof Repair**

07 - Thermal and Moisture Protection

	Item	Description	UM	Quantity	Unit Cost	Total	Book	
14	07-05-05-10-3170	Selective demolition, thermal and moisture protection, roofing, asphalt shingles, 1 layer	S.F.	6,076.0000	$0.67	$4,070.92	RSM12FAC L, O&P	P
15	07-21-16-20-0160	Blanket insulation for walls, kraft faced fiberglass, 6" thick, R19, 15" wide	S.F.	6,076.0000	$0.85	$5,164.60	RSM12FAC Grn, M, L, O&P	P
16	07-31-13-10-0150	Asphalt roof shingles, standard strip shingles, inorganic, class A, 210 to 235 lbs per square	Sq.	60.7600	$180.00	$10,936.80	RSM12FAC M, L, O&P	P
17	07-31-13-10-0825	Asphalt roof shingles, #30 felt underlayment	Sq.	60.7600	$21.50	$1,306.34	RSM12FAC M, L, O&P	P
18	07-46-23-10-3200	Wood board siding, wood, cedar bevel, A grade, 1/2" x 6"	S.F.	176.0000	$6.75	$1,188.00	RSM12FAC M, L, O&P	P
		CLOSEST DISCRIPTION TO MATCH 1"X6" TRIM GRADE CEDAR						
19	07-46-23-10-3800	Wood board siding, cedar, rough sawn, 1" x 4", A grade, natural	S.F.	24.0000	$6.90	$165.60	RSM12FAC M, L, O&P	P
20	07-71-23-10-4800	Downspouts, steel, galvanized, round, corrugated, 2" or 3" diameter, 28 gauge	L.F.	100.0000	$5.50	$550.00	RSM12FAC M, L, O&P	P
		5 DOWN SPOUT FOR EACH SIDE NORTH AND SOUTH ONLY						
21	07-71-23-30-2400	Gutters, steel, galvanized, half round or box, 28 gauge, 5" wide, plain	L.F.	228.0000	$9.75	$2,223.00	RSM12FAC M, L, O&P	P
		ONLY ON NORTH AND SOUTH SIDE						
22	07-71-43-10-0400	Drip edge, rake edge, ice belts, galvanized, mill finish, 5" wide	L.F.	352.0000	$1.98	$696.96	RSM12FAC M, L, O&P	P
		GALVANIZED METL EDGING						
		07 - Thermal and Moisture Protection Total				**$27,933.64**		

08 - Openings

23	08-95-13-10-2500	Wall louvers, under eaves vent, aluminum, mill finish, 16" x 8"	Ea.	42.0000	$14.40	$604.80	RSM12FAC M, L, O&P	P
		INSTALL SOFFIT VENTS AT EVERY 8 FEET						
		08 - Openings Total				**$604.80**		

09 - Finishes

24	09-05-05-10-0200	Selective demolition, ceilings, ceiling, drywall, furred and nailed or screwed	S.F.	6,076.0000	$1.15	$6,987.40	RSM12FAC L, O&P	P
25	09-05-05-10-2400	Selective demolition, ceilings, wood, plywood or wood fiberboard, 4' x 8' sheets	S.F.	6,460.0000	$0.77	$4,974.20	RSM12FAC L, O&P	P
26	09-29-10-30-2150	Gypsum board, on walls and ceilings, nailed or screwed to studs, 5/8" thick, on walls, fire resistant, taped and finished, level 4 finish	S.F.	6,076.0000	$1.55	$9,417.80	RSM12FAC M, L, O&P	P
		DRY WALL FOR CEILING						
27	09-91-13-60-2600	Siding exterior, alkyd, oil base, texture 1-11 or clapboard, paint two coats, spray	S.F.	400.0000	$0.83	$332.00	RSM12FAC M, L, O&P	P
		PAINT EXTERIOR SIDING TO MATCH EXISING BEST AS POSSIBLE.						

09 - Finishes

	Item	Description	UM	Quantity	Unit Cost	Total	Book	
28	09-91-13-60-2600-8200	Siding exterior, for work over 12' high, from extension ladder, add (Modified using 09-91-13-60-8200)	S.F.	400.0000	$0.06	$24.00	RSM12FAC L, O&P	P
29	09-91-23-72-0840	Walls and ceilings, interior, concrete, drywall or plaster, latex, paint two coats, smooth finish, roller APPLY TWO COAT PAINT SYSTEM FOR NEW CEILING	S.F.	6,076.0000	$0.75	$4,557.00	RSM12FAC M, L, O&P	P
30	09-91-23-74-0240	Walls and ceilings, interior, zero voc latex, concrete, dry wall or plaster, latex, primer or sealer coat, smooth finish, roller APPLY ONE COAT PRIMER SYSTEM FOR NEW CEILING	S.F.	6,076.0000	$0.43	$2,612.68	RSM12FAC Grn, M, L, O&P	P
		09 - Finishes Total				**$28,905.08**		

26 - Electrical

31	26-05-05-50-5000	Electrical demolition, lighting, ballast, fluorescent fixture	Ea.	157.0000	$26.50	$4,160.50	RSM12FAC L, O&P	P
32	26-05-05-50-5310	Electrical demolition, lighting, exit and emergency lighting, exit light	Ea.	9.0000	$26.50	$238.50	RSM12FAC L, O&P	P
		26 - Electrical Total				**$4,399.00**		

28 - Electronic Safety and Security

33	28-05-05-10-1210	Safety and security demolition, fire alarm horn and strobe light	Ea.	12.0000	$40.00	$480.00	RSM12FAC L, O&P	P
34	28-05-05-10-1240	Safety and security demolition, smoke detector	Ea.	25.0000	$27.50	$687.50	RSM12FAC L, O&P	P
		28 - Electronic Safety and Security Total				**$1,167.50**		

Alternates

35	Crew A-04	A-04 Crew - 2012 - RSMeans Standard Books O&P A-04 (2012 - RSMeans Standard Books) Labor Hours: 24 Equip Hours: 0 Daily Hours: 24 Crew Details: Code: CARP Description: Carpenters Qty: 2 Hourly: 67.85 Daily: 1085.6 Code: PORD Description: Painters, Ordinary Qty: 1 Hourly: 57.2 Daily: 457.6	Daily	35.0000	$1,543.20	$54,012.00	CUSTOM L, O&P	P
		Alternates Total				**$54,012.00**		

Estimator: Fred Lozano — **Hidlgo County Head Start Roof Repair**

Item	Description	UM	Quantity	Unit Cost	Total	Book
	Estimate Grand Total					**176,683.24**

Alpha Building Corporation

222 E Van Buren #501
Harlingen, TX 78559
956-622-3242 Fax 956-622-3102

Scope of Work Proposal

Delivery Order Work Proposal

For

Hidalgo County
Edinburg, TX 78539

Date: 06-20-12

Title: Hidalgo County Head Start Program
Palm View #3 Head Start Roof Repair
1208 Paula Drive Mission, TX

Project # 12-124 W.R. Hinojosa **Location: Edinburg, TX**

We are pleased to provide you with our proposal for the **Hidalgo County Head Start Program Palm View #3 Head Start Roof Repair** project. Please see accompanying scope of work. Alpha Building Corporation is extending this price to Hidalgo County under HCDE JOC RFP# 101030JC-HCDE State Wide.

If you have any questions concerning this proposal or we may be of assistance in any other way please don't hesitate to call on me. We look forward to working with you.

Warmest Regards,

Fred Lozano
956-343-1101

Description of Work

Project Cost: $176,683.24

Scope of Work

Demolition of existing roof system with trusses and interior sheetrock and dispose of building component, materials, equipment, and appurtenances required for new roof installation. Which includes removal of fire alarm, light fixtures, a/c registers, and duct work as needed. Install new joist and trusses as per specs, Fiber glass shingles over 30lb felt and 5/8" CDX ply wood. Ceiling insulation will be R19, ceiling 5/8 gypsum board, Tape, float, and paint new ceiling one color only. Reinstall light fixtures and provide duct work as required to match existing. Reinstall existing A/C registers, connect and test fire alarm system. Touch up exterior to match existing colors as best as possible.

Note: Work is to be completed to plans specifications provided by Hidalgo County and issued by Hinojosa Engineering stamped 3/28/2012 by W.R Hinojosa Job 12-124 Sheet No: C1, S1.1, S2.1, S2.2, S2.3, S3.1, S3.2, S4.1, S4.2, SD1.1, SD1.2.

Staging and Protection:

- Establish with the owner's direction an area for storage of materials and spoils.
- Provide protection to existing construction during all phases.
- Dispose of all construction spoils by dumpster or direct haul off.

Assumption:

Material and labor associated with unforeseen or unexpected conditions are not included with this scope of work and proposal. Any costs associated with unforeseen or unexpected conditions are above and beyond this scope of work and will incur additional cost above and beyond those proposed with this scope of work. Move will take place weather permitting

Exclusions:

- *Hazardous material surveys, work, and clearances are not included in this scope of work and are to be completed by others.*
- *Delay in project caused by owner, acts of god, or inclement weather*
- *Work not specified in plans*
- *Shoring as indicated in prints*
- *Site work*
- *Foundation/Pad work of any kind*
- *Concrete*
- *Plumbing*
- *Building Leveling*

Clarifications:

No work on change variances (orders) will be performed without written and documented authorized documentation.

General Assumptions:

- Hazardous material work or clean up is neither expected nor priced in this proposal.
- Special lead time equipment and materials.
- Interface with existing structure: *Yes*
- Possible disruption to building personnel and plans to minimize: Area to be inaccessible to general public during installation time of section.
- Outages: *None*
- Special training/Orientation Requirements: *None*
- Work to be performed during non-normal hours: *None*
- Outage Coordination: *Alpha supt. and Hidalgo County designates*
- Schedule Issues: *None*
- Special Issues: *None*
- Special Security Requirements:
- Significant Milestones: *None*
- Hazardous Materials: *None*

Quality Assurance Considerations: A pre-final inspection will be held 1 day prior to final completion date. Any items identified will be corrected before request for final inspection.

I. STAFFING PLAN:

A. Project Manager: *Fred Lozano*
B. Superintendent: *TBA*
C. Quality Control Coordinator:
D. Subcontractors:

II. PERMITS: To be provided by General Contractor and Transporter.

A. Demo:
B. Burning: Welding: Cutting:

SUBMITTAL REQUIREMENTS: TBD

III. CONSTRUCTIBILITY & VALUE ENGINEERING SUGGESTIONS:

None

Submitted By: Approved By:
Fred Lozano _____ *Date*_____

AI-32792 **Right of Way 13. A.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted By: Rebecca Gomez, RIGHT OF WAY DEPT.

Department: RIGHT OF WAY DEPT.

Information

CAPTION

Discussion and Authorization for County Judge to execute Electric Utility Easement in favor of Magic Valley Electric Cooperative, Inc. for the Pct. #1 Sheriff's Substation.

BACKGROUND

Attachments

Pct.1 MVEC Easment

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/12/2012 03:45 PM
Olga Garza	Olga Garza	06/15/2012 01:31 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Rebecca Gomez Started On: 06/12/2012 03:24 PM

Final Approval Date: 06/22/2012

ELECTRIC UTILITY EASEMENT
AND
COVENANT OF ACCESS

State of Texas

County of Hidalgo.

KNOWN BY ALL MEN THESE PRESENTS:

That the undersigned, hereinafter called "Grantor" (whether one or more) for good and valuable consideration including the approval and execution of an Electric Service Agreement by MAGIC VALLEY ELECTRIC COOPERATIVE, INC. (hereinafter called the "Cooperative"), does hereby covenant access to and grant and convey unto the Cooperative an easement and right-of-way upon and across the following described property of Grantor:

SEE EXHIBIT "A"

THE SKETCH ATTACHED HERETO IS INCORPORATED BY REFERENCE AS A PART OF THIS EASEMENT.

The right-of-way, easement, rights and privileges herein granted shall be used for the purpose of providing electric utility service (overhead or underground) including placing, constructing, operating, repairing, inspecting, rebuilding, replacing, removing, relocating electric lines, transmission or distribution facilities or equipment, as well as reading any meter or performing any act related to the provision of utility service. The Cooperative is specifically granted pedestrian and vehicular ingress and egress.

The easement rights herein described shall be no broader than reasonably necessary to provide electric utility and other service. The width of the easement shall be _10_ feet, one-half (1/2) of such distance on either side of the Cooperative's lines, poles, or other facilities. The height of the easement shall be from fifteen (15) feet beneath the surface
of the ground to a height of seventy (70) feet above ground.

The easement, right, and privilege herein granted shall be perpetual, appurtenant to the land, and shall inure to the benefit of the Cooperative's successors and assigns. Grantor represents that he is the owner of the above-described tract of land and binds himself, his heirs, assigns, and legal representatives to warrant and forever defend the easement and rights described herein to the Cooperative, its successors and assigns.

The Cooperative shall have the right to use so much of the surface of the hereinbefore described property of Grantor as may be reasonably necessary to construct and install within the right-of-way granted hereby the facilities that may at any time be necessary for the purposes herein specified.

The Cooperative shall have the right to clear the right-of-way of all obstructions, to cut and trim trees within the right-of-way or chemically treat trees or shrubbery with herbicides.

Grantor further covenants that Grantor, his heirs, successors and assigns shall facilitate and assist Cooperative personnel in exercising their rights and privileges herein described at all reasonable times and shall not build, construct or cause to be erected any building or other structure that may interfere with the provision of electric service or the exercise of rights granted to the Cooperative herein.

HOWEVER, it is expressly understood and agreed that should said easement be ceased to be used for providing electrical transmission services, the estate hereby conveyed shall revert to and revest in the Grantors and their successors and assigns, and it shall be lawful for them to re-enter and obtain sole possession of the premises hereby conveyed.

WITNESS My hand this _____ day of _____, A.D. 20__.

_____

Ramon Garcia
Hidalgo County Judge

STATE OF TEXAS

COUNTY OF HIDALGO

Before me, the undersigned authority, on this day personally, appeared Ramon Garcia, Known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____day of _____, 20___.

_____
NOTARY PUBLIC, State of Texas

_____
(Type or Print Name)

My Commission Expires:_____

Attested:

_____
Arturo Guajardo Jr.
Hidalgo County Clerk

STATE OF TEXAS
COUNTY OF HIDALGO

PROPOSED 15-FOOT WIDE
MAGIC VALLEY ELECTRIC COOP.
EXCLUSIVE EASEMENT

BEING A 0.013 ACRE (583 S.F.) TRACT OF LAND OUT OF THAT CERTAIN 12.48 ACRE TRACT OF LAND, RECORDED IN DOCUMENT No. 182516, OF THE OFFICIAL RECORDS OF HIDALGO COUNTY, TEXAS, OUT OF FARM TRACT 1073, OF THE WEST & ADAMS TRACT SUBDIVISION AS RECORDED IN VOLUME 2, PAGES 34-37, OF THE MAP RECORDS OF HIDALGO COUNTY, TEXAS, SAID 0.013 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 5/8 inch iron rod set with cap stamped "DLS BNDRY MKR" (hereinafter referred to as "with cap") at the intersection of the north right of way line of Mile 11 North and the west line of the proposed 15-foot Magic Valley Electric Coop. (here after referred to as "MVEC") easement, for the southwest corner of this tract, from which the common corner of Farm Tracts 69, 278, 1064 and 1073, bears South 88°47'09" West, a distance of 161.69 feet and South 01°12'51" East, a distance of 25.00 feet to a found Cotton Picker Spindle;

THENCE, North 01°13'10" West, along the west line of said 15-foot MVEC easement, a distance of 276.31 feet to a 5/8 inch iron rod set with cap, for the northwest corner of this tract;

THENCE, North 88°46'50" East, along the north line said 15-foot MVEC easement line, a distance of 15.00 feet to a 5/8 inch iron rod set with cap, for the northeast corner of this tract;

THENCE, South 01°13'10" East, along the east line of said 15-foot MVEC easement line, a distance of 276.31 feet to a 5/8 inch iron rod set with cap on the north right of way line of said Mile 11 North, for the southeast corner of this tract;

THENCE, South 88°47'09" West, along the north right of way line of said Mile 11 North, a distance of 15.00 feet to the **POINT OF BEGINNING** of the herein described tract of land, said tract contains 0.013 acres (583 S.F.), more or less, within these metes and bounds.

Bearings are Grid North, based on the Texas State Plane Coordinate System, South Zone (4205), NAD 83

1002 E. Expressway 83 Weslaco, Texas 78596♦ Phone: 956.969.4183♦ Fax: 956.447.8194

A survey plat of even date was prepared and is made a part of this metes and bounds description.

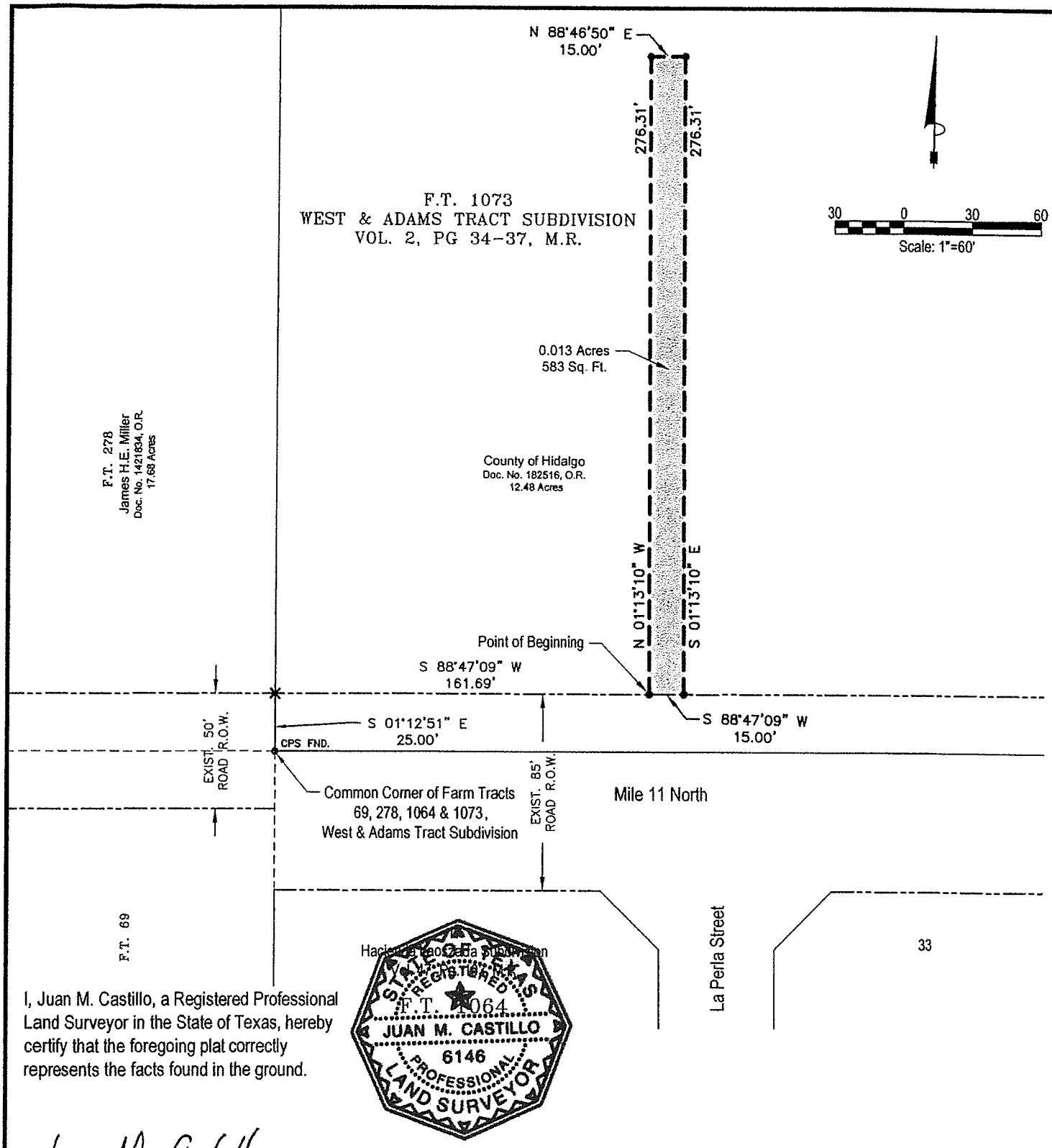
The deed of records for the subject tract is recorded in Document No. 182516, of the Official Records of Hidalgo County, Texas.



Juan M. Castillo 3-22-2012

Juan M. Castillo, R.P.L.S. No. 6146

1002 E. Expressway 83 Weslaco, Texas 78596♦ Phone: 956.969.4183♦ Fax: 956.447.8194



I, Juan M. Castillo, a Registered Professional Land Surveyor in the State of Texas, hereby certify that the foregoing plat correctly represents the facts found in the ground.

STATE OF TEXAS
REGISTERED
JUAN M. CASTILLO
6146
PROFESSIONAL
LAND SURVEYOR

Juan M. Castillo 3-22-2012

Juan M. Castillo, R.P.L.S. 6146

PROPOSED 15-FOOT WIDE MAGIC VALLEY ELECTRIC COOP. ELECTRICAL EXCLUSIVE EASEMENT

GENERAL NOTES:

1. Bearings are Grid North, based on the Texas State Plane Coordinate System, South Zone (4205), NAD 83(93).
2. Original survey plats are signed and sealed in blue ink. All other copies are null and void.
3. A metes and bounds description of even date was prepared, and is made a part of this survey plat.
4. The deed of record for subject tract is recorded in Doc. No. 182516, Official Records of Hidalgo County, Texas.
5. This plat was prepared without the benefit of a title search.

M.R.	MAP RECORDS HIDALGO COUNTY, TEXAS
D.R.	DEED RECORDS HIDALGO COUNTY, TEXAS
O.R.	OFFICIAL RECORDS HIDALGO COUNTY, TEXAS
●	5/8" IRON ROD SET WITH YELLOW CAP STAMPED "DLS BNDY MARKER"
o	1/2" IRON ROD FOUND (UNLESS OTHERWISE NOTED)
X	CALCULATED POINT-NO MONUMENT FOUND/NO MONUMENT SET
———	PROPERTY LINE

DLS
Dos Land Surveying
1002 E. Expressway 83 Ph (956)969-4183
Weslaco, TX 78596 Fax (956)447-8194

AI-32881 **Right of Way 13. B.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted By: Rebecca Gomez, RIGHT OF WAY DEPT.

Department: RIGHT OF WAY DEPT.

Information

CAPTION

Approval to accept offer from Texas Department of Transportation for purchase of property located on FM 681 known as Parcels 12 and 13 (from SH 107 to FM 681 N @ FM 2221).

BACKGROUND

Attachments

TXDOT- Parcels 12 & 13- FM 681

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/19/2012 11:24 AM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Rebecca Gomez Started On: 06/19/2012 10:24 AM

Final Approval Date: 06/22/2012

Form ROW-A-5
(Rev. 08/11)

REAL ESTATE APPRAISAL REPORT - TEXAS DEPARTMENT OF TRANSPORTATION

Address of Property: 2800 FM 2221 (West Mile 7 Road), Mission, Texas
District: Pharr District 21
Property Owner: Hidalgo County
Parcel: 12
Address of Property Owner: 100 North Closner, Edinburg, Texas
CSJ: 0862-01-046
Occupant's Name: Hidalgo County Precinct No. 3 Drainage Department
Federal Project No: STP1102(026)MM
Whole: ☐ Partial: ☒ Acquisition
Highway: FM 2221
County: Hidalgo

Purpose of the Appraisal

The purpose of this appraisal is to estimate the market value of the fee simple title to the real property to be acquired, encumbered by any easements not to be extinguished, less oil, gas and sulphur. If this acquisition is of less than the whole property, then any special benefits and /or damages to the remainder property must be included in accordance with the laws of Texas.

Market Value

Market value is defined as follows: "Market Value is the price which the property would bring when it is offered for sale by one who desires, but is not obliged to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonably adaptable and for which it either is or in all reasonable probability will become available within the reasonable future."

Certificate of Appraiser

I hereby certify:

That it is my opinion the total compensation for the acquisition of the herein described property is $176,223 as of May 15, 2012, based upon my independent appraisal and the exercise of my professional judgment;

That on May 15, 2012 and May 6, 2011 (date)(s), I personally inspected in the field the property herein appraised; that I afforded Hidalgo County, the property owner or the representative of the property owner, the opportunity to accompany me at the time of the inspection;

That the comparables relied upon in making said appraisal were as represented by the photographs contained in the appraisal report and were inspected on March 22, 2011 (date)(s);

That I have not revealed and will not reveal the findings and results of such appraisal to anyone other than the proper officials of the Texas Department of Transportation, L&G Engineering Transportation Consultants, or officials of the Federal Highway Administration until authorized by State officials to do so, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified to such findings;

That my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

The appraiser has considered access damages in accordance with Section 21.042(d) of the Texas Property Code, as amended by SB18 of the Texas 82nd Regular Legislative Session and finds as follows:

1. Is there a denial of direct access of the parcel? No (yes or no)
2. If so, is the denial of direct access material? N/A (yes, no, or not applicable)
3. The lack of any access denial or the material impairment of direct access on or off the remaining property affects the market value of the remaining property in the sum of $0.00.

I certify to the best of my knowledge and belief:

That the statements of fact contained in this report are true and correct;

That the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions;

That I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved;

That my analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the appropriate State laws, regulations, and policies and procedures applicable to the appraisal of right of way for such purposes, and that to the best of my knowledge no portion of the value assigned to such property consists of items which are noncompensable under the established law of said State, and any decrease or increase in the fair market value of subject real property prior to the date of valuation caused by the public improvement for which such property is to be acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to the physical deterioration within the reasonable control of the owner, has been disregarded in estimating the compensation for the property.

Leonel Garza III
Appraiser Signature
State Certified General Real Estate Appraiser – TX 1328375 – General
Certification Number

May 16, 2012
Date

To the best of my knowledge, the value does not include any items which are not compensable under State law.

District Reviewing Appraiser — Date 5-18-12

* A 5 *

IDENTIFICATION OF SUBJECT PROPERTY & SALIENT FACTS

Certificate of Appraisal

This appraisal report conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation. The subject property was analyzed utilizing the Cost Approach to value which is a Sales Comparison Approach to the subject as vacant and includes the estimated depreciated market value of real estate improvements located within the subject as a whole, part to be acquired and the remainder after. This is further explained within each section of the appraisal report.

Parcel No.	Parcel No. 12
Owner of Record of Parent Tract	Hidalgo County
Subject's Current Use	Hidalgo County Precinct No. 3 Drainage District
Physical Location	The property is located on the north side of FM 2221 just east of La Homa Drive in Mission, Texas.
Legal Description of Whole Property	A 1.00 acre tract of land lying in Lot 80, Block 2, La Homa Ranch Grove, Unit 2, Hidalgo County, Texas. Hidalgo County, Texas.
Legal Description of Part to be Acquired	A tract of land containing 0.182 acre (7,910 square feet), situated in Hidalgo county, Texas and also being a part or portion of Lot 80, Block 2, La Homa Ranch Citrus Groves Unit 2, recorded in Volume 8, Page 9, H.C.M.R. Hidalgo County, Texas.

Site Description

The subject property, as a whole, is a 1.000 acre improved tract of land located along north side of FM 2221 located north of the City of Alton, in Hidalgo County, Texas. The subject property is currently improved with a 1,635 square foot office building and a 1,280 square foot carport. Other site improvements include 41,925 square feet of asphalt pavement, 501' lineal feet of chain link fencing with barbwire and a 5.0' x 6.0' masonry sign along the frontage of FM 681. According to the survey provided by CVQ Land Surveyors LLC, dated July 13, 2009 and revised on August 26, 2010, the part to be acquired is approximately 0.182 acres (7,910 square feet). The part to be acquired includes a 0.0389 acre (1,695 square feet) easement indicated to be a 15' foot Sharyland Water Supply Corporation easement, leaving a net fee area to be acquired of 0.1431 acre (6,215 square feet). This is performed in order to determine the unit value for the proposed acquisition for the purchase of said tract in the name of the State of Texas.

Whole Property (Economic Unit)	**1.00 Acres**
To Be Acquired (Acres)	**0.182 Acres**
To Be Acquired (SF)	**7,910 square feet**
Remainder	**0.818 Acres**

The subject property shall be analyzed based on a 43,560 square foot (1.000 acre) tract of land as indicated by survey. The area for the subject property as a whole is indicated as per survey provided by CVQ Land Surveyors LLC dated July 13, 2009 and revised on August 26, 2010. The comparable sales used for the analysis of the subject property as whole and as the partial acquisition indicated a range of economic units of 1.00 acre to 3.088 acres. These indicated economic unit values are used for the valuation of the proposed acquisition as the part to be acquired does not constitute an economic unit. Therefore, the pro-rata part of the whole is applied as the market valuation of the part to be acquired.

Remainder Before & After

The remainder, before and after the acquisition, is defined as the partial acquisition subtracted from the whole property which is described as the subject property. It is determined at the time of appraisal whether or not damages to the remainder are caused by the proposed part to be acquired. The highest and best use of the subject property before and after the proposed partial acquisition is analyzed to determine whether or not the use of the subject property will be altered as a result of the proposed part to be acquired. After a review of the survey provided and the on-site inspection of the part to be acquired, it was determined that a cost to cure for the remainder was required and shall be delineated on page 5.0 in addition, damages to the remainder building are indicated due to the bisection of the structure by the proposed right-of-way.

Accessibility To Subject Property

As per scope of the assignment, the subject property shall be inspected in order to verify any and all improvements affected by the part to be acquired. In the event the remainder after the acquisition is affected by the proposed acquisition, the remainder shall be inspected in order to determine damages (diminution) to market value if any exist. The property owner of record shall be sent a letter of intent to inspect and offer the opportunity for an on-site inspection in the presence of the appraiser, Leonel Garza III. The owner of record, as per the Hidalgo County Appraisal District was sent a letter of intent to inspect the subject property on the week of April 22, 2011. A copy of the certified letter is located within the addenda of this report. In the event no written or verbal permission was granted to the office of Leonel Garza Jr. & Associates LLC prior to date of inspection, the inspection proceeded off-site along existing road right-of-way as per scope. The property owner shall always reserve the right to contact the office of Leonel Garza Jr. & Associates LLC (956) 687-7295 or leonel3@garza-associates.com, after the date of inspection for an additional on-site inspection in their presence with appraiser, Leonel Garza III. On May 6, 2011, permission was granted to enter the property in-order to photograph and measure and Joe Pena, Director of the Hidalgo County Right-of-Way Department, met with the appraiser on-site. Mr. Pena can be contacted at 956-283-8134.

Intended Use/User of Appraisal Report

The client for this report is identified as L&G Engineering Transportation Consultants, under the direction of Hidalgo County Precinct No. 3 Honorable Hidalgo County Commissioner Joe M. Flores and the Texas Department of Transportation, Southern Region. The part to be acquired is for the expansion of the existing road right-of-way of Farm to Market Road 681. The intended use of the report is to assist Luana Gonzalez, Co-Right-of-Way Administrator for L&G Engineering Transportation, for future negotiations of acquiring a portion of said property as fee simple in the name of the State of Texas. This report is not intended for any other use, unless specified by the client. The clients have identified that the report shall be a summary appraisal report, which is to conform to the ROW-A-5 Form Rev. 8/2011. The intended user of the report is defined as L&G Engineering Transportation Consultants, and may include governmental entities which may be participating in the project. Luana Gonzalez shall be the project manager for this project under the direction of Texas Department of Transportation, Southern Region. Ms. Gonzalez has a local office located at 900 S. Stewart Road, Suite No. 9, Mission, Texas and can be contacted at (956) 585-1909.

Significant Dates

The effective date of the report is the most recent date of on-site visit of which is limited to the permissibility granted to this appraiser as of May 6, 2011.

Identification of Appraisal Firm

Leonel Garza III is the owner of Leonel Garza Jr. & Associates, LLC located at 1419 Dove Avenue Ste 1, McAllen, Texas. This office has been in operation for over 30 years of which Leonel Garza III became owner of the family operation after the passing of Leonel Garza Jr. in 1998. Leonel Garza III has specialized in right-of-way acquisition field for over 10 years of which has performed projects in the following County's: Cameron County, Hidalgo County, Starr County, Zapata County, Webb County, Nueces County and Brooks County. Other experience of the office of Leonel Garza Jr. & Associates LLC and Leonel Garza III includes general commercial properties for a variety of banking institutions including multiple projects throughout the Rio Grande Valley as well as the cities of Laredo, Corpus Christi, San Antonio and Austin for local banks and State Government projects.

Scope of the Assignment

By work order dated April 20, 2011 on behalf of the Texas Department of Transportation, Southern Region, L&G Engineering Transportation Consultants, requested for Leonel Garza Jr. & Associates LLC to prepare an appraisal report of the part to be acquired as described by survey and metes and bounds created by CVQ Land Surveyors, LLC. located at 2104 North Ware Road, McAllen, Texas and engineered by Javier Hinojosa Engineering, consulting engineer located at 416 E. Dove Avenue, McAllen, Texas 78504.

Leonel Garza III is the owner of Leonel Garza Jr. & Associates, LLC located at 1419 Dove Avenue Ste 1, McAllen, Texas. The office of Leonel Garza Jr. & Associates has been in operation for over 30 years of which Leonel Garza III, became owner of the family operation after the passing of Leonel Garza Jr. in 1998. Creating Leonel Garza Jr. & Associates LLC, Leonel Garza III specialized in right-of-way acquisition field for over 13 years. Various right-of-way projects have been performed in the following County's: Cameron County, Hidalgo County, Starr County, Zapata County, Webb County, Nueces County and Brooks County.

The scope of the assignment is to appraise the area as fee simple in its present "as is condition" subject to governmental regulation, and in terms of a cash transaction. In addition, the scope is requiring the appraiser to make the extraordinary condition that the subject property is free from contamination of which could affect the overall market value of the subject property as a whole and the part to be acquired. The property owner shall be sent a letter of intent to inspect the subject property and offer any additional inspections on-site and in the presence of the owner(s) and or owner(s) representative (as requested in writing). In the event access is not granted to enter the subject area, the appraiser is to proceed off-site along existing road right-of-way as indicated by survey. The scope of the assignment requires that comparable market sales within the area be identified and analyzed for comparability and for their reliability in determining the estimated market value of the subject property. The sales have been collected, confirmed and analyzed with respect to comparability to the subject property. These comparable sales were gathered through various sources which included the Greater McAllen Multiple Listing Service, local Realtors & Brokers, Real Estate Appraisers, and conversations with various owners along the project. Listings along Farm to Market Road 681 were also reviewed in order to determine the current market asking prices for property along the project. The appraisal report shall indicate the current market value of the subject property as per date of on-site and or off-site inspection without project influence as indicated by scope. The inspection is limited by the permissibility of the subject owner as per date of report. In the event an on-site inspection was not permitted, the appraiser continued the inspection off-site along existing road right of way. The property owner shall always reserve the right for a re-inspection of the subject parcel at a later date if requested in writing.

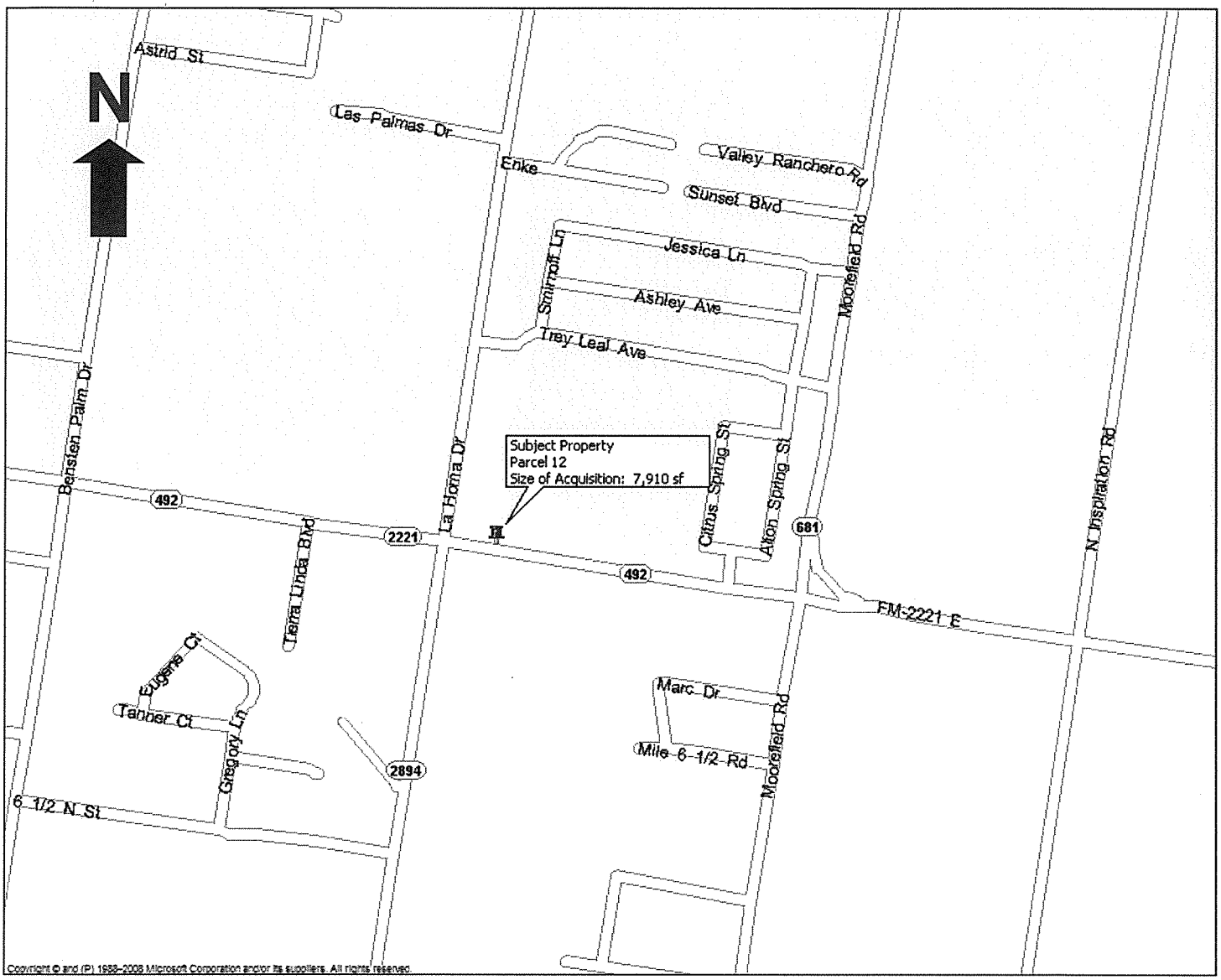
Purpose of the Appraisal Report

This appraisal is prepared for the purpose of estimating the current market value of the fee simple estate of the subject property in order to determine the value of the proposed right-of-way to be acquired in the name of the State of Texas. This appraisal does not include any enhancement in value resulting from items of intangible personal property such as marketing and management skill, an assembled work force, working capital, trade names, franchises, patents, trademarks, contracts, leases (mineral and or ground lease), or operating agreements and project influence (if any exist). The area to be acquired may contain personal property items which are not compensable and or may be handled through the Texas Department of Transportation Relocation Program. These items deemed compensable shall be included within the body of the report and itemized for clarity by the appraiser. Any improvements not located within the part to be acquired and outside of the permissibility of inspection as defined by the subject owner, shall be given a stated value based on the assessment established by the corresponding Appraisal District and or by off-site estimation by appraiser as they are not affected by the acquisition.

Property Rights Appraised

The property rights being appraised in this report consist of the fee simple estate of the subject property. Fee Simple Estate is defined by the Dictionary of Real Estate Appraisal, Fourth Edition, copyright 2002, page 113, by the Appraisal Institute as being: "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat." As per scope of the assignment, this is the manor of which the subject property shall be appraised for purposes of this report. If there are any questions or concerns as to this definition of fee simple estate, please feel free to contact Leonel Garza III at (956) 687-7295 or leonel3@garza-associates.com for further explanation.

LOCATION MAP OF SUBJECT PROPERTY PARCEL No. 12



Form ROW-A-5
(Rev. 08/11)

REAL ESTATE APPRAISAL REPORT - TEXAS DEPARTMENT OF TRANSPORTATION

Address of Property: 2800 FM 2221 (West Mile 7 Road), Mission, Texas
District: Pharr District 21
Property Owner: Hidalgo County
Parcel: 13
Address of Property Owner: 100 North Closner, Edinburg, Texas
CSJ: 0862-01-046
Occupant's Name: Hidalgo County Precinct No. 3 Drainage Department
Federal Project No: STP1102(026)MM
Whole: ☐ Partial: ☒ Acquisition
Highway: FM 2221
County: Hidalgo

Purpose of the Appraisal

The purpose of this appraisal is to estimate the market value of the fee simple title to the real property to be acquired, encumbered by any easements not to be extinguished, less oil, gas and sulphur. If this acquisition is of less than the whole property, then any special benefits and /or damages to the remainder property must be included in accordance with the laws of Texas.

Market Value

Market value is defined as follows: "Market Value is the price which the property would bring when it is offered for sale by one who desires, but is not obliged to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonably adaptable and for which it either is or in all reasonable probability will become available within the reasonable future."

Certificate of Appraiser

I hereby certify:

That it is my opinion the total compensation for the acquisition of the herein described property is $122,593 as of May 6, 2011, based upon my independent appraisal and the exercise of my professional judgment;

That on May 6, 2011 (date)(s), I personally inspected in the field the property herein appraised; that I afforded Hidalgo County, the property owner or the representative of the property owner, the opportunity to accompany me at the time of the inspection;

That the comparables relied upon in making said appraisal were as represented by the photographs contained in the appraisal report and were inspected on March 22, 2011 (date)(s);

That I have not revealed and will not reveal the findings and results of such appraisal to anyone other than the proper officials of the Texas Department of Transportation, L&G Engineering Transportation Consultants, or officials of the Federal Highway Administration until authorized by State officials to do so, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified to such findings;

That my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

The appraiser has considered access damages in accordance with Section 21.042(d) of the Texas Property Code, as amended by SB18 of the Texas 82nd Regular Legislative Session and finds as follows:

1. Is there a denial of direct access of the parcel? No (yes or no)
2. If so, is the denial of direct access material? N/A (yes, no, or not applicable)
3. The lack of any access denial or the material impairment of direct access on or off the remaining property affects the market value of the remaining property in the sum of $0.00.

I certify to the best of my knowledge and belief:

That the statements of fact contained in this report are true and correct;

That the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions;

That I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved;

That my analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the appropriate State laws, regulations, and policies and procedures applicable to the appraisal of right of way for such purposes, and that to the best of my knowledge no portion of the value assigned to such property consists of items which are noncompensable under the established law of said State, and any decrease or increase in the fair market value of subject real property prior to the date of valuation caused by the public improvement for which such property is to be acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to the physical deterioration within the reasonable control of the owner, has been disregarded in estimating the compensation for the property.

Leonel Garza III
Appraiser Signature
State Certified General Real Estate Appraiser – TX 1328375 – General
Certification Number

September 28, 2011
Date

To the best of my knowledge, the value does not include any items which are not compensable under State law.

District Reviewing Appraiser — Date: 1-10-12

* A 5 *

IDENTIFICATION OF SUBJECT PROPERTY & SALIENT FACTS

Certificate of Appraisal

This appraisal report conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation. The subject property was analyzed utilizing the Cost Approach to value which is a Sales Comparison Approach to the subject as vacant and includes the estimated depreciated market value of real estate improvements located within the subject as a whole, part to be acquired and the remainder after. This is further explained within each section of the appraisal report.

Parcel No.	Parcel No. 13
Owner of Record of Parent Tract	Hidalgo County
Subject's Current Use	Hidalgo County Precinct No. 3 Drainage District
Physical Location	The property is located on the north side of FM 2221 just east of La Homa Drive in Mission, Texas.
Legal Description of Whole Property	A 1.00 acre tract of land lying in Lot 80, Block 2, La Homa Ranch Grove, Unit 2, Hidalgo County, Texas. Hidalgo County, Texas.
Legal Description of Part to be Acquired	A tract of land containing 0.182 acre (7,906 square feet), situated in Hidalgo county, Texas and also being a part or portion of Lot 80, Block 2, La Homa Ranch Citrus Groves Unit 2, recorded in Volume 8, Page 9, H.C.M.R. Hidalgo County, Texas.

Site Description

The subject property, as a whole, is a 1.000 acre improved tract of land located along north side of FM 2221 located north of the City of Alton, in Hidalgo County, Texas. The subject property is currently improved with a 3,840 square foot maintenance shed. Other site improvements include 35,984 square feet of asphalt pavement; 587.0' lineal feet of chain link fencing with barbwire, 25.0' chain link motorized rolling gate and a 4.0' chain link gate. According to the survey provided by CVQ Land Surveyors LLC, dated July 13, 2009 and revised on October 22, 2010, the part to be acquired is approximately 0.182 acres (7,906 square feet). This land area currently in fee simple shall be calculated at 100% of the unit value derived from the sales comparison approach "as if vacant". This is performed in order to determine the unit value for the proposed acquisition for the purchase of said tract in the name of the State of Texas.

Whole Property (Economic Unit)	**1.00 Acres**
To Be Acquired (Acres)	**0.182 Acres**
To Be Acquired (SF)	**7,906 square feet**
Remainder	**0.818 Acres**

The subject property shall be analyzed based on a 43,560 square foot (1.000 acre) tract of land as indicated by survey. The area for the subject property as a whole is indicated as per survey provided by CVQ Land Surveyors LLC dated July 13, 2009 and revised on October 22, 2010. The comparable sales used for the analysis of the subject property as whole and as the partial acquisition indicated a range of economic units of 1.00 acre to 3.088 acres. These indicated economic unit values are used for the valuation of the proposed acquisition as the part to be acquired does not constitute an economic unit. Therefore, the pro-rata part of the whole is applied as the market valuation of the part to be acquired.

Remainder Before & After

The remainder, before and after the acquisition, is defined as the partial acquisition subtracted from the whole property which is described as the subject property. It is determined at the time of appraisal whether or not damages to the remainder are caused by the proposed part to be acquired. The highest and best use of the subject property before and after the proposed partial acquisition is analyzed to determine whether or not the use of the subject property will be altered as a result of the proposed part to be acquired. After a review of the survey provided and the on-site inspection of the part to be acquired, it was determined that the overall highest and best use of the subject property shall continue for commercial development. However, the improvements located within the remainder shall be diminued (damages) as a result of the project due to the overall proximity of the proposed right-of-way and the existing metal warehouse structure. In addition, the unity in use between Parcel 12 (adjacent to the subject) has improvements of which shall be bisected by the part to be acquired. As such the improvements on Parcel 12 shall be damaged and or removed thereby rendering the existing use of the improvements on Parcel 13, obsolete. After discussion with the owner or record representative, Jose Pena, Hidalgo County Right-of-Way Department, the County could not utilized the subject's improvements without an office or security on-site. Therefore, this appraiser in the remainder after the acquisition shall damage the existing structural improvements of Parcel 12 and cost to cure the fencing located within the part to be acquired.

Accessibility To Subject Property

As per scope of the assignment, the subject property shall be inspected in order to verify any and all improvements affected by the part to be acquired. In the event the remainder after the acquisition is affected by the proposed acquisition, the remainder shall be inspected in order to determine damages (diminution) to market value if any exist. The property owner of record shall be sent a letter of intent to inspect and offer the opportunity for an on-site inspection in the presence of the appraiser, Leonel Garza III. The owner of record, as per the Hidalgo County Appraisal District was sent a letter of intent to inspect the subject property on the week of April 22, 2011. A copy of the certified letter is located within the addenda of this report. In the event no written or verbal permission was granted to the office of Leonel Garza Jr. & Associates LLC prior to date of inspection, the inspection proceeded off-site along existing road right-of-way as per scope. The property owner shall always reserve the right to contact the office of Leonel Garza Jr. & Associates LLC (956) 687-7295 or leonel3@garza-associates.com, after the date of inspection for an additional on-site inspection in their presence with appraiser, Leonel Garza III. On May 6, 2011, permission was granted to enter the property in-order to photograph and measure and Joe Pena, Director of the Hidalgo County Right-of-Way Department, met with the appraiser on-site. Mr. Pena can be contacted at 956-283-8134).

Intended Use/User of Appraisal Report

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Significant Dates

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Scope of the Assignment

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The scope of the assignment is to appraise the area as fee simple in its present "as is condition" subject to governmental regulation, and in terms of a cash transaction. In addition, the scope is requiring the appraiser to make the extraordinary condition that the subject property is free from contamination of which could affect the overall market value of the subject property as a whole and the part to be acquired. The property owner shall be sent a letter of intent to inspect the subject property and offer any additional inspections on-site and in the presence of the owner(s) and or owner(s) representative (as requested in writing). In the event access is not granted to enter the subject area, the appraiser is to proceed off-site along existing road right-of-way as indicated by survey. The scope of the assignment requires that comparable market sales within the area be identified and analyzed for comparability and for their reliability in determining the estimated market value of the subject property. The sales have been collected, confirmed and analyzed with respect to comparability to the subject property. These comparable sales were gathered through various sources which included the Greater McAllen Multiple Listing Service, local Realtors & Brokers, Real Estate Appraisers, and conversations with various owners along the project. Listings along Farm to Market Road 681 were also reviewed in order to determine the current market asking prices for property along the project. The appraisal report shall indicate the current market value of the subject property as per date of on-site and or off-site inspection without project influence as indicated by scope. The inspection is limited by the permissibility of the subject owner as per date of report. In the event an on-site inspection was not permitted, the appraiser continued the inspection off-site along existing road right of way. The property owner shall always reserve the right for a re-inspection of the subject parcel at a later date if requested in writing.

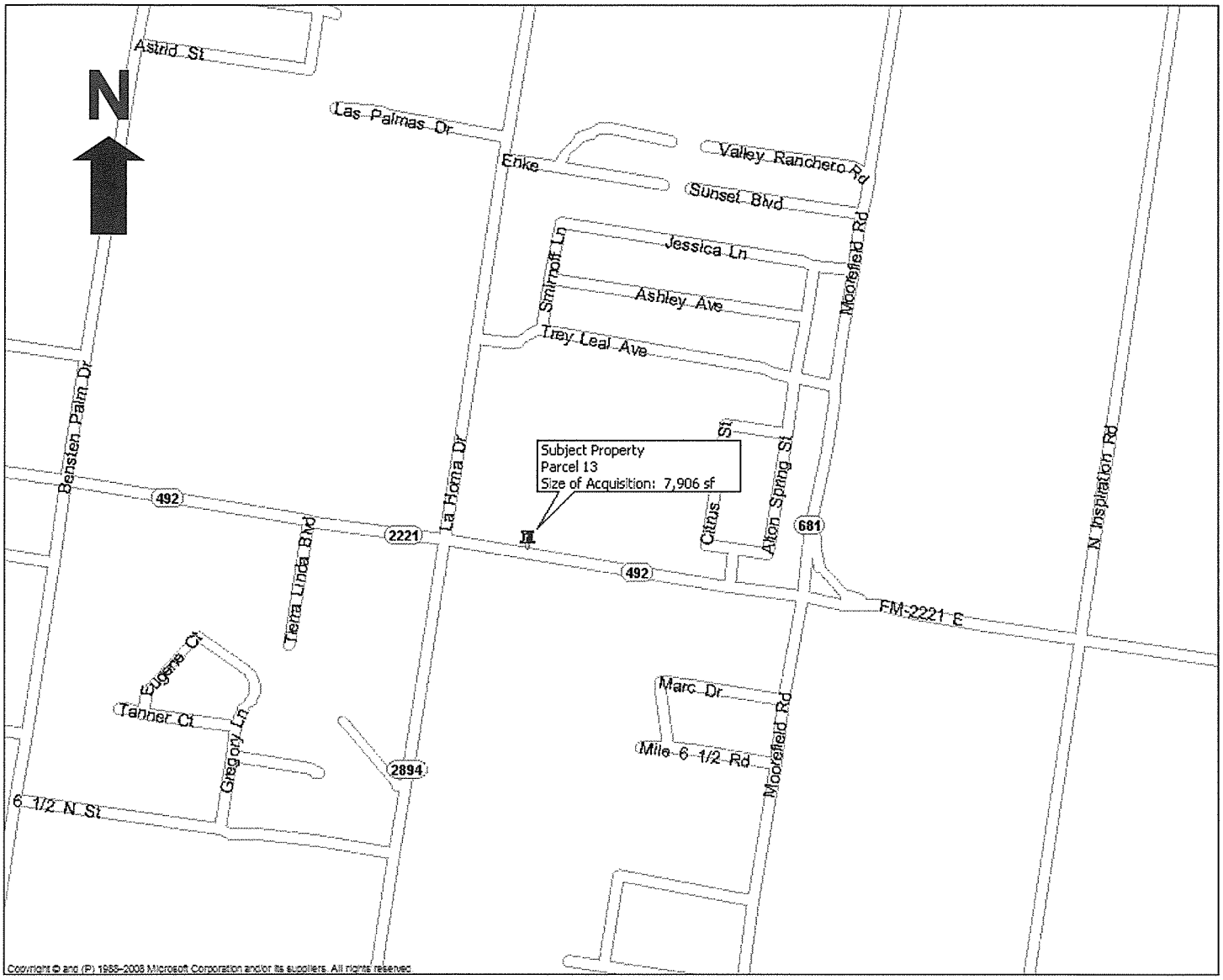
Purpose of the Appraisal Report

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Property Rights Appraised

The property rights being appraised in this report consist of the fee simple estate of the subject property. Fee Simple Estate is defined by the Dictionary of Real Estate Appraisal, Fourth Edition, copyright 2002, page 113, by the Appraisal Institute as being: "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat." As per scope of the assignment, this is the manor of which the subject property shall be appraised for purposes of this report. If there are any questions or concerns as to this definition of fee simple estate, please feel free to contact Leonel Garza III at (956) 687-7295 or leonel3@garza-associates.com for further explanation.

LOCATION MAP OF SUBJECT PROPERTY PARCEL No. 13



AI-32887 **Right of Way 13. C.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted By: Rebecca Gomez, RIGHT OF WAY DEPT.

Department: RIGHT OF WAY DEPT.

Information

CAPTION

Authorization for the County Judge to Execute Earnest Money Contract. Authorization for County Auditor to issue checks payable in the amount of $1000 to Valley Land Title and $100 to Eloy Zuniga.

BACKGROUND

Fiscal Impact

FISCAL YEAR: 2012 **ACCT. #:** 2-1200-431-00-124-007-0-719

FUNDS AVAILABLE Y/N?: y **MATCHING FUNDS Y/N?:**

BUDGETARY IMPACT:

Attachments

Eloy Zuniga- Earnest Money Contract

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/20/2012 09:37 AM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Rebecca Gomez Started On: 06/19/2012 01:25 PM

Final Approval Date: 06/22/2012

EARNEST MONEY CONTRACT

(Unimproved Property)

Seller:	Eloy Zuniga
Purchaser:	County of Hidalgo, Texas
Escrow Agent:	Valley Land and Title Company 217 West Cano Edinburg, Texas 78539
Title Company:	Valley Land and Title Company 217 West Cano Edinburg, Texas 78539

Seller agrees to sell to Purchaser, who agrees to purchase, the property described in this Contract upon the following terms and conditions.

ARTICLE I

THE PROPERTY

The property is that certain tract of real property located in Hidalgo County, Texas, (the "Property"), and more particularly described on Exhibit "A", attached hereto, together with any rights and appurtenances pertaining to the Property, including any right, title and interest of Seller in and to adjacent streets, alleys and rights-of-way, if any.

ARTICLE II

PURCHASE PRICE

2.1 The total purchase price ("Purchase Price") for the Property shall be the sum of THIRTY SEVEN THOUSAND AND NO/100THS DOLLARS ($37,000.00), payable in cash at Closing.

2.2 On execution of this Contract, Purchaser shall deposit with the Escrow Agent the sum of $1,000.00 as Earnest Money to bind this sale. The Earnest Money shall be deposited by the Escrow Agent until the date of Closing, at which time it shall be applied as hereinafter provided and any excess returned to Purchaser, provided Purchaser is not default hereunder. In the event of Purchaser's default, the Earnest Money shall be disposed of as hereinafter provided.

2.3 Termination Option. For nominal consideration, the receipt of which is hereby acknowledged by Seller, and Purchaser's agreement to pay Seller $100.00 (Option Fee) within two (5) days after the effective date of this Contract, Seller grants Purchaser the unrestricted right to terminate this Contract by giving notice of termination to Seller within Thirty (30) days after the Effective Date of the Feasibility Study as contained in Article VI of this contract such effective date being the same date of Sellers written notice as required in Article VI of this contract. If Purchaser gives notice of termination within the time prescribed, the Option Fee will not be refunded; however, any earnest money will be refunded to Purchaser. The Option will be credited to the Sales Price at closing. **Time is of the essence for this paragraph and strict compliance with the time for performance is required.**

ARTICLE III

REPRESENTATIONS AND WARRANTIES

3.1 Seller represents to Purchaser as follows, with respect to the Property:

A. There are no attachments, executions or assignments for the benefit of creditors, or voluntary or involuntary proceedings in bankruptcy pending, contemplated or threatened against Seller or the Property.

B. Seller has paid all local taxes that have been assessed against Seller or the Property.

C. Seller has disclosed to Purchaser all known environmental conditions affecting the Property.

D. Seller will permit the Purchaser and its environmental consultants to enter upon the Property during normal business hours to conduct environmental study(s) and assessments to determine the environmental condition of the Property.

E. Seller will permit Purchaser and its environmental consultant(s) to have access to books and records of the Seller, if any, relating to the environmental condition of the Property.

F. There are no actions, suits, claims, assessments, or proceedings pending or, to the knowledge of Seller, threatened that could materially adversely affect the ownership, operation, or maintenance of the Property or Seller's ability to perform hereunder.

G. There are no leases or other agreements in effect relating to the surface estate of the real property described on Exhibit "A" attached hereto.

H. Seller shall immediately notify Purchaser of any material change in respect of the Property or any information heretofore or hereafter furnished to Purchaser in respect of the Property.

3.2 This Contract is contingent upon and subject to the conditions that, as of the date of Closing, there shall not have been any material error, variance or misstatement in the representations or material breach in the warranties made by Seller in this Contract. If, prior to Closing, Purchaser discovers that one or more of the representations of Seller herein are materially untrue or inaccurate, or if any part or all of the Property fails to pass any inspection of any governmental entity, Purchaser shall have the option of (i) terminating this Contract and receiving the Earnest Money, or (ii) waiving all or a part of the conditions in writing and closing the sales transaction in accordance with the terms and provisions of this Contract.

3.3 Purchaser represents and warrants to Seller, which representations and warranties shall survive Closing, that Purchaser has the authority to purchase the Property, make the representations contained herein and to perform all terms and conditions required of Purchaser herein.

3.4 Purchaser accepts the property subject to the subdivision regulations of the County of Hidalgo and/or Ordinances or governmental regulations of the City in which the property may be located or holding extra territorial jurisdiction of said property.

ARTICLE IV

TITLE

4.1 Within ten (10) days from the date of this Contract, Purchaser shall, at Purchaser's sole expense, obtain a current Commitment for Owner Policy of Title Insurance ("the Title Binder") issued by Title Company, describing the Property, naming Purchaser as the prospective insured and showing as the policy amount the total purchase price for the Property. The Title Binder shall commit the Title Company to issue an Owner Policy of Title Insurance guaranteeing Purchaser's title to the Property to be good and indefeasible.

4.2 At the same time that Purchaser obtains the Title Binder, Purchaser shall also obtain true copies of all recorded instruments referred to in the Title Binder as conditions or exceptions to title to the Property.

4.3 All costs associated with this Article shall be borne by Purchaser.

ARTICLE V

SURVEY

Within thirty (30) days from the Effective Date, PURCHASER, at its sole cost and expense, shall obtain and deliver one (1) copy to OWNER and one (1) copy to the Title Company of a current minimum standard detail requirements for land title surveys (the "Survey") prepared by a registered public surveyor licensed in the State of Texas and approved by PURCHASER showing the Property, together with a corresponding metes and bounds field-notes description of the Property in Exhibit "A". The Survey and description shall be prepared in a form acceptable to PURCHASER and to permit the Title Company to delete the standard survey exception. The Survey shall include the plotting and permanent location of easements, rights-of-way, encroachments, improvements, fences, building set-back lines and other matters located on the ground. The Survey shall fix, locate, stake, and permanently monument all exterior boundary lines and corners of the Property. The surveyor shall additionally calculate and indicate on the Survey the square footage, expressed to five significant figures, and the square feet of land contained within the boundaries of the Property and the square feet within any easement, right-of-way, or encroachment, each expressed to five significant figures. The surveyor shall additionally calculate and indicate on the Survey the acreage and square feet of land within the boundaries of the Property, if any, that lie within the 100-year flood plan (as defined in 44 Code of Federal Regulations, '59.1), or flood hazard zone or fault zone (herein collectively referred to as "Hazard Zone"). The Survey shall contain a certification signed by the surveyor, in form acceptable to the Title Company and PURCHASER.

If the Survey shows any matters that are objectionable to PURCHASER, PURCHASER shall so notify OWNER within five (5) days from the date of PURCHASER'S receipt of the Survey. Upon the expiration of said (5) day period, PURCHASER shall be deemed to have accepted all matters disclosed on the Survey (except for any matters to which notice under the preceding sentence has been given to OWNER) and such matters may be shown as Permitted Exceptions on the owner policy of title insurance required of Owner under this Option. OWNER shall, within fifteen (15) days of receipt of said notice of objections, have the option, in its sole discretion, of either (i) terminating this Contract, in which event all payments received by Owner hereunder shall be returned to PURCHASER and neither party shall have any further obligations to the other or (ii) clearing the objections so specified.

5.1 Purchaser shall have a period of five (5) business days following the date of receipt by Purchaser of the Survey described in Article 5 hereof to give Seller written notice of any title exceptions it deems objectionable. If Purchaser gives such notice to Seller, Seller shall use Seller's best efforts to cure such objections, but shall not be obligated to institute litigation for such purpose. If Purchaser gives notice of title objections and Seller does not cure the objections within five (5) days following receipt of the notice from Purchaser, then Purchaser may either:

(a) terminate this Contract by giving written notice thereof to Seller and receive back the Earnest Money; or

(b) waive the objections and purchase the Property subject to the objections which shall be deemed to be Permitted Encumbrances.

5.2 All title exceptions not objected to or objected to and later waived shall be deemed to be Permitted Encumbrances.

ARTICLE VI

FEASIBILITY STUDY

So long as this Contract is in effect and Purchaser is not in default hereunder, Purchaser shall have thirty (30) days following the date of this Contract for Purchaser or its representatives to enter upon the Property for the purpose of inspecting the Property and any improvements thereon and conducting engineering studies (e.g., platting, utility cost and availability, sewer, drainage and road and street improvements), improvements inspections, architectural drawings regarding placement of improvements on the Property, environmental studies, of the Property and any improvements thereon, soil and subsoil tests, including the drilling of test holes and examining permits, legal requirements for operation of the Property, reviewing reasonable restrictions on the Property by Seller in order to determine the suitability of the Property for Purchaser's use, and such other tests or studies that Purchaser deems advisable. If any such test, study inspection, information or architectural drawing, in Purchaser's sole opinion, shall reveal that the Property is unsuitable or undesirable for Purchaser's use, then Purchaser may terminate this Contract without further liability, in which event Purchaser shall receive back the Earnest Money. However, Purchaser shall not permit any liens to attach to the Property by reason of the exercise of this right of inspection or study, nor shall Purchaser interfere with the rights of any party then in possession of the Property. All entry on the land prior to closing shall be at Purchaser's risk.

ARTICLE VII

CLOSING

7.1 Closing shall be held on or before 60 days following the Effective Date of this Contract, at the office of the Escrow Agent, at the time as may be agreed upon by the parties.

7.2 At the Closing Seller shall deliver to Purchaser the following:

A. A Special Warranty Deed duly executed and in recordable form conveying fee simple title to the Property to Purchaser free and clear of all liens and encumbrances, except Permitted Encumbrances as defined in Section 5.2, above.

B. Tax Certificates from all taxing authorities showing no delinquent taxes against the Property.

C. Possession of the Property.

7.3 At the Closing, Purchaser shall deliver to Seller a certified or cashier's check for the amount of the Purchase Price. Purchaser may, at Purchaser's expense, purchase an Owner's Policy of Title Insurance issued by the Title Company in the amount of the purchase price insuring good and indefeasible title to the Property in Purchaser. The Policy shall be in the form prescribed by the State Board of Insurance of Texas and shall contain only those exceptions which constitute Permitted Encumbrances. The standard survey exception shall be deleted except as to shortages in area.

ARTICLE VIII

ADJUSTMENTS AND EXPENSES

8.1 Real estate taxes for the year of Closing are to be adjusted and prorated as of the date of Closing. In the event that actual tax figures for the year of Closing are not available at Closing, an estimated proration of taxes shall be made on the basis of the tax rate for the preceding year applied to the latest assessed valuation. Purchaser shall pay any and all rollback taxes resulting from a change of use by Purchaser following date of Closing. If Seller's change in use of the Property prior to closing or denial of a special use valuation on the Property claimed by Seller results in assessments for periods prior to closing, the assessments will be the obligation of Seller. Obligations imposed by this paragraph will survive closing.

8.2 Purchaser shall pay costs of recording instruments presented by the Seller, the survey and its own attorney's fees. The cost of the Owner Policy of Title Insurance, tax certificates, and all other expenses of Closing shall be paid by Purchaser, except Seller's attorneys' fees and correction matters, if any.

ARTICLE IX

DEFAULT

If Purchaser fails to comply with the obligations as set out in this Agreement, Seller may terminate this Contract and receive the Earnest Money as liquidated damages. If Seller fails to comply herewith for any reason, Purchaser may terminate this Contract and receive the Earnest Money as Purchaser's sole remedy, thereby releasing Seller from this Contract or enforce specific performance.

ARTICLE X

ATTORNEY'S FEES

Any signatory to this Contract who is the prevailing party in any legal proceeding against any other signatory brought under or with relation to this Contract or transaction, shall be additionally entitled to recover Court costs and reasonable attorneys' fees from the non-prevailing party.

ARTICLE XI

CONDEMNATION AND CASUALTY LOSS

11.1 If prior to the Closing all or any substantial portion of the Property is condemned, either party shall have the right to terminate this Contract upon giving written notice to the other party within ten (10) days of the date Seller notifies Purchaser in writing of such condemnation. In the event of such termination, Purchaser shall be entitled to the return of the Earnest Money. If neither party elects to terminate this Contract, then the Closing shall take place, as herein provided, without abatement of the purchase price and Seller shall assign to Purchaser at the Closing, all interest of Seller in any condemnation awards which may be payable to Seller as a result of the condemnation. If less than a substantial portion of the Property is condemned, neither party may terminate this Contract but all interest of Seller in any condemnation proceeds shall be assigned by Seller to Purchaser at the Closing.

11.2 A substantial portion is defined to be either five percent (5%) or more in value of the Property.

11.3 Casualty Loss. If any part of the Property is damaged or destroyed by fire or other casualty after the effective date of this contract, Seller shall restore the Property to its previous condition as soon as reasonably possible, but in any event by the Closing Date. If Seller fails to do so due to factors beyond Seller's control, Purchaser may (a) terminate this contract and the earnest money will be refunded to Purchaser (b) extend the time for performance up to 15 days and the Closing Date will be extended as necessary or (c) accept the Property in its damaged condition with an assignment of insurance proceeds and receive credit from Seller at closing in the amount of the deductible under the insurance policy. Seller's obligations under this paragraph are independent of any other obligations of Seller under this contract.

ARTICLE XII

LIENS AND TAXES

12.1 The existence of any other liens or encumbrances which secure an obligation to pay money shall not be objections to title provided that properly executed instruments in recordable form necessary to satisfy the same are delivered to Purchaser at the Closing, together with recording or filing fees, and such liens or encumbrances may be paid out of the cash consideration, if any, paid by Purchaser at the Closing. Purchaser, if request is made within a reasonable time prior to the date of Closing, agrees to provide at the Closing separate certified checks, as requested, aggregating the balance of the purchase price, to facilitate the satisfaction of any such liens or encumbrances.

12.2 Unpaid federal or state inheritance tax which is a lien against the Property shall be no objection to title, provided Seller at Closing agrees to provide at the Closing separate certified checks, as requested, aggregating the balance of the purchase price, to facilitate the satisfaction of any such liens or encumbrances.

ARTICLE XIII

ASSIGNMENT

13.1 This Contract may not be assigned by Purchaser without Seller's prior written consent.

ARTICLE XIV

SURVIVAL

14.1 Any representations, warranties or covenants of the parties, as well as any rights and benefits of the parties, shall survive the Closing and not be merged therein.

ARTICLE XV

MISCELLANEOUS

15.1 Time shall be of the essence of this Contract.

15.2 This Contract and all of the terms, provisions and covenants contained herein shall apply to, be binding upon and inure to the benefit of the parties hereto, their respective heirs, personal representatives, successors and assigns.

15.3 The captions used in connection with the paragraphs in this Contract are for convenience only and are not intended in any way to amplify or limit the meaning of the language contained in this Contract, or be used in interpreting the meanings and provisions of this Contract.

15.4 This Contract shall be construed and interpreted under the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Hidalgo County, Texas.

15.5 In case any one or more of the provisions contained in this Contract 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 provisions hereof and this Contract shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein.

15.6 All notices, demands or requests required or permitted under this Contract shall be in writing, and shall be deemed to have been properly given, whether or not actually received, when the same have been deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to the appropriate party at the address given for such party at the beginning of this Contract.

15.7 This Contract contains the entire agreement between the parties and supersedes all prior agreements and understandings between the parties concerning the Property, and it shall not be amended, modified, supplemented or changed in any way except by written agreement of the parties.

15.8 Seller agrees to indemnify and hold harmless Purchaser from any and all costs, expenses or damages resulting from any claims for brokerage fees or other similar form of compensation made by any real estate broker or other person or entity because of the sale of the Property.

15.9 Should either party be in default under any of the terms of this Contract, the non-defaulting party shall so notify the defaulting party in writing and the defaulting party shall have a period of ten (10) days from the receipt of such notice to cure the default.

15.10 In addition to the acts recited in this Contract to be performed by Seller and Purchaser, the parties hereto agree to perform or cause to be performed at the Closing or after the Closing, any and all such further acts as may be reasonably necessary to consummate transactions contemplated hereby.

15.11 In the event that this Contract or any provision hereof is construed or determined to be ambiguous by any Court of Law, then in that event the parties agree that each through its attorney has contributed to the preparation of this Contract and have jointly written or composed the clauses herein contained; and neither party hereto should be given any advantage over the other under the laws of construction of instruments based upon the authorship hereof.

15.12 The Earnest Money is deposited with Escrow Agent with the understanding that Escrow Agent (i) does not assume or have any liability for performance or nonperformance of any party; (ii) has the right to require the receipt, release and authorization in writing of all parties before paying the Earnest Money to any party; and (iii) is not liable for interest or other charge on the funds held. If any party unreasonably fails to agree in writing to an appropriate release of Earnest Money, then such party shall be liable to the other parties as provided in Article IX. At Closing, Earnest Money plus interest accrued thereon shall be applied to any cash down payment required, next to Purchaser's closing costs and any excess refunded to Purchaser.

15.13 If Seller is not a foreign person, as defined in the Federal Foreign Investment in Real Property Tax Act of 1980 and the 1984 Tax Reform Act, as amended (the Federal Tax Law), then at the Closing, Seller will deliver to Purchaser a certificate so stating, in a form complying with the Federal Tax law. If Seller is a foreign person or if Seller fails to deliver the required certificate at the Closing, then in either such event the funding to Seller, at the Closing, will be adjusted to the extent required to comply with the withholding provisions of the Federal Tax law; and although the amount withheld will still be paid at the Closing by Purchaser, it will be retained by the Title Company as Escrow Agent (the reasonable fees of which shall be paid by Seller at the Closing) for delivery to the Internal Revenue Service together with the appropriate Federal Tax law forwarding forms, and with copies being provided both to Seller and to Purchaser.

15.14 If Seller has not executed and delivered this Earnest Money Contract to Purchaser on or before December 30, 2011, Purchaser's offer to purchase the Property shall automatically terminate and this Earnest Money Contract shall be of no further force and effect.

15.15 **Compliance.** In accordance with the requirements of Section 28 of the Texas Real Estate License Act, Purchaser is hereby advised that it should be furnished with or obtain a policy of title insurance or have the abstract covering the Property examined by an attorney of its own selection.

15.16 **Utility District.** If any part of the Property is situated in any Utility District, Section 50.301 of the Texas Water Code requires the Purchaser to sign and acknowledge a statutory notice of that fact prior to or at the Closing.

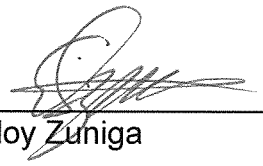
15.15 **Notice.** Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communication required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to County:	Hidalgo County, Texas Attention: County Judge P.O. Box 758 Edinburg, Texas 78540-0758
If to Seller:	Eloy Zuniga Edinburg, Texas 78503

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the United States mail.

The date of this Contract is the_____ day of_____ , 20____ (the "Effective Date").

SELLER:



Eloy Zuniga

PURCHASER:

COUNTY OF HIDALGO, TEXAS

By:_____
Ramon Garcia
County Judge

ATTEST:

_____
Arturo Guajardo, Hidalgo County Clerk

Receipt of a fully executed Contract is hereby acknowledged this ____ day of _____, 20___, at _____, _____.M.

ESCROW AGENT:

VALLEY LAND TITLE COMPANY

By:_____

Seller and Purchaser designate the following named attorneys to represent their respective interest herein:

PURCHASER'S ATTORNEY:
Atlas & Hall, L.L.P.
Attn: Stephen L. Crain
818 Pecan
McAllen, Texas 78501
(956) 682-5501 Telephone
(956) 686-6109 Facsimile

SELLER'S ATTORNEY:

STATE OF TEXAS
COUNTY OF HIDALGO

METES AND BOUNDS DESCRIPTION
1.186 ACRE TRACT

BEING A 1.186 ACRES (51,680 S.F.) TRACT OF LAND BEING IN LOTS 11 AND 14 OF SECTION 245, OF THE TEXAS-MEXICAN RAILWAY COMPANY SUBDIVISION, AS RECORDED IN VOLUME 1, PAGE 16, OF THE MAP RECORDS OF HIDALGO, COUNTY, TEXAS AND BEING ALL THAT CERTAIN 1.19 ACRE (CALLED) TRACT CONVEYED TO THE ROCK OUTREACH INC., RECORDED IN DOCUMENT NO. 2261023 OF THE OFFICIAL RECORDS OF HIDALGO COUNTY, TEXAS, SAID 1.186 ACRES (51,680 S.F.) MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS;

BEGINNING at a pk nail set at the common corner of that certain 23.53 acre tract (called), conveyed to the City of Edinburg, recorded in Volume 1073, Page 597 of the Deed Records of Hidalgo County, Texas, and said 1.19 acre (called) tract, said pk nail being on the centerline of Doolittle Road (right-of-way width varies), for the northeast corner of this tract, from which the northeast corner of said Lot 11, Section 245, bears North 08°52'49" East, a distance of 1280.00 feet;

THENCE, South 08°52'49" West, along the east line of said Lot 11, Section 245, at a distance of 40.00 feet pass the common corner of Lots 11 and 14, Section 245 of said Texas-Mexican Railway Company Subdivision and continuing for a total distance of 80.00 feet to a point for the northeast corner of that certain 10.00 acre tract, recorded in Volume 55, Page 127 of the Map Records of Hidalgo County, Texas, for the southeast corner of this tract, from which a found cotton picker spindle bears North 58°23'01" West, a distance of 0.33 feet;

THENCE, North 81°07'11" West, along the common boundary line of said 1.19 acre tract and said 10.00 acre tract, a distance of 646.00 feet to a 5/8 inch iron rod set with cap at the common corner of said 1.186 acre tract and that certain 0.62 acre tract (remainder) recorded in Volume 230, Page 97, of the Deed Records of Hidalgo County, Texas, for the southwest corner of this tract;

THENCE, North 08°52'49" East, along the common line of said 1.186 acre tract and said 0.62 acre tract at a distance of 40.00 feet pass the common line of said Lots 11 and 14 and continuing for a total distance of 80.00 feet to a 5/8 inch iron rod set with cap on the south line of aforementioned 23.53 acre tract marking the common corner of said 1.186 acre tract and that certain 0.62 acre tract (calculated) recorded in Volume 234, Page 485, of the Deed Records of Hidalgo County, Texas, for the northwest corner of this tract;

THENCE, South 81°07'11" East, along the north boundary line of said 1.186 acre tract and south boundary line of the aforementioned 23.53 acre tract (called) for a distance of 646.00 feet to the **POINT OF BEGINNING** of the herein described tract of land, said tract contains an area of 1.186 acres (51,680 S.F), more or less.

Bearings are Grid North, based on the Texas State Plane Coordinate System, South Zone (4205), NAD 83

A survey plat of even date was prepared and is made a part of this metes and bounds description.

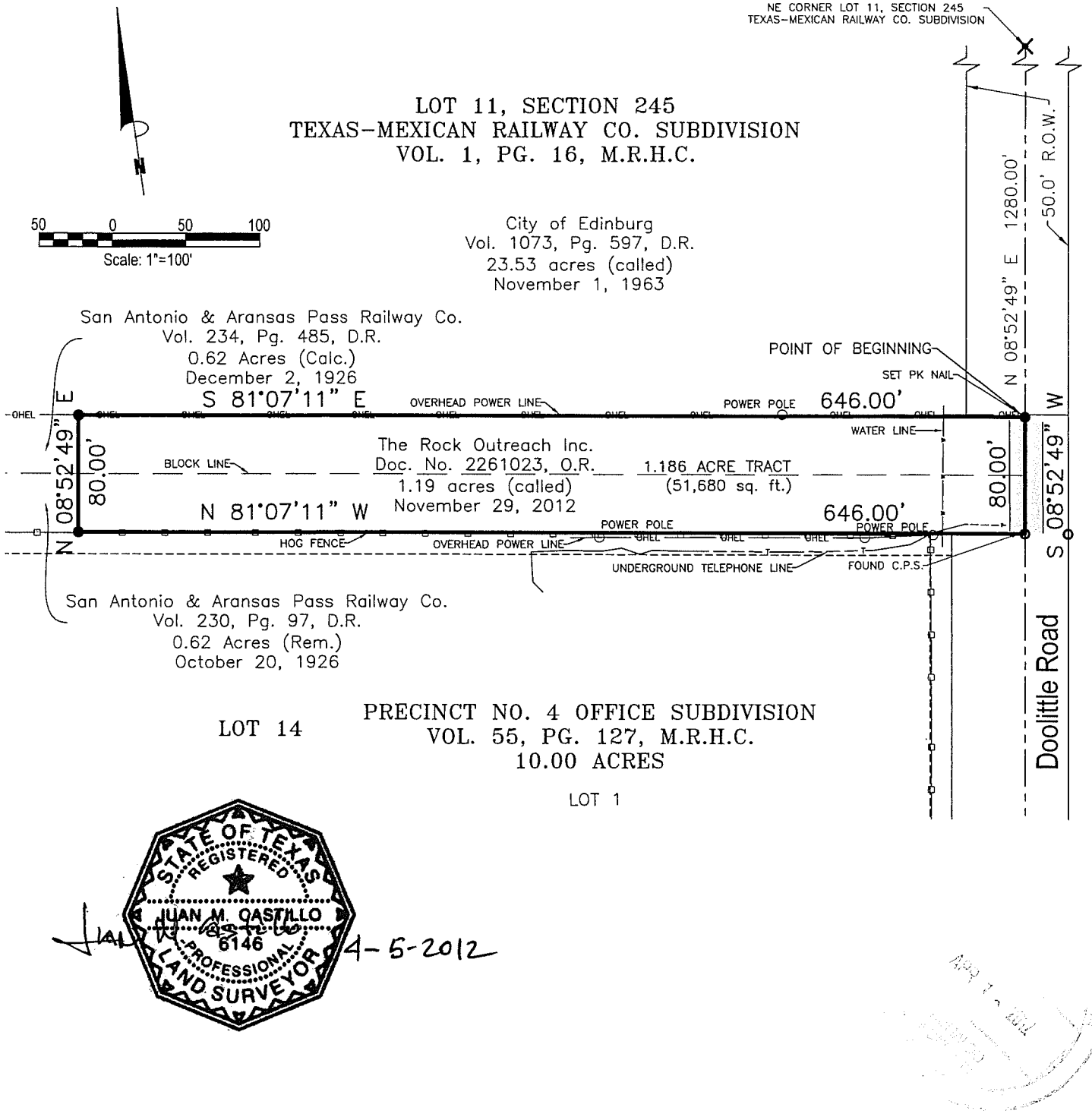
For the subject tract is recorded in Document No. 2261023, of the Official Records of Hidalgo County, Texas.

STATE OF TEXAS
REGISTERED
JUAN M. CASTILLO
6146
PROFESSIONAL
LAND SURVEYOR

Juan M. Castillo 4-5-2012

Juan M. Castillo, R.P.L.S. No. 6146

APR



STATE OF TEXAS
REGISTERED
JUAN M. CASTILLO
6146
PROFESSIONAL
LAND SURVEYOR

4-5-2012

GENERAL NOTES:

1. Bearings are Grid North, based on the Texas State Plane Coordinate System, South Zone (4205), NAD 83(93).
2. Original survey plats are signed and sealed in blue ink. All other copies are null and void.
3. A metes and bounds description of even date was prepared, and is made a part of this survey plat.
4. The deed of record for subject tract is recorded in Document No. 2261023, Official Records of Hidalgo County, Texas.
5. This plat was prepared with the benefit of a title commitment, GF # 128216, effective date February 6, 2012

BOUNDARY SURVEY
A 1.186 ACRE TRACT
OUT OF LOTS 11 & 14, SECTION 245
TEXAS-MEXICAN RAILWAY CO. SUBDIVISION
VOL. 1, PG. 16, M.R.H.C.

M.R.	MAP RECORDS HIDALGO COUNTY, TEXAS
D.R.	DEED RECORDS HIDALGO COUNTY, TEXAS
O.R.	OFFICIAL RECORDS HIDALGO COUNTY, TEXAS
C.P.S.	COTTON PICKER SPINDLE
●	5/8" IRON ROD SET WITH YELLOW CAP STAMPED "DLS BNDY MARKER" (UNLESS OTHERWISE NOTED)
o	1/2" IRON ROD FOUND (UNLESS OTHERWISE NOTED)

DLS
Dos Land Surveying
1002 E. Expressway 83 Ph (956)969-4183

AI-32945 **Precinct #2 14. A.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted By: Katia Garcia, COMM. PCT. #2

Department: COMM. PCT. #2

Information

CAPTION

Presentation for consideration, discussion, acceptance and approval of the following with Saenz Utility Contractors, Ltd. for El Dora Road & Drainage Improvements Project, as submitted and recommended by project engineer R. Sesin;

a. Certificate of Substantial Completion

b. Application for Retainage in the amount of $19,433.68

c. Certificate of Construction Completion reflecting completion date of March 12, 2012

with authority for County Judge or Court member to execute documents

BACKGROUND

Fiscal Impact

FISCAL YEAR: 2012 **ACCT. #:** 2-1200-206-00-122-023-0-000

FUNDS AVAILABLE Y/N?: Y **MATCHING FUNDS Y/N?:** N

BUDGETARY IMPACT:

Available balance $18,273.68 pending retainage for Application for Payment #3

Attachments

Certificate of Substantial Completion
Certificate of Construction Completion
Application for Retainage

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/21/2012 03:22 PM
Roland Garcia	Rolando Garcia	06/22/2012 01:32 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Katia Garcia Started On: 06/21/2012 01:22 PM

Final Approval Date: 06/22/2012

Certificate of Substantial Completion

PROJECT:	**EL DORA ROAD STREET AND DRAINAGE IMPROVEMENTS**
PROJECT NUMBER:	**C-11-043A-06-28**
OWNER:	**HIDALGO COUNTY PRECINCT NO. 2**
CONTRACTOR:	**SAENZ UTILITY CONTRACTORS, LTD.**

The Work performed under this Contract has been reviewed and found, to the Engineer's best knowledge, information and belief, to be substantially complete. Substantial Completion is the stage in the progress of the Work when the Work or designated portion is sufficiently complete in accordance with the Contract Documents so that the owner can occupy or utilize the Work for its intended use. The date of Substantial Completion of the Project or portion designated above is the date of issuance established by this Certificate, which is also the date of commencement of applicable warranties required by the Contract Documents, except as stated below: Construction time is stopped at the day of Issuance.

Hidalgo County Planning Department	PE	03-06-12
Engineer	By: Raul E. Sesin, P.E.	Date of Issuance

A list of items to be completed or corrected is attached hereto. The failure to include any items on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents. Unless otherwise agreed to in writing, the date of commencement of warranties for items on the attached list will be the date of issuance of the final Certificate of Payment or the date of final payment.

Cost estimate of Work that is incomplete or defective: $ 11,600.00 .

The Contractor will complete or correct the Work on the list of items attached hereto and complete the work by March 12, 2012.
Date

Saenz Utility Contractors, Ltd.	Pedro Saenz	3-6-12
Contractor	By	Date

The Owner accepts the Work or designated portion as substantially complete and will assume full possession at 5:00 a.m./p.m. on March 06, 2012 .
Date

Owner	By	Date

Certificate of Substantial Completion

PROJECT:	**EL DORA ROAD STREET AND DRAINAGE IMPROVEMENTS**
PROJECT NUMBER:	**C-11-043A-06-28**
OWNER:	**HIDALGO COUNTY PRECINCT NO. 2**
CONTRACTOR:	**SAENZ UTILITY CONTRACTORS, LTD.**

LIST OF ITEMS TO BE COMPLETED OR CORRECTED FOR THE ABOVE REFERENCED PROJECT.

1. **PAVEMENT STRIPING AFTER COUNTY COMPLETES LAYING OF ASPHALT.**
2. _____
3. _____
4. _____
5. _____

PREPARED BY:

Hidago County Planning Dept.
ENGINEER

PE
BY: Raul E. Sesin, P.E.

03/06/12
DATE

CERTIFICATE OF CONSTRUCTION COMPLETION

THIS IS TO CERTIFY THAT ON 12th DAY OF March, 2012 A FINAL INSPECTION was made of the project herein described.

CONTRACT

CONTRACT DATE: 11/04/2011
OWNER: Hidalgo County Pct No.2
CONSTRUCTION CONTRACTOR: Saenz Utility Contractors, Ltd.
OF THE CITY OF Edcouch STATE OF Texas

PROJECT DESCRIPTION

CONSTRUCTION OF El Dora Rd Street and Drainage Improvements Project

CONTRACT NO: C-11-043A-06-28
Located in or near the City/Precinct Of El Dora Rd and Cesar Chavez Rd

THIS IS TO CERTIFY"

1. That the work has been completed in accordance with the plans and specifications and all addenda, change orders, supplemental agreements thereto, and with the following exceptions:
   NONE

2. That the sum of 0.00, deducted from the final payment of the Contractor is a fair and equitable settlement for the foregoing except work.

3. That the contractor has presented a "Certificate of Release" starting under oath, that all claims arising out of the performance of work have been fulfilled, and the Owner is released from all claims arising under or by virtue of said contract.

4. That the CONTRACTOR has presented in behalf of itself and its sureties, satisfactory evidence that it is bound to repair, replace, and make good any faulty workmanship and/or materials discovered in the work within a period of one year from this date, as provided in said contract.

5.

Amount of Original Contract	$ 177,980.05
Present Amount of Contract	$ 194,336.81
Total Amount of earned to Date	$ 194,336.81
Less: previous payments	$ 174,903.13
Balance	$ 19,433.68
Authorized deductions	$ 0.00
AMOUNTY OF FINAL PAYMENT	$ 19,433.68

Exhibit E-L

6. That the final payment in the amount of $19,433.68 is now due and payable.

PE

Engineer's Signature

03/12/12

CONCURRED BY:

Saenz Utility Contractors Ltd
Contractor's Name

By: Pedro Saenz

Title: Owner

CONCURRED BY:

City/Precinct

By: _____

Title: _____

Exhibit E-L

APPLICATION FOR PAYMENT NO. 4 (Retainage Release)

To: Hidalgo County Precinct No.2 (Owner)
From: Saenz Utility Contractors, Ltd. (Contractor)
Contract:
Project: El Dora Rd. Street and Drainage Improvements Project
Owner's Contract No. C-11-043A-06-28 Engineer's Project No.
For Work accomplished through the date of: March 28, 2012

1. Original Contract Price:	$177,980.05
2. Net Change by Change Order and Written Agreements (+or-):	$ 16,356.76
3. Current Contract Price (1 plus 2)	$194,336.81
4. Total Completed and Stored to date:	$194,336.81
5. Retainage (per Agreeement)	
10% of completed work $ 0.00	
of stored material	
Total Retainage:	$ 0.00
6. Total completed and stored to date less retainage (4 minus 5)	$194,336.81
7. Less previous Application for Payments:	$174,903.10
8. AMOUNT DUE THIS APPLICATION (6 MINUS 7):	$ 19,433.68

Accompanying Documentation:

RETAINAGE RELEASE

Contractor's Certification:

The undersigned CONTRACTOR certifies that (1) all previous progress payments received from OWNER on account of Work done under the Contract referred to above have been applied on account to discharge CONTRACTOR'S legitimate obligations incurred in connection with Work coered by prior Applications for Payment numbered 1 through 2 inclusive: (2) title of all Work, materials and equipment incorporated in said Work or otherwise listed in or covered by this Application for Payment will pass to OWNER at time of payment free and clear of all Liens, security interests and encumberances (except such as are covered by a Bond acceptable to OWNER indemnifying OWNER against any such Lien, security interest or encumberance); and (3) all Work covered by this Application for Payments is in accordance with the Contract Documents and not defective.

Date: 5/01/12

SAENZ UTILITY CONTRACTORS, LTD.
CONTRACTOR
By: Pedro Saenz

State of Texas
County of Hidalgo
Subscribed and sworn to before me this 1st
day of May

Jose L. Saenz
Notary Public
My Commission expires: Nov. 12, 2015

NOTARY PUBLIC STATE OF TEXAS
JOSE L. SAENZ
My Commission Expires
November 12, 2015

Payment of the above AMOUNT DUE THIS APPLICATION is recommended.
Date 06/19/2012

HIDALGO CO. PLANNING DEPT.
Raul Sesin, P.E., Project Engineer
ENGINEER
By: RS PE

INVOICE RECEIVED BY:
Elizabeth Morales ON 6/19/12
GOODS/SERVICES RECEIVED BY:
Arcelia Ito Palacios ON 6/19/12

Estimate Quantity Update Worksheet

Colonia: El Dora Rd & Drainage Improvements
Roadway: El Dora Road
Control:
Project No: C-11-043A-06-28
County: Hidalgo County
Est. No: 4

Contractor: Saenz Utility Contractors, LTD.
Contract Price: $194,336.81
Work Done this Mo.: $111,278.50
% Complete: 57.26%

Date Began: 4-Nov
Contract Time: 135
Time Charged: 135
% Time Used: 100.00%

Work Type: Paving
Limits:
From: Cesar Chavez
To: Retama St

						FIRST MONTH			SECOND MONTH			THIRD MONTH		
ITEM NO.	DESCRIPTION	UNIT	PROJECT QTY	Unit Price	Project Amount	MONTHLY QUANTITY	QTY to Date	Item Cost (Monthly)	MONTHLY QUANTITY	QTY to Date	Item Cost (Monthly)	MONTHLY QUANTITY	QTY to Date	Item Cost (Monthly)
	Base Bid													
1	Prime Coat (MC-30) Entire Base	SY	11,738.0	$ 0.85	$9,977.30		0	$0.00	11738	11738	$9,977.30		0	0.00
2	10" Compacted Caliche Base (labor only)	SY	7,104.0	$ 2.00	$14,208.00		0	$0.00	7104	7104	$14,208.00		0	0.00
3	5" Compacted Caliche Base (labor only)	SY	6,796.0	$ 2.80	$19,028.80	6796	6796	$19,028.80		0	$0.00		0	0.00
4	Excavate, treat and rework existing caliche	SY	13,282.0	$ 3.85	$51,135.70	13282	13282	$51,135.70		0	$0.00		0	0.00
5	Traffic Control	LS	1.0	$ 6,200.00	$6,200.00	1	1	$6,200.00		0	$0.00		0	0.00
6	Type "A" Barrier Concrete Curb & Gutter	LF	4,525.0	$ 5.25	$23,756.25		0	$0.00	4525	4525	$23,756.25		0	0.00
7	4" Compacted Caliche base for Driveways	SY	673.0	$ 4.75	$3,196.75		0	$0.00	673	673	$3,196.75		0	0.00
8	4" Concrete Driveway	SY	105.0	$ 3.65	$383.25		0	$0.00	105	105	$383.25		0	0.00
9	6' Concrete Valley Gutter	LF	154.0	$ 20.00	$3,080.00		0	$0.00	154	154	$3,080.00		0	0.00
10	Themoplastic Pavement Markings	LS	1.0	$ 11,600.00	$11,600.00		0	$0.00	0	0	$0.00	1	1	11,600.00
11	Concrete Chute	EA	2.00	$ 250.00	$500.00		0	$0.00	2	2	$500.00		0	0.00
12	Erosion Control	LS	1.0	$ 8,350.00	$8,350.00	1	1	$8,350.00		0	$0.00		0	0.00
	Alternate NO 6													
1	Tensar TX 5 GEOGRID (Material & Labor)	SY	13,282.0	$ 2.00	$26,564.00	13282	13282	$26,564.00		0	$0.00		0	0.00
	Change Order 2													
1	Prime Coat Intersection on West Side	SY	1,047.0	$ 0.85	$889.95		0	$0.00	1047	1047	$889.95		0	0.00
2	10" Compaceted Caliche (Labor only)	SY	1,047.0	$ 2.00	$2,094.00		0	$0.00	1047	1047	$2,094.00		0	0.00
3	5" Compaceted Caliche (Labor only)	SY	1,047.0	$ 2.80	$2,931.60		0	$0.00	1047	1047	$2,931.60		0	0.00
4	Excavate, treat and rework exist rd section	SY	1,047.0	$ 3.85	$4,030.95		0	$0.00	1047	1047	$4,030.95		0	0.00
5	Traffic Control	SY	1.0	$ 6,200.00	$6,200.00		0	$0.00	1	1	$6,200.00		0	0.00
	Change Order 3													
1	Type "A" Barrier Concrete Curb & Gutter	SY	300.0	$ 5.25	$1,575.00		0	$0.00	300	300	$1,575.00		0	0.00
2	Remove and Dispose of Existing Curb	SY	50.0	$ 4.50	$225.00		0	$0.00	50	50	$225.00		0	0.00
3	Concrete Apron	SY	725.0	$ 3.50	$2,537.50		0	$0.00	725	725	$2,537.50		0	0.00
4	Back of Curb backfill	SY	265.0	$ 2.50	$662.50		0	$0.00	265	265	$662.50		0	0.00
5	Excavate & remove caliche	LS	537.0	$ 2.50	$1,342.50		0	$0.00	537	537	$1,342.50		0	0.00
6	Deduct - Primce Coat	SY	537.0	$ 0.87	($467.19)		0	$0.00	537	537	-$467.19		0	0.00
7	Deduct - Compacted Caliche	SY	1047.000	$ 2.00	($2,094.00)		0	$0.00	1047	1047	-$2,094.00		0	0.00
8	Deduct - 5" Compacted Caliche	SY	537.000	$ 2.80	($1,503.60)		0	$0.00	537	537	-$1,503.60		0	0.00
9	Deduct - Excavate, treat, re-work exist.	SY	537.000	$ 3.85	($2,067.45)		0	$0.00	537	537	-$2,067.45		0	0.00

Monthly Totals:	$111,278.50	$71,458.31	11,600.00
ADMINISTRATIVE (901)			
PRELIMINARY ENGINEERING (902)			
CONSTRUCTION ENGINEERING (903)			
RIGHT-OF-WAY (904)			
Base Bid	$84,714.50	$55,101.55	11,600.00
Alternate NO 6	$26,564.00	$0.00	0.00
Change Order 2	$0.00	$16,146.50	0.00
Change Order 3	$0.00	$210.26	0.00

Total to Date

Base Bid	$151,416.05
Alternate NO 6	$26,564.00
Change Order 2	$16,146.50
Change Order 3	$210.26
Total	$194,336.81

Prepared and Checked By:

Signature: Pedro Saenz
Printed Name: Pedro Saenz - Manager
General Partner

Date: 5/1/12

Saenz Utility Contractos, LTD	Contractor Name	Application No.:	4 (Forth)
11/4/2011	Starting Date	Application Date:	4/30/2012
3/13/2012	Project Ending Date	Period To:	3/28/2012
El Dora rd Street & Drainage Improvements	Engineer's / County Project Description	Engineer's / County Project No.:	C-11-043A-06-28

					Original Schedule Value			Value		First Month			Second Month			Third Month				Balance To Finish	
No.	Item Code	Description	Unit	Original Rates	Quan	Dollars	Revised Rates	Quan	Dollars	Monthly Quan	QTY to Date	Item Cost (Monthly)	Monthly Quan	QTY to Date	Item Cost (Monthly)	Monthly Quan	QTY to Date	Item Cost (Monthly)	Total to Date	Quan	Dollars
		Base Bid																			
1		Prime Coat (MC-30) Entire Base	SY	$ 0.85	11,738.0	9,977.30	$ -	0.0	-		0	-	11738	11738	9,977.30	-	-	-	9,977.30	0.0	0.00
2		10" Compacted Caliche Base (labor only)	SY	$ 2.00	7,104.0	14,208.00	$ -	0.0	-		0	-	7104	7104	14,208.00	-	-	-	14,208.00	0.0	0.00
3		5" Compacted Caliche Base (labor only)	SY	$ 2.80	6,796.0	19,028.80	$ -	0.0	-	6796	0	19,028.80	0	6796	-	-	-		19,028.80	0.0	0.00
4		Excavate, treat and rework existing caliche	SY	$ 3.85	13,282.0	51,135.70	$ -	0.0	-	13282	0	51,135.70	0	13282	-	-	-	-	51,135.70	0.0	0.00
5		Traffic Control	LS	$ 6,200.00	1.0	6,200.00	$ -	0.0	-	1	0	6,200.00	0	1	-	-	-	-	6,200.00	0.0	0.00
6		Type "A" Barrier Concrete Curb & Gutter	LF	$ 5.25	4,525.0	23,756.25	$ -	0.0	-		0	-	4525	4525	23,756.25	-	-	-	23,756.25	0.0	0.00
7		4" Compacted Caliche base for Driveways	SY	$ 4.75	673.0	3,196.75	$ -	0.0	-		0	-	673	673	3,196.75	-	-	-	3,196.75	0.0	0.00
8		4" Concrete Driveway	SY	$ 3.65	105.0	383.25	$ -	0.0	-		0	-	105	105	383.25	-	-	-	383.25	0.0	0.00
9		6' Concrete Valley Gutter	LF	$ 20.00	154.0	3,080.00	$ -	0.0	-		0	-	154	154	3,080.00	-	-	-	3,080.00	0.0	0.00
10		Themoplastic Pavement Markings	LS	$ 11,600.00	1.0	11,600.00	$ -	0.0	-		0	-	0	0	-	1.00	-	11,600.00	11,600.00	0.0	0.00
11		Concrete Chute	EA	$ 250.00	2.00	500.00	$ -	0.0	-		0	-	2	2	500.00	-	-	-	500.00	0.0	0.00
12		Erosion Control	LS	$ 8,350.00	1.0	8,350.00	$ -	0.0	-	1	0	8,350.00	0	1	-	-	-	-	8,350.00	0.0	0.00
		Total Roadway				**151,416.05**			-			**84,714.50**			**55,101.55**			**11,600.00**	**151,416.05**		**0.00**
		ALTERNATE NO 6																			
1		Tensar TX 5 GEOGRID (Material & Labor)	S.Y.	$ 2.00	13,282.0	26,564.00	$ -	0.0	-	13282	0	26,564.00		13282	-	-	-	-	26,564.00	0.0	0.00
		Total Alternate NO 6				**26,564.00**			-			**26,564.00**			-			-	**26,564.00**		**0.00**
		Change Order #2																			
1		Prime Coat Intersection on West Side	SY	$ 0.85		-	$ 0.85	1,047.0	889.95		0	-	1047	1047	889.95	-	-	-	889.95	0.0	0.00
2		10" Compaceted Caliche (Labor only)	SY	$ 2.00		-	$ 2.00	1,047.0	2,094.00		0	-	1047	1047	2,094.00	-	-	-	2,094.00	0.0	0.00
3		5" Compaceted Caliche (Labor only)	SY	$ 2.80			$ 2.80	1,047.0	2,931.60		0	-	1047	1047	2,931.60				2,931.60	0.0	0.00
4		Excavate, treat and rework exist rd section	SY	$ 3.85		-	$ 3.85	1,047.0	4,030.95		0	-	1047	1047	4,030.95	-	-	-	4,030.95	0.0	0.00
5		Traffic Control	LS	$ 6,200.00		-	$ 6,200.00	1.0	6,200.00		0	-	1	1	6,200.00	-	-	-	6,200.00	0.0	0.00
		Total Change Order 2				-			**16,146.50**			-			**16,146.50**			-	**16,146.50**		**0.00**
		Change Order #3																			
1		Type "A" Barrier Concrete Curb & Gutter	LF	$ 5.25		-	$ 5.25	300.0	1,575.00		0	-	300	300	1,575.00	-	-	-	1,575.00	0.0	0.00
2		Remove and Dispose of Existing Curb	LF	$ 4.50		-	$ 4.50	50.0	225.00		0	-	50	50	225.00	-	-	-	225.00	0.0	0.00
3		Concrete Apron	SF	$ 3.50		-	$ 3.50	725.0	2,537.50		0	-	725	725	2,537.50	-	-	-	2,537.50	0.0	0.00
4		Back of Curb backfill	CY	$ 2.50		-	$ 2.50	265.0	662.50		0	-	265	265	662.50	-	-	-	662.50	0.0	0.00
5		Excavate & remove caliche	SY	$ 2.50		-	$ 2.50	537.0	1,342.50		0	-	537	537	1,342.50	-	-	-	1,342.50	0.0	0.00
		Deduct - Prime Coat	SY	$ 0.87		-	$ 0.87	537.0	(467.19)		0	-	537	537	(467.19)		-	-	(467.19)	0.0	0.00
		Deduct - Compacted Caliche	SY	$ 2.00		-	$ 2.00	1,047.0	(2,094.00)		0	-	1047	1047	(2,094.00)		-	-	(2,094.00)	0.0	0.00
		Deduct - 5" Compacted Caliche	SY	$ 2.80		-	$ 2.80	537.0	(1,503.60)		0	-	537	537	(1,503.60)		-	-	(1,503.60)	0.0	0.00
		Deduct - Excavate, treat & re-work exist.	SY	$ 3.85		-	$ 3.85	537.0	(2,067.45)		0	-	537	537	(2,067.45)		-	-	(2,067.45)	0.0	0.00
		Total Change Order 3				-			**210.26**			-			**210.26**			-	**210.26**		**0.00**
		TOTAL AMOUNTS:				**177,980.05**			**16,356.76**			**111,278.50**			**71,458.31**			**11,600.00**	**194,336.81**		**-**

Pedro Saenz
Print Name

5/1/12
Date

Pedro Saenz
Signature

Exhibit E-D

AI-32940 **Precinct #3** **15. A.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted By: Monica Badillo, EXECUTIVE OFFICE

Department: EXECUTIVE OFFICE

Information

CAPTION

Approval to accept donation from the La Joya Lions Club of 6-8 oak trees to be planted at the baseball park in Los Ebanos

BACKGROUND

Each tree is approximately $ 90.00 each. Precinct #3 is responsible for planting and watering the trees.

Fiscal Impact

FISCAL YEAR: 2012 **ACCT. #:** 2-1100-452-00-123-008-0-411

FUNDS AVAILABLE Y/N?: Y **MATCHING FUNDS Y/N?:** N

BUDGETARY IMPACT:

Precinct #3 is responsible for planting and watering the trees. Available funds (for water expenditures) as of 6/21/12 are $7,261.29.

Attachments

1

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/21/2012 11:53 AM
Perla Lopez	Perla Lopez	06/21/2012 03:21 PM
Auditor's Office	Arcilia Duran	06/21/2012 04:49 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Monica Badillo Started On: 06/21/2012 11:02 AM

Final Approval Date: 06/22/2012

LA JOYA LIONS CLUB

P.O. BOX 49

LA JOYA, TEXAS 78560

THE LA JOYA LIONS CLUB MET ON MAY 22, 2012 AT CHOZITAS KITCHEN. A REQUEST WAS MADE BY ENEDINA VELA, 2ND VICE DISTRICT GOV. FOR A DONATION TO THE LOS EBANOS COMMUNITY FOR 6-8 OAK TREES TO BE PLANTED AROUND THE BASEBALL PARK SO KIDS IN THE COMMUNITY AND ADULTS WOULD BE ABLE TO HAVE SHADE WHEN THERE IS A GAME OR WHEN ADULTS ARE WALKING THE SIDE WALK.

THE ONLY REQUEST IS THAT THE TREES BE PLANTED BY THE COUNTY AND ALSO WATERED BY THE PCT. 3 COUNTY. THE TREES WILL BE DEILIVERD AS SOON AS THE COUNTY IS READY.

THE REQUEST WAS APPROVED BY MARI GONZALEZ, OMAR SAENZ AND ENEDINA VELA.

IF YOU NEED ANY ADDITIONAL INFORMAITON PLEASE LET ME KNOW AND I WILL BE MORE THAN HAPPY TO ASSIST YOU ON ANY QUESTIONS THAT THE PCT. 3 COMMISSIONERS OR ANYBODY ELSE FROM THE COUNTY MIGHT HAVE.

Enedina Vela

ENEDINA VELA
LA JOYA LIONS CLUB TREASURER
IN LIONISM - WE SERVE
DISTRICT 2-A3 VICE DIST. GOVERNOR
956-458-9373

$90
Each
Oak Tree

acceptance of donation

AI-32852 **Precinct #4 16. A.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Sergio Cruz **Submitted By:** Dale Kennan, BUDGET & MANAGEMENT

Department: BUDGET & MANAGEMENT

Information

CAPTION

1. Discussion, consideration and approval to surplus improvements ($ 0.00 value) located on 2 tracts of land totaling 8.76 acres out of lot (15) fifteen, section 245 of the Texas-Mexican Railway survey of land for the purpose of disposition to another political subdivision.

2. Discussion, consideration and approval to surplus 2 tracts of land totaling 8.76 acres out of lot (15) fifteen, section 245 of the Texas-Mexican Railway survey of land for the purpose of disposition to another political subdivision. (appraised value $385,596.00)

2. Discussion, consideration and approval of an Interlocal Cooperation Agreement Between Hidalgo County Drainage District #1 and the County of Hidalgo for the sale and purchase terms of tract #1 (exhibit A) and Tract #3 (exhibit B) to Hidalgo County Drainage District #1 made payable by funds of the Drainage District for a total of $385,596.00.

BACKGROUND

LOCATION: 1105 N. Doolittle Road, Edinburg, Texas (3 tracts of land containing 12.25 acres out of lot Fifteen (15), Section 245 of the Texas-Mexican Railway Company's Survey of lands in Hidalgo County to Hidalgo, TX)

Current Purchase in 2012

Tract 1 5.43 Acres Appraised value: $295,663.00 Appraisal Date: 04/10/12

Tract 3 3.33 Acres Appraised value: $ 89,933.00 Appraisal Date: 04/10/12

Totaling in 2012 to: $385,596.00

Future Purchase in 2013

Tract 2 3.49 Acres Appraised value: $190,030.00 Appraisal Date: 04/10/12

Grand Total for 2012 & 2013: $575,626.00

The Drainage District will be purchasing Tract 1 and Tract 3 in 2012 for a total purchase price of 385,596. Tract 2 will be purchased in 2013 for a total purchase price of $190,030

Ref. AI#31803 approved through DD CC 04/10/12

Attachments

revised

Legal Counsel

Metes & Bounds for Tract 1

Metes & Bounds for Tract 2 & 3

LEONEL APPRAISAL 4-10-12 PCT#4

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/15/2012 02:48 PM
Manuel Chapa	Manuel Chapa	06/20/2012 09:25 AM
Auditor's Office	Arcilia Duran	06/22/2012 02:04 PM
Dina Trevino	Merlen P. Munoz	06/22/2012 03:26 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Dale Kennan Started On: 06/15/2012 11:46 AM

Final Approval Date: 06/22/2012

STATE OF TEXAS §

COUNTY OF HDALGO §

INTERLOCAL COOPERATION AGREEMENT
BETWEEN THE HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
AND COUNTY OF HIDALGO

THIS Agreement is made on this the ____day of_____, 2012, by and between the **HIDALGO COUNTY DRAINAGE DISTRICT NO. 1.**, hereinafter referred to as "District," and the **COUNTY OF HIDALGO**, hereinafter referred to as "County," pursuant to the provisions of the Texas Interlocal Cooperation Act, as follows:

WITNESSETH:

WHEREAS, the County currently owns two certain tracts of land situated in the Hidalgo County, Texas, more fully described on Exhibit "A" and Exhibit "B" respectively attached hereto and made a part hereof for ail purposes (hereinafter collectively referred to as the "Tracts"); and

WHEREAS, the District desires to acquire the Tracts in fee, for District purposes; and

WHEREAS, this Agreement for the proposed acquisition of the Tracts is in lieu of condemnation; and

WHEREAS, Section 272.001(b) of the Local Government Code provides that the notice and bidding requirements of Subsection 272.001(a) are not applicable to a real property interest conveyed to a governmental entity that has the power of eminent domain. Such real property interests may not be conveyed, sold, or exchanged for less than the fair market value of the land. The fair market value is determined by an appraisal obtained by the political subdivision that owns the land; and

WHEREAS, the Tracts are real property interest owned by a political subdivision;

WHEREAS, District is a governmental entity that has the power of eminent domain;

WHEREAS, an appraisal was prepared by a certified appraiser, who appraised the Tracts at $295,663.00 (Exhibit A tract) and $89,933.00 (Exhibit B tract) respectively; and

WHEREAS, County agrees to sell to District, who agrees to purchase, the Tracts upon the terms and conditions set forth herein.

NOW, THEREFORE, County and District, in consideration of the mutual covenants expressed hereinafter, agree as follows:

1. County will convey the Tracts to District by Special Warranty Deed, together with all and singular the rights and appurtenances pertaining to the Tracts, including any right, title and interest of County in and to adjacent streets, alleys or rights-of-ways, together with any improvements.

2. The conveyance of the Tracts are subject to the following exceptions (collectively the "Permitted Exceptions"):

a. Subject to any and all easements and dedications of record or visible on the ground.

b. Save and except all oil, gas and other minerals in, under and that may be produced from such land.

c. Subject to any valid and outstanding mineral leases of record.

d. Subject to any zoning or subdivision requirements of governmental entities having jurisdiction thereof.

e. Subject to any restrictions, easements, reservations or covenants, and any other restrictions as shown by title commitment.

3. Closing of the transfer of the Tract to the District ("Closing") shall take place at the offices of Atlas, Hall & Rodriguez, LL,P., 818 Pecan, McAllen, Texas, on or before September 1, 2012, or at such earlier time, date and place as County and District may agree upon.

4. At Closing, District shall pay the County the sum of $385,596.00 and recording fees.

5. At Closing, County shall deliver to District:

a. A duly executed and acknowledged Special Warranty Deed conveying the Tracts in fee simple free and clear of any and all liens and encumbrances,

except the Permitted Exceptions as defined in numbered paragraph 2 above (the "Deed"); and

b. Possession of the Tract.

6. All costs, adjustments and expenses of Closing shall be borne as follows:

a. Each party shall pay its own attorney's fees; and

b. District shall pay the cost of recording instruments presented by the County.

7. The terms and provisions of this Agreement shall survive the Closing, and may be enforced by specific performance.

8. if either party fails to comply with the obligations as set out in this Agreement, the other party may terminate this Agreement.

9. Any signatory to this Agreement, who is the prevailing party in any legal proceeding against any other signatory brought under or with relation to this Agreement or transaction, shall be additionally entitled to recover Court costs and reasonable attorneys' fees from the non-prevailing party.

10. If prior to the Closing all or any portion of the Tract is condemned, either party shall have the right to terminate this Agreement upon giving written notice to the other party within ten (10) days of the date one party notifies the other, in writing, of such condemnation. If neither party elects to terminate this Agreement, then the Closing shall take place, as herein provided and the interest in any condemnation awards shall be assigned to the party receiving title to such property at Closing.

11. The existence of any other liens or encumbrances which secure an obligation to pay money shall not be objections to title provided that properly executed instruments in recordable form necessary to satisfy the same are delivered by the transferring party at the Closing, together with recording or filing fees.

12. This Agreement may not be assigned without prior written consent executed by both parties hereto.

13. Any representations, warranties, or covenants of the parties, as well as any rights and benefits of the parties, shall survive the Closing and not be merged therein.

14. Time shall be of the essence of this Agreement.

15. This Agreement and all of the terms, provisions and covenants contained herein shall apply to, be binding upon and inure to the benefit of the parties hereto, their respective successors and assigns.

16. This Agreement shall be construed and interpreted under the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Hidalgo County, Texas.

17. in case 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 provisions hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein.

18. All notices, demands or requests required or permitted under this Agreement shall be in writing, and shall be deemed to have been properly given, whether or not actually received, when the same have been deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to the as set forth below:

If to County: Hidalgo County, Texas
Attention: Ramon Garcia, County Judge
P.O. Box 1356
Edinburg, Texas 78540-0758

If to District: Hidalgo County Drainage District No. One
Attention: Manager
900 N. Doolittle Road
Edinburg, Texas 78541

19. This Agreement contains the entire agreement between the parties and supersedes all prior agreements and understandings between the parties concerning the Tracts, and it shall not be amended, modified, supplemented or changed in any way except by written agreement of the parties.

20. To the extent allowable by law, the parties hereto agree to indemnify and hold harmless the other party from any and all costs, expenses or damages resulting from any claims for brokerage fees or other similar form of compensation made by any

real estate broker or other person or entity because of the transactions contemplated herein.

21. Should either party be in default under any of the terms of this Agreement, the non-defaulting party shall so notify the defaulting party in writing and the defaulting party shall have a period of twenty (20) days from the receipt of such notice to cure the default.

22. In addition to the acts recited in this Agreement to be performed by the parties, the parties hereto agree to perform or cause to be performed at the Closing or after the Closing, any and all such further acts as may be reasonably necessary to consummate transactions contemplated hereby.

The date of this Agreement is the ____ day of _____, 2012.

HIDALGO COUNTY

_____
By: Ramon Garcia, County Judge
Print Name: _____
Title: _____

HIDALGO COUNTY DRAINAGE DISTRICT NO. ONE
By: _____
Print Name: _____
Title: _____

APPROVED AS TO FORM
Atlas, Hall & Rodriguez, L.L.P

By: _____
Stephen L. Crain

EXHIBIT A

METES AND BOUNDS
TRACT No.1

A 5.43 ACRE TRACT OF LAND OUT OF LOT 15, SECTION 245, TEXAS-MEXICAN RAILWAY COMPANY'S SURVEY, HIDALGO COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 1, PAGE 16, MAP RECORDS, HIDALGO COUNTY, TEXAS, AND ACCORDING TO WARRANTY DEED RECORDED IN VOLUME 1302, PAGE 965, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS, REFERENCE TO WHICH IS HERE MADE FOR ALL PURPOSES AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS.

BEGINNING AT A COTTON PICKER SPINDLE SET ON THE WEST LINE OF LOT 15 AND IN THE CENTERLINE OF DOOLITTLE ROAD FOR THE NORTHWEST CORNER OF THIS TRACT, SAID SPINDLE BEARS S 09°05' W, 464.47 FEET FROM THE NORTHWEST CORNER OF LOT 15.

THENCE; S 80°55' E, PASSING A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET AT 30.00 FEET FOR THE EAST RIGHT OF WAY LINE OF DOOLITTLE ROAD, A TOTAL DISTANCE OF 544.30 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET ON THE WEST LINE OF A 70.00 FOOT HIDALGO COUNTY IRRIGATION DISTRICT No.1 CANAL RIGHT OF WAY FOR THE NORTHEAST CORNER OF THIS TRACT.

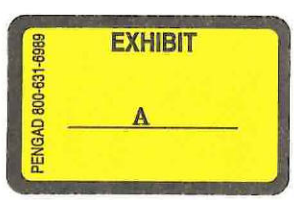
THENCE; S 45°18'23" W, ALONG THE WEST LINE OF SAID 70.00 FOOT HIDALGO COUNTY IRRIGATION DISTRICT No.1 CANAL RIGHT OF WAY, A DISTANCE OF 367.08 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 FOUND FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; ALONG THE WEST LINE OF SAID 70.00 FOOT HIDALGO COUNTY IRRIGATION DISTRICT No.1 CANAL RIGHT OF WAY AND THE ARC OF A CURVE TO THE LEFT (CURVE DATA: DELTA = 30°04'48", RADIUS = 536.24 FEET), A DISTANCE OF 281.52 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 FOUND FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; S 15°13'35" W, ALONG THE WEST LINE OF SAID 70.00 FOOT HIDALGO COUNTY IRRIGATION DISTRICT No.1 CANAL RIGHT OF WAY, A DISTANCE OF 124.61 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 FOUND FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; S 80°55' E, A DISTANCE OF 35.20 FEET TO A POINT IN THE CENTERLINE OF SAID 70.00 FOOT HIDALGO COUNTY IRRIGATION DISTRICT No.1 CANAL RIGHT OF WAY FOR AN EXTERIOR CORNER OF THIS TRACT.

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THENCE; N 80°55' W, ALONG THE NORTH LINE OF THE OSCAR L. GARZA TRACT, PASSING A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 FOUND AT 213.51 FEET FOR THE EAST RIGHT OF WAY LINE OF DOOLITTLE ROAD, A TOTAL DISTANCE OF 243.51 FEET TO A COTTON PICKER SPINDLE FOUND ON THE WEST LINE OF LOT 15 AND IN THE CENTERLINE OF DOOLITTLE ROAD FOR THE SOUTHWEST CORNER OF THIS TRACT.

THENCE; N 09°05' E, ALONG THE WEST LINE OF LOT 15 AND THE CENTERLINE OF DOOLITTLE ROAD, A DISTANCE OF 727.63 FEET TO THE POINT OF BEGINNING AND CONTAINING 5.43 ACRES OF LAND MORE OR LESS.

BEARINGS ARE IN ACCORDANCE WITH MULTI-PURPOSES FACILITY FOR PRECINCT No.4 SUBDIVISION, RECORDED IN VOLUME 27, PAGE 181, MAP RECORDS, HIDALGO COUNTY, TEXAS.

THE PROPERTY DESCRIBED IN THIS METES AND BOUNDS MAY BE SUBJECT TO THE SUBDIVISION REGULATIONS OF THE COUNTY OF HIDALGO AND/OR ORDINANCES OR GOVERNMENTAL REGULATIONS OF THE CITY IN WHICH THE PROPERTY MAY BE LOCATED OR HOLDING EXTRA TERRITORIAL JURISDICTION.

I, ALFONSO QUINTANILLA, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THE ABOVE METES AND BOUNDS TO BE TRUE AND CORRECT, AND TO BE THE REPRESENTATION AND RESULT OF AN ACTUAL SURVEY DONE ON THE GROUND UNDER MY DIRECTION.

DATE PREPARED: March 7, 2012

ALFONSO QUINTANILLA
REGISTERED PROFESSIONAL
LAND SURVEYOR No. 4856



EXHIBT B

METES AND BOUNDS
TRACT No.3

A 3.33 ACRE TRACT OF LAND OUT OF LOT 15, SECTION 245, TEXAS-MEXICAN RAILWAY COMPANY'S SURVEY, HIDALGO COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 1, PAGE 16, MAP RECORDS, HIDALGO COUNTY, TEXAS, AND ACCORDING TO WARRANTY DEED RECORDED IN VOLUME 1302, PAGE 965, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS, REFERENCE TO WHICH IS HERE MADE FOR ALL PURPOSES AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS.

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THENCE; S 45°18'23" W, ALONG THE WEST LINE OF SAID 70.00 FOOT HIDALGO COUNTY IRRIGATION DISTRICT No.1 CANAL RIGHT OF WAY, A DISTANCE OF 509.37 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR THE SOUTHEAST CORNER OF THIS TRACT.

THENCE; N 80°55' W, A DISTANCE OF 186.30 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR THE SOUTHWEST CORNER OF THIS TRACT.

THENCE; N 09°05' E, A DISTANCE OF 424.47 FEET TO THE POINT OF BEGINNING AND CONTAINING 3.33 ACRES OF LAND MORE OR LESS.

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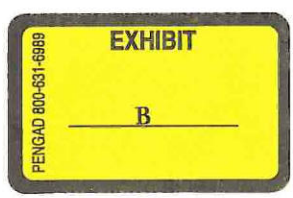
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DATE PREPARED: March 7, 2012

ALFONSO QUINTANILLA
REGISTERED PROFESSIONAL
LAND SURVEYOR No. 4856





LEGAL COUNSELS RESPONSES:

From: Steve Crain [mailto:scrain@atlashall.com]
Sent: Monday, April 16, 2012 1:15 PM
To: 'Martha Salazar'
Subject: RE: Regular AI-31663 - DBM

The correct amount is $385,596.00. The appraisals do not need to be attached to the agenda. In fee is a legal term understood by real estate attorneys and does not need to be changed. Paragraph 4 in the email is a standard paragraph used in earnest money contracts conveying access to the property. "City" has been changed to "District".

METES AND BOUNDS
TRACT No.1

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I, ALFONSO QUINTANILLA, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THE ABOVE METES AND BOUNDS TO BE TRUE AND CORRECT, AND TO BE THE REPRESENTATION AND RESULT OF AN ACTUAL SURVEY DONE ON THE GROUND UNDER MY DIRECTION.

DATE PREPARED: March 7, 2012

ALFONSO QUINTANILLA
REGISTERED PROFESSIONAL
LAND SURVEYOR No. 4856



METES AND BOUNDS
TRACT No.2

A 3.49 ACRE TRACT OF LAND OUT OF LOT 15, SECTION 245, TEXAS-MEXICAN RAILWAY COMPANY'S SURVEY, HIDALGO COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 1, PAGE 16, MAP RECORDS, HIDALGO COUNTY, TEXAS, AND ACCORDING TO WARRANTY DEED RECORDED IN VOLUME 1302, PAGE 965, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS, REFERENCE TO WHICH IS HERE MADE FOR ALL PURPOSES AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS.

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THENCE; S 80°55' E, ALONG THE SOUTH LINE OF THE ROMAN VERA, JR. TRACT, PASSING A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 FOUND AT 30.00 FEET FOR THE EAST RIGHT OF WAY LINE OF DOOLITTLE ROAD, A TOTAL DISTANCE OF 358.00 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR THE NORTHEAST CORNER OF THIS TRACT.

THENCE; S 09°05' W, A DISTANCE OF 424.47 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR THE SOUTHEAST CORNER OF THIS TRACT.

THENCE; N 80°55' W, PASSING A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET AT 328.00 FEET FOR THE EAST RIGHT OF WAY LINE OF DOOLITTLE ROAD, A TOTAL DISTANCE OF 358.00 FEET TO A COTTON PICKER SPINDLE SET ON THE WEST LINE OF LOT 15 AND IN THE CENTERLINE OF DOOLITTLE ROAD FOR THE SOUTHWEST CORNER OF THIS TRACT.

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DATE PREPARED: March 7, 2012

ALFONSO QUINTANILLA
REGISTERED PROFESSIONAL
LAND SURVEYOR No. 4856



METES AND BOUNDS
TRACT No.3

A 3.33 ACRE TRACT OF LAND OUT OF LOT 15, SECTION 245, TEXAS-MEXICAN RAILWAY COMPANY'S SURVEY, HIDALGO COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 1, PAGE 16, MAP RECORDS, HIDALGO COUNTY, TEXAS, AND ACCORDING TO WARRANTY DEED RECORDED IN VOLUME 1302, PAGE 965, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS, REFERENCE TO WHICH IS HERE MADE FOR ALL PURPOSES AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS.

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DATE PREPARED: March 7, 2012

ALFONSO QUINTANILLA
REGISTERED PROFESSIONAL
LAND SURVEYOR No. 4856



Leonel Garza Jr. & Associates LLC

Real Estate Appraisal Services

Restricted Use Appraisal Report
1102 N. Doolittle Road, Edinburg, Texas.

Owner of Record: Hidalgo County Precinct No. 4

April 10, 2012
(Date of Report)

1419 Dove, Suite 1, McAllen, Texas 78504
(956) 687-7295 (24 Hour Answering Service)
Fax (956) 687-9236 Email Address: leonel3@garza-associates.com

Leonel Garza Jr. & Associates LLC

Real Estate Appraisal Services

April 10, 2012

Hidalgo County Precinct No. 4
C/o: Steve Cruz
1051 N. Doolittle Road
Edinburg, Texas 78540

RE: 1105 N. Doolittle Road, Edinburg, Texas (A tract of land containing 13.22 acres out of Lot Fifteen (15), Section 245 of the Texas-Mexican Railway Company's Survey of lands in Hidalgo County, TX)

Mr. Cruz:
In accordance with your request, we are pleased to present our restricted use appraisal report of the industrial use property located at the above-described location. This appraisal report shall establish the fee simple market valuation of the subject property to be used for analysis as determined by Hidalgo County Precinct No. 4 as per scope of the assignment. The assignment is to establish the current market valuation of the underlying land value of the subject property in its present state and to be reported in a restricted use report for the sole use for analysis by Hidalgo County Precinct No. 4 office. This report shall be utilized for the proposed purchase of the underlying land area from Hidalgo County Drainage District No. 1. This report, which is intended to comply with the reporting requirements set forth under Standard Rule 1 and 2-2 (c) of the Uniform Standards of Professional Appraisal Practice for a Restrict Use Appraisal. This letter along with the assumption & limiting conditions and certification shall be attached herewith. I, Leonel Garza III, General Certified Real Estate Appraiser, personally inspected the subject property on several occasions over the period of the last 11 months of which a prior appraisal was performed on April 19, 2011 and the most recent on-site visit being April 1, 2012. This appraiser has carefully studied and analyzed factors pertinent to the valuation of the estimate of value as per scope. The report has been written as per scope in a restricted use format of which limits the use of the report to the intended client only. The appraisers opinions and conclusions set forth in the report may not be understood properly without additional information provided within the appraisers work file. It should be understood by the client and intended user that this report is limited to the scope of the assignment and information provided by Hidalgo County Precinct No. 4. This report shall comply with the specific approach to value requested by Hidalgo County Precinct No. 4 for purposes of this report. This is a restricted use appraisal report does not include any personal property, advertisement signs ect, unless specified to be included as per scope of the assignment. From the facts in this report, the market value of the subject property as of April 19, 2011 is indicated to be: $575,626.00.

If you have any questions about this report or if any item needs clarification please do not hesitate to call on us at (956) 687-7295.

Sincerely,

Leonel Garza III
State Certified General Real Estate
Appraiser TX-1328375-General

1419 Dove, Suite 1, McAllen, Texas 78504
(956) 687-7295 (24 Hour Answering Service) Fax (956) 687-9236
Email Address: leonel3@garza-associates.com

Certification

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*. This restricted use report is limited to the information provided by Hidalgo County Precinct No. 4 and other information provided to this appraiser during the course of the assignment.
- I, Leonel Garza III, have made a personal inspection of the property that is the subject of this report.
- I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to the review by its duly authorized representatives. I also acknowledge that I, Leonel Garza III, am an associate member of the Appraisal Institute and is not MAI Designated, however, am currently seeking designation. Leonel Garza III is a designated a Master Real Estate Appraiser, through the National Association of Master Appraisers (NAMA).
- I, Leonel Garza III, have appraised the subject property within the last five (5) years.



Leonel Garza III
State Certified General Real Estate
Appraiser Number TX-1328375 – General

Assumptions and Limiting Conditions

This report has been prepared with the following general assumptions:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.

2. This is a restricted use appraisal, which is intended to comply with the reporting requirements set forth under Standard Rule 1 and 2-2 (c) of the Uniform Standards of Professional Appraisal Practice. This report does not include a full discussion of data, reasoning, and analysis of which was utilized to develop an opinion of value. All supporting information and documentation, analysis is retained in the appraisers working file. The information set forth in this restricted use report was designed specifically for the intended user and specific needs of the client, Hidalgo County Precinct No. 4.

3. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated. This appraiser assumes no responsibility for matters of a legal nature affecting the subject property being appraised or the titles, liens ect, not disclosed to this appraiser for purposes of this report. This report has been performed under the limited information provided by the client.

4. Responsible ownership and competent property management are assumed.

5. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

6. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property. Any sketch included in the body of this report shall be utilized for demonstrative purposes and is subject to a current survey.

7. It is assumed that there are no hidden or un-apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

8. It is assumed that the property is a full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.

9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

10. It is assumed that the use of the land and improvements is confined within the boundaries or property line of the property described and that there is no encroachment or trespass unless noted in the report.

11. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by this appraiser. The appraiser does not have any knowledge of the existence of such material on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

12. Any allocation of the total value of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

13. Possession of this report, or a copy thereof, does not carry with it the right of publication.

14. The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

15. Neither all or any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.

16. If the property rights appraised are the "Leased Fee Estate", then the Final Indicated Market Value Estimate is based on the continued performance under the existing lease terms.

17. Neither all, nor any part of the contents of the report, or a copy thereof (including conclusions as to the property value, the identity of the Appraisers, professional designations, or the firm with which the Appraisers are connected, shall be used for any purposes by anyone for any reason but for the intended client of this report, without written consent from the office of Leonel Garza Jr. & Associates LLC.

18. As per scope of the assignment, this report is to reflect the current market value based on the selected approach to market value and indicate any external obsolescence or market conditions affecting the subject property values.

19. It is understood that the scope of the assignment is to perform said appraisal in the subjects current state and current legal description as platted and recorded.

20. Indicated Marketing Time: Begins with the date of value estimate and the exposure time indicated.

21. Exposure to the Open Market: Listing the property on the market for sale with a Realtor, member of Multiple Listing Service, or a licensed Real Estate Broker, that will properly expose the property to the Market. This appraiser does not consider a sign placed by a bank on the property as proper marketing. If the property is presently listed for sale on the market, this appraiser must be notified prior to the completion of the appraisal.

22. Exposure Time: The length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

23. This appraiser has made a visual inspection of the subject property, and observed no obvious adverse environmental concerns, pesticides or other potentially hazardous materials. However, this appraiser is not qualified to make a detailed study on environmental concerns of the subject property. If, for any reason an environmental concern exist which was not observable to this appraiser, then it is highly recommended that an inspection be made by a qualified environmental engineer. Based on this appraisers observation and conversations with the subject owner, this appraisal shall be based on the assumption that no environmental concern exist and shall be valued as such. If an environmental concerns is indicated to this appraiser after the date of report, Leonel Garza Jr. & Associates LLC reserves the right to re-evaluate the market value of the subject property as mentioned in the scope of the assignment with additional cost to be determined by Leonel Garza Jr. & Associates LLC.

Purpose Of The Appraisal

This appraisal is prepared for the purpose of estimating the market value of the fee simple estate of the subject property, as defined in within this restricted use report, as of April 10, 2012. This appraisal does not include any enhancement in value resulting from items of intangible personal property such as marketing and management skill, an assembled work force, working capital, trade names, franchises, patents, trademarks, contracts, leases, or operating agreements. The purpose is further defined as for internal use by Hidalgo County Precinct No. 4 for the purpose of establishing an asking price for the property for potentially listing the property for sale to the Hidalgo County Drainage District No. 1.

Client & Intended Use of Appraisal

The client for this report is identified as Hidalgo County Precinct No. 4 of 1051 N. Doolittle Road, Edinburg, Texas. The intended use of the report is to assist Hidalgo County Precinct No. 4 in the determination of a current fair market valuation of the underlying land value of the subject property. This appraisal was previously performed in which improvements were included, however, the new scope of the assignment is to appraise the subject property as vacant.

Scope of the Assignment

As per original Purchase Order # 653312 dated February 24, 2011, Martha L. Salazar of Hidalgo County Precinct No. 4, requested for Leonel Garza Jr. & Associates LLC to prepare a restricted use appraisal report of the fee simple estate of the subject property described within this report. As of April 10, 2011, Precinct #4 requested an new appraisal with the revised scope to be delivered on April 16, 2012. The client has identified that the report shall be a restricted use report with an analysis of a specific approach to market value selected by the client and verified by this appraiser to be the most applicable approach. This report shall establish the current market value under the existing market conditions as vacant. It is noted as of the date of this report that the economic situation of the nation and that of the Lower Rio Grande Valley, may affect the market value within the next 12 to 16 months. This report is based on the extraordinary assumption that the real estate and financial market will stabilize within the next 12 to 18 months. The subject neighborhood shall be inspected as to observe any external obsolesce or economic factors, which may be pertinent to the subject property's valuation. Market sales within the market area and comparable market areas were identified and analyzed for comparability and for reliability in determining the estimated market value of the subject property. The appraisal report shall indicate the "As Vacant" of the subject property as per inspection date of on-site visit, April 10, 2012.

Property Rights Appraised
This appraisal requires a review of the rights to title that may be legally owned. The property rights appraised in this report are of the fee simple estate.

Certificate of Appraisal
This appraisal report conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation.

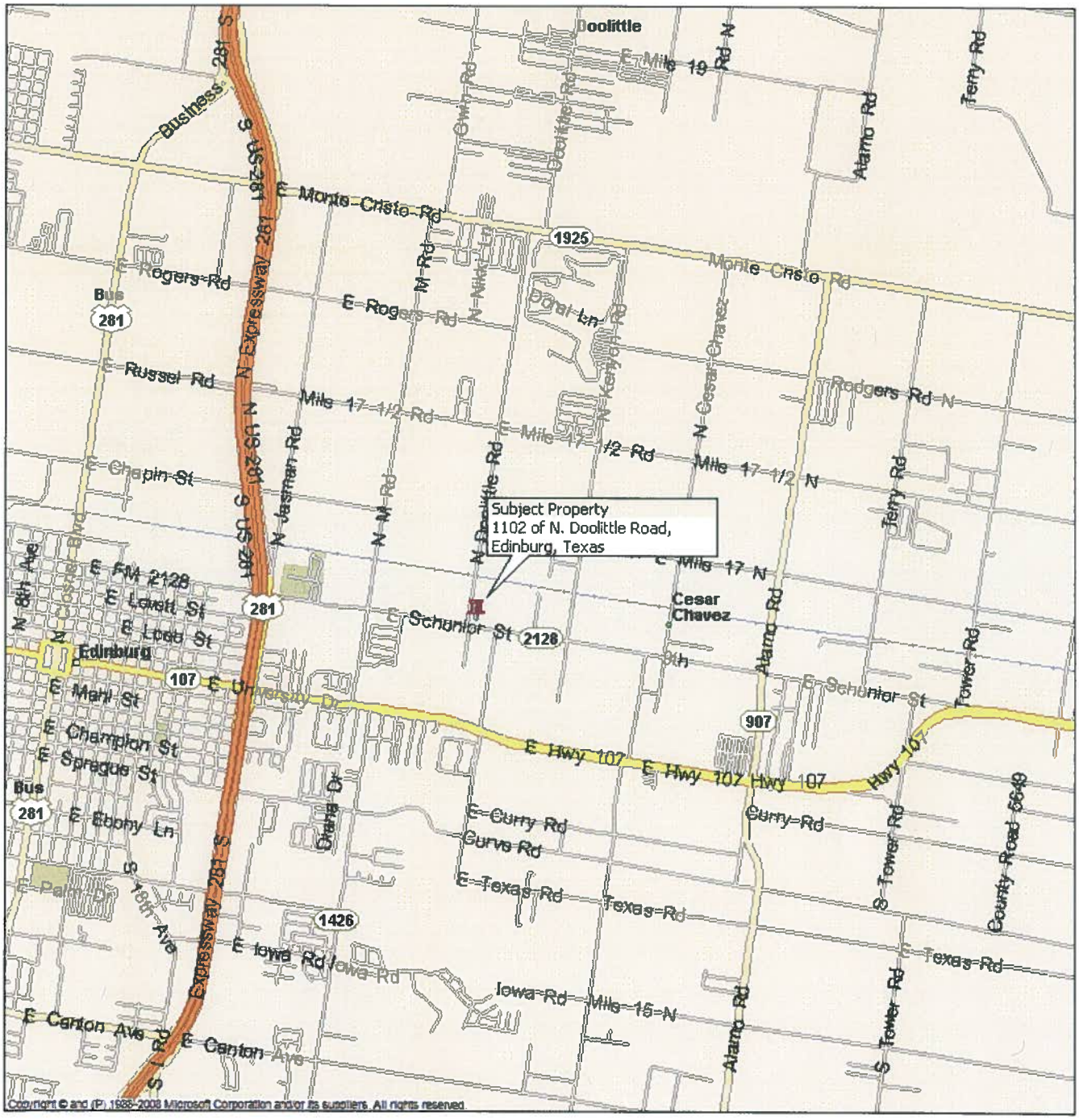
Identification of Personal Property
No personal property was included nor indicated as per scope of the assignment

Definition Of Market Value
Market Value is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the Buyer and Seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from Seller to Buyer under conditions whereby:

1. *Buyer and Seller are typically motivated*
2. *Both parties are well informed or well advised, and each-acting in what they consider their own best interest.*
3. *A reasonable time is allowed for exposure in the open market.*
4. *Payment is made in terms of cash in U.S. Dollars or in terms of financial arrangements comparable thereto.*
5. *The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*

The Office of the Comptroller of the Currency. (2006). 12 CFR, Part 34, Subpart C-Appraisals, 34-42, Definitions (g). Retrieved March 12, 2007, from http://www.occ.treas.gov/fr/cfrparts/12CFR34.htm#§%2034.42%20Definitions.

Subject Location Map



Aerial Map of Subject Property

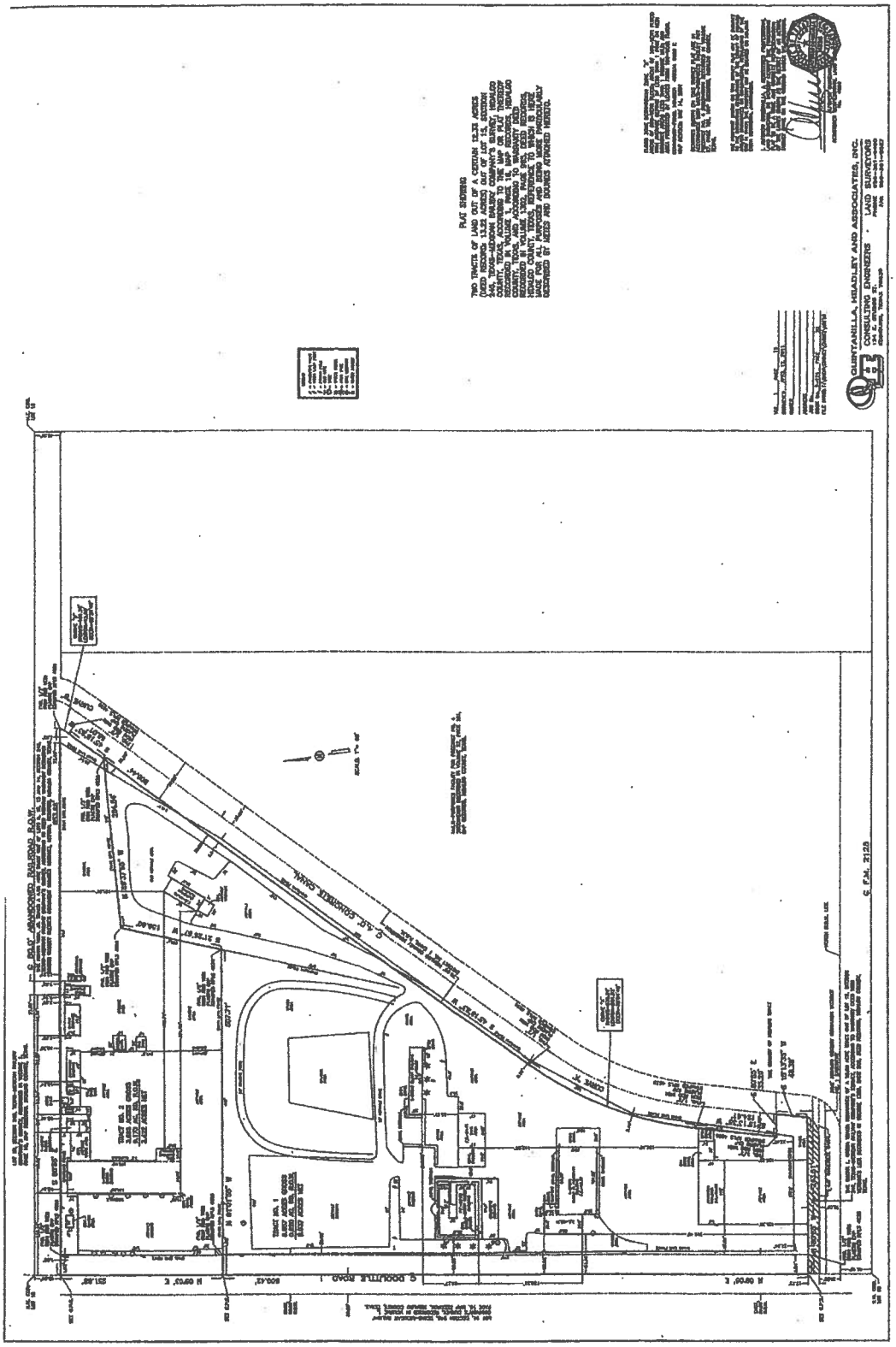


Aerial Map of Subject Property

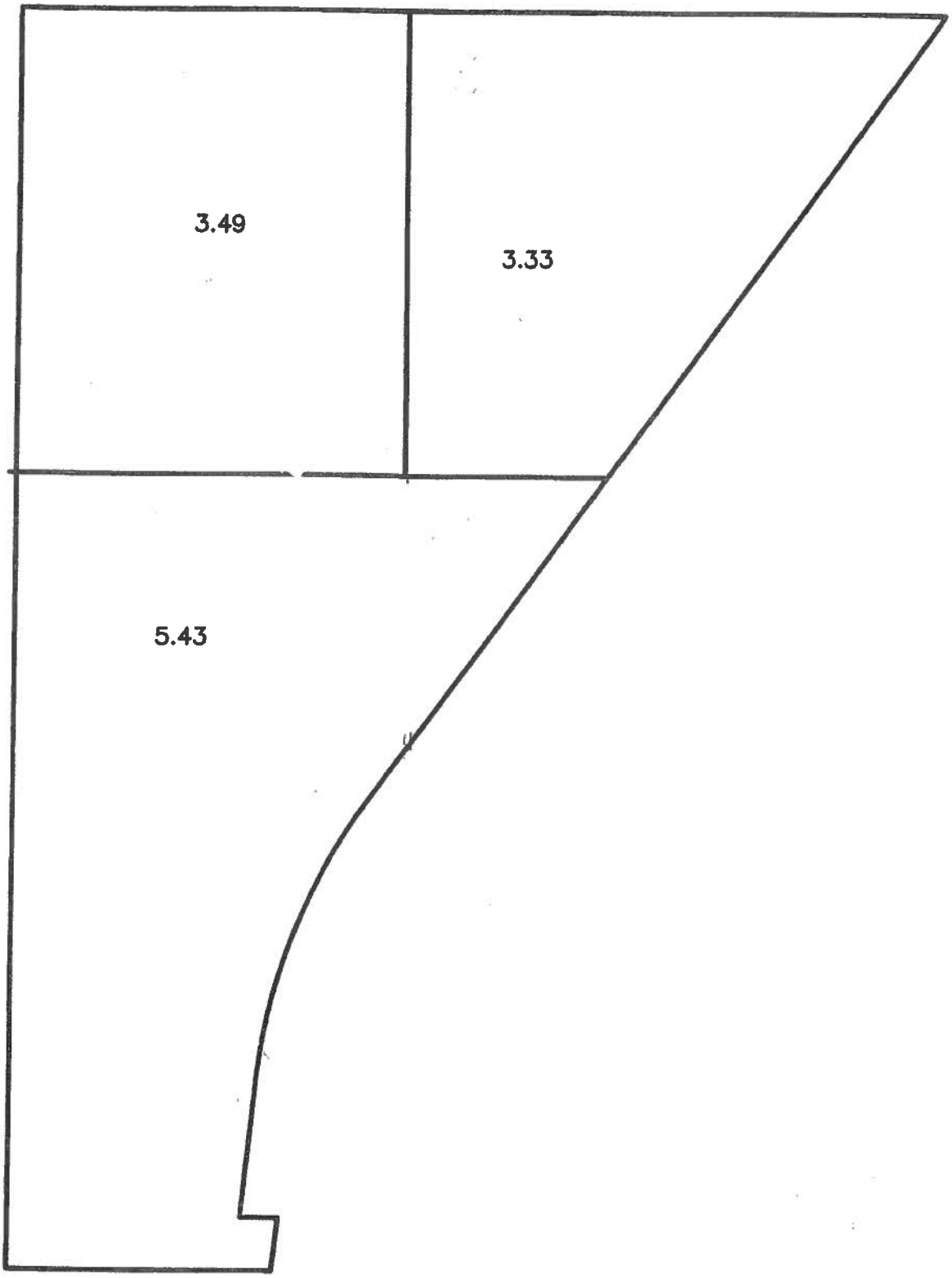


Note: Report Value is "As Vacant"

Survey of Subject Property



UPDATED LAND DIVISION



City of Edinburg Zoning Map of Subject Property



UDC Official Zoning Map

Legend

- City Boundary
- Agriculture
- Auto-Urban Residential
- Commercial, General
- Commercial, Neighborhood
- Industrial
- Neighborhood Conservation 5
- Neighborhood Conservation 7.1
- Neighborhood Conservation MH
- Suburban Residential
- Urban Center
- Urban Residential
- Urban University

Property Description & Analysis

The subject property is a gross ±12.33 (±11.459 net) acre industrial use tract located along the eastern frontage of Doolittle Road, north of E. Schunior Street, Edinburg, Texas. The subject property is irregular in shape and has approximately 1,192.10' lineal feet of frontage along Doolittle Road, within the City of Edinburg, Texas. The subject property is currently utilized by the County of Hidalgo for Precinct # 4 maintenance shop area along with the Hidalgo County Drainage District No. 1 office and maintenance shop. However, the purpose of this report is to value the whole property and exclude all site and building improvements from the valuation as per scope of the assignment. During the appraisal process the properties municipal zoning and flood plain are checked through the City of Edinburg and thru FEMA. According to the City of Edinburg Zoning Map, the property is indicated to located in an area zoned for industrial use. This municipal zoning is consistent and the subjects highest and best use. As per the FEMA Mapping Service (www.fema.gov) has indicated the property is located within an area designated as Flood Zone "X", as recorded in Flood Panel Number 480338 0020 E. This zoning designation indicates that the subject area is not prone to flooding and no certificate of elevation is required. The analysis of the subject property was to also include the valuation of the subject property as a whole with recognition to the various values each part of the subject would be if subdivided in a particular manner of which is consistent with the market. This appraiser worked with Quintanilla Headley & Associates to determine the land areas into three (3) specific partitions of which are as Tract 1, Tract 2 and Tract 3.

Owner of Record	County of Hidalgo, Texas
Ownership History	The subject property was acquired by the County of Hidalgo on November 17, 1971. As per HCAD the Grantor is unknown. Further review with the Hidalgo County Deed Records is needed. The subject property has been under the name of the County of Hidalgo for over Forty (40) years.
Physical Location	The subject property is located along the eastern side of Doolittle Road, North of Schunior Road, Edinburg Texas.
Legal Description	A tract of land containing 13.22 acres out of Lot Fifteen (15), Section 245 of the Texas-Mexican Railway Company's Survey of lands in Hidalgo County, Texas.
Gross Land Area	±12.33 Acres
Net Land Area	±11.459 Acres
Land Dimensions	Irregular in shape
Frontage	1,192.10' lineal feet of frontage along the eastern frontage of Doolittle Road, Edinburg, Texas.
Topography	Level and typical of the market area
Municipal Zoning Ordinance	Industrial
Utilities Available	All municipal utilities available
Flood Zone Map No.	480338 0020 E
Flood Zone Designation	Zone "X"
Encroachments or Easements	None Indicated (Subject To Survey)
Site Improvements	Multiple metal sheds and canopies throughout property.
Marketing Time Period	Twelve (12) to Twenty-Four (24) Months
Highest & Best Use As Improved	Light Industrial Use – Subdivided into smaller tracts.

Property Tax Data:

Real Property Tax Property Identification No. __ T2100-00-245-0015-00

Real Property Tax Assessment _____ $ 572,112

Assessed Land Value_____ $117,612

Assessed Building Improvements _____ $454,500

The following pages shall begin the analysis of the subject underlying land value.

Vacant Land Comparable Sales

Land Sale No. 1



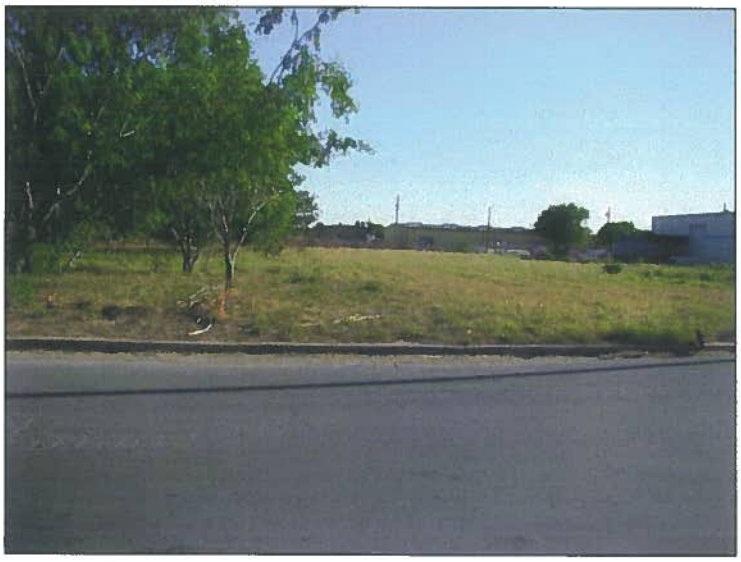
Type of Property	Light Industrial
Current Use:	Vacant
Date of Sale:	July 25, 2008
Address:	The property is located at the northwest corner of US Highway 281 and Independence Road in Edinburg, Texas.
Consideration:	$ 750,000
Size of Tract:	±4.017 Acres
Unit Sales Price:	$ 4.29 / s.f. – Gross
Grantor:	Richard A. Garza
Grantee:	Washington Creek Development, LLC
Terms & Conditions:	Cash to Seller
Legal Description:	All of Lot 1, JW Edinburg Subdivision, an addition to the City of Edinburg, Hidalgo County, Texas, as per map or plate thereof recorded in Volume 55, Pages 126, Deed Records, Hidalgo County, Texas.
Site & Area Description:	The subject property is located at the northwest corner of US Highway 281 and Independence Road in Edinburg, Texas. The property is square in shape with a dimension of 350.0' x 500.0' and 350.0' lineal feet of frontage along the west side of US Highway 281 and 500.0' lineal feet of frontage along the north side of Independence Road. Subject is being marketed as an light industrial tract of land with frontage to Highway 281.
Recording Information:	Document No.1916983, Hidalgo County, Texas.
Confirmation:	Leonel Garza Jr. & Associates LLC with MLS #109533

Land Sale No. 2



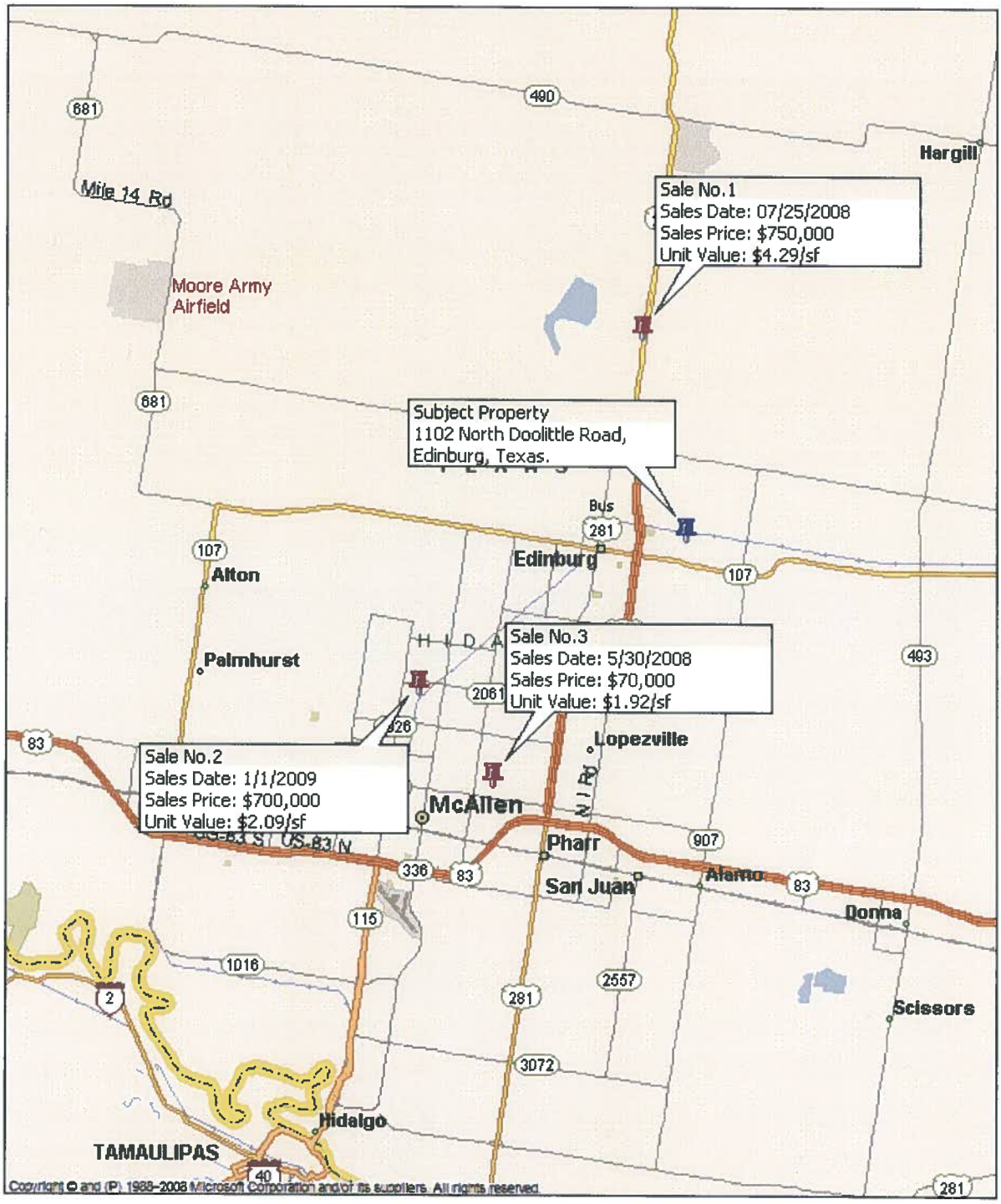
Type of Property:	Light Industrial Land
Current Use:	Vacant
Date of Sale:	January 1, 2009
Location:	Located at the end of Industrial Drive on the south side of the street in McAllen, Texas.
Legal Description:	All of Lot Eight (8), McAllen Northwest Industrial Subdivision No.2, an addition to the City of McAllen, Hidalgo County, Texas, according to a map or plat recorded in Volume 34, Page 43, Map Records, Hidalgo County, Texas.
Consideration:	$700,000
Size of Tract:	±7.70 Acres
Unit Price:	$2.09 / square foot
Grantor:	Production Credit Association of South Texas
Grantee:	Candelario X. Ontiveras and wife, Melissa L. Ontiveros
Terms:	Cash to Seller
Site & Area Description:	A vacant tract of land located on Industrial Drive. The site has access to all city of McAllen utilities which includes water and sewer. The sale has approximately 510.33' lineal of frontage along the south side of Industrial Drive. The subject property is an irregular shaped tract of land, which is "L" shaped. The property is zoned "I-1" Light Industrial District. The subject is an irregular shaped tract of land of which does not contain frontage on a primary thoroughfare within the City of McAllen. The tracts is the most comparable to the subject property because of the types of development surrounding the tract and the limited visibility similar to the subject of this report.
Recording Information:	Document 813925 of the Deed Records of Hidalgo County, Texas.
Confirmation:	Leonel Garza Jr. & Associates with MLS No. 123820

Land Sale No. 3



Type of Property	Light Industrial Lot
Current Use:	Vacant
Date of Sale:	May 30, 2008
Address:	Located on the south side of Upas Avenue west of Jackson Road in McAllen, Texas.
Legal Description:	All of Lot Nine (9), Northeast Industrial Subdivision, an addition to the City of McAllen, Hidalgo County, Texas, according to a map or plat, therefore recorded in Volume 23, Page 43, Map Records, Hidalgo County, Texas.
Consideration:	$ 70,000
Size of Tract (Gross):	±36,396 square feet
Unit Sales Price:	$ 1.92 / square foot
Grantor:	Compass Bank
Grantee:	Mary E. Cavazos
Terms & Conditions:	Cash to Seller
Site & Area Description:	Vacant interior tract of land located on the south side of Upas Avenue west of Jackson Road in McAllen, Texas, with all City of McAllen municipal utilities available. It was indicated by the City of McAllen Planning and Zoning Department that the property is currently zoned "I-1" Light Industrial District. According top FEMA Flood Panel No. 480343 0005C dated November 2, 1982 the subject property is located in Zone "B" which is not prone to flooding or standing water. The property dimensions are 108' x 337' with 108' lineal feet of frontage along the south side of Upas Avenue.
Recording Information:	Document No. 1899394, Hidalgo County, Texas.
Confirmation:	Leonel Garza Jr. & Associates with MLS No.115451

Comparable Sales Map



Comparable Sales Analysis Grid & Reconciliation of Value

	Subject	Sale No. 1		Sale No. 2		Sale No. 3	
Sales Price	$ -	$ 750,000		$ 700,000		$ 70,000	
Size of Sale	11.459 Acres	4.02 Acres		7.70 Acres		0.84 Acres	
Unit Price		$ 4.29 / Sf		$ 2.09 / Sf		$ 1.92 / Sf	
Date of Sale		July 25, 2008		January 1, 2009		May 30, 2008	
City Location	Edinburg, TX	Edinburg, TX		McAllen, TX		McAllen, TX	
Financing Terms	Conventional	Conventional	0%	Conventional	0%	Conventional	0%
Conditions of Sale	Arm Length	Arms Length	0%	Arms Length	0%	Arms Length	0%
Time & Market Conditions	Average	Average	0%	Average	0%	Average	0%
Relative Location	Average	Superior	-50%	Superior	-40%	Superior	-35%
Street Access	Doolittle Road	US 281 and Independence Road	-10%	Industrial Drive	0%	Upas Avenue	0%
Site Utility	Average	Similar	0%	Similar	0%	Similar	0%
Water & Sewer	Electricity / Water / Phone	Similar	0%	All Municipal Available	-5%	All Municipal Available	-5%
Topography	Level & Typical of Market	Similar	0%	Similar	0%	Similar	0%
Lot Location	Interior Tract	Corner	0%	Interior Tract	0%	Interior Tract	0%
Size Adjustment	11.459 Acres	4.02 Acres	-10%	7.70 Acres	-5%	0.84 Acres	-15%
Total Adjustment		$ (3.00)	-70%	$ (1.04)	-50%	$ (1.06)	-55%
Adjusted Unit Value		$ 1.29 / Sf		$ 1.04 / Sf		$ 0.87 / Sf	
Mean Adjusted Unit Value						$ 1.06 / Sf	
TRACT 1 = 5.43 Acres - Frontage @ $1.25/square foot						$	295,663
TRACT 2 = 3.49 Acres - Frontage @ $1.25/square foot						$	190,030
TRACT 3 = 3.33 Acres - Remainder Interior @ $0.62/square foot						$	89,933
					TOTAL LAND VALUE	$	575,626

Based on other land sales that have occurred along major thoroughfares in the McAllen/Edinburg market, adjustments were made to each sale for comparability purposes. After adjustment a unit range of value of $0.87 per square foot to $1.29 per square foot was indicated. Based on the assignment, this appraiser has determined that three (3) unit values are determined for the subject property, based on this appraisers division of the subject property as per scope. Based on the relative location of the subject property, a value near the upper end of the adjusted range to value of $1.25/square foot is indicated for Tract 1 & 2. A value indicated below the unit range was selected due to the irregular shape of the subject property and the interior depth from Doolittle Road. These unit values shall be applied to the market valuation of each segment. Recent land sales in the area are limited. Since the original date of appraisal 12 months ago, few new sales of a light industrial type use have occurred of which were considered comparable to the subject property with the type of irregular shape and the overall location. Therefore the appraisal is based on the above comparables selected as the most reliable for determining market value of the underlying land value as per scope. After a review of comparable sales in the market and a review of the subject property to be divided for future purchase. I have determined the following:

Tract 1: 5.43 Acres
This tract is valued at $1.25/sf or ($54,450/Acre). This land area encompasses multiple building and site improvements of which are indicated to be owned by the Drainage District. As per scope of the assignment, the appraisal report is being prepared under the premise that all improvements within this section are owned and operated by the Drainage District and shall not be included in the valuation of the subject property.

Appraised Value = 5.43 Acres or 236,530 square feet x $1.25/sf = $295,663

Tract 2: 3.49 Acres
This tract is valued at $1.25/sf or ($54,450/Acre). This land area encompasses multiple building and site improvements of which are indicated to be owned by the Drainage District. As per scope of the assignment, the appraisal report is being prepared under the premise that all improvements within this section are owned and operated by the Drainage District and shall not be included in the valuation of the subject property.

Appraised Value = 3.49 Acres or 152,024 square feet x $1.25/sf = $190,030

Tract 3: 3.33 Acres
This tract is valued at $0.62/sf or ($27,225/Acre). This land area encompasses multiple building and site improvements of which are indicated to be owned by the Drainage District. As per scope of the assignment, the appraisal report is being prepared under the premise that all improvements within this section are owned and operated by the Drainage District and shall not be included in the valuation of the subject property.

Appraised Value = 3.33 Acres or 145,054 square feet x $0.62/sf = $89,933

Total Land Valuation:

Tract 1 (Southern Frontage):	**$295,663**
Tract 2 (Northern Frontage):	**$190,030**
Tract 3 (Northeastern Corner):	**$ 89,933**
Market Value (Land Only)	**$575,626**

Qualifications of Appraiser – Leonel Garza III

The office of Leonel Garza Jr. & Associates LLC is owned and operated by Leonel Garza III. The company was founded by Leonel Garza Jr. who was a commercial real estate appraiser for more than 25 years. Leonel Garza Jr. was a State Certified General Real Estate Appraiser & Board Member of the Texas State Appraisal Review Board from October 23, 1995 Through September 15, 1998 and was appointed by Governor George W. Bush to this position for two (2) terms.

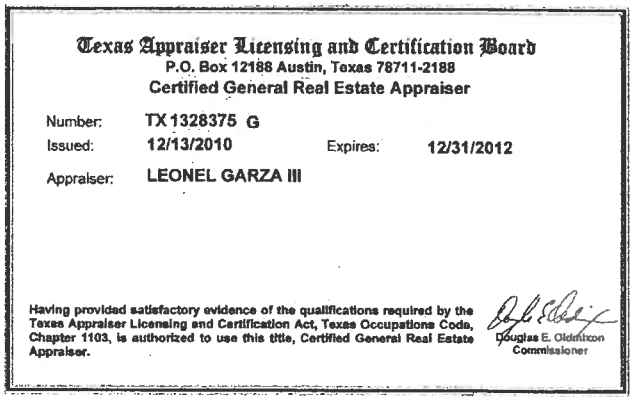
Leonel Garza III has continued the family business, concentrating on general commercial properties and right-of-way acquisition projects for more than 13 years. The office of Leonel Garza Jr. & Associates LLC contains three (3) General Certified Appraisers and several supporting staff members all located at 1419 Dove Avenue, Suite #1, McAllen, Texas. The following is a synopsis of the qualifications of Leonel Garza III and the public service organizations involved in with the County of Hidalgo and the City of McAllen.

Education

Graduate, 1995, Texas A&M University, College Station, Texas (Bachelor of Science in Biomedical Science)
Graduate, 1991 McAllen Memorial High School, McAllen, Texas

Licenses

State Certified General Real Estate Appraiser
Number TX - 1328375-General
Licensed Since December 31, 1998
Expires: December 31, 2012 (Active)



Texas Appraiser Licensing and Certification Board
P.O. Box 12188 Austin, Texas 78711-2188
Certified General Real Estate Appraiser

Number: TX 1328375 G
Issued: 12/13/2010 Expires: 12/31/2012
Appraiser: LEONEL GARZA III

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.

Douglas E. Oldmixon
Commissioner

State Certified Property Tax Consultant
Number TX – 00003181
Licensed Since May 20, 2002
Expires: June 16, 2012 (Active)

Public Service Organizations

Associate Member of the Appraisal Institute
Currently taking courses toward the designation of MAI through the Appraisal Institute.

National Association of Master Appraisers
Designated as a Master Senior Appraiser in 2006 by the national Association of Master Appraisers. This designation is obtained thru educational requirements and experience.

Associate Member of the International Right of Way Association (IRWA) (Member # 7899430)

Board Member of the City of McAllen Planning and Zoning Board
This board is charged with submitting reports, plans, and recommendations to the City Commission for the orderly growth, development, and welfare of the City. They review and make recommendations on zoning change requests, conditional use permits for longer than one year, and variances to Subdivision Ordinance requirements for development.

Chairman of the Hidalgo County Subdivision Advisory Board
This county board on subdivision reviews primary goal is to ensure that proper standards, set by Texas Water Development Board and the Texas Subdivision Model Rules and or opinions from the Texas State Attorney Generals Office, are conducted in the development of proposed subdivision within the County of Hidalgo and or Extraterritorial Jurisdiction of municipalities throughout the County of Hidalgo. The boards secondary function is to review applications for variances against the Flood Plain Administrators decisions of the base flood elevations throughout the County of Hidalgo. (Appointed in 1998 – Present)

Chairman of the Hidalgo County Building Line of Adjustments
This county board reviews applications of variances to general set-back regulations set forth by the County of Hidalgo. This review includes the review of existing and or proposed encroachments into set-backs, easements, road right-of-way set-back, subdivision plat requirements and or requirements set forth by adjoining municipalities of which the subject is within the extraterritorial jurisdiction.

Member of The McAllen Palm City Lions Club
Direct the fund raising for the annual Thanksgiving Drive on behalf of Lion Leonel Garza Jr. who founded the drive more than 20 years ago. In 2006, the club raised funds to feed 60 family's throughout the City of McAllen.

Executive Board Member of the Lower Rio Grande Valley Boy Scouts Council
The goal of the council is to maintain membership and the continued progress of the boy scouts within the Lower Rio Grande Valley. The council shall maintain progress reports of financial status of the council and plan for events worldwide which local children may participate as a representative of the council. These events include the World Jamboree and the National Jamboree.

Former Chairman of the City of McAllen Zoning Board of Adjustments and Appeals
This city board has the duty to hear and decide appeals where it is alleged there is error in any requirement, or determination made administratively in the enforcement of the Zoning Ordinance. The Board hears appeals that grant variances to setback requirements and special exceptions to reconstruction of nonconforming buildings.

Former Vice Chairman of the City of McAllen Ambulance Advisory Committee
Evaluates and reports to the City Commission on the operation of the emergency ambulance service rendered by company or companies rendering such service.

Former Member of the City of McAllen Building Board of Adjustments and Appeals
The BBOA reviews the decision of City Staff for the demolition of properties deemed unsafe through the City for a variety of reasons. The board review all facts and concerns and make the decision to secure or proceed with demolition based upon the safety of the neighboring property owners and occupants. The greatest concern for the commission is the safety of the surrounding neighborhood occupants.

Former Member of the Pharr Municipal Park Charter Committee
Appointed in 1998-1999, our goal was to establish a 103 acre master planned recreational park to the City of Pharr during our membership with the City of Pharr Leadership Class X.

WORK EXPERIENCE
Employee of Leonel Garza Jr. & Associates since 1990
State Certified General Real Estate Appraiser since 1998
Texas Property Tax Consultant since 2002
Owner of G-3 Construction which primary focus is multi-family residential construction
Commercial and residential property manager throughout the City of McAllen & Pharr, Texas.
Appraiser Trainee from 1995-1998 under the sponsorship of Leonel Garza Jr.

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Home > FEMA%20Flood%20Zone%20Designations

Definitions of FEMA Flood Zone Designations

Flood zones are geographic areas that the FEMA has defined according to varying levels of flood risk. These zones are depicted on a community's Flood Insurance Rate Map (FIRM) or Flood Hazard Boundary Map. Each zone reflects the severity or type of flooding in the area.

Moderate to Low Risk Areas

In communities that participate in the NFIP, flood insurance is available to all property owners and renters in these zones:

ZONE	DESCRIPTION
B and X (shaded)	Area of moderate flood hazard, usually the area between the limits of the 100-year and 500-year floods. Are also used to designate base floodplains of lesser hazards, such as areas protected by levees from 100-year flood, or shallow flooding areas with average depths of less than one foot or drainage areas less than 1 square mile.
C and X (unshaded)	Area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level.

High Risk Areas

In communities that participate in the NFIP, mandatory flood insurance purchase requirements apply to all of these zones:

ZONE	DESCRIPTION
A	Areas with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30-year mortgage. Because detailed analyses are not performed for such areas; no depths or base flood elevations are shown within these zones.
AE	The base floodplain where base flood elevations are provided. AE Zones are now used on new format FIRMs instead of A1-A30 Zones.
A1-30	These are known as numbered A Zones (e.g., A7 or A14). This is the base floodplain where the FIRM shows a BFE (old format).
AH	Areas with a 1% annual chance of shallow flooding, usually in the form of a pond, with an average depth ranging from 1 to 3 feet. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Base flood elevations derived from detailed analyses are shown at selected intervals within these zones.
AO	River or stream flood hazard areas, and areas with a 1% or greater chance of shallow flooding each year, usually in the form of sheet flow, with an average depth ranging from 1 to 3 feet. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Average flood depths derived from detailed analyses are shown within these zones.
AR	Areas with a temporarily increased flood risk due to the building or restoration of a flood control system (such as a levee or a dam). Mandatory flood insurance purchase requirements will apply, but rates will not exceed the rates for unnumbered A zones if the structure is built or restored in compliance with Zone AR floodplain management regulations.
A99	Areas with a 1% annual chance of flooding that will be protected by a Federal flood control system where construction has reached specified legal requirements. No depths or base flood elevations are shown within these zones.

High Risk - Coastal Areas

In communities that participate in the NFIP, mandatory flood insurance purchase requirements apply to all of these zones:

ZONE	DESCRIPTION
V	Coastal areas with a 1% or greater chance of flooding and an additional hazard associated with storm waves. These areas have a 26% chance of flooding over the life of a 30-year mortgage. No base flood elevations are shown within these zones.
VE, V1 - 30	Coastal areas with a 1% or greater chance of flooding and an additional hazard associated with storm waves. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Base flood elevations derived from detailed analyses are shown at selected intervals within these zones.

Undetermined Risk Areas

ZONE	DESCRIPTION
D	Areas with possible but undetermined flood hazards. No flood hazard analysis has been conducted. Flood insurance rates are commensurate with the uncertainty of the flood risk.

https://msc.fema.gov/webapp/wcs/stores/servlet/info?storeId=10001&catalogId=10001&langId=-1&content=floodZones&title=FEMA%2520Flood%2520Zone%2520Designations

AI-32567 **Budget and Management 16. B.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Sergio Cruz **Submitted By:** Perla Lopez, BUDGET & MANAGEMENT

Department: BUDGET & MANAGEMENT

Information

CAPTION

1. Discussion, consideration, acceptance and approval of Advance Funding Agreement between County of Hidalgo and Texas Department of Transportation for Mile 2 North from SH 364 to Moorefield Road project.

2. Authority for County Judge to sign the Advance Funding Agreement.

3. Approval to pay TxDot the proportionate share ($16,103.00) of the estimated cost for the Mile 2 North from SH 364 to Moorefield Road project.

BACKGROUND

Requisition will be requested once CC approves transfer of funds (AI - 32772) and account has been set up.

Fiscal Impact

FISCAL YEAR: 2012 **ACCT. #:** 2-1315-431-00-123-094-0-731/711

FUNDS AVAILABLE Y/N?: Y/Pending **MATCHING FUNDS Y/N?:** N

BUDGETARY IMPACT:

Funding in the amount of $254,412.71 will be available upon approval of transfers. Refer to AI - 32772 (6/26/12 CC).
Obj Code 731: $39,352.71
Obj Code 711: $215,060.00

County's Participation is $315,740.71.

Description	County Participation	%	Funding Source
Engineering	$ 61,328.00	100%	Previously Funded with P.O. 663265
ROW/Utilities	$215,060.00	100%	2-1315-431-00-123-094-0-711 (AI - 32772)
Construction	$ 20,025.60	1.6%	2-1315-431-00-123-094-0-731
Preliminary Engineering(Direct State Cost)	$ 16,103.00	100%	2-1315-431-00-123-094-0-731
Construction Direct State Cost	$ 3,224.11	1.6%	2-1315-431-00-123-094-0-731
	$315,740.71		

Attachments

AFA

Form Review

Inbox	Reviewed By	Date
Perla Lopez (Originator)	Perla Lopez	06/14/2012 01:45 PM

Budget & Management	Merlen P. Munoz	06/14/2012 02:08 PM
Manuel Chapa	Manuel Chapa	06/19/2012 02:38 PM
Auditor's Office	Monica Badillo	06/20/2012 10:33 AM
Perla Lopez (Originator)	Perla Lopez	06/21/2012 03:02 PM
Budget & Management	Merlen P. Munoz	06/21/2012 03:21 PM
Manuel Chapa	Manuel Chapa	06/22/2012 09:12 AM
Auditor's Office	Arcilia Duran	06/22/2012 11:46 AM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Perla Lopez Started On: 05/25/2012 11:20 AM

Final Approval Date: 06/22/2012

Texas Department of Transportation
PO BOX 1717 • PHARR TEXAS 78577-1717 • (956) 702-6100

May 22, 2012

RECEIVED
MAY 22 2012
COUNTY JUDGE

Honorable Ramon Garcia
Hidalgo County Judge
P.O. Box 1356
Edinburg, Texas 78540

RE: Advance Funding Agreement
Mile 2 N From SH 364 to Inspiration Road
CSJ# 0921-02-293

Dear Judge Garcia:

As you are aware the Hidalgo County Metropolitan Planning Organization has authorized $2,492,025 in Category 7, Metropolitan Mobility and Rehabilitation funds for Construction Costs and Direct State Costs for construction on the Mile 2 North project from SH 364 to Inspiration Rd. To utilize these funds, an Advance Funding Agreement (AFA) needs to be executed between the County of Hidalgo and TxDOT. The attached two original AFAs for your signature reflect the portion of the project within your jurisdiction, which is from SH 364 to Moorefield.

Please sign and return both originals, along with the County's resolution authorizing the AFA, to the attention of Mr. Homero Bazan, Jr., our Director of Transportation Planning and Development, at the above address for further processing. Please also include a check in the amount of $16,103.00, to cover the County's estimated share of Direct State Costs for state review and oversight per the AFA, made payable to the Texas Department of Transportation Trust Fund.

If you have any questions please contact Mr. Bazan or me at 702-6100.

Sincerely,

Mario R. Jorge, P.E.
Pharr District Engineer

MRJ: mps

Attachments

cc: Homero Bazan, Jr., P.E., Director of Transportation Planning and Development
Valente Olivarez, P.E., Pharr Area Engineer
Jesus A. Noriega, P.E., Project Manager
Project File

CSJ # 0921-02-293
District # 21 – Pharr
Code Chart 64 # 50109
Project: Mile 2 N from SH 364 to Inspiration Road
Federal Highway Administration
CFDA # 20.205
Not Research and Development

STATE OF TEXAS §

COUNTY OF TRAVIS §

ADVANCE FUNDING AGREEMENT
For A
METROPOLITAN MOBILITY AND REHABILITATION PROGRAM
(OFF-SYSTEM)

THIS AGREEMENT is made by and between the State of Texas, acting by and through the Texas Department of Transportation called the "State", and Hidalgo County, acting by and through its duly authorized officials, called the "Local Government."

WITNESSETH

WHEREAS, federal law establishes federally funded programs for transportation improvements to implement its public purposes; and

WHEREAS, the Texas Transportation Code, Sections 201.103 and 222.052 establish that the State shall design, construct and operate a system of highways in cooperation with local governments; and

WHEREAS, federal and state laws require local governments to meet certain contract standards relating to the management and administration of State and federal funds; and

WHEREAS, the Texas Transportation Commission passed Minute Order Number 112824, authorizing the State to undertake and complete a highway improvement generally described as widen to 4 lane called the "Project"; and,

WHEREAS, the Governing Body of the Local Government has approved entering into this agreement by resolution or ordinance dated _____, 20__, which is attached to and made a part of this agreement as Attachment "A" for the improvement covered by this agreement. A map showing the Project location appears in Attachment "B," which is attached to and made a part of this agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements of the parties, to be by them respectively kept and performed as set forth in this agreement, it is agreed as follows:

AGREEMENT

1. **Period of the Agreement**
   This agreement becomes effective when signed by the last party whose signing makes the agreement fully executed. This agreement shall remain in effect until the Project is completed or unless terminated as provided below.

2. **Scope of Work**
   Widen Mile 2 N to a 4 lane from SH 364 to Moorefield in Hidalgo County as shown on Attachment "B".

3. **Local Project Sources and Uses of Funds**
   - **A.** The total estimated cost of the Project is shown in the Project Budget – Attachment "C", which is attached to and made a part of this agreement. The expected cash contributions from the Federal or State government, the Local Governments, or other parties are shown in Attachment "C". The State will pay for only those project costs that have been approved by the Texas Transportation Commission. The State and the Federal Government will not reimburse the Local Government for any work performed before the federal spending authority is formally obligated to the Project by the Federal Highway Administration. After federal funds have been obligated, the State will send to the Local Government a copy of the formal documentation showing the obligation of funds including federal award information. The Local Government is responsible for 100% of the cost of any work performed under its direction or control before the federal spending authority is formally obligated.
   - **B.** If the Local Government will perform any work under this contract for which reimbursement will be provided by or through the State, the Local Government must complete training before federal spending authority is obligated. Training is complete when at least one individual who is working actively and directly on the Project successfully completes and receives a certificate for the course entitled *Local Government Project Procedures Qualification for the Texas Department of Transportation*. The Local Government shall provide the certificate of qualification to the State. The individual who receives the training certificate may be an employee of the Local Government or an employee of a firm that has been contracted by the Local Government to perform oversight of the Project. The State in its discretion may deny reimbursement if the Local Government has not designated a qualified individual to oversee the Project.
   - **C.** This Project cost estimate shows how necessary resources for completing the Project will be provided by major cost categories. These categories may include but are not limited to: (1) costs of real property; (2) costs of utility work; (3) costs of environmental assessment and remediation; (4) cost of preliminary engineering and design; (5) cost of construction and construction management; and (6) any other local project costs.
   - **D.** The State will be responsible for securing the Federal and State share of the funding required for the development and construction of the local Project. If the Local Government is due funds for expenses incurred, these funds will be reimbursed to the Local Government on a cost basis.

E. The Local Government will be responsible for all non-federal or non-state participation costs associated with the Project, including any overruns in excess of the approved local project budget unless otherwise provided for in this agreement or approved otherwise in an amendment to this agreement.

F. Prior to the performance of any engineering review work by the State, the Local Government will pay to the State the amount specified in Attachment C. At a minimum, this amount shall equal the Local Government's funding share for the estimated cost of preliminary engineering for the Project. At least sixty (60) days prior to the date set for receipt of the construction bids, the Local Government shall remit its remaining financial share for the State's estimated construction oversight and construction cost.

G. In the event that the State determines that additional funding by the Local Government is required at any time during the Project, the State will notify the Local Government in writing. The Local Government shall make payment to the State within thirty (30) days from receipt of the State's written notification.

H. Whenever funds are paid by the Local Government to the State under this agreement, the Local Government shall remit a check or warrant made payable to the "Texas Department of Transportation Trust Fund." The check or warrant shall be deposited by the State in an escrow account to be managed by the State. Funds in the escrow account may only be applied to the State Project.

I. Upon completion of the Project, the State will perform an audit of the Project costs. Any funds due by the Local Government, the State, or the Federal government will be promptly paid by the owing party. If, after final Project accounting, excess funds remain in the escrow account, those funds may be applied by the State to the Local Government's contractual obligations to the State under another advance funding agreement with approval by appropriate personnel of the Local Government.

J. The State will not pay interest on any funds provided by the Local Government.

K. If a waiver has been granted, the State will not charge the Local Government for the indirect costs the State incurs on the local Project, unless this agreement is terminated at the request of the Local Government prior to completion of the Project.

L. If the Project has been approved for a "fixed price" or an "incremental payment" non-standard funding or payment arrangement under 43 TAC §15.52, the budget in Attachment C will clearly state the amount of the fixed price or the incremental payment schedule.

M. If the Local government is an Economically Disadvantaged County and if the State has approved adjustments to the standard financing arrangement, this agreement reflects those adjustments.

N. The state auditor may conduct an audit or investigation of any entity receiving funds from the State directly under this contract or indirectly through a subcontract under this contract. Acceptance of funds directly under this contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

O. Payment under this contract beyond the end of the current fiscal biennium is subject to availability of appropriated funds. If funds are not appropriated, this contract shall be terminated immediately with no liability to either party.

P. The Local Government is authorized to submit requests for reimbursement by submitting the original of an itemized invoice in a form and containing all items required by the State no more frequently than monthly, and no later than ninety (90) days after costs are incurred. If the Local Government submits invoices more than ninety (90) days after the costs are incurred, and if federal funding is reduced as a result, the State shall have no responsibility to reimburse the Local Government for those costs.

Q. The State will not execute the contract for the construction of the Project until the required funding has been made available by the Local Government in accordance with this agreement.

4. Termination of this Agreement

This agreement shall remain in effect until the project is completed and accepted by all parties, unless:

A. The agreement is terminated in writing with the mutual consent of the parties;

B. The agreement is terminated by one party because of a breach, in which case any cost incurred because of the breach shall be paid by the breaching party;

C. The Local Government elects not to provide funding after the completion of preliminary engineering, specifications, and estimates (PS&E) and the Project does not proceed because of insufficient funds, in which case the Local Government agrees to reimburse the State for its reasonable actual costs incurred during the Project; or

D. The Project is inactive for thirty-six (36) months or longer and no expenditures have been charged against federal funds, in which case the State may in its discretion terminate this agreement.

5. Amendments

Amendments to this agreement due to changes in the character of the work, terms of the agreement, or responsibilities of the parties relating to the Project may be enacted through a mutually agreed upon, written amendment.

6. Remedies

This agreement shall not be considered as specifying the exclusive remedy for any agreement default, but all remedies existing at law and in equity may be availed of by either party to this agreement and shall be cumulative.

7. Utilities

The Local Government shall be responsible for the adjustment, removal, or relocation of utility facilities in accordance with applicable State laws, regulations, rules, policies, and procedures, including any cost to the State of a delay resulting from the Local Government's failure to ensure that utility facilities are adjusted, removed, or relocated before the scheduled beginning of construction. The Local Government will not be reimbursed with federal or state funds for the cost of required utility work.

In lieu of using the State procedures outlined in 43 TAC, sec. 21.31-21.51, the Local Government may use its local utility accommodation policy provided the policy complies with Federal Regulations. The Local Government will notify the affected utility companies of the required work. In the event additional utilities are required to be adjusted, removed or relocated during the construction of the Project, the Local Government will be responsible for all costs associated with the additional utility work, unless this work is provided by the owner of the utility facilities.

The Local Government must obtain advance approval for any variance from established procedures. Before a construction contract is let, the Local Government shall provide, at the State's request, a certification stating that the Local Government has completed the adjustment of all utilities that must be adjusted before construction is completed.

8. **Environmental Assessment and Mitigation**
Development of a transportation project must comply with the National Environmental Policy Act and the National Historic Preservation Act of 1966, which require environmental clearance of federal-aid projects.
   - **A.** The Local Government is responsible for the identification and assessment of any environmental problems associated with the development of a local project governed by this agreement.
   - **B.** The Local Government is responsible for the cost of any environmental problem's mitigation and remediation.
   - **C.** The Local Government is responsible for providing any public meetings or public hearings required for development of the environmental assessment. Public hearings will not be held prior to the approval of project schematic.
   - **D.** The Local Government is responsible for the preparation of the NEPA documents required for the environmental clearance of this Project.
   - **E.** Before the advertisement for bids, the Local Government shall provide to the State written documentation from the appropriate regulatory agency or agencies that all environmental clearances have been obtained.

9. **Compliance with Texas Accessibility Standards and ADA**
All parties to this agreement shall ensure that the plans for and the construction of all projects subject to this agreement are in compliance with the Texas Accessibility Standards (TAS) issued by the Texas Department of Licensing and Regulation, under the Architectural Barriers Act, Article 9102, Texas Civil Statutes. The TAS establishes minimum accessibility requirements to be consistent with minimum accessibility requirements of the Americans with Disabilities Act (P.L. 101-336) (ADA).

10. **Architectural and Engineering Services**
The Local Government has responsibility for the performance of architectural and engineering services. The engineering plans shall be developed in accordance with the applicable *State's Standard Specifications for Construction and Maintenance of Highways, Streets and Bridges* and the special specifications and special provisions related to it. For projects on the state highway system, the design shall, at a minimum conform to applicable State manuals. For

projects not on the state highway system, the design shall, at a minimum, conform to applicable *American Association of State Highway and Transportation Officials* design standards. In procuring professional services, the parties to this agreement must comply with federal requirements cited in 23 CFR Part 172 if the project is federally funded and with Texas Government Code 2254, Subchapter A, in all cases. Professional contracts for federally funded projects must conform to federal requirements, specifically including the provision for participation by Disadvantaged Business Enterprises (DBEs), ADA, and environmental matters.

11. Construction Responsibilities

A. The Local Government shall advertise for construction bids, issue bid proposals, receive and tabulate the bids, and award and administer the contract for construction of the Project. Administration of the contract includes the responsibility for construction engineering and for issuance of any change orders, supplemental agreements, amendments, or additional work orders that may become necessary subsequent to the award of the construction contract. In order to ensure federal funding eligibility, projects must be authorized by the State prior to advertising for construction.

B. The Local Government will use its approved contract letting and award procedures to let and award the construction contract.

C. Prior to their execution, the State will be given the opportunity to review all contract change orders.

D. Upon completion of the Project, the party constructing the Project will issue and sign a "Notification of Completion" acknowledging the Project's construction completion.

E. For federally funded contracts, the parties to this agreement will comply with federal construction requirements cited in 23 CFR Part 635 and with requirements cited in 23 CFR Part 633, and shall include the latest version of Form "FHWA-1273" in the contract bidding documents. If force account work will be performed, a finding of cost effectiveness shall be made in compliance with 23 CFR 635, Subpart B.

12. Project Maintenance

The Local Government shall be responsible for maintenance of locally owned roads after completion of the work and the State shall be responsible for maintenance of state highway system after completion of the work if the work was on the state highway system, unless otherwise provided for in existing maintenance agreements with the Local Government.

13. Right of Way and Real Property

A. Right of way and real property acquisition shall be the responsibility of the Local Government. Title to right of way and other related real property must be acceptable to TxDOT before funds may be expended for the improvement of the right of way or real property.

B. If the Local Government is the owner of any part of the Project site under this agreement, the Local Government shall permit TxDOT or its authorized representative access to occupy the site to perform all activities required to execute the work.

C. All parties to this agreement will comply with and assume the costs for compliance with all the requirements of Title II and Title III of the Uniform Relocation Assistance and Real

Property Acquisition Policies Act of 1970, Title 42 U.S.C.A. Section 4601 et seq., including those provisions relating to incidental expenses incurred by the property owners in conveying the real property to the Local Government, and benefits applicable to the relocation of any displaced person as defined in 49 CFR Section 24.2(g). Documentation to support such compliance must be maintained and made available to TxDOT and its representatives for review and inspection.

D. The Local Government shall assume all costs and perform necessary requirements to provide any necessary evidence of title or right of use in the name of the Local Government to the real property required for development of the Project. The evidence of title or rights shall be acceptable to TxDOT, and be free and clear of all encroachments. The Local Government shall secure and provide easements and any needed rights of entry over any other land needed to develop the Project according to the approved Project plans. The Local Government shall be responsible for securing any additional real property required for completion of the Project.

E. In the event real property is donated to the Local Government after the date of TxDOT's authorization, the Local Government will provide all documentation to TxDOT regarding fair market value of the acquired property. TxDOT will review the Local Government's appraisal, determine the fair market value and credit that amount towards the Local Government's financial share. If donated property is to be used as a funding match, it may not be provided by the Local Government. TxDOT will not reimburse the Local Government for any real property acquired before execution of this agreement and the obligation of federal spending authority.

F. The Local Government shall prepare real property maps, property descriptions, and other data as needed to properly describe the real property and submit them to TxDOT for approval prior to the Local Government acquiring the real property. Tracings of the maps shall be retained by the Local Government for a permanent record.

G. The Local Government agrees to make a determination of property values for each real property parcel by methods acceptable to TxDOT and to submit to TxDOT a tabulation of the values so determined, signed by the appropriate Local Government representative. The tabulations shall list the parcel numbers, ownership, acreage and recommended compensation. Compensation shall be shown in the component parts of land acquired, itemization of improvements acquired, damages (if any) and the amounts by which the total compensation will be reduced if the owner retains improvements. This tabulation shall be accompanied by an explanation to support the determined values, together with a copy of information or reports used in calculating all determined values.

H. If the Project requires the use of real property to which the Local Government will not hold title, a separate agreement between the owners of the real property and the Local Government must be executed prior to execution of this agreement. The separate agreement must establish that the Project will be dedicated for public use for a period of not less than 10 (ten) years after completion. The separate agreement must define the responsibilities of the parties as to the use of the real property and operation and maintenance of the Project after completion. The separate agreement must be approved by TxDOT prior to its execution. A copy of the executed agreement shall be provided to TxDOT.

14. Notices

All notices to either party by the other required under this agreement shall be delivered personally or sent by certified or U.S. mail, postage prepaid, addressed to such party at the following addresses:

Local Government:	State:
County Judge Hidalgo County P.O. Box 1356 Edinburg, Texas 78540	Director of Contract Services Texas Department of Transportation 125 E. 11th Street Austin, Texas 78701

All notices shall be deemed given on the date so delivered or so deposited in the mail, unless otherwise provided by this agreement. Either party may change the above address by sending written notice of the change to the other party. Either party may request in writing that such notices shall be delivered personally or by certified U.S. mail and such request shall be honored and carried out by the other party.

15. Legal Construction

If one or more of the provisions contained in this agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions and this agreement shall be construed as if it did not contain the invalid, illegal, or unenforceable provision.

16. Responsibilities of the Parties

The State and the Local Government agree that neither party is an agent, servant, or employee of the other party and each party agrees it is responsible for its individual acts and deeds as well as the acts and deeds of its contractors, employees, representatives, and agents.

17. Ownership of Documents

Upon completion or termination of this agreement, all documents prepared by the State shall remain the property of the State. All data prepared under this agreement shall be made available to the State without restriction or limitation on their further use. All documents produced or approved or otherwise created by the Local Government shall be transmitted to the State in the form of photocopy reproduction on a monthly basis as required by the State. The originals shall remain the property of the Local Government. At the request of the State, the Local Government shall submit any information required by the State in the format directed by the State.

18. Compliance with Laws

The parties shall comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals in

any manner affecting the performance of this agreement. When required, the Local Government shall furnish the State with satisfactory proof of this compliance.

19. Sole Agreement

This agreement constitutes the sole and only agreement between the parties and supersedes any prior understandings or written or oral agreements respecting the agreement's subject matter.

20. Cost Principles

In order to be reimbursed with federal funds, the parties shall comply with the Cost Principles established in OMB Circular A-87 that specify that all reimbursed costs are allowable, reasonable, and allocable to the Project.

21. Procurement and Property Management Standards

The parties shall adhere to the procurement standards established in Title 49 CFR §18.36 and with the property management standard established in Title 49 CFR §18.32.

22. Inspection of Books and Records

The parties to this agreement shall maintain all books, documents, papers, accounting records, and other documentation relating to costs incurred under this agreement and shall make such materials available to the State, the Local Government, and, if federally funded, the Federal Highway Administration (FHWA), and the U.S. Office of the Inspector General, or their duly authorized representatives for review and inspection at its office during the contract period and for four (4) years from the date of completion of work defined under this contract or until any impending litigation, or claims are resolved. Additionally, the State, the Local Government, and the FHWA and their duly authorized representatives shall have access to all the governmental records that are directly applicable to this agreement for the purpose of making audits, examinations, excerpts, and transcriptions.

23. Civil Rights Compliance

The Local Government shall comply with the regulations of the United States Department of Transportation as they relate to non-discrimination (49 CFR Part 21 and 23 CFR Part 200), and Executive Order 11246 titled "Equal Employment Opportunity," as amended by Executive Order 11375 and supplemented in the Department of Labor Regulations (41 CFR Part 60).

24. Disadvantaged Business Enterprise (DBE) Program Requirements

A. The parties shall comply with the Disadvantaged Business Enterprise Program requirements established in 49 CFR Part 26.

B. The Local Government shall adopt, in its totality, the State's federally approved DBE program.

C. The Local Government shall set an appropriate DBE goal consistent with the State's DBE guidelines and in consideration of the local market, project size, and nature of the goods or services to be acquired. The Local Government shall have final decision-making authority regarding the DBE goal and shall be responsible for documenting its actions.

D. The Local Government shall follow all other parts of the State's DBE program referenced in TxDOT Form 2395, Memorandum of Understanding Regarding the Adoption of the Texas Department of Transportation's Federally-Approved Disadvantaged Business Enterprise by Entity, and attachments found at web address http://txdot.gov/business/business_outreach/mou.htm.

E. The Local Government shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any U.S. Department of Transportation (DOT)-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The Local Government shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure non-discrimination in award and administration of DOT-assisted contracts. The State's DBE program, as required by 49 CFR Part 26 and as approved by DOT, is incorporated by reference in this LPAFA. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this LPAFA. Upon notification to the Local Government of its failure to carry out its approved program, the State may impose sanctions as provided for under 49 CFR Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

F. Each contract the Local Government signs with a contractor (and each subcontract the prime contractor signs with a sub-contractor) must include the following assurance: *The contractor, sub-recipient, or sub-contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this agreement, which may result in the termination of this agreement or such other remedy as the recipient deems appropriate.*

25. Debarment Certifications

The parties are prohibited from making any award at any tier to any party that is debarred or suspended or otherwise excluded from or ineligible for participation in Federal Assistance Programs under Executive Order 12549, "Debarment and Suspension." By executing this agreement, the Local Government certifies that it is not currently debarred, suspended, or otherwise excluded from or ineligible for participation in Federal Programs under Executive Order 12549 and further certifies that it will not do business with any party that is currently debarred, suspended, or otherwise excluded from or ineligible for participation in Federal Assistance Programs under Executive Order 12549. The parties to this contract shall require any party to a subcontract or purchase order awarded under this contract to certify its eligibility to receive federal funds and, when requested by the State, to furnish a copy of the certification.

26. Lobbying Certification

In executing this agreement, each signatory certifies to the best of that signatory's knowledge and belief, that:

A. No federal appropriated funds have been paid or will be paid by or on behalf of the parties to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an

employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

B. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with federal contracts, grants, loans, or cooperative agreements, the signatory for the Local Government shall complete and submit the Federal Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

C. The parties shall require that the language of this certification shall be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and all sub-recipients shall certify and disclose accordingly. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Title 31 U.S.C. §1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

27. Insurance

If this agreement authorizes the Local Government or its contractor to perform any work on State right of way, before beginning work the entity performing the work shall provide the State with a fully executed copy of the State's Form 1560 Certificate of Insurance verifying the existence of coverage in the amounts and types specified on the Certificate of Insurance for all persons and entities working on State right of way. This coverage shall be maintained until all work on the State right of way is complete. If coverage is not maintained, all work on State right of way shall cease immediately, and the State may recover damages and all costs of completing the work.

28. Federal Funding Accountability and Transparency Act Requirements

A. Any recipient or sub-recipient of funds under this agreement agrees to comply with the Federal Funding Accountability and Transparency Act (FFATA) and implementing regulations at 2 CFR Part 170, including Appendix A. This agreement is subject to the following award terms: http://edocket.access.gpo.gov/2010/pdf/2010-22705.pdf and http://edocket.access.gpo.gov/2010/pdf/2010-22706.pdf.

B. For sub-awards greater than $25,000, the Local Government, as a recipient of federal funding, shall:

1. Obtain and provide to the State and the Federal government, a Central Contracting (CCR) number with the Federal government (Federal Acquisition Regulation, Part 4, Sub-part 4.1100). The CCR number may be obtained by visiting the CCR website whose address is: https://www.bpn.gov/ccr/default.aspx;
2. Obtain and provide to the State and the Federal government, a Data Universal Numbering System (DUNS) number, a unique nine-character number that allows Federal government to track the distribution of federal money. The DUNS may be requested free of charge for all businesses and entities required to do so by visiting the

Dun & Bradstreet (D&B) on-line registration website http://fedgov.dnb.com/webform; and

3. Report the total compensation and names of its top executives to the State and Federal government if:
   i. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than $25,000,000 annually; and
   ii. Compensation information is not already available through reporting to the U.S. Securities and Exchange Commission (SEC).

29. Single Audit Report

A. The parties shall comply with the requirements of the Single Audit Act of 1984, P.L. 98-502, ensuring that the single audit report includes the coverage stipulated in OMB Circular A-133.

B. If threshold expenditures of $500,000 or more are met during the Local Government's fiscal year, the Local Government must submit a Single Audit Report and Management Letter (if applicable) to TxDOT's Audit Office, 125 E. 11th Street, Austin, TX 78701 or contact TxDOT's Audit Office at http://www.txdot.gov/contact_us/audit.htm.

C. If expenditures are less than $500,000 during the Local Government's fiscal year, the Local Government must submit a statement to TxDOT's Audit Office as follows: "We did not meet the $500,000 expenditure threshold and therefore, are not required to have a single audit performed for FY _____."

D. For each year the project remains open for federal funding expenditures, the Local Government will be responsible for filing a report or statement as described above. The required annual filing shall extend throughout the life of the agreement, unless otherwise amended or the project has been formally closed out and no charges have been incurred within the current fiscal year.

30. Signatory Warranty

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

CSJ # 0921-02-293
District # 21 – Pharr
Code Chart 64 # 50109
Project: Mile 2 N from SH 364 to Inspiration Road
Federal Highway Administration
CFDA # 20.205
Not Research and Development

THIS AGREEMENT IS EXECUTED by the State and the Local Government in duplicate.

THE LOCAL GOVERNMENT

_____
Signature

_____
Typed or Printed Name

_____
Title

_____
Date

THE STATE OF TEXAS

_____
Janice Mullenix
Director of Contract Services
Texas Department of Transportation

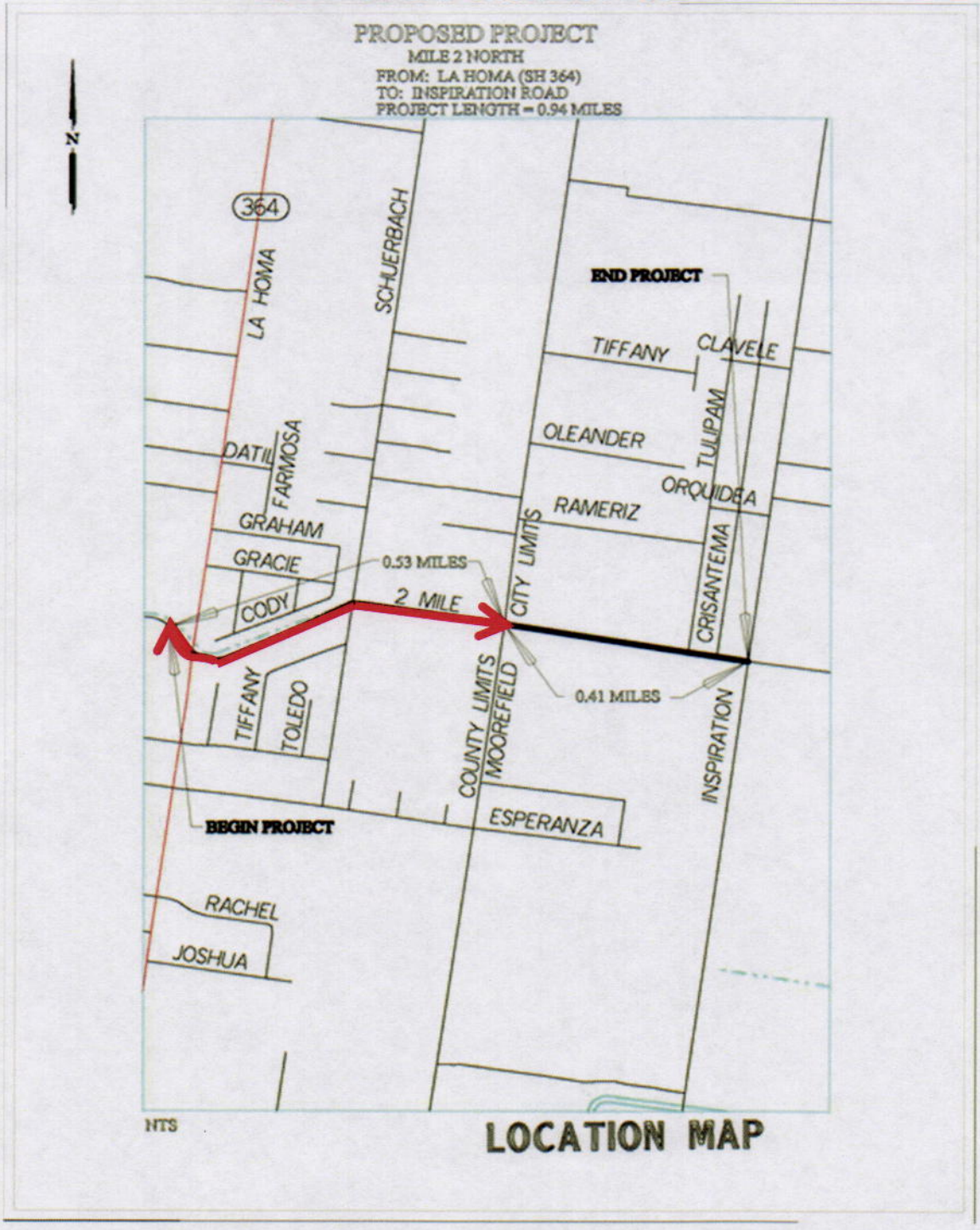
_____
Date

CSJ # 0921-02-293
District # 21 – Pharr
Code Chart 64 # 50109
Project: Mile 2 N from SH 364 to Inspiration Road
Federal Highway Administration
CFDA # 20.205
Not Research and Development

ATTACHMENT A
RESOLUTION OR ORDINANCE

CSJ # 0921-02-293
District # 21 – Pharr
Code Chart 64 # 50109
Project: Mile 2 N from SH 364 to Inspiration Road
Federal Highway Administration
CFDA # 20.205
Not Research and Development

ATTACHMENT B
LOCATION MAP SHOWING PROJECT



CSJ # 0921-02-293
District # 21 – Pharr
Code Chart 64 # 50109
Project: Mile 2 N from SH 364 to Inspiration Road
Federal Highway Administration
CFDA # 20.205
Not Research and Development

ATTACHMENT C – PROJECT BUDGET

A total of $2,492,025 from Category 7 funding was allocated for this project. Cost will be allocated based on 80% Federal funding and 20% Local Government funding. These funds are fixed and the Local Government will be responsible for 100% of all project costs exceeding this approved funding amount. With the approved 92% Economically Disadvantaged County Program reduction to the required local match for construction and construction engineering and contingency costs, the Local Government share is 1.6% and the State share is 18.4% for these items. The Local Government will be responsible for 100% for State review costs. The following is an estimated breakdown of the funding participation required for construction and construction engineering and contingencies, State review, with the understanding that the Local Government is also 100% responsible for providing the design, PS&E preparation, environmental assessment and right of way at no cost to the State.

Description		Total Estimated Cost	Federal Participation		State Participation			Local Participation		
			%	Cost	% Before EDC	% After EDC	Cost	% Before EDC	% After EDC	Cost
Preliminary Engineering (By LG)		$61,328.00	0%	$0.00	0%	0%	$0.00	100%	100%	$61,328.00
Right of Way/Utilities (By LG)		$215,060.00	0%	$0.00	0%	0%	$0.00	100%	100%	$215,060.00
Construction (By LG)		$1,251,600.00	80%	$1,001,280.00	0%	18.4%	$230,294.40	20%	1.6%	$20,025.60
Subtotal		$1,527,988.00		$1,001,280.00			$230,294.40			$296,413.60
Preliminary Engineering Direct State Costs $16,103 (1.3%)	PE (50%)	$8,051.50	0%	$0.00	0%	0%	$0.00	100%	100%	$8,051.50
	ROW (30%)	$4,830.90	0%	$0.00	0%	0%	$0.00	100%	100%	$4,830.90
	ENV (10%)	$1,610.30	0%	$0.00	0%	0%	$0.00	100%	100%	$1,610.30
	UTIL (10%)	$1,610.30	0%	$0.00	0%	0%	$0.00	100%	100%	$1,610.30
Construction Direct State Cost (CE & Contingencies)		$201,507.00	80%	$161,205.60	0%	18.4%	$37,077.29	20%	1.6%	$3,224.11
Indirect State Cost (7.27%)		$111,084.73	0%	$0.00	100%	100%	$111,084.73	0%	0%	$0.00
Subtotal		$328,694.73		$161,205.60			$148,162.02			$19,327.11
Total		$1,856,682.73		$1,162,485.60			$378,456.42			$315,740.71

Initial payment by the Local Government to the State: $16,103.00
Payment by the Local Government to the State before construction: $3,224.11
Estimated total payment by the Local Government to the State $19,327.11
This is an estimate. The final amount of Local Government participation will be based on actual costs.

AI-32831 **Budget and Management** **16. C.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Sergio Cruz **Submitted By:** Veronica Ortiz, BUDGET & MANAGEMENT

Department: BUDGET & MANAGEMENT

Information

CAPTION

Approval to apply for a secondary RRE (responsible reporting entity) id number as per Section 111 of the Medicare, Medicaid and SCHIP Extension act of 2007 required by employers for reporting liability claims.

BACKGROUND

Attachments

back up

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/14/2012 08:03 AM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Veronica Ortiz Started On: 06/13/2012 04:57 PM

Final Approval Date: 06/22/2012

CMS
CENTERS for MEDICARE & MEDICAID SERVICES

COB

Centers for Medicare & Medicaid Services (CMS)

MMSEA Section 111 Mandatory Insurer Reporting

Quick Reference Guide

Version 1
January 19, 2012

For

Non-Group Health Plan (NGHP) Insurers

The What, Why and How of MMSEA Section 111 Reporting

The Centers for Medicare & Medicaid Services (CMS) refers to liability insurance (including self-insurance), no-fault insurance and workers' compensation as "Non-Group Health Plan" (NGHP) insurance. This MMSEA Section 111 Quick Reference Guide has been developed to help NGHP insurers understand the MMSEA Section 111 reporting requirements.

Specifically this guide will:

- Explain MMSEA Section 111 reporting, and how it may affect you
- Help you determine if you are an MMSEA Section 111 "Responsible Reporting Entity" (RRE)
- Provide an overview on how to set up and begin reporting
- Describe the various options you have for reporting
- Outline the data "input and response" process
- Identify resources for additional instruction and information on how to access free computer based training and other resources

Note: This document was prepared by the CMS for informational purposes only. All affected entities are responsible for following the instructions found in the MMSEA Section 111 NGHP User Guide which is available for download at the following link: http://www.cms.gov/MandatoryInsRep/Downloads/NGHPGuideV3.3.pdf.

What is MMSEA Section 111 Reporting?

Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 is usually referred to as MMSEA Section 111 reporting (or simply Section 111). This law added *mandatory* reporting requirements for liability insurers (including self-insurers), no-fault insurers, and workers' compensation insurers providing coverage to Medicare beneficiaries. These Non-Group Health Plan (NGHP) insurers are obligated to notify Medicare about "settlements, judgments, awards, or other payment from liability insurers (including self-insurers), no-fault insurers, and workers' compensation" received by or on behalf of Medicare beneficiaries. The reporting requirements for NGHP insurers under MMSEA Section 111 first became effective on May 1, 2009.

The MMSEA Section 111 reporting requirements is *an addition* to the already existing Medicare Secondary Payer (MSP) law and corresponding regulations.

What is Medicare Secondary Payer – MSP?

Medicare Secondary Payer (MSP) is the term used to describe situations where another insurer has primary payment responsibility for care provided to a Medicare beneficiary.

Until 1980, Medicare was a primary payer for covered beneficiaries in almost all cases, except those involving workers' compensation (and black lung disease). Starting in 1980, the addition of the MSP provisions of the Social Security Act required that when the injured party is a Medicare beneficiary, Medicare is always a secondary payer to liability insurance (including self-insurance), no-fault insurance and workers' compensation.

Why is there an MSP law?

The MSP provisions of the Social Security Act were enacted so that some of the costs of caring for Medicare beneficiaries could be borne by other types of insurance. Spreading payment for health care coverage costs across multiple insurers is helping to extend the life of the Medicare Trust Fund, and is helping to ensure that Medicare beneficiaries have adequate access to care.

For more information and guidance about Medicare Secondary Payer (MSP) issues, please refer to "Section 5.4 - MSP Statutes, Regulations, and Guidance" in the NGHP User Guide.

I may be an "NGHP" insurer. Do I need to report under MMSEA Section 111?

You most likely will need to report under MMSEA Section 111 if you are "an applicable plan" – meaning that you are a liability insurer (including a self-insurer), an insurer providing "no-fault" coverage, or a workers' compensation plan. These are the main general categories of NGHP insurance types. In all cases, you provide insurance coverage or payments for medical expenses for someone who is a Medicare beneficiary. Please see Appendix H in the NGHP User Guide for a comprehensive discussion of the types of insurers that must report.

If you have determined that you need to report under MMSEA Section 111, you are the entity responsible for complying and will be will be referred to as the "Responsible Reporting Entity" or the "RRE".

Who do I report to?

Insurers are to report coverage to the Centers for Medicare & Medicaid Services – CMS – the Federal agency that manages the Medicare program. Since the start of MMSEA Section 111 reporting, almost 30,000 RREs are now sending MMSEA Section 111 data to CMS.

In order to manage the huge volume of MMSEA Section 111 data and other Coordination of Benefits (COB) work that Medicare handles, CMS has engaged the Coordination of Benefits Contractor (COBC) to manage the technical aspects of the Section 111 data exchange process for all Section 111 RREs. The RREs (or their data management agents) transmit information electronically to the CMS COBC.

I have determined that I need to comply with the MMSEA Section 111 reporting requirements. How do I sign up for it?

Insurers that need to report under MMSEA Section 111 become Responsible Reporting Entities (RREs) by registering on the Section 111 COB Secure Website (COBSW), a website established by CMS and managed by the COBC. RREs are required to register on the COBSW to notify the COBC of their intent to report data in compliance with Section 111.

To begin the registration process, go to the Section 111 COBSW at the following URL: http://www.section111.cms.hhs.gov and click the [I Accept] link at the bottom of the page. When the Section 111 COBSW Login page displays, click [New Registration]. You will be required to enter specific data and submit your registration. Once you have registered and completed your account setup for MMSEA Section 111 reporting on the Section 111 COBSW, you become a registered RRE. For more information on the registration process, please see the "How to Get Started" document found at the following link: https://www.section111.cms.hhs.gov/MRA/help/how_to/GetStarted.htm.

What information do I report? What will I be sending to the COBC?

Section 111 requires RREs to report claim information for Medicare beneficiaries after the insurer has assumed ongoing responsibility for medicals (ORM) or after paying the total payment obligation to the claimant (TPOC) in the form of a settlement, judgment, award, or other payment.

RREs must report evidence of insurance coverage, or applicable settlements, judgments, awards, or other payments regardless of whether there is admission or determination of liability. Some of the required data that must be reported includes: the identity of the claimant (their Medicare Health Insurance Claim Number (HICN) or Social Security Number (SSN), the first letter of their first name, the first six letters of their last name, their date of birth, and gender); the RRE Tax-ID Number (TIN); RRE address information; and other information related to the claimant such as International Classification of Diseases 9th revision (ICD-9) Diagnosis Codes; and, TPOC Dates and Amounts.

For more information on the specific data required, please see Appendix A and Appendix B in the NGHP User Guide.

How do I know or determine if I'm insuring a Medicare beneficiary?

Most Medicare beneficiaries are at least age 65. However, an individual of almost any age may be enrolled in the Medicare program. Medicare is a health insurance program for:

- People age 65 or older
- People of any age who have certain designated disabilities
- People of any age who have End-Stage Renal Disease (ESRD - permanent kidney failure)

When an individual is eligible for coverage and enrolls in Medicare, he or she is issued a "Medicare HICN", which is better known as the Medicare ID. The Medicare HICN/ID is derived from the individual's SSN. All Medicare beneficiaries will have a Medicare HICN and an SSN.

You will know if an individual is a Medicare beneficiary if you have been given the person's Medicare HICN. The easiest way to check for eligibility is to simply ask individuals you are insuring to give you their Medicare HICN. If you are unable to readily determine Medicare beneficiary status, the CMS provides a query process (search mechanism) as part of the Section 111 reporting process to assist you. In order to use the query process, you must be a registered RRE. Once registered, RREs must implement a procedure in their claims review process to determine whether the claimant is a Medicare beneficiary or if the claimant anticipates receiving Medicare benefits in the future.

How do I send the required information to the COBC?

MMSEA Section 111 reporting information can be exchanged with the COBC using any one of four methods. The first three methods involve the submission of electronic files.

- **HTTPS** – Hypertext Transfer Protocol over Secure Socket Layer: Using HTTPS, an RRE can transmit files via the Internet directly to the Section 111 COBSW and receive response files in the same manner. This method is recommended for RREs sending less than 24,000 records on a regular basis.
- **SFTP** – Secure File Transfer Protocol: Using SFTP software, an RRE can transmit files via the Internet directly to the COBC. The RRE will have a dedicated "mailbox" on the COBC's Section 111 SFTP Server, where the RRE will send input files and retrieve response files. This method can handle large amounts of data.
- **Connect:Direct** – This system provides a direct file transmission connection to the COBC mainframe using the CMS Extranet Network and CMS's private CMSNet. This is the most costly transmission method, but it is the most efficient for RREs that will be exchanging very large amounts of MMSEA Section 111 data with CMS.
- **Direct Data Entry (DDE)** – Using DDE, an RRE will manually enter claim information using an interactive application that will be accessed directly from the Section 111 COBSW. DDE can only be used by small reporters.

For more information on any of these data submission methods, please see "Section 15 – Electronic Data Exchange" in the NGHP User Guide.

Should I use Direct Data Entry?

Direct Data Entry, or DDE, is the simplest method of reporting MMSEA Section 111 data. DDE reporting is done through the Section 111 COBSW. DDE is designed for smaller RREs that don't expect to report much claim information under Section 111 (i.e., less than 500 claim reports per year). RREs using the DDE reporting option will manually key claim information into pages (screens) on the Section 111 COBSW. Once the claim is submitted and the COBC has completed its' processing, a response will be sent to the RRE via the Section 111 COBSW. For more information on the DDE process, please see the Section 111 COBSW User Guide which is available for download from the Section 111 COBSW under the 'Reference Materials' menu option. You must be logged into the Section 111 COBSW to gain access to the Section 111 COBSW User Guide.

Here are some important facts about DDE:

- An RRE can make, correct or update an MMSEA Section 111 claim report *at any time.*
- Although a separate query function is not available to DDE submitters, the initial step in the DDE process provides the same functionality.
- RREs using DDE can submit no more than 500 records a year.
  - All new DDE submissions for any purpose (even those where the Injured Party is not identified as a Medicare beneficiary) count against this annual limit.
  - Updates or deletes to a *previously submitted and accepted* claim report do count toward this limit.
  - Corrections to a *previously submitted, but not yet accepted* claim report due to errors, do not count against this limit.

How often do I submit my claim information?

RREs submitting electronic files must submit new or changed information on a quarterly basis during the RREs assigned 7-day file submission timeframe unless the RRE has nothing to report for a particular quarter. RREs using DDE to report must submit claim information one claim report at a time as soon as the conditions related to the claim require reporting under Section 111.

How do I know if what I sent was OK?

When the COBC receives a Claim Input File (or a DDE claim report), it will edit the data and determine whether the submitted information identifies the injured party as a Medicare beneficiary. When this processing is complete or the prescribed time for response file generation has elapsed, the COBC will electronically transmit a response file (for file submitters), or a response record (for DDE submitters).

Note: Each submitted record will receive a response. The response will include a disposition code that will give the RRE the results of the processing. The response will also include any error codes or compliance flags, which will identify any problems found with the data. The RRE must take the appropriate action, if any, based on the information received. If errors were received, they must be corrected and resubmitted in the RRE's next quarterly claim submission (file submitters), or as soon as the error has been corrected (DDE submitters).

Do I have to do this reporting myself? Can I hire a commercial data management firm to do it for me?

Once an RRE has registered, the RRE can delegate reporting responsibility to another entity such as a "data reporting agent" (e.g., a third party administrator or vendor) to manage the RRE's MMSEA Section 111 data exchanges with the COBC. Many do. If an RRE uses an agent to manage its MMSEA Section 111 reporting, here are some important points to keep in mind:

- You, the RRE, not your agent, are the Responsible Reporting Entity. You cannot assign your responsibility to report to your agent. The RRE is ultimately responsible for the reporting and will be held liable for non-compliance.
- You, the RRE, not your agent, are responsible for the content of the data and its' validity.
- Your agent may not use any MMSEA Section 111 reporting data other than to report for Section 111. The data belongs to the RRE and to the CMS, not to the agent.
- Your agent may use any data exchange transmission method acceptable to CMS.
- CMS does not make any recommendations about any potential reporting agents.

What MMSEA Section 111 reporting resource materials are available?

MMSEA Section 111 Mandatory Insurer Reporting Web site: The most important online resource is the official MMSEA Section 111 Mandatory Insurer Reporting Web site located at the following URL: http://www.cms.gov/mandatoryinsrep. The updated NGHP Section 111 User Guide and Section 111 Alerts can be found on this Web site.

Free Computer Based Training (CBT) Courses: CMS has made available a curriculum of computer based training (CBT) courses to Section 111 RREs. These courses are offered free of charge and provide in-depth training on Section 111 registration, reporting requirements, using the Section 111 COBSW, data transmission, file formats, file processing, Direct Data Entry, and general MSP topics. To register for the NGHP CBT courses, send an e-mail to: Section111CBT@EHMedicare.com. Specify that you are requesting the NGHP curriculum and include your company name and the name, phone number (formatted: ###-###-####) and e-mail address for the individual(s) you would like to register. Once the COBC has processed your company's request, an e-mail notification will be sent to each individual that contains the URL for the NGHP curriculum and the URL for the MSP curriculum. If you do not receive an e-mail notification within 2 business days of your request, you may contact the COBC's Electronic Data Interchange (EDI) Department at: 646-458-6740.

Section 111 Town Hall Teleconferences: From time to time CMS holds national Section 111 Town Hall Teleconferences that you may participate in. During these calls CMS addresses many of the questions and comments it receives through the Section 111 mailbox. Information about upcoming Town Hall Teleconferences is posted on the official MMSEA Section 111 Mandatory Insurer Reporting Web site at: http://www.cms.gov/mandatoryinsrep.

EDI Representative: Once an RRE has registered they will be assigned their own EDI Representative to assist them in managing all aspects of the Section 111 reporting process, from answering the simplest questions to helping them address the most complex problems.

Can I contact CMS directly with questions or comments?

If you have questions or concerns you want to communicate to CMS directly, you can use the dedicated Section 111 Mailbox at: PL110-173SEC111-comments@cms.hhs.gov.

We hope this Section 111 Mandatory Insurer Reporting Quick Reference Guide has been useful. If you have comments, questions on subjects not covered here, or suggestions about how this Quick Reference Guide can be improved, please feel free to send them to the dedicated Section 111 Mailbox at: PL110-173SEC111-comments@cms.hhs.gov. Please put "Quick Reference Guide" in the Subject line.

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop C3-14-00
Baltimore, Maryland 21244-1850



Office of Financial Management/Financial Services Group

June 14, 2010

The Medicare Secondary Payer Mandatory Reporting Provisions in Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (the MMSEA) (See 42 U.S.C. 1395y(b)(7)&(b)(8))

ALERT: RRE ID Accountability and Other Registration Information

This ALERT provides information about Responsible Reporting Entity (RRE) ID accountability. In addition, it provides information about registration issues that have been brought to the attention of CMS.

RRE ID Accountability

The CMS is aware that RREs may require more than one RRE ID, and accommodates RREs by assigning an ID each time the registration process is initiated. RREs need to keep in mind that the registration process, including testing, must be completed for each RRE ID assigned. A production file must be sent for each RRE ID, and RRE IDs may not be secured for the sole purpose of querying. If an RRE initiates the registration process, does not complete it, and returns to the COB Secure Website (COBSW) to start again, an additional RRE ID is created. The RRE now has two RRE IDs that they have committed to the Section 111 reporting program.

Please ensure that you do not have RRE IDs that were created unintentionally, and that will not be used to report Section 111 data. If you do have unintended or unneeded RRE IDs, please contact the Coordination of Benefits Contractor's (COBC) EDI Department at 646-458-6740 and ask to have these excess ID(s) deleted. Otherwise you will be expected to complete the registration process and send production files for each RRE ID. You also run the risk of being non-compliant with Section 111 for any of your RRE IDs that are not used for reporting, because your Authorized Representative signed a Section 111data exchange agreement for each RRE ID created.

Profile Report

Return Signed Profile Report

Once Account Set-up is complete, a Profile Report is e-mailed to both the Authorized Representative and Account Manager. The Profile Report must be reviewed and signed by the Authorized Representative, and returned to the COBC before the associated RRE ID can be moved to Testing status. A signed Profile Report must be returned for each RRE ID.

Profile Report/RRE Use of an Agent

RREs may use agents to submit data on their behalf. However, the RRE remains solely responsible and accountable for adhering to the requirements of the Section 111 program. Registration must be completed by the RRE. A Profile Report must be signed and returned by the Authorized Representative of each RRE ID, and not by an agent. If the Profile Report is not signed and returned by the Authorized Representative, the RRE ID will not progress to Testing status. Even if an agent has many RRE IDs that have progressed to Testing and Production statuses, agents will be unable to send files for RRE IDs that have not completed all prior steps.

Changing Your Authorized Representative or Account Manager Information

The COBC must have correct and current contact information to keep you informed of any issues that may affect your RRE ID's file submissions and your compliance with Section 111. If there are any changes to your RRE contact information either return to the COBSW to provide updates ***or*** contact your Electronic Data Interchange (EDI) representative, as required.

Please continue to monitor the MMSEA Section 111 dedicated website at http://www.cms.gov/MandatoryInsRep/ for additional information on the Section 111 reporting process and updates to the User Guide.

AI-32908 **Budget and Management** **16. D.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Sergio Cruz **Submitted By:** Erika Zamora, BUDGET & MANAGEMENT

Department: BUDGET & MANAGEMENT

Information

CAPTION

Presentation and discussion on the Monthly Budget Report for the month of May 2012.

BACKGROUND

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/20/2012 09:38 AM
Ivan Cantu	Ivan Cantu	06/22/2012 10:31 AM
Auditor's Office	Arcilia Duran	06/22/2012 11:56 AM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Erika Zamora Started On: 06/20/2012 08:46 AM

Final Approval Date: 06/22/2012

AI-32949 **Budget and Management 16. E.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Sergio Cruz **Submitted By:** Erika Zamora, BUDGET & MANAGEMENT

Department: BUDGET & MANAGEMENT

Information

CAPTION

Texas Association of Counties (TAC):
Approval to pay Texas Association of Counties (TAC) the amount of $15,669.30 to cover deficit due to unemployment claims exceeding quarterly deposit for the first quarter of 2012, with authority for County Treasurer to issue payment/ check after auditing procedures are completed by the County Auditor.

BACKGROUND

Fiscal Impact

FISCAL YEAR: 2012 **ACCT. #:** 2-3401-202-00-000-006-0-000

FUNDS AVAILABLE Y/N?: Y **MATCHING FUNDS Y/N?:**

BUDGETARY IMPACT:

Funds available as of 6/21/12.

Attachments

TAC back up

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/21/2012 04:36 PM
Ivan Cantu	Ivan Cantu	06/22/2012 01:03 PM
Auditor's Office	Arcilia Duran	06/22/2012 01:32 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Erika Zamora Started On: 06/21/2012 03:58 PM

Final Approval Date: 06/22/2012

TEXAS ASSOCIATION OF COUNTIES

P. O. BOX 2131
AUSTIN, TEXAS 78768
1-800-456-5974

UNEMPLOYMENT FUND
DEFICIT BILLING

Hidalgo County
Honorable Norma G. Garcia, CIO
2810 S US Highway 281
Edinburg, TX 78539-6243

June 13, 2012
Entity: 1080

Dear Ms. Garcia,

In accordance with the Interlocal Agreement between the Fund and its members, a payment must be made to cover any deficit that occurs when unemployment claims exceed the deposits. We will be sending bills for deficits every quarter in an attempt to control large adjustments at year end. This system will allow you to pay unexpected claim costs as they arise, rather than letting them build up until the end of the year. Your fund balance should be close to that of your one-year reserve that will be calculated at the end of 2012.

After posting the 2012 deposits and claim charges through the first quarter of 2012, we found that your charges exceeded your deposits by $15,669.30.

Please mail your deficit payment of $15,669.30 to TAC at the following address by 7/13/12 in order to maintain your reserve.

Texas Association of Counties
P. O. Box 200989
Houston, Texas 77216-0989

If you have any questions, please feel free to call me at 1-800-456-5974.

Thank you for allowing TAC to serve you.

Sincerely,

C S Brannen

Cynthia S. Brannen
Unemployment Fund
Program Manager

RECEIVED BY
HIDALGO COUNTY TREASURER
2012 JUN 20 PM 2 11

AI-32654 **Purchasing Department 17. A. 4.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Martha Salazar **Submitted By:** Vangie Garcia, PURCHASING DEPT.

Department: PURCHASING DEPT.

Information

CAPTION

Approval of "First Amendment" to Agreement #C-10-343-05-10 with First Southwest Company in connection to RFP No: 2010-343-11-10-YZV-Financial Advisory Services in order to clarify the fees as shown on Appendix A of current agreement and replace with the revised adjusted "Attachment A-Appendix A".

BACKGROUND

Agreement previously approved by Commissioners Court on April 26, 2011(AI#25099) with additional approval of clarification on May 10, 2011 (AI#26446) on term of agreement.

Fiscal Impact

FISCAL YEAR: **ACCT. #:**

FUNDS AVAILABLE Y/N?: **MATCHING FUNDS Y/N?:**

BUDGETARY IMPACT:

Paid from the proceeds of the debt issued.

Attachments

Amendment

Contract

Form Review

Inbox	Reviewed By	Date
Purchasing Department	Marty Salazar	06/07/2012 02:27 PM
Budget & Management	Ivan Cantu	06/07/2012 02:32 PM
Rosalinda Cantu	Rosie Cantu	06/08/2012 11:57 AM
Auditor's Office	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Vangie Garcia Started On: 05/31/2012 03:45 PM

Final Approval Date: 06/22/2012

FIRST AMENDMENT TO AGREEMENT FOR FINANCIAL ADVISORY SERVICES

WITNESSETH:

WHEREAS, Hidalgo County, Texas (the "Issuer"), and First Southwest Company ("FSC"), previously entered into a certain Agreement for Financial Advisory Services, effective as of May 10, 2011 (the "Agreement"); and

WHEREAS, the Issuer and FSC desire to amend the Agreement to clarify and adjust the fees to be charged for the provision of such Financial Advisory Services.

NOW THEREFORE, the Issuer and FSC, in consideration of the mutual covenants and agreements contained in the Agreement and those set forth herein, do hereby agree to amend the Agreement as follows:

AMENDMENTS

"Appendix A" attached to the Agreement shall be replaced in its entirety with the revised "Appendix A" attached hereto as Attachment A.

MODIFICATIONS

The Agreement, except as amended by this First Amendment to Agreement for Financial Advisory Services, remains in effect in all other respects.

IN WITNESS WHEREOF, the parties have made and executed this Amendment in multiple copies, each of which shall be an original, effective as of June 19, 2012.

FIRST SOUTHWEST COMPANY

By: _____
Cris S.Vela
Vice President

HIDALGO COUNTY

By: _____

Name: _____

Title: _____

ATTACHMENT A

APPENDIX A

The fees due First Southwest Company will not exceed those contained in our customary fee schedule as listed below and are payable at closing for each series of bonds:

Base	Fee -	Any	Issue				$ 3,750			
Plus	$ 6.25	per	$1,000	up to	$ 1,000,000	or	$ 10,000	for	$ 1,000,000	Bonds
Plus	$ 3.50	per	$1,000	next	1,500,000	or	$15,250	for	2,500,000	Bonds
Plus	$ 2.50	per	$1,000	next	2,500,000	or	$21,500	for	5,000,000	Bonds
Plus	$ 2.00	per	$1,000	next	5,000,000	or	$31,500	for	10,000,000	Bonds
Plus	$ 1.00	per	$1,000	next	10,000,000	or	$41,500	for	20,000,000	Bonds
Plus	$ 0.75	per	$1,000	over	20,000,000					

For any issue of Refunding Bonds and/or other Debt Instruments involving Escrow Agreements, it is understood and agreed that our fee will be the fee schedule set out above plus 10%.

The County shall be responsible for the following expenses, if and when applicable, whether they are charged to the Issuer directly as expenses or charged to the Issuer by FSC as reimbursable expenses. The County requires that supporting documentation be provided with any invoice or request for payment, unless specifically provided otherwise herein below.

Bond counsel
Bond ratings
Credit enhancement
CPA fees for refunding
Paying agent/registrar/trustee
Travel expenses
Underwriter and underwriters' counsel
Official statement printing
Official statement preparation, flat fee of $2,500 per issuance
Computer structuring, amount to be negotiated in advance and approved by Commissioner's Court prior to each issuance
Miscellaneous expenses, amount to be negotiated in advance and approved by Commissioner's Court prior to each issuance

The payment of reimbursable expenses that FSC has assumed on behalf of the Issuer shall NOT be contingent upon the delivery of bonds and shall be due at the time that services are rendered and payable upon receipt of an invoice therefore submitted by FSC.

Evangelina Garcia

From: Martha Salazar [martha.salazar@co.hidalgo.tx.us]
Sent: Thursday, May 31, 2012 11:57 AM
To: 'Evangelina Garcia'
Subject: FW: First Amendment to Agreement

From: Steve Crain [mailto:scrain@atlashall.com]
Sent: Thursday, May 31, 2012 7:39 AM
To: 'Martha Salazar'
Subject: RE: First Amendment to Agreement

That will work.



From: Martha Salazar [mailto:martha.salazar@co.hidalgo.tx.us]
Sent: Wednesday, May 30, 2012 5:02 PM
To: 'Steve Crain'
Cc: 'Evangelina Garcia'
Subject: FW: First Amendment to Agreement
Importance: High

Mr. Crain:
Revisions made. Please review and comment as to form.
Marty

From: Evangelina Garcia [mailto:evangelina.garcia@co.hidalgo.tx.us]
Sent: Wednesday, May 30, 2012 3:33 PM
To: 'Martha Salazar'
Subject: RE: First Amendment to Agreement

Marty:
The revision has been made, please forward again to legal for review as to form.

Thank you

Vangie Y. Garcia, Contract's Manager
2802 S. Business Hwy. 281
New Administration Building
Edinburg, Texas 78539
(956) 292-7000-Extension 4856
email: evangelina.garcia@co.hidalgo.tx.us

From: Martha Salazar [mailto:martha.salazar@co.hidalgo.tx.us]
Sent: Wednesday, May 30, 2012 2:53 PM
To: 'Evangelina Garcia'
Subject: FW: First Amendment to Agreement

From: Stephen L. Crain [mailto:scrain@atlashall.com]
Sent: Wednesday, May 30, 2012 2:47 PM
To: 'Martha Salazar'
Subject: First Amendment to Agreement

See the attached please make changes.

Thanks,
Marynel Trevino, Secretary for

Stephen L. Crain & Heather De La Garza
ATLAS, HALL & RODRIGUEZ, LLP
818 Pecan Blvd. (78501)
P. O. Box 3725
McAllen, Texas 78502
Direct Dial Number (956) 632-8221
Main Number (956) 682-5501
Fax Number (956) 686-6109
E-mail Address scrain@atlashall.com



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Evangelina Garcia

From: Sergio Cruz [sergio.cruz@co.hidalgo.tx.us]
Sent: Friday, May 18, 2012 4:47 PM
To: Evangelina Garcia
Cc: martha.salazar@co.hidalgo.tx.us; ray.eufracio@auditor.co.hidalgo.tx.us; linda.fong@auditor.co.hidalgo.tx.us; dina.trevino@co.hidalgo.tx.us; valde.guerra@co.hidalgo.tx.us
Subject: FW: Amendment to Hidalgo County FA Agreement
Attachments: Hidalgo County First Amendment to FA Agreement to revise Fees for Cris Vela_ May 2012.DOC

Vangie,

Attached is the proposed amendment to the County's FA Agreement. Can you please have legal review and facilitate placement on the agenda for Commissioners' Court approval. If a meeting is in order to discussed the proposed changes please advise.

Regards,

Sergio Cruz

Hidalgo County Budget Officer
Department of Budget & Management
2818 South Business Highway 281
Edinburg, TX 78539
(956) 292-7025 phone
(956) 292-7035 fax
sergio.cruz@co.hidalgo.tx.us

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From: Cris Vela [mailto:Cris.Vela@firstsw.com]
Sent: Friday, May 18, 2012 1:46 PM
To: 'sergio.cruz@co.hidalgo.tx.us'
Subject: Fw: Amendment to Hidalgo County FA Agreement

As discussed

From: Jorja Williams
Sent: Friday, May 18, 2012 01:29 PM
To: Cris Vela
Subject: Amendment to Hidalgo County FA Agreement

Cris, check the last item and make sure that it agrees with your understanding with the County. Thanks.

Jorja Williams
Paralegal
FirstSouthwest

direct 214.953.4129 fax 214.953.4166
325 North St. Paul Street, Suite 800, Dallas, TX 75201-3852

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-

FINANCIAL ADVISORY AGREEMENT

This Financial Advisory Agreement (the "Agreement") is made and entered into by and between Hidalgo County ("Issuer") and First Southwest Company ("FSC") effective as of the date executed by the Issuer as set forth on the signature page hereof.

WITNESSETH:

WHEREAS, the Issuer will have under consideration from time to time the authorization and issuance of indebtedness in amounts and forms which cannot presently be determined and, in connection with the authorization, sale, issuance and delivery of such indebtedness, Issuer desires to retain an independent financial advisor; and

WHEREAS, the Issuer desires to obtain the professional services of FSC to advise the Issuer regarding the issuance and sale of certain evidences of indebtedness or debt obligations that may be authorized and issued or otherwise created or assumed by the Issuer (hereinafter referred to collectively as the "Debt Instruments") from time to time during the period in which this Agreement shall be effective; and

WHEREAS, FSC is willing to provide its professional services and its facilities as financial advisor in connection with all programs of financing as may be considered and authorized by Issuer during the period in which this Agreement shall be effective.

NOW, THEREFORE, the Issuer and FSC, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, do hereby agree as follows:

SECTION I
DESCRIPTION OF SERVICES

Upon the request of an authorized representative of the Issuer, FSC agrees to perform the financial advisory services stated in the following provisions of this Section I; and for having rendered such services, the Issuer agrees to pay to FSC the compensation as provided in Section V hereof.

A. Financial Planning. At the direction of Issuer, FSC shall:

1. Survey and Analysis. Conduct a survey of the financial resources of the Issuer to determine the extent of its capacity to authorize, issue and service any Debt Instruments

contemplated. This survey will include an analysis of any existing debt structure as compared with the existing and projected sources of revenues which may be pledged to secure payment of debt service and, where appropriate, will include a study of the trend of the assessed valuation, taxing power and present and future taxing requirements of the Issuer. In the event revenues of existing or projected facilities operated by the Issuer are to be pledged to repayment of the Debt Instruments then under consideration, the survey will take into account any outstanding indebtedness payable from the revenues thereof, additional revenues to be available from any proposed rate increases and additional revenues, as projected by consulting engineers employed by the Issuer, resulting from improvements to be financed by the Debt Instruments under consideration.

2. Future Financings. Consider and analyze future financing needs as projected by the Issuer's staff and consulting engineers or other experts, if any, employed by the Issuer.

3. Recommendations for Debt Instruments. On the basis of the information developed by the survey described above, and other information and experience available, submit to the Issuer recommendations regarding the Debt Instruments under consideration, including such elements as the date of issue, interest payment dates, schedule of principal maturities, options of prior payment, security provisions, and such other provisions as may be appropriate in order to make the issue attractive to investors while achieving the objectives of the Issuer. All recommendations will be consistent with the goal of designing the Debt Instruments to be sold on terms which are advantageous to the Issuer, including the lowest interest cost consistent with all other considerations.

4. Market Information. Advise the Issuer of our interpretation of current bond market conditions, other related forthcoming bond issues and general information, with economic data, which might normally be expected to influence interest rates or bidding conditions so that the date of sale of the Debt Instruments may be set at a favorable time.

5. Elections. In the event it is necessary to hold an election to authorize the Debt Instruments then under consideration, FSC will assist in coordinating the assembly of such data as may be required for the preparation of necessary petitions, orders, resolutions, ordinances, notices and certificates in connection with the election, including assistance in the transmission of such data to a firm of municipal bond attorneys ("Bond Counsel") retained by the Issuer.

B. Debt Management and Financial Implementation. At the direction of Issuer, FSC shall:

1. Method of Sale. Evaluate the particular financing being contemplated, giving consideration to the complexity, market acceptance, rating, size and structure in order to make a recommendation as to an appropriate method of sale, and:

a. If the Debt Instruments are to be sold by an advertised competitive sale, FSC will:

(1) Supervise the sale of the Debt Instruments, reserving the right, alone or in conjunction with others, to submit a bid for any Debt Instruments issued under this Agreement which the Issuer advertises for competitive bids; however, in keeping with the provisions of Rule G-23 of the Municipal Securities Rulemaking Board, FSC will request and obtain written consent to bid prior to submitting a bid, in any instance wherein FSC elects to bid, for any installment of such Debt Instruments;

(2) Disseminate information to prospective bidders, organize such informational meetings as may be necessary, and facilitate prospective bidders' efforts in making timely submission of proper bids;

(3) Assist the staff of the Issuer in coordinating the receipt of bids, the safekeeping of good faith checks and the tabulation and comparison of submitted bids; and

(4) Advise the Issuer regarding the best bid and provide advice regarding acceptance or rejection of the bids.

b. If the Debt Instruments are to be sold by negotiated sale, FSC will:

(1) Recommend for Issuer's final approval and acceptance one or more investment banking firms as managers of an underwriting syndicate for the purpose of negotiating the purchase of the Debt Instruments.

(2) Cooperate with and assist any selected managing underwriter and their counsel in connection with their efforts to prepare any Official Statement or Offering Memorandum. FSC will cooperate with and assist the underwriters in the preparation of a bond purchase contract, an underwriters agreement and other related documents. The costs incurred in such efforts, including the printing of the documents, will be paid in accordance with the terms of the Issuer's agreement

with the underwriters, but shall not be or become an obligation of FSC, except to the extent specifically provided otherwise in this Agreement or assumed in writing by FSC.

(3) Assist the staff of the Issuer in the safekeeping of any good faith checks, to the extent there are any such, and provide a cost comparison, for both expenses and interest which are suggested by the underwriters, to the then current market.

(4) Advise the Issuer as to the fairness of the price offered by the underwriters.

2. Offering Documents. Coordinate the preparation of the notice of sale and bidding instructions, official statement, official bid form and such other documents as may be required and submit all such documents to the Issuer for examination, approval and certification. After such examination, approval and certification, FSC shall provide the Issuer with a supply of all such documents sufficient to its needs and distribute by mail or, where appropriate, by electronic delivery, sets of the same to prospective purchasers of the Debt Instruments. Also, FSC shall provide copies of the final Official Statement to the purchaser of the Debt Instruments in accordance with the Notice of Sale and Bidding Instructions.

3. Credit Ratings. Make recommendations to the Issuer as to the advisability of obtaining a credit rating, or ratings, for the Debt Instruments and, when directed by the Issuer, coordinate the preparation of such information as may be appropriate for submission to the rating agency, or agencies. In those cases where the advisability of personal presentation of information to the rating agency, or agencies, may be indicated, FSC will arrange for such personal presentations, utilizing such composition of representatives from the Issuer as may be finally approved or directed by the Issuer.

4. Trustee, Paying Agent, Registrar. Upon request, counsel with the Issuer in the selection of a Trustee and/or Paying Agent/Registrar for the Debt Instruments, and assist in the negotiation of agreements pertinent to these services and the fees incident thereto.

5. Financial Publications. When appropriate, advise financial publications of the forthcoming sale of the Debt Instruments and provide them with all pertinent information.

6. Consultants. After consulting with and receiving directions from the Issuer, arrange for such reports and opinions of recognized independent consultants as may be appropriate for the successful marketing of the Debt Instruments.

7. Auditors. In the event formal verification by an independent auditor of any calculations incident to the Debt Instruments is required, make arrangements for such services.

8. Issuer Meetings. Attend meetings of the governing body of the Issuer, its staff, representatives or committees as requested at all times when FSC may be of assistance or service and the subject of financing is to be discussed.

9. Printing. To the extent authorized by the Issuer, coordinate all work incident to printing of the offering documents and the Debt Instruments.

10. Bond Counsel. Maintain liaison with Bond Counsel in the preparation of all legal documents pertaining to the authorization, sale and issuance of the Debt Instruments.

11. Changes in Laws. Provide to the Issuer copies of proposed or enacted changes in federal and state laws, rules and regulations having, or expected to have, a significant effect on the municipal bond market of which FSC becomes aware in the ordinary course of its business, it being understood that FSC does not and may not act as an attorney for, or provide legal advice or services to, the Issuer.

12. Delivery of Debt Instruments. As soon as a bid for the Debt Instruments is accepted by the Issuer, coordinate the efforts of all concerned to the end that the Debt Instruments may be delivered and paid for as expeditiously as possible and assist the Issuer in the preparation or verification of final closing figures incident to the delivery of the Debt Instruments.

13. Debt Service Schedule; Authorizing Resolution. After the closing of the sale and delivery of the Debt Instruments, deliver to the Issuer a schedule of annual debt service requirements for the Debt Instruments and, in coordination with Bond Counsel, assure that the paying agent/registrar and/or trustee has been provided with a copy of the authorizing ordinance, order or resolution.

SECTION II
OTHER AVAILABLE SERVICES

In addition to the services set forth and described in Section I herein above, FSC agrees to make available to Issuer the following services, when so requested by the Issuer and subject to the agreement by Issuer and FSC regarding the compensation, if any, to be paid for such services, it being understood and

agreed that the services set forth in this Section II shall require further agreement as to the compensation to be received by FSC for such services:

1. Investment of Funds. From time to time, as an incident to the other services provided hereunder as financial advisor, FSC may purchase such investments as may be directed and authorized by Issuer to be purchased, it being understood that FSC will be compensated in the normal and customary manner for each such transaction. In any instance wherein FSC may become entitled to receive fees or other compensation in any form from a third party with respect to these investment activities on behalf of Issuer, we will disclose to Issuer the nature and, to the extent such is known, the amount of any such compensation so that Issuer may consider the information in making its investment decision. It is understood and agreed that FSC is a duly licensed broker/dealer and is affiliated with First Southwest Asset Management, Inc. ("FSAMI"), a duly registered investment advisor. Issuer may, from time to time, utilize the broker/dealer services of FSC and/or the investment advisory services of FSAMI with respect to matters which do not involve or affect the financial advisory services referenced in this Agreement. The terms and conditions of the engagement of FSC and/or FSAMI to provide such services shall be determined by mutual agreement at the time such services are requested.

2. Exercising Calls and Refunding. Provide advice and assistance with regard to exercising any call and/or refunding of any outstanding Debt Instruments.

3. Capital Improvements Programs. Provide advice and assistance in the development of any capital improvements programs of the Issuer.

4. Long-Range Planning. Provide advice and assistance in the development of other long-range financing plans of the Issuer.

5. Post-Sale Services. Subsequent to the sale and delivery of Debt Instruments, review the transaction and transaction documentation with legal counsel for the Issuer, Bond Counsel, auditors and other experts and consultants retained by the Issuer and assist in developing appropriate responses to legal processes, audit procedures, inquiries, internal reviews and similar matters.

SECTION III
TERM OF AGREEMENT

This Agreement shall become effective as of the date executed by the Issuer as set forth on the signature page hereof and, unless terminated pursuant to Section IV of this Agreement, shall remain in effect thereafter for an initial period of three (3) years from such date, with the Issuer's option to renew

for two (2) additional years under the same rates, terms and conditions. The Issuer reserves the right to extend the engagement of FSC for an additional sixty (60) days after expiration of this Agreement, under the same rates, terms and conditions, due to unforeseen delay during the procurement process.

SECTION IV
TERMINATION

This Agreement may be terminated with or without cause by the Issuer upon the giving of at least thirty (30) days' prior written notice to FSC of its intention to terminate, specifying in such notice the effective date of such termination. In the event of such termination, it is understood and agreed that only the amounts due FSC for services provided and expenses incurred to the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement.

SECTION V
COMPENSATION AND EXPENSE REIMBURSEMENT

The fees due to FSC for the services set forth and described in Section I of this Agreement with respect to each issuance of Debt Instruments during the term of this Agreement shall be calculated in accordance with the schedule set forth on Appendix A attached hereto. Unless specifically provided otherwise on Appendix A or in a separate written agreement between Issuer and FSC, such fees, together with any other fees as may have been mutually agreed upon and all expenses for which FSC is entitled to reimbursement, shall become due and payable concurrently with the delivery of the Debt Instruments to the purchaser.

SECTION VI
MISCELLANEOUS

1. Choice of Law. This Agreement shall be construed and given effect in accordance with the laws of the State of Texas.

2. Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the Issuer and FSC, their respective successors and assigns; provided however, neither party hereto may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.

3. Entire Agreement. This instrument contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. Any oral or written representations or

modifications concerning this Agreement shall be of no force or effect except for a subsequent modification in writing signed by all parties hereto.

HIDALGO COUNTY

By: _____
Ramon Garcia, County Judge

Date: _____

Approved by Commissioners' Court
on 5/10/11 RG

ATTEST:

_____
Arturo Guajardo, Jr., County Clerk

FIRST SOUTHWEST COMPANY

By: _____
Hill A. Feinberg, Chairman and
Chief Executive Officer

By: _____
Cris S. Vela, Vice President

APPROVED AS TO FORM:
Josephine L. Ramirez,
Assistant Criminal District Attorney-County Affairs

BY: _____

APPENDIX A

The fees due First Southwest Company will not exceed those contained in our customary fee schedule as listed below and are payable at closing for each series of bonds:

Base	Fee -	Any	Issue				$ 3,750			
Plus	$ 6.25	per	$1,000	up to	$ 1,000,000	or	$ 10,000	for	$ 1,000,000	Bonds
Plus	$ 3.50	per	$1,000	next	1,500,000	or	$15,250	for	2,500,000	Bonds
Plus	$ 2.50	per	$1,000	next	2,500,000	or	$21,500	for	5,000,000	Bonds
Plus	$ 2.00	per	$1,000	next	5,000,000	or	$31,500	for	10,000,000	Bonds
Plus	$ 1.00	per	$1,000	next	10,000,000	or	$41,500	for	20,000,000	Bonds
Plus	$ 0.75	per	$1,000	over	20,000,000					

For any issue of Refunding Bonds and/or other Debt Instruments involving Escrow Agreements, it is understood and agreed that our fee will be the fee schedule set out above plus 10%.

The charges for ancillary services, including computer structuring and official statement printing, shall be levied only for those services which are reasonably necessary in completing the transaction and which are reasonable in amount, unless such charges were incurred at the specific direction of the Hidalgo County.

The County shall be responsible for the following expenses, if and when applicable, whether they are charged to the Issuer directly as expenses or charged to the Issuer by FSC as reimbursable expenses:

Bond counsel
Bond ratings
Computer structuring
Credit enhancement
CPA fees for refunding
Official statement preparation and printing
Paying agent/registrar/trustee
Travel expenses
Underwriter and underwriters counsel
Miscellaneous, including copy, delivery, and phone charges

The payment of reimbursable expenses that FSC has assumed on behalf of the Issuer shall NOT be contingent upon the delivery of bonds and shall be due at the time that services are rendered and payable upon receipt of an invoice therefore submitted by FSC.

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 3/29/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Roach Howard Smith & Barton
8750 N. Central Expressway
Suite 500
Dallas TX 75231

CONTACT NAME: Helen Stuart
PHONE (A/C, No, Ext): (972) 231-1300 **FAX (A/C, No):** (972) 231-1368
E-MAIL ADDRESS: hstuart@rhsb.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Texas Mutual Ins Co	22945
INSURER B : Great Northern Ins Co	20303
INSURER C : Federal Ins Co	20281
INSURER D : Travelers Prop Cas America	36161
INSURER E : Westchester Surplus Lines	10172
INSURER F :	

INSURED (214) 953-4000
First Southwest Company
First Southwest Asset Management, Inc.
325 N. St. Paul Street
Suite 800
Dallas TX 75201

COVERAGES **CERTIFICATE NUMBER:** Cert ID 20614 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
B	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT X LOC			35787714	12/15/2011	12/15/2012	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG Location Agg Limit	$ $ $ $ $ $ $	1,000,000 1,000,000 10,000 1,000,000 2,000,000 Included 10,000,000
B	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS			74968567	12/15/2011	12/15/2012	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) Hired Car Comp/Col	$ $ $ $ $	1,000,000 Ded 500/500
C	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION $			79785393	12/15/2011	12/15/2012	EACH OCCURRENCE AGGREGATE	$ $	10,000,000 10,000,000
AD	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		TSF0001199604 - TX HJUB3491N91612 - OS	4/1/2012 4/1/2012	4/1/2013 4/1/2013	X WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ $ $	 1,000,000 1,000,000 1,000,000
E	Broker/Dealer Errors & Omissions			G23619295007	12/20/2011	12/20/2012	Claims Made per Claim/Occurr. Aggregate	$ $	10,000,000 10,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
General and auto liability policies include a blanket automatic additional insured endorsement/provision that provides additional insured status to the certificate holder only when there is a written contract between the named insured and the certificate holder that requires such status. General and auto liability policies contains a special endorsement/provision with "primary additional insured" wording. General and auto liability, and workers compensation policies include a blanket automatic waiver of subrogation endorsement/provision that provides this feature only when there is a written contract between the named insured and the certificate holder that requires it.

CERTIFICATE HOLDER
Hidalgo County
Attn: Purchasing Department
2812 S. Highway Bus. 281
Edinburg TX 78539

CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Bart Tucker

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APPROVED

AI-26446 **17. A. 8.**

CC REGULAR Meeting Date: 05/10/2011

Submitted For: Marty Salazar Submitted By: Vangie Garcia, PURCHASING DEPT.

Department: PURCHASING DEPT.

Information

CAPTION

Clarification on Agenda Item #25099 (approved by Commissioners Court on 4-26-11) in connection with Letter Of Engagement with the firm of First Southwest to reflect the following:

a. To correct "(term of one year) to "term of three (3) years with County's option to renew for two (2) additional years under the same rates, terms and conditions" as all original supporting documentation confirms and NOT (term of one year) as on the original caption; and

b. to correct: **effective date as May 10, 2011** and not May 27, 2011;

for the RFP No: 2010-343-11-10-YZV-Financial Advisory Services Project".

BACKGROUND

Fiscal Impact

FISCAL YEAR: ACCT. #:

FUNDS AVAILABLE Y/N?: MATCHING FUNDS Y/N?:

BUDGETARY IMPACT:

No fiscal impact on this agenda, this is only for clarification purposes.
Paid from the proceeds of the debt issued.

Attachments

Previous Agenda Item

letter of engagement- First Southwest

Form Review

Inbox	Reviewed By	Date
Purchasing Department	Marty Salazar	05/03/2011 10:17 AM
Budget & Management	Angela Garcia	05/04/2011 11:39 AM
Rosalinda Cantu	Rosie Cantu	05/05/2011 04:38 PM
Auditor's Office	Angela Garcia	05/06/2011 02:16 PM
Purchasing Department	Marty Salazar	05/06/2011 02:24 PM

Form Started By: Vangie Garcia Started On: 04/29/2011 10:34 AM

Final Approval Date: 05/06/2011

6. **AI-25099 Consideration and action on the following items in connection with "RFP No: 2010-343-11-10-YZV-Financial Advisory Services so as to proceed in finalizing said project:**

a. Acceptance and approval of Letter of Engagement (for a term of one year) which includes best and final offer with the firm of First Southwest with effective date of: April 28, 2011 or August 28, 2011 as determined under the following;

b. Action for Hidalgo County to opt to exercise the thirty (30) days' written Notice of Termination to Estrada-Hinojosa & Company as provided in the Letter of Engagement (more specifically under page 4-section VI) and thus agree that only services provided and expenses incurred to the date of termination will be due and payable.

Ms. Darlene Betancourt informed the Court that the Purchasing Department wished to terminate current contract.

On motion of Commissioner Flores, seconded by Commissioner Joseph Palacios, the Court made a UNANIMOUS vote to approve items 19.A.6.a & b., with termination of current contract

B. Pct. 1

1. **AI-26357 Requesting authorization/approval to request proposals from awarded Job Order Contractors (through County's membership/participation in various cooperative purchasing programs/association, etc.) for the relocation & repairs of a Portable Building located on 1015 South to be moved to Mile 11 N & Mile 1 1/2 E. in Mercedes, TX, (Project #11-130-OGG) and Relocation & Repairs to WIC Clinic to move, re-level and repair at same location (Project # 11-098) from:**

a. Herrera & Hunt Inc. and Alpha Building Corporation (awarded through Hidalgo County's membership/participation with Harris County Department of Education's JOC Program); and,

b. CAS Companies JOC thru TCPN Contract #R-5004 as approved on 05/24/10

so as to determine the best value under TX . Local Government Code 271.113.

On motion of Commissioner Flores, seconded by Commissioner Joseph Palacios, the Court made a UNANIMOUS vote to approve items 19.B.1.a & b.

C. Facilities Management:

1. **AI-26324 Acceptance and approval to award proposal (solicited due to the concerns detailed herein) from job order contractor, Alpha Building Corp. (awarded JOC through HCDE-Choice Facility Partners) in the amount of $ 11,255.83 (including the issuance of Purchase Order #656541) in order to address urgent and necessary solution for wind damages sustained that created an emergency circumstance under 262.024 (a)(1)(2) for the "Repair to North San Juan CRC Building Wall" meeting all specifications, as attached hereto, and pending issuance of notice to proceed (Project #2011-125-04-19-OGG).**

On motion of Commissioner Flores, seconded by Commissioner Joseph Palacios, the Court made a UNANIMOUS vote of approval.

APPROVED

AI-25099 **19.A.6.**

Final Negotiated Contract for "Financial Advisory Services"

CC REGULAR

Date: 04/26/2011

Submitted By: Yolanda Velasquez, PURCHASING DEPT.

Submitted For: Marty Salazar

Department: PURCHASING DEPT.

Agenda Category: Purchasing Department **Sub-category:** Hidalgo County

Information

CAPTION

Consideration and action on the following items in connection with "RFP No: 2010-343-11-10-YZV-Financial Advisory Services so as to proceed in finalizing said project:

a. Acceptance and approval of Letter of Engagement (for a term of one year) which includes best and final offer with the firm of First Southwest with effective date of: April 28, 2011 or August 28, 2011 as determined under the following;

b. Action for Hidalgo County to opt to exercise the thirty (30) days' written Notice of Termination to Estrada-Hinojosa & Company as provided in the Letter of Engagement (more specifically under page 4-section VI) and thus agree that only services provided and expenses incurred to the date of termination will be due and payable.

BACKGROUND

Previously approved by Commissioners Court on January 25, 2011 for ranking and approval to proceed with the letter of engagement .

Fiscal Impact

FISCAL YEAR: **ACCT. #:**

FUNDS AVAILABLE Y/N?: **MATCHING FUNDS Y/N?:**

BUDGETARY IMPACT:

Paid from the proceeds of the debt issued.

Attachments

Link: Letter Of Engagement-FirstSouthwest

Link: Response to BAFO

Link: Estrada-Hinojosa Letter Of Engagement

Link: Acceptance Sheet-Participation Log

Form Routing/Status

Route Seq	Inbox	Approved By	Date	Status
1	Purchasing Department	Marty Salazar	04/19/2011 02:00 PM	APRV
2	Budget & Management	Erika Zamora	04/19/2011 02:32 PM	APRV
3	Rosalinda Cantu	Rosie Cantu	04/21/2011 04:38 PM	APRV
4	Auditor's Office		04/21/2011 05:36 PM	NEW

Form Started By: Yolanda Velasquez Started On: 01/31/2011 01:00 PM

Final Approval Date: 04/21/2011

AI-32682 **17. A. 5.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted For: Martha L. Salazar Submitted By: Gricelda Villarreal, PURCHASING DEPT.

Department: PURCHASING DEPT.

Information

CAPTION

a. Requesting approval for County's option to exercise the final year extension as provided under the Requirements/Terms and conditions of the Hidalgo County RFP/Q- "Pool of Professional Consultants to Seek Funding and Assistance Through Federal and State Agencies, Private Sector(s) and Other Sources", or if not approved, in the alternative;

b. Requesting authority to advertise a Request for Proposals with qualifications for “Pool of Professional Consultants to Seek Funding and Assistance Through State, Federal and Private Sector(s) and other Sources (Including all funding sources, program and entities); or

c. Requesting authority to advertise a Request for Proposals with qualifications for “Professional Consultant to Seek Funding and Assistance Through State, Federal and Private Sector(s) and other Sources (Including all funding sources, program and entities), utilizing the original procurement packet.

BACKGROUND

Fiscal Impact

FISCAL YEAR: ACCT. #:

FUNDS AVAILABLE Y/N?: MATCHING FUNDS Y/N?:

BUDGETARY IMPACT:

No budgetary impact at this time; funding must be in place before contracting with selected consulting firm.

Attachments

C-10-163-06-22-Pool

C-10-245-07-27-Expansion Pool

Requirements

Form Review

Inbox	Reviewed By	Date
Purchasing Department	Marty Salazar	06/07/2012 02:55 PM
Budget & Management	Ivan Cantu	06/07/2012 04:35 PM
Rosalinda Cantu	Rosie Cantu	06/08/2012 11:18 AM
Auditor's Office	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Gricelda Villarreal Started On: 06/05/2012 02:17 PM

Final Approval Date: 06/22/2012

POOL-10-163-06-22

HIDALGO COUNTY PURCHASING DEPARTMENT
RFP-Q ACCEPTANCE SHEET
Effective Date: June 22, 2010 thru June 21, 2012

DEPARTMENT NAME: HIDALGO COUNTY

RFP-Q ACCEPTANCE DATE: June 9, 2010	**RFP-Q ACCEPTANCE TIME: 9:30 A.M.**

DESCRIPTION OF RFP-Q: "POOL OF PROFESSIONAL CONSULTANTS TO SEEK FUNDING AND ASSISTANCE THROUGH STATE, FEDERAL AND PRIVATE SECTOR(S) AND OTHER SOURCES"
(INCLUDING ALL FUNDING SOURCES, PROGRAMS, AND ENTITIES)

RFP-Q NO: 2010-163-06-09CGV

RFP-Q#	NAME OF COMPANY	ACKNOWLEDGMENT OF RECEIPT
#1	Dos Legislative Services Donna, Tx	√√
#2	Austin, Copeling & Reyes Austin, Tx	√√
#3	Arnold Mata Learnship Pharr, Tx	√√
#4		
#5		
#6		
#7		
#8		
#9		
#10		

POOL-10-245-07-27

HIDALGO COUNTY PURCHASING DEPARTMENT

RFP-Q ACCEPTANCE SHEET

EXPANSION OF POOL

EFFECTIVE: 06-22-2010 THRU 06-21-2012

DEPARTMENT NAME: HIDALGO COUNTY

RFP-Q ACCEPTANCE DATE: July 21, 2010	**RFP-Q ACCEPTANCE TIME: 9:30 A.M.**

DESCRIPTION OF RFP-Q: "EXPANSION OF POOL OF PROFESSIONAL CONSULTANTS TO SEEK FUNDING AND ASSISTANCE THROUGH STATE, FEDERAL AND PRIVATE SECTOR(S) AND OTHER SOURCES" (INCLUDING ALL FUNDING SOURCES, PROGRAMS, AND ENTITIES)

RFP-Q NO: 2010-245-07-21CGV

RFP-Q#	NAME OF COMPANY	ACKNOWLEDGMENT OF RECEIPT
#1	Vazaldua & Associates	√√
#2	Hollis, Rutledge and Associates	√√
#3		
#4		
#5		
#6		
#7		
#8		
#9		
#10		

POOL-10-245-07-27

HIDALGO COUNTY PURCHASING DEPARTMENT

RFP-Q ACCEPTANCE SHEET

EXPANSION OF POOL

EFFECTIVE: 06-22-2010 THRU 06-21-2012

DEPARTMENT NAME: HIDALGO COUNTY

RFP-Q ACCEPTANCE DATE: July 21, 2010	**RFP-Q ACCEPTANCE TIME: 9:30 A.M.**

DESCRIPTION OF RFP-Q: "EXPANSION OF POOL OF PROFESSIONAL CONSULTANTS TO SEEK FUNDING AND ASSISTANCE THROUGH STATE, FEDERAL AND PRIVATE SECTOR(S) AND OTHER SOURCES" (INCLUDING ALL FUNDING SOURCES, PROGRAMS, AND ENTITIES)

RFP-Q NO: 2010-245-07-21CGV

RFP-Q#	NAME OF COMPANY	ACKNOWLEDGMENT OF RECEIPT
#1	Vazaldua & Associates	√√
#2	Hollis, Rutledge and Associates	√√
#3		
#4		
#5		
#6		
#7		
#8		
#9		
#10		

EXHIBIT A
REQUIREMENTS

HIDALGO COUNTY
REQUEST FOR
PROPOSAL/QUALIFICATIONS

"POOL OF PROFESSIONAL CONSULTANTS TO SEEK FUNDING AND ASSISTANCE THROUGH FEDERAL AND STATE AGENCIES, PRIVATE SECTOR(S) AND OTHER SOURCES"
(INCLUDING ALL FUNDING SOURCES, PROGRAMS, AND ENTITIES)

RFP/Q NO: 2010-163-06-09CGV

PROOF OF FINANCIAL AND BUSINESS CAPABILITY:
Submitters must, upon request, furnish satisfactory evidence of their ability to furnish products or services in accordance with the terms and conditions of these requirements. Hidalgo County will make the final determination as to the submitter's ability.

SUBMITTER DEFAULT:
Hidalgo County reserves the right, in case of submitter default, to procure the articles or services from other sources and hold the defaulting submitter responsible for any excess costs occasioned thereby.

RESTRICTIVE OR AMBIGUOUS REQUIREMENTS:
It is the responsibility of the submitter to review the Request for Proposal/Qualification (RFP/Q) packet and to notify the Purchasing Department if the requirements are formulated in a manner that would unnecessarily restrict competition. Any such protest or question regarding the requirements or bidding procedures must be received in the Purchasing Department not less than seventy-two hours prior to the time set for the opening. These criteria also apply to requirements that are ambiguous.

HAND DELIVERED PROPOSALS:
Hidalgo County requires submitters, when hand delivering RFP/Q, to make sure that it is stamped with date and time by the County Purchasing staff.

SIGNING OF PROPOSALS/QUALIFICATIONS:
In order to be considered all submittals **must** be signed. **Please sign the original in blue ink.**

WAIVING OF INFORMALITIES:
Hidalgo County reserves the right to waive minor informalities or technicalities when it is in the best interest of Hidalgo County.

SUBCONTRACTING: The successful submitter may not subcontract the award without the written consent of the Commissioners' Court of Hidalgo County.

TERM OF CONTRACT:
It is intended that the term of the contract will be for an initial period of two (2) years, with County's option to renew for an additional one (1) year term, under the same rates, terms and conditions.

The County has the option to extend for sixty (60) day grace period at the end of the contract for unforeseen delays on subsequent contract under the same rates, terms and conditions.

DAVIS BACON ACT: (If Applicable)
All selected and awarded firms are required to include the Davis-Bacon Act when

EXHIBIT A
REQUIREMENTS

HIDALGO COUNTY
REQUEST FOR
PROPOSAL/QUALIFICATIONS

"EXPANSION OF POOL OF PROFESSIONAL CONSULTANTS TO SEEK FUNDING AND ASSISTANCE THROUGH FEDERAL AND STATE AGENCIES, PRIVATE SECTOR(S) AND OTHER SOURCES"

(INCLUDING ALL FUNDING SOURCES, PROGRAMS, AND ENTITIES)

RFP/Q NO: 2010-245-07-21CGV

Hidalgo County is requesting for sealed proposals with qualifications from qualified **"Consultant(s)** in order to establish an **"Expansion of Pool of Professional Consultants To Seek Funding And Assistance Through Federal and State Agencies, Private Sector(s) And Other Sources"** on an **"As Needed Basis"**. Hidalgo County Purchasing Department will receive sealed proposals with qualifications for the provision and establishment of a **"Expansion of Pool Of Professional Consultants To Seek Funding And Assistance Through Federal and State Agencies, Private Sector(s) And Other Sources"** as specified herein. Sealed proposals with qualifications will be accepted until **9:30 A.M., Wednesday, July 21, 2010. ANY RFP/Q RECEIVED AFTER THAT DATE AND TIME WILL NOT BE ACCEPTED AND WILL BE RETURNED UNOPENED.**

Deliver Submittal to:

RFP/Q NO: 2010-245-07-21CGV

US Postal Mail address:
Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
Administration Building
2812 S. Business Hwy. 281
Edinburg, Texas 78539

Physical Address:
Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
Administration Building
2802 S. Business Hwy. 281
Edinburg, Texas 78539

The Submittal Envelope Must Show the RFP Number, Name and Acceptance Date.
The following outlines the Request For Proposal/Qualifications:

SECTION I GENERAL TERMS AND CONDITIONS

ADDITIONAL INFORMATION:
Hidalgo County is requesting that "Request For Proposal/Qualifications" be routed to Martha L. Salazar, CPPB, Purchasing Agent, at:

US Postal Mail address:
Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
Administration Building
2812 S. Business Hwy. 281
Edinburg, Texas 78539

Physical Address:
Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
Administration Building
2802 S. Business Hwy. 281
Edinburg, Texas 78539

WRITTEN QUESTIONS WILL BE ACCEPTED VIA FACSIMIL NO LATER THAN Wednesday, July 7, 2010 at 5:00 P.M. at (956) 292-7612, and/or **BY EMAIL TO:** cris.villarreal@co.hidalgo.tx.us Responses will be sent to all applicants via facsimile by Friday, July 9, 2010. **TELEPHONE INQUIRIES WILL NOT BE ACCEPTED.**

PROOF OF FINANCIAL AND BUSINESS CAPABILITY:
Submitters must, upon request, furnish satisfactory evidence of their ability to furnish products or services in accordance with the terms and conditions of these requirements. Hidalgo County will make the final determination as to the submitter's ability.

SUBMITTER DEFAULT:
Hidalgo County reserves the right, in case of submitter default, to procure the articles or services from other sources and hold the defaulting submitter responsible for any excess costs occasioned thereby.

RESTRICTIVE OR AMBIGUOUS REQUIREMENTS:
It is the responsibility of the submitter to review the Request for Proposal/Qualification (RFP/Q) packet and to notify the Purchasing Department if the requirements are formulated in a manner that would unnecessarily restrict competition. Any such protest or question regarding the requirements or bidding procedures must be received in the Purchasing Department not less than seventy-two hours prior to the time set for the opening. These criteria also apply to requirements that are ambiguous.

HAND DELIVERED PROPOSALS:
Hidalgo County requires submitters, when hand delivering RFP/Q, to make sure that it is stamped with date and time by the County Purchasing staff.

SIGNING OF PROPOSALS/QUALIFICATIONS:
In order to be considered all submittals **must** be signed. **Please sign the original in blue ink.**

WAIVING OF INFORMALITIES:
Hidalgo County reserves the right to waive minor informalities or technicalities when it is in the best interest of Hidalgo County.

SUBCONTRACTING: The successful submitter may not subcontract the award without the written consent of the Commissioners' Court of Hidalgo County.

TERM OF POOL/CONTRACT:
It is intended that the term of the pool/contract will be for an initial period of two (2) years, with County's option to renew for an additional one (1) year term, under the same rates, terms and conditions.

The County has the option to extend for sixty (60) day grace period at the end of the contract for unforeseen delays on subsequent contract under the same rates, terms and conditions.

AI-32690 **Purchasing Department 17. A. 6.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Martha L. Salazar **Submitted By:** Yvette Islas, PURCHASING DEPT.

Department: PURCHASING DEPT.

Information

CAPTION

Presentation for discussion, consideration and action in connection with the mandatory inclusion of a document into the procurement packet for construction projects under both LEGAL NOTICES and BID/PROPOSAL PAGES titled:

1. Statement of Credentials; 2. Qualification & Reference Questionnaire; or, 3; Combination of Both; with drafts attached herein so as to assist Hidalgo County in evaluating bidders/proposers as "responsible" in preparation for bid/proposal awards as other counties and/or cities require.

BACKGROUND

Fiscal Impact

FISCAL YEAR: **ACCT. #:**

FUNDS AVAILABLE Y/N?: **MATCHING FUNDS Y/N?:**

BUDGETARY IMPACT:

No budgetary impact/ no funding required for this request. rc

Fiscal impact would be on a per project and appropriated funding.

Attachments

missouri city

nueces county

262.027, 271.113-116,271.20

Form Review

Inbox	Reviewed By	Date
Purchasing Department	Marty Salazar	06/18/2012 02:35 PM
Budget & Management	Merlen P. Munoz	06/18/2012 02:38 PM
Rosalinda Cantu	Rosie Cantu	06/22/2012 01:41 PM
Auditor's Office	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Yvette Islas Started On: 06/06/2012 09:12 AM

Final Approval Date: 06/22/2012

SECTION XII
FORMS

A. ADDENDUM RECEIPT ACKNOWLEDGMENT

Bidder acknowledges receipt of the following Addenda:

Addendum #1 Dated _____ Received _____

Addendum #2 Dated _____ Received _____

Addendum #3 Dated _____ Received _____

Addendum #4 Dated _____ Received _____

B. LIABILITY AND WORKERS' COMPENSATION INSURANCE CERTIFICATION

Bidder hereby certifies that said company carries liability coverage and workers compensation insurance coverage that meets the requirements set forth in this Invitation for Bids when performing work on this project for the City of Missouri City.

Furthermore, bidder certifies that any subcontractor on the project shall provide the said company with a certificate relating that all employees of the subcontractor also are provided with workers' compensation insurance coverage. Bidder will provide copies of all of these certificates to the City of Missouri City during the course of the project for all subcontractors working on the project.

A certificate of liability and workers comp coverage must be submitted to the City before a contract will be executed.

C. QUALIFICATIONS AND REFERENCES QUESTIONAIRE

1. List the names that the bidder currently, has, or anticipates operating under, including the names of related companies presently doing business.

   _____

   _____

   _____

2. List the names of companies, firms or organizations that own any part of the bidding organization.

_____

_____

3. Years experience in similar projects: _____

4. In the past ten years, has bidder ever defaulted on a project or failed to complete any work contracted for? _____ If yes, provide details on a separate sheet.

5. In the past ten years, has bidder ever been terminated from a project it had contracted for? _____ If yes, provide details on a separate sheet.

6. Is the bidder currently in any litigation or contemplating litigation? _____ If yes, provide details on a separate sheet.

7. In the past five years, has bidder ever refused to enter into contract for a project for which it was awarded a contract?_____ If yes, provide details on a separate sheet.

8. Provide a brief description of bidder's managerial structure including name and title of key personnel. You may include this information on a separate sheet.

_____

_____

_____

_____

_____

9. What trades or services does the bidder ordinarily subcontract out?

_____

_____

_____

10. Provide a list of at least five recent projects that are of similar size and scope to the project specified in this Invitation For Bids.

Project Name #1:_____

Owner:_____

Cost: _____ Date Completed:_____

Bidder's Project Manager:_____

Owner's Reference Name & Phone #:_____

Project Name #2:_____

Owner:_____

Cost: _____ Date Completed:_____

Bidder's Project Manager:_____

Owner's Reference Name & Phone #:_____

Project Name #3:_____

Owner:_____

Cost: _____ Date Completed:_____

Bidder's Project Manager:_____

Owner's Reference Name & Phone #:_____

Project Name #4:_____

Owner:_____

Cost: _____ Date Completed:_____

Bidder's Project Manager:_____

Owner's Reference Name & Phone #:_____

Project Name #5:_____

Owner:_____

Cost: _____ Date Completed:_____

Bidder's Project Manager:_____

Owner's Reference Name & Phone #:_____

11. Name of Bidder's proposed project manager for this project:

    _____

12. List any subcontractors you propose to use on the City's project that will comprise at least 10% of the total project cost. Use additional page if necessary. This information is considered preliminary and may be revised prior if bid is awarded and re-submitted during the pre-construction phase. However, it is expressly understood that the use of any subcontractor other than those listed with bid shall require written approval from the City of Missouri City.

    Failure to submit the information as required may result in a disqualification of your bid.

    Subcontractor Name:_____

    City/State:_____

    Trade or Service to Be Provided:_____

    Estimated Percentage of Overall Cost:_____

Subcontractor Name:_____

City/State:_____

Trade or Service to Be Provided:_____

Estimated Percentage of Overall Cost:_____

Subcontractor Name:_____

City/State:_____

Trade or Service to Be Provided:_____

Estimated Percentage of Overall Cost:_____

D. BONDING COMPANY INFORMATION

Bid Bond

LOCAL AGENT:

Bonding Company Name:_____

Individual Contact: _____

Street Address: _____

Mailing Address: _____

City, State, Zip: _____

Phone Number: _____

STATEMENT OF CREDENTIALS

1. GENERAL: In order to assist the Owner in determining the ability of each Bidder to properly fulfill the requirements of this proposed contract, the Bidder will complete the following items. All questions must be answered and the data given must be clear and comprehensive. **This statement must be notarized.** If necessary, questions may be answered on separate attached sheets. The Bidder may submit any additional information he desires.

Name of Bidder: _____

Address: _____

_____

Date Organized: _____ Date Incorporated: _____

Office Number: _____ Fax Number: _____

Number of years in business under present name: _____

Type of work performed by your company: _____

Have you ever failed to complete any work awarded to you? _____

Have you ever defaulted on a contract? _____

Attach resumes for the principal members of your organization, including the officers as well as the proposed superintendent for the project.

Credit available: $ _____

Bank reference: $ _____

2. EXPERIENCE: The Bidder will give below a list of similar projects which he has completed within the last seven (7) years.

1. Owner: _____

Address: _____

Ph/Fx Number: _____ Email: _____

Scope of Work Description: _____

Date Completed: _____Total Cost: _____

****

2. Owner: _____

Address: _____

Ph/Fx Number: _____ Email: _____

Scope of Work Description: _____

Date Completed: _____Total Cost: _____

****

3. Owner: _____

Address: _____

Ph/Fx Number: _____ Email: _____

Scope of Work Description: _____

Date Completed: _____Total Cost: _____

****

4. Owner: _____

Address: _____

Ph/Fx Number: _____ Email: _____

Scope of Work Description: _____

Date Completed: _____Total Cost: _____

****

5. Owner: _____

Address: _____

Ph/Fx Number: _____ Email: _____

Scope of Work Description: _____

Date Completed: _____Total Cost: _____

****

6. Owner: _____

Address: _____

Ph/Fx Number: _____ Email: _____

Scope of Work Description: _____

Date Completed: _____Total Cost: _____

****

7. Owner: _____

Address: _____

Ph/Fx Number: _____ Email: _____

Scope of Work Description: _____

Date Completed: _____Total Cost: _____

****

8. Owner: _____

Address: _____

Ph/Fx Number: _____ Email: _____

Scope of Work Description: _____

Date Completed: _____Total Cost: _____

****

9. Owner: _____

Address: _____

Ph/Fx Number: _____ Email: _____

Scope of Work Description: _____

Date Completed: _____Total Cost: _____

****

10. Owner: _____

Address: _____

Ph/Fx Number: _____ Email: _____

Scope of Work Description: _____

Date Completed: _____Total Cost: _____

****

3. **CONTRACTS ON HAND:** The Bidder shall provide below a list of any contracts/projects he currently has on hand:

_____

_____

_____

_____

_____

_____

_____

4. **EQUIPMENT AVAILABLE FOR THIS CONTRACT/PROJECT ON HAND (if applicable):** The Bidder shall provide below a list of equipment available for use on this contract/project:

_____

_____

_____

_____

_____

_____

5. SUBCONTRACTORS: The Bidder shall provide below a tentative list of subcontractors proposed to work on this contract/project, and the portion of work to be performed by each.

_____

_____

_____

_____

_____

The undersigned hereby authorizes and requests any person, firm, or corporation to furnish any information requested by the owner in verification of the recitals comprising this Statement of Credentials.

Executed this _____ day of _____, 2012.

_____

By_____

Title_____

Subscribed and sworn to me this ____ day of _____, 2012.

By:_____

Notary Public in and for _____County, Texas

My commission expires _____

§ 262.027. AWARDING OF CONTRACT.

(a) The officer in charge of opening the bids shall present them to the commissioners court in session. Except as provided by Subsection (e), the court shall:

(1) award the contract to the responsible bidder who submits the lowest and best bid; or

(2) reject all bids and publish a new notice.

(b) If two responsible bidders submit the lowest and best bid, the commissioners court shall decide between the two by drawing lots in a manner prescribed by the county judge.

(c) A contract may not be awarded to a bidder who is not the lowest dollar bidder meeting specifications unless, before the award, each lower bidder is given notice of the proposed award and is given an opportunity to appear before the commissioners court and present evidence concerning the lower bidder's responsibility.

(d) In determining the lowest and best bid for a contract for the purchase of earth-moving, material-handling, road maintenance, or construction equipment, the commissioners court may consider the information submitted under Section 262.0255.

(e) In determining the lowest and best bid for a contract for the purchase of road construction material, the commissioners court may consider the pickup and delivery locations of the bidders and the cost to the county of delivering or hauling the material to be purchased. The commissioners court may award contracts for the purchase of road construction material to more than one bidder if each of the selected bidders submits the lowest and best bid for a particular location or type of material.

(f) Notwithstanding any other requirement of this section, the commissioners court may condition acceptance of a bid on compliance with a requirement for attendance at a mandatory pre-bid conference under Section 262.0256.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987. Amended by Acts 1991, 72nd Leg., ch. 416, § 2, eff. Sept. 1, 1991; Acts 1993, 73rd Leg., ch. 127, § 1, eff. May 11, 1993; Acts 2001, 77th Leg., ch. 255, § 2, eff. May 22, 2001.

§ 271.113. PROCUREMENT PROCEDURES.

(a) In entering into a contract for the construction of a facility, a governmental entity may use any of the following methods that provides the best value for the governmental entity:

(1) competitive bidding;

(2) competitive sealed proposals for construction services;

(3) a design-build contract;

(4) a contract to construct, rehabilitate, alter, or repair facilities that involves using a construction manager; or

(5) a job order contract for the minor repair, rehabilitation, or alteration of a facility.

(b) Except as provided by this subchapter, in determining to whom to award a contract, the governmental entity may consider:

(1) the purchase price;

(2) the reputation of the vendor and of the vendor's goods or services;

(3) the quality of the vendor's goods or services;

(4) the extent to which the goods or services meet the governmental entity's needs;

(5) the vendor's past relationship with the governmental entity;

(6) the impact on the ability of the governmental entity to comply with rules relating to historically underutilized businesses;

(7) the total long-term cost to the governmental entity to acquire the

vendor's goods or services; and

(8) any other relevant factor specifically listed in the request for bids or proposals.

Added by Acts 2001, 77th Leg., ch. 1409, § 5, eff. Sept. 1, 2001.

§ 271.114. EVALUATION OF BIDS AND PROPOSALS FOR CONSTRUCTION SERVICES.

(a) The governing body of a governmental entity that is considering a construction contract using a method specified by Section 271.113(a) other than competitive bidding must, before advertising, determine which method provides the best value for the governmental entity. The governing body may, as appropriate, delegate its authority under this section to a designated representative.

(b) The governmental entity shall base its selection among offerors on criteria authorized to be used under Section 271.113(b). The governmental entity shall publish in the request for bids, proposals, or qualifications all the criteria that will be used to evaluate the offerors and the relative weights given to the criteria.

(c) The governmental entity shall document the basis of its selection and shall make the evaluations public not later than the seventh day after the date the contract is awarded.

§ 271.115. SELECTING CONTRACTOR FOR CONSTRUCTION SERVICES THROUGH COMPETITIVE BIDDING.

(a) Except to the extent prohibited by other law and to the extent consistent with this subchapter, a governmental entity may use competitive bidding to select a contractor to perform construction, rehabilitation, alteration, or repair services for a facility.

(b) Except as otherwise specifically provided by this subsection, Subchapter B

does not apply to a competitive bidding process under this section. Sections 271.026, 271.027(a), and 271.0275 apply to a competitive bidding process under this section.

(c) A governmental entity shall award a competitively bid contract at the bid amount to the bidder offering the best value to the governmental entity according to the selection criteria that were established by the governmental entity. The selection criteria may include the factors listed in Section 271.113(b).

271.116. SELECTING CONTRACTOR FOR CONSTRUCTION SERVICES THROUGH COMPETITIVE SEALED PROPOSALS.

(a) In selecting a contractor through competitive sealed proposals for construction, rehabilitation, alteration, or repair services for a facility or for construction of a project to which Section 252.043(d-1) applies, a governmental entity shall follow the procedures prescribed by this section.

(b) The governmental entity shall select or designate an engineer or architect to prepare construction documents for the project. The selected or designated engineer or architect has full responsibility for complying with Chapter 1001 or 1051, Occupations Code, as applicable. If the engineer or architect is not a full-time employee of the governmental entity, the governmental entity shall select the engineer or architect on the basis of demonstrated competence and qualifications as provided by Section 2254.004, Government Code.

(c) The governmental entity shall provide or contract for, independently of the contractor, the inspection services, the testing of construction materials engineering, and the verification testing services necessary for acceptance of the facility or project by the governmental entity. The governmental entity shall select those services for which it contracts in accordance with Section 2254.004, Government Code, and shall identify them in the request for proposals.

(d) The governmental entity shall prepare a request for competitive sealed proposals that includes construction documents, selection criteria, estimated budget, project scope, schedule, and other information that contractors may require to respond to the request. The governmental entity shall state in the request for proposals the selection criteria that will be used in selecting the successful offeror.

(e) The governmental entity shall receive, publicly open, and read aloud the names of the offerors and, if any are required to be stated, all prices stated in each proposal. Not later than the 45th day after the date of opening the proposals, the governmental entity shall evaluate and rank each proposal submitted in relation to the published selection criteria.

(f) The governmental entity shall select the offeror that offers the best value for the governmental entity based on the published selection criteria and on its ranking evaluation. The governmental entity shall first attempt to negotiate a contract with the selected offeror. The governmental entity and its engineer or architect may discuss with the selected offeror options for a scope or time modification and any price change associated with the modification. If the governmental entity is unable to negotiate a contract with the selected offeror, the governmental entity shall, formally and in writing, end negotiations with that offeror and proceed to the next offeror in the order of the selection ranking until a contract is reached or all proposals are rejected.

(g) In determining best value for the governmental entity, the governmental entity is not restricted to considering price alone, but may consider any other factor stated in the selection criteria.

§ 271.120. JOB ORDER CONTRACTS FOR FACILITIES CONSTRUCTION OR REPAIR.

(a) A governmental entity may award job order contracts for the minor construction, repair, rehabilitation, or alteration of a facility if the work is of a recurring nature but the delivery times are indefinite and indefinite quantities and

orders are awarded substantially on the basis of predescribed and prepriced tasks.

(b) The governmental entity may establish contractual unit prices for a job order contract by:

(1) specifying one or more published construction unit price books and the applicable divisions or line items; or

(2) providing a list of work items and requiring the offerors to bid or propose one or more coefficients or multipliers to be applied to the price book or work items as the price proposal.

(c) The governmental entity shall advertise for, receive, and publicly open sealed proposals for job order contracts.

(d) The governmental entity may require offerors to submit additional information besides rates, including experience, past performance, and proposed personnel and methodology.

(e) The governmental entity may award job order contracts to one or more job order contractors in connection with each solicitation of bids or proposals.

(f) An order for a job or project under the job order contract must be signed by the governmental entity's representative and the contractor. The order may be a fixed price, lump-sum contract based substantially on contractual unit pricing applied to estimated quantities or may be a unit price order based on the quantities and line times delivered.

(g) The contractor shall provide payment and performance bonds, if required by law, based on the amount or estimated amount of any order.

(h) The base term of a job order contract is for the period and with any renewal options that the governmental entity sets forth in the request for proposals. If the governmental entity fails to advertise that term, the base term may not exceed two years and is not renewable without further advertisement and solicitation of proposals.

(i) If a job order contract or an order issued under the contract requires engineering or architectural services that constitute the practice of engineering within the meaning of Chapter 1001, Occupations Code, or the practice of architecture within the meaning of Chapter 1051, Occupations Code, those services shall be provided in accordance with applicable law.

AI-32691 **Purchasing Department 17. A. 7.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Martha L. Salazar **Submitted By:** Marty Salazar, PURCHASING DEPT.

Department: PURCHASING DEPT.

Information

CAPTION

a. Approving exemption from competitive bidding requirements under Texas Local Government Code, Chapter/Section, 262.024 (a)(7), an item that can be obtained from only one source as various State/Local Statutes, Administrative, Election, Family, Tax Codes, Etc. (i.e. Gov't. Code 2051, Tx. Local Gov't. Code 262, Tx. Adm. Code, etc.) and all Other Applicable laws that dictate publication;

b. Approval of a Sole Source Declaration for "The Monitor" for the purpose of publising all types of statutory (as described herein) ads and notices necessary and required by Hidalgo County (elected offices, departments and/or programs) inasmuch as The Monitor covers a county-wide circulation, publishes daily, devotes not less than 25% of total column lineage to general interest items, and is entered as second-class postal matter in the county published;

c. Authority to purchase ad or notice space from The Monitor (through the requisition and Purchase Order protocol) for as long as The Monitor continues as said Sole Source Provider.

BACKGROUND

Fiscal Impact

FISCAL YEAR: **ACCT. #:**

FUNDS AVAILABLE Y/N?: **MATCHING FUNDS Y/N?:**

BUDGETARY IMPACT:

Any user would need to have budget for the expenditure. Purchases are on an as needed basis. Funds to be made available at time of purchase.

Attachments

Texas Govn Code 2051.04

Tx Loc Govn Code 262.025

Rates for Monitor

Memo for Sole Source

Form Review

Inbox	Reviewed By	Date
Purchasing Department	Marty Salazar	06/15/2012 04:40 PM
Budget & Management	Merlen P. Munoz	06/18/2012 07:58 AM
Rosalinda Cantu	Rosie Cantu	06/22/2012 04:19 PM
Auditor's Office	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Marty Salazar Started On: 06/06/2012 09:15 AM

Final Approval Date: 06/22/2012

GOVERNMENT CODE

TITLE 10. GENERAL GOVERNMENT

SUBTITLE B. INFORMATION AND PLANNING

CHAPTER 2051. GOVERNMENT DOCUMENTS, PUBLICATIONS, AND NOTICES

SUBCHAPTER A. OFFICIAL SEALS

Sec. 2051.001. ADOPTION OF SEAL. A commission or board created by state law and a commissioner whose office is created by state law may adopt a seal with which to attest an official document, certificate, or other written paper.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

SUBCHAPTER B. PAPER SUPPLIES AND EQUIPMENT

Sec. 2051.022. STATE AGENCY TELEPHONE NUMBER REQUIRED ON STATIONERY. (a) A state agency shall print a telephone number for the agency on the letterhead of its official stationery.

(b) In this section, "state agency" means:

(1) a board, commission, department, office, or other agency in the executive branch of state government that was created by the constitution or a statute of the state, including an institution of higher education as defined by Section 61.003, Education Code;

(2) the legislature or a legislative agency;

(3) the supreme court, the court of criminal appeals, a court of appeals, or a state judicial agency; or

(4) a river authority.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

SUBCHAPTER C. NOTICE BY PUBLICATION IN NEWSPAPER

Sec. 2051.041. DEFINITIONS. In this subchapter:

(1) "Governmental entity" means an institution, board, commission, or department of:

(A) the state or a subdivision of the state; or

(B) a political subdivision of the state, including a municipality, a county, or any kind of district.

(2) "Governmental representative" includes an officer, employee, or agent of a governmental entity.

(3) "Notice" means any matter, including a proclamation or advertisement, required or authorized by law to be published in a newspaper by a governmental entity or representative.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2051.042. APPLICABILITY OF SUBCHAPTER. (a) This subchapter applies only to the extent that the general or special law requiring or authorizing the publication of a notice in a newspaper by a governmental entity or representative does not specify the manner of the publication, including the number of times that the notice is required to be published and the period during which the notice is required to be published.

(b) This subchapter does not apply to the publication of a citation that relates to a civil suit and to which the Texas Rules of Civil Procedure apply.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2051.043. PUBLICATION IN AT LEAST ONE ISSUE REQUIRED. Except as provided by Section 2051.046(b) or 2051.048(d), a notice shall be published in at least one issue of a newspaper.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2051.044. TYPE OF NEWSPAPER REQUIRED. (a) The newspaper in which a notice is published must:

(1) devote not less than 25 percent of its total column lineage to general interest items;

(2) be published at least once each week;

(3) be entered as second-class postal matter in the county where published; and

(4) have been published regularly and continuously for at least 12 months before the governmental entity or representative publishes notice.

(b) A weekly newspaper has been published regularly and continuously under Subsection (a) if the newspaper omits not more than two issues in the 12-month period.

(c) This section does not apply to the publication of a notice to which Section 2051.0441 applies.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 2003, 78th Leg., ch. 1130, Sec. 1, eff. June 20, 2003.

Sec. 2051.0441. TYPE OF NEWSPAPER REQUIRED FOR PUBLICATION IN CERTAIN

COUNTIES. (a) This section applies only to a notice published by a governmental entity or representative in a county:

(1) with a population of at least 30,000 and not more than 36,000 that borders the Red River; or

(2) that does not have a newspaper described by Section 2051.044 published in the county.

(b) The newspaper in which a notice is published under this section must:

(1) devote not less than 20 percent of its total column lineage to general interest items;

(2) be published at least once each week;

(3) be entered as periodical postal matter in the county where published or have a mailed or delivered circulation of at least 51 percent of the residences in the county where published; and

(4) have been published regularly and continuously for at least 12 months before the governmental entity or representative publishes notice.

(c) A weekly newspaper has been published regularly and continuously under Subsection (b) if the newspaper omits not more than two issues in the 12-month period.

Added by Acts 2003, 78th Leg., ch. 1130, Sec. 2, eff. June 20, 2003.
Amended by:
Acts 2011, 82nd Leg., R.S., Ch. 768, Sec. 1, eff. June 17, 2011.

Sec. 2051.045. LEGAL RATE CHARGED FOR PUBLICATION. The legal rate for publication of a notice in a newspaper is the newspaper's lowest published rate for classified advertising.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2051.046. NOTICE OF COUNTY. (a) A notice of a county shall be published in a newspaper published in the county that will publish the notice at or below the legal rate.

(b) If no newspaper that will publish the notice at or below the legal rate is published in the county, the notice shall be posted at the door of the county courthouse.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2051.047. NOTICE OF CERTAIN CONSERVATION AND RECLAMATION DISTRICTS. A conservation and reclamation district, other than a river authority, created under Article XVI, Section 59, of the Texas Constitution that furnishes water and sewer services to household users satisfies a requirement of general,

special, or local law to publish notice in a newspaper of general circulation in the county in which the district is located by publishing the notice in a newspaper of general circulation in the district.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2051.048. NOTICE OF OTHER POLITICAL SUBDIVISION. (a) This section applies only to a political subdivision other than a county or a conservation and reclamation district under Section 2051.047.

(b) A notice of a political subdivision shall be published in a newspaper that is published in the political subdivision and that will publish the notice at or below the legal rate.

(c) If no newspaper published in the political subdivision will publish the notice at or below the legal rate, the political subdivision shall publish the notice in a newspaper that:

(1) is published in the county in which the political subdivision is located; and

(2) will charge the legal rate or a lower rate.

(d) If no newspaper published in the county in which the political subdivision is located will publish the notice at or below the legal rate, the political subdivision shall post the notice at the door of the county courthouse of the county in which the political subdivision is located.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2051.049. SELECTION OF NEWSPAPER. The governmental entity or representative required to publish a notice in a newspaper shall select, in accordance with this subchapter, one or more newspapers to publish the notice.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2051.050. TIME OF PUBLICATION. A notice must be published in a newspaper issued at least one day before the occurrence of the event to which the notice refers.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2051.051. BILL FOR PUBLICATION. A newspaper that publishes a notice shall submit a bill for the publication with a clipping of the published notice and a verified statement of the publisher that:

(1) states the rate charged;

(2) certifies that the rate charged is the newspaper's lowest

published rate for classified advertising; and

(3) certifies the number and dates of the publication.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2051.052. CANCELLATION OF PUBLISHING CONTRACT. The comptroller or a district or county official required to publish a notice may cancel a contract executed by the comptroller or official for the publication if the comptroller or official determines that the newspaper charges a rate higher than the legal rate.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.
Amended by:

Acts 2007, 80th Leg., R.S., Ch. 937, Sec. 1.64, eff. September 1, 2007.

Sec. 2051.053. REFUSAL OF NEWSPAPER TO PUBLISH NOTICE OR CITATION. (a) The refusal of a newspaper to publish, without receiving advance payment for making the publication, a notice or citation in a state court proceeding in which the state or a political subdivision of the state is a party and in which the cost of the publication is to be charged as fees or costs of the proceeding is considered an unqualified refusal to publish the notice or citation.

(b) The sworn statement of the newspaper's publisher or the person offering to insert the notice or citation in the newspaper is subject to record as proof of the refusal.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

SUBCHAPTER D. GEOSPATIAL DATA PRODUCTS

Sec. 2051.101. DEFINITIONS.In this subchapter:

(1) "Geospatial data product" means a document, computer file, or Internet website that contains:

(A) geospatial data;

(B) a map; or

(C) information about a service involving geospatial data or a map.

(2) "Governmental entity" has the meaning assigned by Section 2051.041.

(3) "Registered professional land surveyor" has the meaning assigned by Section 1071.002, Occupations Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 127, Sec. 1, eff. September 1, 2011.

Sec. 2051.102. NOTICE REQUIRED. (a) A governmental entity shall include a notice as provided by this subchapter on each geospatial data product that:

(1) is created or hosted by the governmental entity;

(2) appears to represent property boundaries; and

(3) was not produced using information from an on-the-ground survey conducted by or under the supervision of a registered professional land surveyor or land surveyor authorized to perform surveys under laws in effect when the survey was conducted.

(b) The notice required under Subsection (a) must be in substantially the following form:

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

(c) The notice required under Subsection (a) may:

(1) include language further defining the limits of liability of a geospatial data product producer;

(2) apply to a geospatial data product that contains more than one map; or

(3) for a notice that applies to a geospatial data product that is or is on an Internet website, be included on a separate page that requires the person accessing the website to agree to the terms of the notice before accessing the geospatial data product.

Added by Acts 2011, 82nd Leg., R.S., Ch. 127, Sec. 1, eff. September 1, 2011.

Sec. 2051.103. EXEMPTION.A governmental entity is not required to include the notice required under Section 2051.102 on a geospatial data product that:

(1) does not contain a legal description, a property boundary monument, or the distance and direction of a property line;

(2) is prepared only for use as evidence in a legal proceeding;

(3) is filed with the clerk of any court; or

(4) is filed with the county clerk.

Added by Acts 2011, 82nd Leg., R.S., Ch. 127, Sec. 1, eff. September 1, 2011.

Section 262.025: COMPETITIVE BIDDING NOTICE

Search TEX LG. CODE ANN. § 262.025 : Texas Statutes - Section 262.025: COMPETITIVE BIDDING NOTICE

(a) A notice of a proposed purchase must be published at least once a week in a newspaper of general circulation in the county, with the first day of publication occurring before the 14th day before the date of the bid opening. If there is no newspaper of general circulation in the county, the notice must be posted in a prominent place in the courthouse for 14 days before the date of the bid opening.

(b) The notice must include:

(1) the specifications describing the item to be purchased or a statement of where the specifications may be obtained;

(2) the time and place for receiving and opening bids and the name and position of the county official or employee to whom the bids are to be sent;

(3) whether the bidder should use lump-sum or unit pricing;

(4) the method of payment by the county; and

(5) the type of bond required by the bidder.

(c) If any part of the payment for a proposed purchase will be made through time warrants, the notice also must include a statement of the maximum amount of time warrant indebtedness, the rate of interest on the time warrants, and the maximum maturity date of the time warrants.

(d) In a county with a population of 3.3 million or more, the county and any district or authority created under Article XVI, Section 59, of the Texas Constitution of which the governing body is the commissioners court may require that a minimum of 25 percent of the work be performed by the bidder and, notwithstanding any other law to the contrary, may establish financial criteria for the surety companies that provide payment and performance bonds.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 1019, Sec. 1, eff. Aug. 28, 1989; Acts 2001, 77th Leg., ch. 669, Sec. 78, eff. Sept. 1, 2001.

Search by Keyword or Citation

Elena Gomez

From: Elizabeth Flores [eflores@themonitor.com]
Sent: Friday, June 08, 2012 9:56 AM
To: Elena Gomez
Subject: Rate sheet for legals
Attachments: 20120515141428094_0001.pdf

Hi Elena, I don't have a 2012 rate sheet, being that our legal rate have not been increased for the past 6 years. I have attached a copy of our 2007-2008 rate sheet which is where I hand wrote the amount, because whoever made these left it out. The legal rate I'm using is actually from 2006, but I couldn't find one for that year. The online fee of $30 was increased in the beginning of this year it used to be $15. The cost is figured out by multiplying the width of the ad by the length, for example is the ad size is 4x8 = 32" x $14.65 (rate) = $468.80 x 2 runs = $937.60 + $30 online fee = $967.60 grand total. (Normally the online fee is added to the first rundate since it is a one time fee). I hope this information was helpful and is what you were needing. Please don't hesitate to contact me again should you need further assistance.

Elizabeth Flores
Legal Account Specialist
****
THE MONITOR
P.O. Box 3267 - McAllen, TX 78502
Direct line: 956-683-4183 / Fax: 956-683-4121

"Let your light so shine before men, that they may see your good works, and glorify your Father which is in heaven." Matthew 5:16

CLASSIFIEDS

Monday/Saturday | 2007-2008





YOUR CLASSIFIED PRICING

- The Classified Pricing Program enables you to quickly find your size and price with colorful grids on these pages! Example: To purchase a 5 column by 17 ad on Tuesday you would scroll across to 5 columns and down to 17 to find your price!
- Annual Contract Discounts reward you for your commitment to The Monitor with discounts off the prices shown in the two grids. The larger your commitment, the greater your discount.
- **Color By the Ink:** Using color in your newspaper ad increases effectiveness by 60%. Use the grid to the right to calculate your price for color.
- **Holiday Issues:** New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving, and Christmas will receive Sunday-Holiday rates.

Annual Contract Discount Levels

Contract Levels	Daily	Discount	PrePrints	Colors
OPEN RATE	$18.99	0%	0%	0%
$2,500.00	$18.42	3%	0%	0%
$5,000.00	$17.28	9%	0%	0%
$7,500.00	$16.72	12%	0%	0%
$10,000.00	$16.15	15%	2%	5%
$20,000.00	$15.01	21%	5%	10%
$30,000.00	$14.82	22%	5%	10%
$40,000.00	$14.63	23%	5%	10%
$50,000.00	$14.44	24%	5%	10%
$75,000.00	$14.25	25%	5%	10%
$100,000.00	$14.06	26%	10%	15%
$125,000.00	$13.87	27%	10%	15%
$150,000.00	$13.68	28%	10%	15%
$175,000.00	$13.49	29%	10%	15%
$200,000.00	$13.30	30%	15%	20%
$250,000.00	$13.11	31%	15%	20%
$300,000.00	$12.92	32%	15%	20%
$400,000.00	$12.73	33%	15%	20%
$600,000.00	$12.54	34%	20%	20%
$800,000.00	$12.35	35%	20%	22%
$1,000,000.00	$12.16	36%	20%	25%

COLOR BY THE INK

MONDAY - SATURDAY
Full Run (ROP)

Inches	1 Ink	2 Ink	Full
181"- FP	$1.05	$1.38	$2.32
100"- 180"	$1.38	$2.48	$2.98
50"- 99"	$2.48	$3.14	$3.80
15"- 49"	$2.65	$3.31	$4.63

Per Column Inch

Legal Notices – $14.65 c.i.
online – $30.00 one time fee

20% Full color
10% Spot

MONDAY - SATURDAY CLASSIFIED RATES

DEPTH INCHES	1-Col.	2-Col.	3-Col.	4-Col.	5-Col.	6-Col.	7-Col.	8-Col.	9-Col.	10 Col.
1.0	$18.99	$37.99	$56.98	$75.98	$94.97	$113.97	$132.96	$151.96	$170.95	$189.95
2.0	$37.99	$75.98	$113.97	$151.96	$189.95	$227.93	$265.92	$303.91	$341.90	$379.89
3.0	$56.98	$113.97	$170.95	$227.93	$284.92	$341.90	$398.88	$455.87	$512.85	$569.84
4.0	$75.98	$151.96	$227.93	$303.91	$379.89	$455.87	$531.85	$607.82	$683.80	$759.78
5.0	$94.97	$189.95	$284.92	$379.89	$474.86	$569.84	$664.81	$759.78	$854.75	$949.73
6.0	$113.97	$227.93	$341.90	$455.87	$569.84	$683.80	$797.77	$911.74	$1,025.70	$1,139.67
7.0	$132.96	$265.92	$398.88	$531.85	$664.81	$797.77	$930.73	$1,063.69	$1,196.65	$1,329.62
8.0	$151.96	$303.91	$455.87	$607.82	$759.78	$911.74	$1,063.69	$1,215.65	$1,367.60	$1,519.56
9.0	$170.95	$341.90	$512.85	$683.80	$854.75	$1,025.70	$1,196.65	$1,367.60	$1,538.55	$1,709.51
10.0	$189.95	$379.89	$569.84	$759.78	$949.73	$1,139.67	$1,329.62	$1,519.56	$1,709.51	$1,899.45
11.0	$208.94	$417.88	$626.82	$835.76	$1,044.70	$1,253.64	$1,462.58	$1,671.52	$1,880.46	$2,089.40
12.0	$227.93	$455.87	$683.80	$911.74	$1,139.67	$1,367.60	$1,595.54	$1,823.47	$2,051.41	$2,279.34
13.0	$246.93	$493.86	$740.79	$987.71	$1,234.64	$1,481.57	$1,728.50	$1,975.43	$2,222.36	$2,469.29
14.0	$265.92	$531.85	$797.77	$1,063.69	$1,329.62	$1,595.54	$1,861.46	$2,127.38	$2,393.31	$2,659.23
15.0	$284.92	$569.84	$854.75	$1,139.67	$1,424.59	$1,709.51	$1,994.42	$2,279.34	$2,564.26	$2,849.18
16.0	$303.91	$607.82	$911.74	$1,215.65	$1,519.56	$1,823.47	$2,127.38	$2,431.30	$2,735.21	$3,039.12
17.0	$322.91	$645.81	$968.72	$1,291.63	$1,614.53	$1,937.44	$2,260.35	$2,583.25	$2,906.16	$3,229.07
FP	$379.89	$759.78	$1,139.67	$1,519.56	$1,899.45	$2,279.34	$2,659.23	$3,039.12	$3,419.01	$3,798.90

Ads deeper than 17 inches will be charged full depth.

1400 E. Nolana, McAllen, Texas | 683-4147 • 683-4148 • 683-4178 | ads@themonitor.com

THE MONITOR

PURCHASING DEPARTMENT
County Of Hidalgo

MEMORANDUM
SOLE SOURCE DECLARATION

"ORDER"

To: Hidalgo County Commissioners Court

From: Martha L. Salazar, CPPB
Hidalgo County Purchasing Agent

Date: June 26, 2012

Re: "Sole Source Declaration" - The Monitor

Hidalgo County through either statutes/codes/other legal requirements the publication of procurement solicitation ads as well as assorted/numerous legal notices.

These solicitations and/or notices require that the newspaper comply with including, but not limited to, the following:

a. have a county-wide circulation/coverage;
b. publish daily;
c. been in continuous circulation at least 12 months...;
d. devote not less that 25% of total column lineage to general interest items; and,
e. entered as second-class postal matter in the county published.

The Monitor complies with the requirements described herein and further is the only/sole newspaper in the County to do so.

Therefore, Hidalgo County must published all statutory/code/administrative solicitations or notices in The Monitor, the Sole qualifying provider.

AI-32858 **Purchasing Department 17. A. 8.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Martha L. Salazar **Submitted By:** Gricelda Villarreal, PURCHASING DEPT.

Department: PURCHASING DEPT.

Information

CAPTION

Appointment and/or designation by Commissioner's Court to select/assign an evaluation committee to evaluate and score the request for proposals received for the following projects:
a) RFP No.: 2012-034-06-13-CGA-Placement, Housing, Detention and Supervision of Hidalgo County Inmates",

b) RFP No.: 2012-108--06-13-CGA-Voluntary (Post-Tax) Emergency Air Ambulance Services" on a payroll deduction basis;

BACKGROUND

Fiscal Impact

FISCAL YEAR: **ACCT. #:**

FUNDS AVAILABLE Y/N?: **MATCHING FUNDS Y/N?:**

BUDGETARY IMPACT:

No funding required at this phase of procurement process.

Project A-Funding for such an expenditure will be required;
Project B-Post tax product to be paid by participating employees.

Attachments

12-034-Participation-Acceptance Sheet
12-034-Evaluation Criteria
12-108-Participation-Acceptance Sheet
12-108-Evaluation Criteria

Form Review

Inbox	Reviewed By	Date
Purchasing Department	Marty Salazar	06/18/2012 05:12 PM
Budget & Management	Merlen P. Munoz	06/19/2012 07:57 AM
Rosalinda Cantu	Rosie Cantu	06/22/2012 02:44 PM
Auditor's Office	Arcilia Duran	06/22/2012 02:47 PM

Form Started By: Gricelda Villarreal Started On: 06/18/2012 09:40 AM

Final Approval Date: 06/22/2012

HIDALGO COUNTY PURCHASING DEPARTMENT
PARTICIPATING RESPONDENT'S LOG
REQUIREMENTS/RFP PACKETS

IBF-RFP-RFQ-RFI

RFP ACCEPTANCE DATE: June 13, 2012 **RFP ACCEPTANCE TIME: 9:30 A.M.**

DEPARTMENT/PROPOSAL DESCRIPTION: " Placement, Housing, Detention and Supervision of Hidalgo County Inmates"

RFP NO: 2012-034-06-13-CGA

NAME OF Proposer: COMPANY/FIRM & REPRESENTATIVE'S NAME	PROPOSAL REQUEST *VIA	SIGNATURE (IF APPLICABLE) OR INITIALS OF STAFF ADDRESSING MAIL OUT	DATE	PHYSICAL ADDRESS CITY-STATE-ZIP PHONE & FAX NO.s
1. LaSalle Corrections Nathaniel Quarterman	email	CGA nquarterman@lasallesouthwest.com	05-24-12	26228 Ranch Road 12 Dripping Springs, Tx 78620 512-858-7202
2. Emerald Companies Tonya	Email	CGA twelker@emeraldccompanies.com	05-24-12	400 Travis St. Ste. 402 Shreveport, LA 71101 318-425-7083
3. Prime Vendor Inc. Erika Russ	Email	CGA Bids17@prime-vendor.com	05-24-12	4622 Cedar Ave., Ste. 123 Wilmington, NC, 28403-4429 800-746-9554
4. Corrections Corporation of America Kathy Baker	email	CGA Kathy.baker@cca.com	05-24-12	10 Burton Hills Blvd. Nashville, Tennessee 37215 Ph.: 615-263-6674
5. LCS La Villa, Texas	In Person	CGA Michael.magee@lcscorrections.com	05-31-12	
6.				
7.				
8.				
9.				
10.				

*VIA:
IN PERSON (IP)
TELEPHONE REQUEST (TR)
PROPOSER LIST MAIL OUT (PLM)

HIDALGO COUNTY PURCHASING DEPARTMENT
PROPOSAL ACCEPTANCE SHEET

DEPARTMENT NAME: Hidalgo County Sheriff's Office

PROPOSAL ACCEPTANCE DATE: June 13, 2013	**PROPOSAL ACCEPTANCE TIME: 9:30 A.M.**

DESCRIPTION OF PROPOSAL: RFP- "Placement, Housing, Detention and Supervision of Hidalgo County Inmates"

PROPOSAL NO: 2012-034-06-13CGA

RFP#	NAME OF COMPANY	ACKNOWLEDGMENT OF RECEIPT OF RFP RESPONSE
#01	LCS Corrections	√√
#02	Emerald Correctional Management LLC	√√
#03		
#04		
#05		
#06		
#07		
#08		
#09		
#10		

EXHIBIT B

SELECTION CRITERIA

Hidalgo County

"PLACEMENT, HOUSING, DETENTION AND SUPERVISION OF HIDALGO COUNTY INMATES"

RFP: 2012-034-00-00CGA

DRAFT

EVALUATION CRITERIA
REQUEST FOR PROPOSALS

Evaluation Criteria

The Proposals will be evaluated based on the criteria presented below. These criteria will be scored on the scales shown on the enclosed "RFP Evaluation Form."

1. **Housing of Inmates (Maximum of 25 points)**
   - The Contractor meeting the minimum standards established by the Texas Commission on Jail Standards. (10 points)
   - The Contractor exceeds the minimum standards. (15 points)

2. **Medical Services (Maximum of 25 points)**
   - The Contractor providing routine medical services. (10 points)
   - The Contractor providing more extensive medical services other than hospitalization. (15 points)

3. **Transportation (Maximum of 20 points)**
   - The Contractor provides transportation to and from County Jail, Courthouse and Contractor's facility. (5 points)
   - Contractor providing transportation from Contractor's facility to Texas Department of Criminal Justice. (5 points)
   - The Contractor providing transportation from other sites in the State to the Contractor's facility. (10 points)

4. **Per Diem Rate/Fees (Maximum of 20 points)**
   - The Contractor providing rates up to 300 inmates;
   - The Contractor providing rates exceeding 300 inmates.

5. **Completeness of Proposal (Maximum of 15 points)**
   - The Contractor has filled out and submitted all proper documentation/forms (i.e. insurance, licenses, etc.) as requested in the RFP packet;

DRAFT

HIDALGO COUNTY PURCHASING DEPARTMENT
PARTICIPATING RESPONDENT'S LOG
REQUIREMENTS/RFP PACKETS

IBF-RFP-RFQ-RFI

RFP ACCEPTANCE DATE: June 13, 2012 RFP ACCEPTANCE TIME: 9:30 A.M.

DEPARTMENT/PROPOSAL DESCRIPTION: "Voluntary (Post Tax) Emergency Air Ambulance Services"

RFP NO: 2012-108-06-13-CGA

NAME OF Proposer: COMPANY/FIRM & REPRESENTATIVE'S NAME	PROPOSAL REQUEST *VIA	SIGNATURE (IF APPLICABLE) OR INITIALS OF STAFF ADDRESSING MAIL OUT	DATE	PHYSICAL ADDRESS CITY-STATE-ZIP PHONE & FAX NO.s
1. Steven Merchant E.Republic	Email	CGA Smerchant@erepublic.com	5-26-12	916-932-1307
2. Arturo Esquivel Medcare-EMS	Email	CGA aesquivel@medcare-ems.com	5-26-12	Cell: 559-393-8054
3. Air Evac Lifeteam Ken Euler	Email	CGA eulerkenneth@air-evac.com calahanedward@air-evac.com	5-26-12	830-255-9239 830-377-6797
4. Amigos Air Mike	email	CGA mikec@amigosair.com dortega@amigosair.com	6-04-12	
5. Angel Medflight K Halloran	Email	CGA khalloran@angelmedflight.com	6-04-12	
6.				
7.				
8.				
9.				
10.				

*VIA:
IN PERSON (IP)
TELEPHONE REQUEST (TR) -PROPOSER LIST MAIL OUT (PLM)

HIDALGO COUNTY PURCHASING DEPARTMENT
PROPOSAL ACCEPTANCE SHEET

DEPARTMENT NAME: Hidalgo County

PROPOSAL ACCEPTANCE DATE: June 13, 2013 | PROPOSAL ACCEPTANCE TIME: 9:30 A.M.

DESCRIPTION OF PROPOSAL: RFP- Voluntary (Post Tax) Emergency Air Ambulance Services"

PROPOSAL NO: 2012-108-06-13-CGA

RFP#	NAME OF COMPANY	ACKNOWLEDGMENT OF RECEIPT
#01	**Air Evac EMS, Inc**	√√
#02		
#03		
#04		
#05		
#06		
#07		
#08		
#09		
#10		

EXHIBIT B

EVALUATION CRITERIA

HIDALGO COUNTY

REQUEST FOR PROPOSAL

"Voluntary (Post Tax) Emergency Air Ambulance Services-Hidalgo County"

RFP No.: 2012-108-06-13-CGA

HIDALGO COUNTY
"VOLUNTARY (POST TAX) EMERGENCY AIR AMUBLANCE SERVICES"
RFP NO: 2012-108-06-13-CGA

SELECTION/EVALUATION/RANKING CRITERIA

The respondent's RFP will be evaluated based on the criteria presented below. These criteria will be scored on the scales shown on the enclosed "RFP Evaluation Form."

1. EXPERIENCE/QUALIFICATIONS:
   - The proposer should provide information regarding years of experience in the related field of air ambulance services; (20 points)
   - The proposer must provide certifications, license, etc. of all qualified personnel. (10 points)

2. COVERAGE/BENEFITS/SERVICES:
   - The proposer shall perform work set forth in the scope of work/requirements; (15 points)
   - The proposer submitted coverage's, benefits available to employees; (10 points)

3. FINANCIAL STABILITY
   - The proposer should provide proof of financial stability to ensure continued service throughout the contract term. (20 points)

4. CAPACITY TO PERFORM:
   - The proposer should provide references supporting capacity to perform required services; (10 points)

5. COST:
   - Provide coverage's and benefits at a reasonable cost. (15 points)

HIDALGO COUNTY
"VOLUNTARY (POST TAX) EMERGENCY AIR AMUBLANCE SERVICES"
RFP NO: 2012-108-06-13-CGA

RFP EVALUATION FORM

Selection Criteria	Points	Score
1. Experience/Qualifications : • The proposer provided information regarding years of experience in the related field of air ambulance services; (20 points) • The proposer submitted copies of certifications, licenses, etc, of all qualified staff; (10 points) Comments:_____	0-30	
2. Coverage/ Benefits/Services: • The proposer shall perform services set forth in the scope of work/requirements; (15 points) • The proposer submitted availability of benefits to employees; (10 points) Comments:_____	0-25	
3. Financial Stability: • The proposer should provide proof of financial stability to ensure continued services throughout the contract term; (20 points) Comments:_____	0-20	
4. Capacity to Perform: • The proposer should provide references supporting capacity to perform required services; (10 points) Comments:_____	0-10	
5. Cost: • Provides the coverage's and benefits at a reasonable cost. (15 points) Comments:_____	0-15	
Total:	_____	_____

Provider: _____

Evaluator: _____ Date: _____

AI-32863 **Purchasing Department** **17. A. 9.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Martha L. Salazar **Submitted By:** Marty Salazar, PURCHASING DEPT.

Department: PURCHASING DEPT.

Information

CAPTION

Requesting approval of a "Revision" to the current Hidalgo County Purchasing Policies & Procedures, specifically, the addition of Provision 7.04.09- Requiring that the Purchasing Department (before a bid award) to search www.epls.gov to verify Debarment so as to comply with the Texas Homeland Secruity State Administrative Agency (Monitoring Report noting the category of NI-Needs Improvement) on the CAP-Corrective Action Plan.

BACKGROUND

Fiscal Impact

FISCAL YEAR: **ACCT. #:**

FUNDS AVAILABLE Y/N?: **MATCHING FUNDS Y/N?:**

BUDGETARY IMPACT:

Budgetary Impact:
Not applicable to this AI item. However, modification does attempt to prevent the possible "disallowed costs" scenario on those projects funded by grants (i.e. federal, state, local).

Attachments

AI 32863 Bkp per Marty -Corrective Action to Purchasing Policies

AI 32863 Addntl Bkp As per Mary -CAP Related -Purch Policies

POLICY

Form Review

Inbox	Reviewed By	Date
Purchasing Department	Marty Salazar	06/18/2012 05:13 PM
Budget & Management	Merlen P. Munoz	06/19/2012 08:00 AM
Rosalinda Cantu	Rosie Cantu	06/21/2012 05:02 PM
Auditor's Office	Arcilia Duran	06/21/2012 05:05 PM

Form Started By: Marty Salazar Started On: 06/18/2012 10:18 AM

Final Approval Date: 06/21/2012

6/18/2012 4:58 PM
Moises Salazar

Moises Salazar

From: Martha Salazar [martha.salazar@co.hidalgo.tx.us]
Sent: Monday, June 18, 2012 11:46 AM
To: 'Moises Salazar'
Subject: FW: FY12 Monitoring Review Report - Hidalgo County
Attachments: Signed Letter, Report, CAP & Reply Fax.pdf

Importance: High

Add this and other attachments to AI#32863.
Thanks,
Marty

From: Martha Salazar [mailto:martha.salazar@co.hidalgo.tx.us]
Sent: Friday, May 18, 2012 4:15 PM
To: 'Agueda'; 'Juan'
Subject: FW: FY12 Monitoring Review Report - Hidalgo County
Importance: High

From: Ray Eufracio [mailto:ray.eufracio@auditor.co.hidalgo.tx.us]
Sent: Friday, May 18, 2012 4:11 PM
To: 'Martha Salazar'
Cc: 'Linda Fong'; 'Arcy Duran'
Subject: FW: FY12 Monitoring Review Report - Hidalgo County
Importance: High

Attached is a copy of the review conducted by the State Administrative Agency. Please refer to the corrective action plan item #6 which requires updating of the Hidalgo County Purchasing Policies and Procedures to list the procedures that staff will perform for verification of debarment. There is a deadline for the completion of the corrective action plan.

From: Scott, Cedric [mailto:Cedric.Scott@dps.texas.gov]
Sent: Friday, May 18, 2012 9:39 AM
To: ray.eufracio@auditor.co.hidalgo.tx.us
Cc: oscar.montoya@co.hidalgo.tx.us; Belinda Alvarez
Subject: FW: FY12 Monitoring Review Report - Hidalgo County
Importance: High

Sorry I forgot to add the attachments!

From: Scott, Cedric
Sent: Friday, May 18, 2012 9:30 AM
To: ray.eufracio@auditor.co.hidalgo.tx.us
Cc: 'Belinda Alvarez'; 'oscar.montoya@co.hidalgo.tx.us.com'
Subject: FY12 Monitoring Review Report - Hidalgo County
Importance: High

Good Morning,

6/18/2012 4:58 PM
Moises Salazar

Here are electronic copies of the information that was mailed yesterday (5/17/2012) to Judge Garcia. Just FYI - the Corrective Action Plan (CAP) has to be signed by Judge Garcia. If you get any of the CAP items corrected before the due date, you are more than welcome to submit the information early to the SAA for review.

Sincerely,

Ms. Cedric M. Scott
(First Name is pronounced See-drick)
Monitoring and Compliance Specialist
Homeland Security Grant Program - State Administrative Agency

TEXAS Homeland Security

Texas Department of Public Safety
Physical: 5805 N. Lamar Blvd. – Austin, TX 78752 – Mailing: PO Box 4087 – Austin, TX 78773-0113
OFFICE: (512) 377-0055/ CELL: (512) 922-9752 / FAX: (512) 206-3137 / EMAIL: Cedric.Scott@dps.texas.gov

This message contains information which may be confidential and privileged. Unless you are the addressee (or authorized to receive for the addressee), you may not use, copy or disclose to anyone the message or any information contained in the message. If you have received the message in error, please advise the sender by reply e-mail and delete the message. This e-mail may contain the thoughts and opinions of (Cedric Scott) and may not represent official Texas Department of Public Safety policy.

TEXAS DEPARTMENT OF PUBLIC SAFETY

5805 N LAMAR BLVD • BOX 4087 • AUSTIN, TEXAS 78773-0001
512/424-2000
www.dps.texas.gov

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ADA BROWN
ALLAN B. POLUNSKY
JOHN STEEN

May 18, 2012

The Honorable Ramon Garcia
Judge, Hidalgo County
1615 S. Closner, Suite J
Edinburg, TX 78539

Dear Judge Garcia:

This letter forwards for a copy of the report for the homeland security grant monitoring and compliance on-site review conducted April 24 – 25, 2012. Because deficiencies were noted, a Technical Assistance Plan is enclosed for adoption as your jurisdiction's Corrective Action Plan. To do so, within 20 calendar days of this report, please sign and return the corrective action/technical assistance plan to the THSSAA.

The Texas Homeland Security State Administrative Agency will assume you concur with the report and adopt the CAP unless you advise us otherwise in writing within 20 calendar days.

Completion of all CAP items is due by June 18, 2012. Failure to complete all CAP items within timeframe specified may lead to the jurisdiction's grant funding being withheld, or suspended as outlined in 44 CFR § 13.43(a) (1)-(4).

Using the enclosed reply fax sheet, I request that you acknowledge receipt of the monitoring report and CAP within 10 calendar days.

If you have any questions regarding the review, please contact either Cedric Scott, Monitoring & Compliance Specialist at (512) 377 – 0055, email cedric.scott@dps.texas.gov or Patrick Jorgensen, Monitoring & Compliance Supervisor at (512) 377 – 0030, email Patrick.jorgensen@dps.texas.gov.

Sincerely,

Machelle Pharr
Deputy Assistant Director,
Texas Homeland Security State Administrative Agency

MP:cs

Enclosures: 1 – Monitoring Report
2 – SAA Reply Form
3 – Corrective Action Plan

cc: Manuel Cruz – Homeland Security Director, Lower Rio Grande Valley Development Council
Oscar Montoya – Emergency Management Coordinator, Hidalgo County
Ray Eufracio – Hidalgo County Auditor

TEXAS HOMELAND SECURITY
STATE ADMINISTRATIVE AGENCY
MONITORING GRANT REVIEW

Council of Governments: Lower Rio Grande Valley Developmental Council	Date of Review: April 24 – 25, 2012	Type of Review: ☒ On-Site / ☐ Desk	Report Number: #2012-25
Name of Jurisdiction: Hidalgo County			

For each applicable category, the overall performance is indicated by checking the appropriate columns: **S** (Satisfactory), **NI** (Needs Improvement), or **C** (Corrected). For the items that have **NI** corrective action is required. A due date is included for the corrective action items. For those items that are not applicable, **NA** will be placed in the due date column.

MONITORING REVIEW SUMMARY

SUPPLANTING	S	NI	C	Due Date
1. Supplanting Verification	☒	☐	☐	
FINANCIAL MANAGEMENT	**S**	**NI**	**C**	
2. OMB Circular A-133	☒	☐	☐	
3. Local Government Code 252 or 262 Compliance	☒	☐	☐	
4. Competitive Bidding & Sole Source	☒	☐	☐	
5. Purchasing Methods	☒	☐	☐	
6. Procurement Policy lists Debarment	☐	☒	☐	**June 18, 2012**
7. Economic Hardship Procedures				NA
8. Reimbursement Process	☒	☐	☐	
EQUIPMENT	**S**	**NI**	**C**	
9. Equipment Usage	☒	☐	☐	
10. Equipment Tagging/Inventory Control	☒	☐	☐	
11. Equipment Certification/Training	☒	☐	☐	
12. Local Inventory System	☐	☐	☒	
13. Physical Inventory Requirement	☒	☐	☐	
14. Equipment Loan-Out/Property Transfer	☒	☐	☐	
15. Notification of Equipment Issues	☒	☐	☐	
16. Vehicle Mileage Logs	☒	☐	☐	
NIMS TRAINING	**S**	**NI**	**C**	
18. N.I.M.S. Adoption Resolution	☒	☐	☐	
19. N.I.M.S. Training Plan	☐	☒	☐	**June 18, 2012**
20. NIMSCAST Entry Documentation	☐	☒	☐	**June 18, 2012**
T.R.R.N. REQUIREMENT	**S**	**NI**	**C**	
21. Equipment listed on TRRN website	☒	☐	☐	
M.M.R.S. PROGRAM	**S**	**NI**	**C**	
22. Target Capabilities Focus Areas				NA
23. Deliverable/Project Activities				NA
24. Operational Plans/Training				NA
25. Travel Expenditures/Timesheets				NA
CITIZEN CORPS PROGRAM	**S**	**NI**	**C**	
27. Citizen Corps Council on website				NA
28. CERT Teams				NA
29. After Action Reports				NA

Homeland Security Grant Review
Hidalgo County
April 24 - 25, 2012
R2012025

Overview

The Texas Homeland Security State Administrative Agency (THSSAA) Monitoring and Compliance team conducted an on-site compliance review of Hidalgo County. The focus of this review was to ensure the jurisdiction complied with the regulations and guidelines of the Homeland Security Grant Program. The SAA Monitoring and Compliance team met with several of the county personnel including, but not limited to: Deborah Fischer – Grant Accounts Supervisor, Rey Salazar – Budget Office, Belinda Alvarez – Deputy Emergency Management Coordinator, Captain Rodolfo Espinoza, Sheriff's Office, Juan Martinez – Fire Marshal, Rolando Benavides – Deputy Emergency Management Coordinator/Deputy Fire Marshal, Oscar Montoya – Emergency Management Coordinator, and Ray Eufracio –County Auditor, who is charged with management of grant-funded assets for Hidalgo County.

As a result of the on-site monitoring visit, the following issues were noted:

- Purchasing Policy and Procedures (Effective 8/8/1995) needs to be updated.
- Physical Inventory reconciliation is currently in progress and final documentation must be submitted to the SAA.
- The jurisdiction does not have an official written NIMS Implementation Training Plan.
- NIMSCAST needs to be updated to reflect the accurate number of county personnel required to complete NIMS courses and those who have completed the NIMS training.

The SAA provided technical assistance and will continue to work with the jurisdiction to correct the noted above deficiencies. A Corrective Action Plan (CAP) is included with this report.

Summary of Monitoring Results

Supplanting Verification

Jurisdiction Provided Assurance Grant Funds were not Used to Supplement Existing Funds and did not Replace Funds that Have Been Approved for the Same Purpose as Required By the HSGP Grant Guidance, Office of Grant Management Financial Guide & Uniform Grant Management Standards (UGMS)

☒ Confirmed by the Jurisdiction ☐ Not Confirmed by the Jurisdiction

Financial Management

Aware and Comply with guidelines for single audit financial reporting and corrective action for deficiencies as Required by OMB Circular A-133

☒ Satisfactory ☐ Needs Improvement ☐ Corrected

Local Procurement Policy Complies with Local Government Code 252 (Cities) or Local Government Code 262 (Counties)

☒ Satisfactory ☐ Needs Improvement ☐ Corrected

Jurisdiction has Followed Competitive Bidding and Sole Source Guidelines as Required by 44 CFR 13.36, UGMS Subpart C (.36) and Local Government Code 252 and 262

☒ Satisfactory ☐ Needs Improvement ☐ Corrected

Purchase Methods Analyzed to Provide the Best Value for Purchased Items as required by 44 CFR 13.36, UGMS Subpart C(.36) and Local Government Code 252 and 262

☒ Satisfactory ☐ Needs Improvement ☐ Corrected

Jurisdiction has a Written Process for Verification of the Excluded Parties List System as Required under Executive Order 12549, the Uniform Grant Management Standards Subpart C (.35), and the SAA Terms and Conditions

☐ Satisfactory ☒ Needs Improvement ☐ Corrected

Prior to the on-site visit, the jurisdiction provided the SAA a copy of the county's Purchasing Policies and Procedures (Effective 8/8/1995). After reviewing the document, no specific language was listed in the purchasing policy stating that the county personnel are required to verify debarment of potential vendors through the Excluded Parties List system at www.epls.gov.

There is also a form that the vendors are required to submit, which appears to be "self-certification" regarding their debarment status, which is not consistent with the criteria in Section .35 on page 80 of the Uniform Government Management Standards (UGMS 2004) for the state of Texas states, *Grantees and subgrantees must not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549, "Debarment and Suspension..*

On 4/25/2012, the jurisdiction provided clarification regarding the procedure for verifying debarment. Per the County Auditor's (Budget/Purchasing) office, the potential vendor completes and returns the debarment certification form to the jurisdiction. Once the County Budget/Purchasing personnel receive the completed form; the purchasing personnel accesses the EPLS website to verify the information listed on the form. Copies (print screens) of the debarment results are also attached to the purchasing bid quote.

After receiving and reviewing the additional documentation, it appears that the jurisdiction is accessing the EPLS website to verify debarment for all potential vendors prior to purchase. However, the following language is vague and not absolute:

- In Section 8.05 on page of 10 of the procedures, the following language is listed: ***Selection of Vendor.*** *In selecting the most responsible vendor, the Purchasing Agent will consider such matters as price (all other factor being equal, the lowest price should always be taken), relative quality of goods and services (if more than one vendor can deliver at an acceptable price, the relative quality should be considered), reliability of vendor (based on actual, documented experience of purchasing agent, not on intuition or rumor), ability to service items purchased, over relevant factors as determined by the Purchasing Agent.*
- Email dated 4/11/2012 from the Procurement Process & Data Manager, *In regards to the Debarment procedures, it is customary, when the procurement process is utilized in obtaining goods and/or services. Debarment certification verification is completed by our staff, including, but not limited to verification on the www.epls.gov website.*

Therefore, the SAA recommends that the current *Purchasing Policies and Procedures (Effective 8/8/1995)* be updated to list the procedures for verifying debarment of all potential vendors for any contract and at any tier prior to purchase. The specific procedures will include language stating that county employees will access the federal website: http://www.epls.gov.

Once the document has been revised and approved by the Commissioner's Court, a copy must be submitted to the SAA.

Economic Hardship Procedures are Followed as Required by SAA Information Bulletin No. 11-006

☐ Satisfactory ☐ Needs Improvement ☐ Corrected ☒ Not Applicable

This jurisdiction did not receive any economic hardships.

Aware and Comply with Correct Reimbursement Process for Local Purchases as Required by SAA Information Bulletin No. 13

☒ Satisfactory ☐ Needs Improvement ☐ Corrected

Equipment

Equipment Has Been Opened, Inspected, and Readied for Immediate Deployment as Required by the SAA

☒ Satisfactory ☐ Needs Improvement ☐ Corrected

Equipment Items Are Tagged for Identification and Inventory Control that includes the Name of the Property Owner and a Unique Inventory Number as Required by the State Property Accounting Manual 2010, Chapter 2, Pg 2.16 and SAA Information Bulletin No. 2

☒ Satisfactory ☐ Needs Improvement ☐ Corrected

Jurisdiction Has Received the Necessary Certifications, Licenses, and Training for Appropriate Grant Purchased Equipment as required by the Homeland Security Grant Program Guidance, Equipment Activities Section, Pg 38

☒ Satisfactory ☐ Needs Improvement ☐ Corrected

Grant Purchased Equipment Items Have Been Integrated Into Local Inventory System as Required by 44 CFR 13.32 (d) (1)

☐ Satisfactory ☐ Needs Improvement ☒ Corrected

See comments below in next the section.

Jurisdiction's Inventory System Contains All Twelve Categories as Required by 44 CFR 13.32(d) (1)

☐ Satisfactory ☐ Needs Improvement ☒ Corrected

On 4/2/2012, the jurisdiction's asset inventory log was missing the *Disposition Date/Fair Market Value* column.

On 4/26/2012, the jurisdiction provided a corrected copy of the inventory log that now lists the noted missing column. ***(This deficiency was corrected prior to the completion of this report.)***

Jurisdiction has conducted a Physical Inventory within the Last Two Years as Required by 44 CFR 13.32(d)(2)

☐ Satisfactory ☒ Needs Improvement ☐ Corrected

The jurisdiction is currently in the process of conducting the physical inventory reconciliation and provided a copy of the draft report, which is not finalized.

Once the inventory reconciliation has been completed, the SAA respectfully requests a copy of the finalized physical reconciliation report. ***(This item will not be included on the Corrective Action Plan.)***

Jurisdiction has Followed Proper Procedure for Equipment Loan-Out and Property Transfer as required by GDEM/SAA Information Bulletin No. 11

☒ Satisfactory ☐ Needs Improvement ☐ Corrected ☐ Not Applicable

SAA Notified of Equipment Refund, Exchange, Theft, or Loss as Required by 44 CFR 13.32

☒ Satisfactory ☐ Needs Improvement ☐ Corrected ☐ Not Applicable

Jurisdiction Maintains Vehicle Mileage Logs for All Grant Funded Vehicles as Required by the Uniform Grant Management Standards_.32 and GDEM/SAA Information Bulletin No. 1.

☒ Satisfactory ☐ Needs Improvement ☐ Corrected ☐ Not Applicable

NIMS Training

Jurisdiction has Adopted National Incident Management System (NIMS) as Required HSPD-5 in Order to Receive Federal Preparedness Assistance

☒ Satisfactory ☐ Needs Improvement ☐ Corrected

A NIMS Training Plan has been Implemented as Required by the 2008 NIMS Implementation Objectives

☐ Satisfactory ☒ Needs Improvement ☐ Corrected

Prior to the on-site visit, the jurisdiction provided the SAA a copy of the county's NIMSCAST Training summary. After further clarification with the jurisdiction on 4/24/2012; it was stated that an official written NIMS Training Plan has not been implemented. However, it has been added to the agenda for the next Commissioner's Court meeting.

Jurisdiction Provided Proper Documentation to Support the Data Entered into the NIMSCAST System

☐ Satisfactory ☒ Needs Improvement ☐ Corrected

Prior to the on-site visit, the SAA received a listing of county personnel that are required to take NIMS training courses.

Review of NIMSCAST revealed the jurisdiction has two accounts for the following: Health & Human Services (HHS) and the remaining Hidalgo county departments. The appropriate number of HHS and the other county departments' personnel required to take the NIMS training is not consistent with the information currently in the NIMSCAST system.

T.R.R.N. Requirements

Equipment has been listed on Texas Regional Response Network (TRRN) as Required in the SAA Terms and Conditions and Certified Yearly

☒ Satisfactory ☐ Needs Improvement ☐ Corrected ☐ Not Applicable

Basis of Review

Objective and Scope

The overall objective was to determine whether sufficient controls were in place to ensure State Homeland Security funds were being used as intended and systems in place to prevent fraud, waste, and abuse. The review covered all Homeland Security grant funds awarded to the jurisdiction.

Criteria

Our review was based upon standards as set forth in the Grant Guidelines and Application Kit for each individual grant; applicable OMB Circulars; the Office for Justice Programs Financial Guide; 44 CFR part 13; Texas Uniform Grant Management Standards; the Texas Grant Guidelines for each individual grant; and other sound administrative practices. The sampling of grant-funded assets included items valued at or above $5,000 and controlled items as defined in the Uniform Grant Management Standards and State Property Accountability Policy.

Financial Overview

Hidalgo County is located in the Lower Rio Grande Valley Development Council. Hidalgo County has been awarded a total of $4,980,903.75 in grant funds.

Open Grant	Award ($)	Complete ($)	Committed ($)	Uncommitted ($)	End of Local Performance Period
2009 OPSG	$1,388,322.00	$785,625.61	$71,602.71	$531,093.68	April 1, 2012,
2009 SHSP	$677,306.11	$595,983.20	$81,322.91	$0.00	April 15, 2012
2009 SHSP LEAP	$317,651.92	$31,041.75	$286,610.17	$0.00	April 15, 2012,
2010 OPSG	$963,209.00	$105,276.72	$32,543.42	$825,388.86	July 31, 2012,

Grant Monitor Information

Cedric Scott, Monitoring and Compliance Specialist ***(Lead Monitor)***
Janet Andrew, Monitoring and Compliance Specialist

Contact Information

For questions regarding this review, please contact Patrick Jorgensen, SAA Monitoring and Compliance Supervisor. E-mail: Patrick.Jorgensen@txdps.state.tx.us

Distribution List

The Honorable Ramon Garcia – Hidalgo County Judge
Manuel Cruz – Homeland Security Director, Lower Rio Grande Valley Development Council
Oscar Montoya – Emergency Management Coordinator, Hidalgo County

Corrective Action Plan

JURISDICTION: Hidalgo County **REPORT #2012-25**

REF #	ACTION ITEM	COMMENTS	DUE DATE	STATUS
#6	The jurisdiction will update the current *Purchasing Policies and Procedures (Effective 8/8/1995)* to list the procedures for verifying debarment of all potential vendors for any contract and at any tier prior to purchase. The specific procedures will include language stating that county employees will access the federal website: http://www.epls.gov. Once the document has been revised and approved by the Commissioner's Court, a copy must be submitted to the SAA.		June 18, 2012	
#19	The jurisdiction will provide the SAA a copy of the NIMS Implementation Plan that has been approved by the Commissioner's Court.		June 18, 2012	
#20	The jurisdiction will provide documentation that the two NIMSCAST accounts have been updated to reflect the accurate number of county personnel required to complete NIMS courses and those who have completed the NIMS training.		June 18, 2012	

End of CAP

I have read and understand the deficient items listed needing corrective action and will choose the following action:

Please initial the appropriate response below.

☐ I adopt the TAP as provided by the SAA in its current form as our corrective action plan.

☐ The jurisdiction will provide its own corrective action plan within 20 calendar days to the SAA.

_____

Name of elected official or Executive / Date

Please sign and return this form within 20 calendar days to the Texas Homeland Security State Administrative Agency, 1033 La Posada Drive, Suite 160, Austin, Texas 78752. **Fax- 512-206-3137 Email** cedric.scott@dps.texas.gov

TEXAS DEPARTMENT OF PUBLIC SAFETY

5805 N LAMAR BLVD • BOX 4087 • AUSTIN, TEXAS 78773-0001
512/424-2000
www.dps.texas.gov

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ADA BROWN
ALLAN B. POLUNSKY
JOHN STEEN

May 18, 2012

R E P L Y F A X

Hidalgo County — Monitor: Cedric M. Scott

Please acknowledge receipt of the monitoring report for the SAA Monitoring desk review conducted April 24 – 25, 2012. Please sign and fax this form to SAA upon receipt.

Name: _____

Signature: _____
Chief Elected Official/Executive

Please sign and fax to 512-206-3137
NO COVER SHEET REQUIRED

If unable to fax, please mail form to:

TxDPS – SAA
Attn: Audit & Compliance Unit
1033 La Posada Dr, Suite 160
Austin, TX 78752

You may also scan and email to: **Cedric.Scott@dps.texas.gov**

6/18/2012 5:08 PM
Moises Salazar

Moises Salazar

From: Martha Salazar [martha.salazar@co.hidalgo.tx.us]
Sent: Monday, June 18, 2012 11:46 AM
To: 'Moises Salazar'
Subject: FW: FY12 Monitoring Review Report - Hidalgo County
Attachments: Signed Letter, Report, CAP & Reply Fax.pdf

Importance: High

Add this and attachment to AI#32863.
Marty

From: Martha Salazar [mailto:martha.salazar@co.hidalgo.tx.us]
Sent: Friday, May 18, 2012 4:15 PM
To: 'Agueda'; 'Juan'
Subject: FW: FY12 Monitoring Review Report - Hidalgo County
Importance: High

From: Ray Eufracio [mailto:ray.eufracio@auditor.co.hidalgo.tx.us]
Sent: Friday, May 18, 2012 4:11 PM
To: 'Martha Salazar'
Cc: 'Linda Fong'; 'Arcy Duran'
Subject: FW: FY12 Monitoring Review Report - Hidalgo County
Importance: High

Attached is a copy of the review conducted by the State Administrative Agency. Please refer to the corrective action plan item #6 which requires updating of the Hidalgo County Purchasing Policies and Procedures to list the procedures that staff will perform for verification of debarment. There is a deadline for the completion of the corrective action plan.

From: Scott, Cedric [mailto:Cedric.Scott@dps.texas.gov]
Sent: Friday, May 18, 2012 9:39 AM
To: ray.eufracio@auditor.co.hidalgo.tx.us
Cc: oscar.montoya@co.hidalgo.tx.us; Belinda Alvarez
Subject: FW: FY12 Monitoring Review Report - Hidalgo County
Importance: High

Sorry I forgot to add the attachments!

From: Scott, Cedric
Sent: Friday, May 18, 2012 9:30 AM
To: ray.eufracio@auditor.co.hidalgo.tx.us
Cc: 'Belinda Alvarez'; 'oscar.montoya@co.hidalgo.tx.us.com'
Subject: FY12 Monitoring Review Report - Hidalgo County
Importance: High

Good Morning,

6/18/2012 5:09 PM
Moises Salazar

Here are electronic copies of the information that was mailed yesterday (5/17/2012) to Judge Garcia. Just FYI - the Corrective Action Plan (CAP) has to be signed by Judge Garcia. If you get any of the CAP items corrected before the due date, you are more than welcome to submit the information early to the SAA for review.

Sincerely,

Ms. Cedric M. Scott
(First Name is pronounced See-drick)
Monitoring and Compliance Specialist
Homeland Security Grant Program - State Administrative Agency



Texas Department of Public Safety
Physical: 5805 N. Lamar Blvd. – Austin, TX 78752 – Mailing: PO Box 4087 – Austin, TX 78773-0113
OFFICE: (512) 377-0055/ CELL: (512) 922-9752 / FAX: (512) 206-3137 / EMAIL: Cedric.Scott@dps.texas.gov

This message contains information which may be confidential and privileged. Unless you are the addressee (or authorized to receive for the addressee), you may not use, copy or disclose to anyone the message or any information contained in the message. If you have received the message in error, please advise the sender by reply e-mail and delete the message. This e-mail may contain the thoughts and opinions of (Cedric Scott) and may not represent official Texas Department of Public Safety policy.

TEXAS DEPARTMENT OF PUBLIC SAFETY

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ADA BROWN
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JOHN STEEN

May 18, 2012

The Honorable Ramon Garcia
Judge, Hidalgo County
1615 S. Closner, Suite J
Edinburg, TX 78539

Dear Judge Garcia:

This letter forwards for a copy of the report for the homeland security grant monitoring and compliance on-site review conducted April 24 – 25, 2012. Because deficiencies were noted, a Technical Assistance Plan is enclosed for adoption as your jurisdiction's Corrective Action Plan. To do so, within 20 calendar days of this report, please sign and return the corrective action/technical assistance plan to the THSSAA.

The Texas Homeland Security State Administrative Agency will assume you concur with the report and adopt the CAP unless you advise us otherwise in writing within 20 calendar days.

Completion of all CAP items is due by June 18, 2012. Failure to complete all CAP items within timeframe specified may lead to the jurisdiction's grant funding being withheld, or suspended as outlined in 44 CFR § 13.43(a) (1)-(4).

Using the enclosed reply fax sheet, I request that you acknowledge receipt of the monitoring report and CAP within 10 calendar days.

If you have any questions regarding the review, please contact either Cedric Scott, Monitoring & Compliance Specialist at (512) 377 – 0055, email cedric.scott@dps.texas.gov or Patrick Jorgensen, Monitoring & Compliance Supervisor at (512) 377 – 0030, email Patrick.jorgensen@dps.texas.gov.

Sincerely,

Machelle Pharr
Deputy Assistant Director,
Texas Homeland Security State Administrative Agency

MP:cs

Enclosures: 1 – Monitoring Report
2 – SAA Reply Form
3 – Corrective Action Plan

cc: Manuel Cruz – Homeland Security Director, Lower Rio Grande Valley Development Council
Oscar Montoya – Emergency Management Coordinator, Hidalgo County
Ray Eufracio – Hidalgo County Auditor

TEXAS HOMELAND SECURITY
STATE ADMINISTRATIVE AGENCY
MONITORING GRANT REVIEW

Council of Governments: Lower Rio Grande Valley Developmental Council	**Date of Review:** April 24 – 25, 2012	**Type of Review:** ☒ On-Site / ☐ Desk	**Report Number:** #2012-25
Name of Jurisdiction: Hidalgo County			

For each applicable category, the overall performance is indicated by checking the appropriate columns: **S** (Satisfactory), **NI** (Needs Improvement), or **C** (Corrected). For the items that have **NI** corrective action is required. A due date is included for the corrective action items. For those items that are not applicable, **NA** will be placed in the due date column.

MONITORING REVIEW SUMMARY

SUPPLANTING	S	NI	C	Due Date
1. Supplanting Verification	☒	☐	☐	
FINANCIAL MANAGEMENT	**S**	**NI**	**C**	
2. OMB Circular A-133	☒	☐	☐	
3. Local Government Code 252 or 262 Compliance	☒	☐	☐	
4. Competitive Bidding & Sole Source	☒	☐	☐	
5. Purchasing Methods	☒	☐	☐	
6. Procurement Policy lists Debarment	☐	☒	☐	**June 18, 2012**
7. Economic Hardship Procedures				NA
8. Reimbursement Process	☒	☐	☐	
EQUIPMENT	**S**	**NI**	**C**	
9. Equipment Usage	☒	☐	☐	
10. Equipment Tagging/Inventory Control	☒	☐	☐	
11. Equipment Certification/Training	☒	☐	☐	
12. Local Inventory System	☐	☐	☒	
13. Physical Inventory Requirement	☒	☐	☐	
14. Equipment Loan-Out/Property Transfer	☒	☐	☐	
15. Notification of Equipment Issues	☒	☐	☐	
16. Vehicle Mileage Logs	☒	☐	☐	
NIMS TRAINING	**S**	**NI**	**C**	
18. N.I.M.S. Adoption Resolution	☒	☐	☐	
19. N.I.M.S. Training Plan	☐	☒	☐	**June 18, 2012**
20. NIMSCAST Entry Documentation	☐	☒	☐	**June 18, 2012**
T.R.R.N. REQUIREMENT	**S**	**NI**	**C**	
21. Equipment listed on TRRN website	☒	☐	☐	
M.M.R.S. PROGRAM	**S**	**NI**	**C**	
22. Target Capabilities Focus Areas				NA
23. Deliverable/Project Activities				NA
24. Operational Plans/Training				NA
25. Travel Expenditures/Timesheets				NA
CITIZEN CORPS PROGRAM	**S**	**NI**	**C**	
27. Citizen Corps Council on website				NA
28. CERT Teams				NA
29. After Action Reports				NA

Homeland Security Grant Review
Hidalgo County
April 24 - 25, 2012
R2012025

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- NIMSCAST needs to be updated to reflect the accurate number of county personnel required to complete NIMS courses and those who have completed the NIMS training.

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☒ Satisfactory ☐ Needs Improvement ☐ Corrected

Purchase Methods Analyzed to Provide the Best Value for Purchased Items as required by 44 CFR 13.36, UGMS Subpart C(.36) and Local Government Code 252 and 262

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There is also a form that the vendors are required to submit, which appears to be "self-certification" regarding their debarment status, which is not consistent with the criteria in Section .35 on page 80 of the Uniform Government Management Standards (UGMS 2004) for the state of Texas states, *Grantees and subgrantees must not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549, "Debarment and Suspension..*

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- In Section 8.05 on page of 10 of the procedures, the following language is listed: ***Selection of Vendor.*** *In selecting the most responsible vendor, the Purchasing Agent will consider such matters as price (all other factor being equal, the lowest price should always be taken), relative quality of goods and services (if more than one vendor can deliver at an acceptable price, the relative quality should be considered), reliability of vendor (based on actual, documented experience of purchasing agent, not on intuition or rumor), ability to service items purchased, over relevant factors as determined by the Purchasing Agent.*
- Email dated 4/11/2012 from the Procurement Process & Data Manager, *In regards to the Debarment procedures, it is customary, when the procurement process is utilized in obtaining goods and/or services. Debarment certification verification is completed by our staff, including, but not limited to verification on the www.epls.gov website.*

Therefore, the SAA recommends that the current *Purchasing Policies and Procedures (Effective 8/8/1995)* be updated to list the procedures for verifying debarment of all potential vendors for any contract and at any tier prior to purchase. The specific procedures will include language stating that county employees will access the federal website: http://www.epls.gov.

Once the document has been revised and approved by the Commissioner's Court, a copy must be submitted to the SAA.

Economic Hardship Procedures are Followed as Required by SAA Information Bulletin No. 11-006

☐ Satisfactory ☐ Needs Improvement ☐ Corrected ☒ Not Applicable

This jurisdiction did not receive any economic hardships.

Aware and Comply with Correct Reimbursement Process for Local Purchases as Required by SAA Information Bulletin No. 13

☒ Satisfactory ☐ Needs Improvement ☐ Corrected

Equipment

Equipment Has Been Opened, Inspected, and Readied for Immediate Deployment as Required by the SAA

☒ Satisfactory ☐ Needs Improvement ☐ Corrected

Equipment Items Are Tagged for Identification and Inventory Control that includes the Name of the Property Owner and a Unique Inventory Number as Required by the State Property Accounting Manual 2010, Chapter 2, Pg 2.16 and SAA Information Bulletin No. 2

☒ Satisfactory ☐ Needs Improvement ☐ Corrected

Jurisdiction Has Received the Necessary Certifications, Licenses, and Training for Appropriate Grant Purchased Equipment as required by the Homeland Security Grant Program Guidance, Equipment Activities Section, Pg 38

☒ Satisfactory ☐ Needs Improvement ☐ Corrected

Grant Purchased Equipment Items Have Been Integrated Into Local Inventory System as Required by 44 CFR 13.32 (d) (1)

☐ Satisfactory ☐ Needs Improvement ☒ Corrected

See comments below in next the section.

Jurisdiction's Inventory System Contains All Twelve Categories as Required by 44 CFR 13.32(d) (1)

☐ Satisfactory ☐ Needs Improvement ☒ Corrected

On 4/2/2012, the jurisdiction's asset inventory log was missing the *Disposition Date/Fair Market Value* column.

On 4/26/2012, the jurisdiction provided a corrected copy of the inventory log that now lists the noted missing column. ***(This deficiency was corrected prior to the completion of this report.)***

Jurisdiction has conducted a Physical Inventory within the Last Two Years as Required by 44 CFR 13.32(d)(2)

☐ Satisfactory ☒ Needs Improvement ☐ Corrected

The jurisdiction is currently in the process of conducting the physical inventory reconciliation and provided a copy of the draft report, which is not finalized.

Once the inventory reconciliation has been completed, the SAA respectfully requests a copy of the finalized physical reconciliation report. ***(This item will not be included on the Corrective Action Plan.)***

Jurisdiction has Followed Proper Procedure for Equipment Loan-Out and Property Transfer as required by GDEM/SAA Information Bulletin No. 11

☒ Satisfactory ☐ Needs Improvement ☐ Corrected ☐ Not Applicable

SAA Notified of Equipment Refund, Exchange, Theft, or Loss as Required by 44 CFR 13.32

☒ Satisfactory ☐ Needs Improvement ☐ Corrected ☐ Not Applicable

Jurisdiction Maintains Vehicle Mileage Logs for All Grant Funded Vehicles as Required by the Uniform Grant Management Standards_.32 and GDEM/SAA Information Bulletin No. 1.

☒ Satisfactory ☐ Needs Improvement ☐ Corrected ☐ Not Applicable

NIMS Training

Jurisdiction has Adopted National Incident Management System (NIMS) as Required HSPD-5 in Order to Receive Federal Preparedness Assistance

☒ Satisfactory ☐ Needs Improvement ☐ Corrected

A NIMS Training Plan has been Implemented as Required by the 2008 NIMS Implementation Objectives

☐ Satisfactory ☒ Needs Improvement ☐ Corrected

Prior to the on-site visit, the jurisdiction provided the SAA a copy of the county's NIMSCAST Training summary. After further clarification with the jurisdiction on 4/24/2012; it was stated that an official written NIMS Training Plan has not been implemented. However, it has been added to the agenda for the next Commissioner's Court meeting.

Jurisdiction Provided Proper Documentation to Support the Data Entered into the NIMSCAST System

☐ Satisfactory ☒ Needs Improvement ☐ Corrected

Prior to the on-site visit, the SAA received a listing of county personnel that are required to take NIMS training courses.

Review of NIMSCAST revealed the jurisdiction has two accounts for the following: Health & Human Services (HHS) and the remaining Hidalgo county departments. The appropriate number of HHS and the other county departments' personnel required to take the NIMS training is not consistent with the information currently in the NIMSCAST system.

T.R.R.N. Requirements

Equipment has been listed on Texas Regional Response Network (TRRN) as Required in the SAA Terms and Conditions and Certified Yearly

☒ Satisfactory ☐ Needs Improvement ☐ Corrected ☐ Not Applicable

Basis of Review

Objective and Scope

The overall objective was to determine whether sufficient controls were in place to ensure State Homeland Security funds were being used as intended and systems in place to prevent fraud, waste, and abuse. The review covered all Homeland Security grant funds awarded to the jurisdiction.

Criteria

Our review was based upon standards as set forth in the Grant Guidelines and Application Kit for each individual grant; applicable OMB Circulars; the Office for Justice Programs Financial Guide; 44 CFR part 13; Texas Uniform Grant Management Standards; the Texas Grant Guidelines for each individual grant; and other sound administrative practices. The sampling of grant-funded assets included items valued at or above $5,000 and controlled items as defined in the Uniform Grant Management Standards and State Property Accountability Policy.

Financial Overview

Hidalgo County is located in the Lower Rio Grande Valley Development Council. Hidalgo County has been awarded a total of $4,980,903.75 in grant funds.

Open Grant	Award ($)	Complete ($)	Committed ($)	Uncommitted ($)	End of Local Performance Period
2009 OPSG	$1,388,322.00	$785,625.61	$71,602.71	$531,093.68	April 1, 2012,
2009 SHSP	$677,306.11	$595,983.20	$81,322.91	$0.00	April 15, 2012
2009 SHSP LEAP	$317,651.92	$31,041.75	$286,610.17	$0.00	April 15, 2012,
2010 OPSG	$963,209.00	$105,276.72	$32,543.42	$825,388.86	July 31, 2012,

Grant Monitor Information

Cedric Scott, Monitoring and Compliance Specialist ***(Lead Monitor)***
Janet Andrew, Monitoring and Compliance Specialist

Contact Information

For questions regarding this review, please contact Patrick Jorgensen, SAA Monitoring and Compliance Supervisor. E-mail: Patrick.Jorgensen@txdps.state.tx.us

Distribution List

The Honorable Ramon Garcia – Hidalgo County Judge
Manuel Cruz – Homeland Security Director, Lower Rio Grande Valley Development Council
Oscar Montoya – Emergency Management Coordinator, Hidalgo County

Corrective Action Plan

JURISDICTION: Hidalgo County **REPORT #2012-25**

REF #	ACTION ITEM	COMMENTS	DUE DATE	STATUS
#6	The jurisdiction will update the current *Purchasing Policies and Procedures (Effective 8/8/1995)* to list the procedures for verifying debarment of all potential vendors for any contract and at any tier prior to purchase. The specific procedures will include language stating that county employees will access the federal website: http://www.epls.gov. Once the document has been revised and approved by the Commissioner's Court, a copy must be submitted to the SAA.		June 18, 2012	
#19	The jurisdiction will provide the SAA a copy of the NIMS Implementation Plan that has been approved by the Commissioner's Court.		June 18, 2012	
#20	The jurisdiction will provide documentation that the two NIMSCAST accounts have been updated to reflect the accurate number of county personnel required to complete NIMS courses and those who have completed the NIMS training.		June 18, 2012	

End of CAP

I have read and understand the deficient items listed needing corrective action and will choose the following action:

Please initial the appropriate response below.

☐ I adopt the TAP as provided by the SAA in its current form as our corrective action plan.

☐ The jurisdiction will provide its own corrective action plan within 20 calendar days to the SAA.

_____

Name of elected official or Executive / Date

Please sign and return this form within 20 calendar days to the Texas Homeland Security State Administrative Agency, 1033 La Posada Drive, Suite 160, Austin, Texas 78752. **Fax- 512-206-3137 Email** cedric.scott@dps.texas.gov

TEXAS DEPARTMENT OF PUBLIC SAFETY

5805 N LAMAR BLVD • BOX 4087 • AUSTIN, TEXAS 78773-0001
512/424-2000
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STEVEN C. McCRAW
DIRECTOR
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DEPUTY DIRECTORS

COMMISSION
A. CYNTHIA LEON, CHAIR
CARIN MARCY BARTH
ADA BROWN
ALLAN B. POLUNSKY
JOHN STEEN

May 18, 2012

R E P L Y F A X

Hidalgo County — Monitor: Cedric M. Scott

Please acknowledge receipt of the monitoring report for the SAA Monitoring desk review conducted April 24 – 25, 2012. Please sign and fax this form to SAA upon receipt.

Name: _____

Signature: _____
Chief Elected Official/Executive

Please sign and fax to 512-206-3137
NO COVER SHEET REQUIRED

If unable to fax, please mail form to:

TxDPS – SAA
Attn: Audit & Compliance Unit
1033 La Posada Dr, Suite 160
Austin, TX 78752

You may also scan and email to: **Cedric.Scott@dps.texas.gov**

HIDALGO COUNTY PURCHASING POLICIES AND PROCEDURES

I. INTRODUCTION

1.01 The Purchasing Department of Hidalgo County, Texas (the "Purchasing Department" or "Purchasing") was created by the Hidalgo County Commissioners Court (the "Commissioners Court") on May, 03, 1988, pursuant to the provisions of Texas Local Government Code § 262.0115. As a result, the Commissioners Court has appointed a Purchasing Agent to coordinate the purchases made by Hidalgo County, Texas (the "County"). The Purchasing Agent serves at the pleasure of the Commissioners Court, and is authorized by statute to make all purchases not subject to competitive bidding requirements, supervise the competitive bidding process, and receive and deliver materials purchased in accordance with contracts awarded by bids. In addition, the Purchasing Agent is required by statute (Tex.Loc.Govt.Code § 262.023) to adopt, to the extent practicable procedures calling for competitive bidding of all purchases of items not required to be competitively bid under the County Purchasing Act, Tex. Loc. Govt. Code, Ch. 262 Subch. C and other applicable statutes. Pursuant to the requirements established by the Commissioners Court and the Local Government Code, these Hidalgo County Purchasing Policies and Procedures are adopted by the Commissioners Court on this the 8th day of August, 2005, to be effective for all purchases by the County, or any department or agency thereof, requested on or after August 08, 1995.

II. OBJECTIVE OF THE CENTRALIZED PURCHASING PROGRAM

2.01 A centralized purchasing program has been established in the County to achieve The objectives listed as follows:

2.01.01 To obtain goods and services at the best price possible.

2.01.02 To obtain goods and services best suited to the particular needs of the County.

2.01.03 To ensure the timely delivery and adequate availability of goods and services.

2.01.04 To ensure that purchases conform to state law, County policies, the County budget any payment ability.

2.01.05 To ensure that all responsible prospective providers of goods and services to the County are afforded an equal opportunity to compete for County contracts.

2.01.06 To ensure that public spending is not used to enrich elected officials, department heads or government employees, or to confer favors on favored constituents, or to give the appearance of impropriety.

III. PURCHASING CODE OF ETHICS

3.01 **Statement of Purchasing Policy**. Public employment is a public trust. It is the policy of the County to promote and balance the objective of protecting government integrity and the objective of facilitating the recruitment and retention of personnel needed by the County. Such policy is implemented by prescribing essential standards of ethical conduct without creating unnecessary obstacles to entering public service.

Public employees must discharge their duties impartially so as to assure fair competitive access to governmental procurement by responsible contractors. Moreover, they should conduct themselves in such a manner as to foster public confidence in the integrity of the Purchasing Department.

To achieve the purpose of this Article, and these Policies, it is essential that those doing business with the County also observe the ethical standards prescribed here.

3.02 **General Ethical Standards**

3.02.01 It shall be a breach of ethics to attempt to realize personal gain through public Employment with the County by any conduct inconsistent with the proper discharge of the elected official's department head's or employee's duties.

3.02.02 It shall be a breach of ethics to attempt to influence any elected official, department head of public employee of the County to breach the standards or ethical conduct set forth in this code.

3.02.03 It shall be a breach of ethics for any elected official, department head or employee of the County to participate directly or indirectly in a procurement when the elected official, department head or employee knows that:

a. The elected official, department head or employee or any member of the elected official's, department head's or employee's immediate family has a financial interest pertaining to the procurement.

b. a business or organization in which the elected official, department head or employee, or any member of the elected official's, department head's, or employee's immediate family, has a financial interest pertaining to the procurement;

c. any other person, business or organization with whom the elected official, department head, or employee or any member of the elected official's, department head's or employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.

3.02.04 It shall be a breach of ethics to offer, give or agree to give any elected official, department head or employee, or former elected official, department head or employee, of the County, or for any elected official, department head or employee or former elected official, department head or employee of the County, to solicit, demand, accept or agree to accept from another person, entity or organization, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore pending before any department or agency of the County.

3.02.05 It shall be a breach of ethics for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor for any contract for the County, or any person associated therewith, as an inducement for the award of a subcontract or order.

3.02.06 The prohibition against gratuities and kickbacks prescribed in subparagraph 4 and

5 above shall be conspicuously set forth in every contract and solicitation therefore.

3.02.07 It shall be a breach of ethics for any current or former elected official, department head or employee of the County knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipating gain of any person, entity or organization.

3.03 **Construction with other provisions.** The provision of this Purchasing Code of Ethics shall be in addition to the ethical provisions contained in any County personnel manual or Civil Service rules or policies. In the event of a conflict between the provisions of this Purchasing Code of Ethics and the provisions of such manuals, rules or policies, the more restrictive shall control. A violation of this Purchasing Code of Ethics by an employee of the County covered under the County's civil service system shall be punishable under the provisions of the governing rules and policies of such system.

IV. DUTIES OF THE PURCHASING AGENT

4.01 **Generally.** The duties of the Purchasing Agent shall include purchasing or approving the purchase of all supplies, materials and equipment required or used and contracting for all repairs to property used by the County or any of its agencies, officers or employees, except purchases and contracts required by law to be made on competitive bid pursuant to Chapter 262, Texas Local Government Code. Except where expressly permitted herein, no person, other than the Purchasing Agent, may purchase supplies, materials or equipment or make contracts for repairs.

4.02 **Supervise All Purchases.** The Purchasing Agent shall supervise all purchases made by competitive bid and shall ensure that all purchased supplies, materials and equipment are delivered to the proper County officer or department in accordance with the purchase order to contract.

4.03 **Interlocal Cooperation**. The Purchasing Agent may cooperate with the purchasing agent or department of state of Texas and/or any local government unit to purchase any item in volume as may be necessary. Warrants or checks drawn by the County Auditor shall be honored by the County Treasurer to reimburse such purchasing agent or department making the purchase for the County.

4.04 **Inter-Department Transfers.** To prevent unnecessary purchases, the Purchasing Agent shall transfer County supplies, materials and equipment form any agency of the County, a County department, officer or employee of the County that are not needed or used to another County agency, County Department, officer or employee of the County requiring the supplies or materials or use of the equipment. The Purchasing Agent shall furnish to the County Auditor a list of transferred supplies, materials and equipment.

4.05 **Disposal of Salvage Property.** The Purchasing Agent, acting for the Commissioners Court and by delegation of the Commissioners Court, shall dispose of surplus or salvage property following the procedures required by state statute and as set out in the instructions accompanying form SLVG-PD-001. Form SLVG-PD-001 must be completed and necessary approval received for all surplus/salvage property dispositions.

4.06 **Prepare Specifications.** The Purchasing Agent, along with the person requesting the purchases of any item or items requiring competitive bids, pursuant to Chapter 262, Texas Local Government Code, shall prepare bid specifications which shall be approved by the Commissioners Court and advertised, received and awarded, in accordance with Chapter 262, Texas Local Government Code.

V. DELEGATION OF DUTIES

5.01 **Purchases Not Exceeding $1,000.00**. The Purchasing Agent may delegate to any elected official or department head the authority to purchase materials and supplies valued up to One Thousand Dollars ($1,000.00).

5.02 **Repairs-Vehicles & Equipment**. The Purchasing Agent may delegate to any elected official or department head the authority to purchase repair parts and services for motor vehicles, office or shop equipment, and similar items valued up to Two Thousand Dollars ($2,000.00)

5.03 **Repairs-Heavy Machinery.** Purchases of repair parts and services for road building and other heavy machinery valued up to Five Thousand Dollars ($5,000.00) is delegated to each County Commissioner and to the Manager of Hidalgo County Drainage District #1.

5.04 **Limitation of Delegation.** Notwithstanding any provision herein to the contrary, no delegation of authority to purchase any item bought from the permanent improvement fund or any equipment which shall be recorded in the physical inventory record is hereby made.

5.05 **Authorized Employees.** Elected officials and department heads may also delegate the authority to purchase materials and supplies valued up to One Thousand Dollars ($1,000.00) by furnishing the Purchasing Agent a memorandum listing the employee(s) so authorized.

VI. REQUISITION PROCESS

6.01 **Overview.** Requisitioning is the process of formally requesting that a purchase be made. Counties are required by statute (Tex.Loc.Govt.Code § 113.901) to use a requisitioning system. The purpose of the Requisition is to inform the Purchasing Department of what to buy, when it is required and where to deliver it.

6.02 **Procedures and Forms**

6.02.01 All purchases of goods and services, other than purchases under the authority delegated in Article V, shall be commenced by the requesting department completing a Hidalgo County Requisition Form (***Form HCPD-01***) and submitting it to the Purchasing Department.

6.02.02 Form HCPD-01 should be completed well in advance of the date that the goods or services are required by the requesting department in order to allow the Purchasing Department and the vendor to assure the goods are delivered or services performed by the date required by the requesting department.

6.02.03 Form HCPD-01 *must* be completed in its entirety. Incomplete Requisition Forms will be returned to the requesting department and will delay the order and delivery of the requested goods and services.

6.03 **Requisition Priority Designations**. Each form HCPD-01 must contain a priority designation and state a definite date by which the items are needed (i.e….not "Rush" or "ASAP"). The priority categories set forth below will be strictly adhered to, and the Purchasing Agent is authorized to investigate priority designation to determine abuse or potential abuse of expedited purchasing procedures. Requisitions are divided according to the type of action required on the purchase.

6.03.01 **Routine**- (for all normal purchasing transactions requiring a Requisition Form). The Purchasing Department will process these requisitions using routine procedures set out in Procedures Number 6.04.01. Routine Purchases are designated **Priority Four.**

6.03.02 **Expedited-** (for items that are needed sooner than the normal purchasing process would be able to get them). The only legitimate loss of the County's money. Expedited purchases are not emergency purchases. They are for items needed quickly to prevent costly delays, and therefore warrant the additional cost and effort caused by the interruption of the normal purchasing routine. However, They are not to be used unless absolutely required. The two types of Expedited Purchases are:

a. **Walk Through**- (for items needed within ten working days to avoid work interruption, loss of service or significant added cost of operations). The Purchasing Department processes these requisitions using routine procedures set out in Procedure Number 6.04.02. The requisition and other documents are hand carried through the purchasing process by the requesting department. These purchases are designated **Priority Three**.

b. **Work Stoppage**- (for items needed immediately to prevent work stoppage due to unanticipated requirements). The Purchasing Department processes these requisitions using routine procedures set out in the Procedure Number 6.04.03, but the process may be started by telephone request to the Purchasing Department, followed by delivery of a completed Requisition Form HCPD-01. These purchases are designated **Priority Two**.

6.03.03 **Emergency-** (for all requirements because of an emergency condition as defined In Procedure Number 9.01.01). The Purchasing Department processes these requisitions using routine procedures set out in Procedure 6.04.04 These purchases are designated **Priority One**.

6.04 Processing of Requisitions

6.04.01 Priority Four Requisition. When a requisition is received in the Purchasing Department, it must be verified for accuracy, authorization and budget authority. Purchasing will do the following: a) check the requisition for completeness; b) Check computations for accuracy; c) verify contract provision (if purchases under existing contract); d) verify authorizations against authorization lists; e) verify budget authority (budget line-item authority and unencumbered budget balance); f) prepare purchase order (see Procedure Number 6.04.06).

6.04.02 **Priority Three Requisition**. (a) The Form HCPD-01 is completed as with a priority Four requisition, coding it Priority Three. B) The preparer should then notify the Purchasing Department by telephone, specifying that a Priority Three

requisition is being walked through. Purchasing should be provided with all details of the purchase. c) Walk the requisition to all required stations. d) Hand carry the requisition to Purchasing. Purchasing makes the purchases in accordance with either Article VII or Article VIII.

6.04.03 **Priority Two Requisition**. a) The Form HCPD-01 is completed as with a Priority Four requisition, coding it Priority Two. b) The preparer should then notify the Purchasing Department by telephone, specifying that a Priority Three requisition is being walked through. Purchasing should be provided with all details of the purchase. d) Purchasing begins the purchase process immediately upon receiving the telephone call step (b), and makes the purchase in accordance with Article VII or Article VIII.

6.04.04 **Priority One Requisition.** a) The form HCPD-01 is completed as with a Priority Four requisition, coding it Priority One. b) The preparer should then notify Purchasing by telephone, specifying that a Priority One requisition is being walked through. Purchasing all should be provided with all details of the purchase. c) Walk the requisition to all required stations. d) Hand carry the requisition to all required stations. Purchasing begins the purchase immediately Upon receiving the telephone call in accordance with Procedure 9.01.02.

6.04.05 *NOTE: For all purchases required under Priority Two and Priority Three which Also require competitive bidding, an emergency must be declared in order to bypass the competitive bidding process. All Priority One purchases must meet the qualifications for emergency purchases in the pertinent statutes, as outline in Procedure 9.01.01.*

6.04.06 **Purchase Order.** When the completed requisition is received in the purchasing Office, a purchase order("PO", form HCPD-02) will be prepared. The requisition And the PO are approved by the County Judge. The prepared PO is delivered to the vendor which is awarded the contract, in accordance with Article VII and VIII.

VII. COMPETITIVE BIDDING

7.01. **Bidding Required.** Before any person, department, official or agent of the County may purchase one or more items under contract that requires an expenditure exceeding Fifteen Thousand dollars ($15,000.00), the competitive bidding requirements prescribed by Chapter 262, Texas Local Government Code, must be utilized with the assistance of the Purchasing Agent. In applying the competitive proposals, all separate, sequential or component purchases (purchases made separately, purchases made over a period of time or purchases of component parts of an item or items that in the normal purchasing practice would be purchased in purchase) are treated as if they are part of a single purchase and of a single contract. This requirement includes leases, installments payments and lease purchases in the event the total amount of payment will exceed Fifteen Thousand Dollars ($15,00.00) over the life of the contract.

7.02. **Exception.** The only exception to the competitive bidding process outlined in this Article VII are set forth in section 262.024, Texas Local Government Code, and Article IX herein. These exceptions shall be determined solely as provided in Article IX.

7.03. **Specifications/Procedures**

7.03.01 When the purchase of one or more items requiring competitive bidding pursuant

to Chapter 262, Texas Local Government Code, and this Article 7, is required, the person desiring to purchase the item shall first submit written specifications to the Purchasing Agent. The Purchasing Agent shall, upon request, assist in developing the specifications.

7.03.02 No specifications shall be written, which by design exclude legitimate competition between vendors. No brand names shall be utilized unless a disclaimer is used which opens the specification to competing brands of equal or superior quality.

7.03.03 The requisition, along with the proposed specifications and a bidding timeline, Are submitted to the Commissioners Court which shall approve the form and Content of the specifications and determine when the bids will be opened and when results will be submitted to the Commissioners Court.

7.03.04 After approval of the specifications and bidding timeline, the Purchasing Department will proceed with advertising for bids in accordance with the Timeline and applicable provisions of the Local Government Code.

7.03.05 The Purchasing Agent may mail an Invitation to Bid form to potential vendors When, in the judgment of the Purchasing Agent, such Invitation to Bid would enhance the bidding process.

7.03.06 Alternative competitive proposals may be obtained on purchases of insurance And high-technology items (as defined by statue), and for items for which it is Impractical to prepare detailed specifications. The procedure for this is prescribed in Sections 262.0295 and 262.030 of the Texas Local Government Code and may be utilized by the Purchasing Agent when approved by the Commissioners Court.

7.04 **Selection of successful bidder**

7.04.01 In competitive bidding, informal bids or proposals, the evaluation of the bids and proposals and the selection of vendors shall be done with the view to obtain the money spent. The vendor selected shall be responsible bidder who submits the lowest and best bid.

7.04.02 The Purchasing Agent shall present the bids to the Commissioners court at a meeting at the Commissioners Court.

7.04.03 In the event two (2) responsible bidders submit the lowest and best bid, the Commissioners Court shall decide between the two (2) by drawing lots in a manner prescribed by the County Judge or reject all bids and publish a new notice.

7.04.04 No contract shall be awarded to a bidder who is not the lowest dollar bidder meeting the specifications unless, before the award, each lower bidder is given notice of the proposed award and is given an opportunity to appeal before the Commissioners Court and present evident concerning the lower bidder's responsibility.

7.04.05 In the event the Alternate Competitive Proposal Procedure or Alternative Multistep Competitive Proposal Procedure are utilized, as provided in Procedure 7.02.06, the lowest responsible bidder selection in accordance therewith may be determined through negotiation with parties submitting proposals.

7.04.06 In the event that information on costs of the repair, maintenance or repurchase of earth moving, material-handling, road maintenance or construction equipment is requested in a bid notice or specifications, such information can be considered

by the Commissioners Court in selecting the most responsible bidder.

7.04.07 In considering the purchase of road construction materials, the location for pickup and delivery, and the cost to the County for hauling or delivering materials may be considered in selecting the most responsible bidder.

7.04.08 Multiple contracts may be awarded for the purchase or road construction materials if more than one bidder submits the lowest and best bid or a particular type or location of material.

7.04.09 Prior to the selection of a successful bidder, The Purchasing Department shall confirm the submission of the required Debarment Form, and thereafter, consult and search the following website: www.epls.gov to verify debarment of the bidder(s) and retaining the printed information from the website with the project file/purchase order. Unless otherwise "waived as technicality" by CC pursuant to the legal notice contained in procurement packet.

7.05. **Changes in Plan and Specifications When** there are changes in plan specifications or proposals after a contract is made or if it becomes necessary to increase or decrease the quantity of items purchased, the Commissioners Court may make those changes; provided, however, the total contract price may not be increased unless the cost of the change can be paid from available funds. If a change order involves and increase or decrease in cost of Fifteen Thousand Dollars ($15,000.00) or less, the Commissioners Court may grant general authority to an employee to approve the change order; provided, however, that the original contract price may not be increased by more than twenty-five percent (25%) unless the change order is necessary to comply with a federal or state statue, rule, regulation, or judicial decision enacted, adopted or rendered after the contract was made. The original contract price may not be decreased by eighteen percent (18%) or more without the consent of the contractor.

VIII. NON-BID PURCHASES

8.01 Purchases Under Delegated Authority. For purchases, the authority for which is delegated under Article V hereof;

8.01.01 An authorized person submits a form HCPD-01 to Purchasing, together with the Invoice for the goods or services acquired. Note: the completed requisition must be completed and dated prior to the purchase being made, but need only be submitted to Purchasing once the purchase is completed.

8.01.02 Purchasing checks the requisition in accordance with Procedure 6.04.01, and Forwards it to the County Judge, along with a PO for approval. After the approval of the County Judge, the Requisition and PO are forwarded to the County Auditor for payment. It is the Department's responsibility to confirm, in advance, that there is budget authorization and a sufficient unencumbered budget balance to cover the purchase, and to request a budget amendment or line item transfer if necessary.

8.01.03 When an emergency occurs outside of regular office hours, a County official or Department head may release a verbal order to the vendor and then complete and submit a requisition to Purchasing with a written explanation of the emergency.

8.01.04 When a purchase is made under this procedure without proper budget authority, the cost of the purchase shall be the personal responsibility of the highest-level person ordering/approving such purchase within the requesting department.

8.01.05 The Purchasing Department shall periodically review purchases made under this procedure for repetitive; component or sequential purchases are being made in violation of the competitive bidding laws and these Policies.

8.02. **Non-Delegated Purchases Not Exceeding $5,000.00**

8.02.01 An authorized person shall complete a Form HCPD-01 which shall include the listing of at least three (3) potential supplies, together with verbal or telephone quotations from such supplies. Vendors who are located throughout the County and state should be contacted.

8.02.02 The Requisition is processed in the normal manner and submitted to Purchasing.

8.02.03 Purchasing verifies the Requisition, approves same, and after approval of the County Judge, issues a PO to the most responsible vendor, as determined by the Purchasing Agent. If the approved quotation is not the lowest quotation, the reason must be stated in writing on the Requisition.

8.02.04 If the requisition is disapproved for any reason, the Requisition is returned to the user with a written reason for the disapproval.

8.0205 The Purchasing Agent shall establish policies requiring the random verification or telephone or written quotations before authorizing a purchase.

8.03. **Purchases Between $5,000.01 and $50,000.00. (Revision to the $25,000.00 Statutory Bidding Limited was enacted to $50,000.00 pursuant to the state of Texas' 81st . Legislature-Regular Session, HB 987 (SB 624 identical), Texas Local Government Codes 262 (various clauses), 271 (various clauses) effective June 22, 2009.)**

8.03.01 An authorized person shall complete a Form HCPD-01 which shall include the listing of at least three (3) potential supplies, together with written, firm quotations from such suppliers. Vendors who are located throughout the County and state should be contacted. A record of all quotations shall be maintained. The list of vendors contacted should be rotated so that over time, all vendors are contacted approximately equally.

8.03.02 The Requisition is processed in the normal manner and submitted to Purchasing.

8.03.03 Purchasing verifies the Requisition, approves same, and, after obtaining approval or the County Judge, issues a PO to the most responsible vendor, as determined by the Purchasing Agent. If the approved quotation is not the lowest quotation, the reason must be stated in writing on the Requisition.

8.03.04 If the Requisition is disapproved for any reason, the Requisition is returned to the User with a written reason for the disapproval.

8.03.05 The Purchasing Agent shall establish policies requiring the random verification of Written quotation, and may, whenever the Purchasing Agent deems appropriate, solicit additional written quotations before authorizing a purchase.

8.04 **Information Contained in Quotes.** For all oral or written quotations obtained; the following information must be exchanged between the vendor and the County;

8.04.01 Information related to the prospective vendor should include a description of the Item (or items), the quantity required (in standardized units, if applicable), the required delivery date, the last date quotations will be accepted, and the terms and conditions of purchase. The vendor shall be informed that the price quotations are *required* to be honored during the stated period.

8.04.02 Information obtained for the prospective vendor must include the name, address

And telephone/telecopier numbers of the vendor, the total or unit price, as specified, the date through which the quoted price will be effective, the name of

The representative providing the quote, and the specific (i.e….name brand and Model number) product offered. For written quotations, this information must be Included on the face of the written proposal.

8.05 **Selection of Vendor.** In selecting the most responsible vendor, the Purchasing Agent will consider such matters as price (all other factor being equal, the lowest price should always be taken), relative quality of goods and services (if more than one vendor can deliver at an acceptable price, the relative quality should be considered), reliability of vendor (based on actual, documented experience of purchasing agent, not on intuition or rumor), ability to service items purchased, over relevant factors as determined by the Purchasing Agent.

IX. EMERGENCY AND SOLE SOURCE PURCHASES, OTHER EXEMPT PURCHASES

9.01 Emergency Defined, Procedures.

9.01.01 Emergency (Priority One) purchases are governed by Tex. Loc. Govt. Code § 262.024(a) (1),(2), & (3) and are not utilized at all, except:

a. In the case of public calamity if it is necessary to make the purchase promptly to relieve the necessity of the citizens or to preserve the property of the County;
b. To purchase an item necessary to preserve or protect the public health or safety of the residents of the County; or
c. To purchase an item necessary because of unforeseen damage to public property.

9.01.02 The following procedures *must* be followed for Priority One purchases;

a. Qualification. The purchase must qualify as an emergency purchase under the definition in Procedures 9.01.01, or Tex. Loc. Govt. Code § 262.024.
b. Designation. The designation of Priority One indicates a situation of such urgency that the normal purchasing procedure must be modified in the interest of speed, and therefore no competitive bids or quotations are required.
c. Normal Working Hours. All emergency purchases occurring during normal working hours are processed through the Purchasing Department as follows:
    i. The using department will notify the purchasing office by telephone immediately, with as much information as possible about the emergency purchase required, so that the purchasing action can be initiated immediately.
    ii. Simultaneously, a purchasing requisition is prepared and hand carried through the normal channels.
    iii. The Purchasing Department or using department head contacts as many vendors as are necessary to arrange the emergency purchase. If time permits, the PO is completed in the purchases in accordance with Procedure 6.04.06

Otherwise, the purchase is completed by telephone, and the PO is completed after the fact and delivered to the vendor.

iv. The buyer requests expedited delivery, and if not available, the using department or Purchasing arranges to pick up the emergency purchase from the vendor.

d. Evening, Weekends and Holidays. For other than normal working hours, when purchasing support is unavailable, emergency purchases shall be processed as follows:

i. The responsible official of the using department takes whatever steps are necessary to procure needed supplies, services or equipment situation. If possible, only those goods or services needed during the evening, weekend or holiday are procured.

ii. On the first working day following the emergency, the responsible official prepares a requisition and hand-carries it to the purchasing office, as described Procedure 9.01.02(d)(ii), above, attaching the invoices, bills for materials, receipts or other documents related to the purchase.

e. Certification The official in charge of the using department must certify in writing on the next business day, or as soon thereafter as possible, that the purchase involved was necessary because of one of the reason listed in Procedure 9.01.01.

f. Commissioners Court Approval If a competitive bid would normally have been required under Article VII hereof to accomplish the purchase, the Commissioners Court must, by order, accept the certification of the official and enter it into the minutes of the Commissioners Court at its next meeting, together with authorization of the exception from the requirements of Article VII.

9.02 **Sole Source Defined, Procedures.**

9.02.01 A purchase qualifies as "Sole Source" purchase when the item or service Requested can only be obtained from one source, including;

a. Item from which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies;
b. Films, manuscripts or books;
c. Electric power, gas or other utility services
d. Captive replacement parts or components for equipment.

9.02.02 Sole Source purchases are handled the same as other purchases, with these Exceptions:

a. If the requesting department determines that the item is a Sole Source item, a statement must be attached to the Form HCPD-01 stating that a sufficient number of vendors have been contacted to determine that only one practical source of supply exists. The Requisition is otherwise completed in the normal manner.
b. If the Purchasing Department concurs that the item is a Sole Source purchase, a similar statement must also be attached to the requisition. If the Purchasing Department does not concur, the requisition is to be returned to the requesting department with an explanation of the reasons therefor.

c. For Sole Source purchases in amounts which otherwise require competitive bidding under Article VII thereof, the Purchasing Agent shall tender to the Commissioners' Court a signed statement stating the reasons that the item is a Sole Source purchase. If the Commissioners' Court concurs that the item is Sole Source purchase, it shall, be order, enter the statement into its minutes, and grant an exception from the requirements of Article VII.
d. Purchases of items described in Procedures 9.02.01(d) are herby deemed Sole Source, and are exempted from the requirements of these procedures.
e. After the requisition is approved, a PO is prepared in accordance with Procedure 6.04.06.

9.03 **Other Exempt Purchases**. In addition to emergency and Sole Source purchases, the following purchases may be exempted from the procedures outline in Article VII, and the procedures outlined in Article VIII, provided that, for purchases falling under Article VII, and order of the Commissioners Court is entered authorizing the exception, and for purchases falling under Article VIII, the Purchasing Agent approves the exception in writing;

9.03.01 A personal or professional service (not prohibitions on competitive bidding for professional services contained in the Professional Services Procurement Act, Tex. Loc. Govt. Code Ch. 2254, Subch A);

9.03.02 Any work performed and paid for by the day, as the work progresses;

9.03.03 Any land or right-of-way (including a lease of land or a building, in Accordance with Attorney General Opinion No. MW-535 (1982);

9.03.04 Any item of food, provided however, that in lieu of competitive bidding for purchases over $5,000.00, the procedures outlined in Procedure 8.03 are followed at intervals established by the Commissioners Court;

9.03.05 Personal Property sold at auction by state licensed auctioneer, at a going out of business sale conducted in accordance with Texas Business & Commerce Code Chapter 17, Subchapter F, or by a political subdivision of this state, or an entity of the federal government;

9.03.06 Any work performed under a contract for community and economic development made by a county under Tex. Loc. Govt. Code §381.004; or

9.03.07 The renewal or extension of a lease or of an equipment maintenance agreement if (1) the lease or agreement has gone through the competitive bidding or quote procedures within the preceding twelve (12) months, (b) the renewal or extension is the first renewal or extension of the lease of agreement.

X. COOPERATIVE PURCHASING

10.01 **State Cooperation**. The requirements of Article VII and Article VIII may be satisfied by compliance with the procedures and requirements of Tex. Loc .Govt. Code § 271.081-271.083.

10.02 Local Cooperation. The County shall, whenever advantageous to do so, enter into cooperative purchasing arrangements with other local governments pursuant to the Interlocal Cooperation Act, Tex. Govt. Code Ch. 791. In the event such an arrangement is made, purchases thereunder shall be made in accordance with the more strict requirements of relevant statutes and purchasing policies. For example, the County is not required to address the issue of Historically Underutilized Businesses ("HUB"), but municipalities must do so in purchases over $3,000.00; therefore, in a cooperation agreement with a municipality, purchases over such amount must follow state statutes governing the use of HUBs.

XI. BONDS

11.01 **May Be Required.** The County may, and if mandated by statue, shall, require a bid bond, a performance bond and/or a payment bond, to the extent permitted by applicable state statutes, for any contracts, for any contract by including such requirement in the bid specifications or request for proposals. Any such bond so required shall be executed with a surety company authorized to do business in the State of Texas.

11.02 **Bid Bond.** If a contract is for the construction of public works or is a contract exceeding One Hundred Thousand Dollars ($100,000.00) the bid specifications or request for proposals may require the bidder a good and sufficient bid bond in the amount of five percent (5%) of the total price.

11.03 **Payment and Performance Bond-Permissive.** In the event the contract exceeds Fifty Thousand Dollars ($50,000.00) and is not covered by Procedures 11.06, the County may require the successful bidder to furnish a payment bond and a performance bond to the County in the full amount of the contract within thirty (30) days after the date of signing of the contract or issuance of a Purchase Order following the acceptance of a bid or proposal, but in any event prior to the commencement of actual work.

11.04 **Contracts Less than $50,000.00** In the event the contract is for Fifty Thousand Dollars ($50,00.00) or less, the County may provide in the bid notice or request for proposals that no money will be paid to the contractor until completion and acceptance of the work or the fulfillment of the purchase obligation to the County.

11.05 **Regulation Bidder-No Performance or Bid Bond.** A bidder or proposal offerer whose rates are subject to regulations by a state agency may not be required to furnish a performance bond or a bid bond.

11.06. **Performance and Payment Bond- Mandatory.** If a contract is for the construction, alteration or repair of public buildings or public works, the bid specifications shall require a performance bond for a contact in excess of One Hundred Thousand Dollars ($100,000.00) and shall require a payment bond for a contract in excess of Twenty Five Thousand Dollars ($25,000.00), as required by Tex. Govt. Code Ch. 2253.

AI-16235 **22. A. 4.**

CC REGULAR

Meeting Date: 06/30/2009

Submitted For: Marty Salazar **Submitted By:** Marty Salazar, PURCHASING DEPT.

Department: PURCHASING DEPT.

Information

CAPTION

Discussion, consideration and approval to modify Hidalgo County's Purchasing Policies & Procedures, pursuant to the State of Texas' 81st. Legislature-Regular Session, HB 987 (SB 624 identical) effective 6-22-09, Texas Local Government Codes 262 (various clauses), 271 (various clauses) sealed competitive bid (procurement) limit is changed (raised) from $25,000.00 to $50,000.00 and changing the work from bidding to procurement.

BACKGROUND

Fiscal Impact

FISCAL YEAR: **ACCT. #:**

FUNDS AVAILABLE Y/N?: **MATCHING FUNDS Y/N?:**

BUDGETARY IMPACT:

All county departments procuring goods, equipment and services would be impacted and budgets would need to be identified.

Attachments

House Bill

House Bill

Policies and Procedures

Form Review

Inbox	Reviewed By	Date
Purchasing Department (Originator)	Marty Salazar	06/26/2009 09:25 AM
Budget & Management	Erika Zamora	06/26/2009 09:56 AM
Damaris San Miguel	Damaris San Miguel	06/26/2009 02:43 PM
Auditor's Office		06/26/2009 05:42 PM

Form Started By: Marty Salazar Started On: 06/25/2009 08:10 PM

Final Approval Date: 06/26/2009

AI-32715 **Purchasing Department 17. B. 1.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted By: Sandy Suarez, PURCHASING DEPT.

Department: PURCHASING DEPT.

Information

CAPTION

Presentation of sole bid received from Roy's Hauling Service as detailed in tabulation sheet contained herein meeting all specifications and/or requirements for the purpose of award and approval of contract for Request for Bid titled : Hidalgo County Precinct No. 2- "Hauling Services for all Road Materials" through bid project No. 2012-055-03-28-SGS.

BACKGROUND

1. Upon approval by Commissioner's Court the contract will commence on August 14, 2012.
2. Contract document was reviewed and approved by Legal Counsel as to form.

Fiscal Impact

FISCAL YEAR: 2012 **ACCT. #:** 2-1200-431-00-122-006-0-346

FUNDS AVAILABLE Y/N?: Y **MATCHING FUNDS Y/N?:** N

BUDGETARY IMPACT:

Precinct No. 2 - $ 5,972.18 as of 06/06/12

Attachments

Approval-Tab, etc.

memo

Form Review

Inbox	Reviewed By	Date
Purchasing Department	Marty Salazar	06/07/2012 03:25 PM
Budget & Management	Ivan Cantu	06/07/2012 04:40 PM
Roland Garcia	Rolando Garcia	06/14/2012 01:13 PM
Auditor's Office	Arcilia Duran	06/22/2012 03:11 PM

Form Started By: Sandy Suarez Started On: 06/06/2012 03:48 PM

Final Approval Date: 06/22/2012

Hidalgo County Purchasing Department
2812 S. Business Highway 281
New Administration Building
Edinburg, Texas 78539
(956) 318-2626/ Fax: (956) 318-2629

MEMORANDUM

(Department's Recommendation)

TO: Commissioner Hector "Tito" Palacios
Hidalgo County Pct. 2

ATTN: Ricardo Cuellar, Field Operations Director
Yolanda Cisneros, Administrative Asst.

FROM: Sandy Suarez, Buyer II
Hidalgo County Purchasing Dept.

DATE: March 28, 2012

RE: BID AWARD RECOMMENDATION REQUEST
Bid No. 2012-055-03-28-SGS-Approval of Specifications for Hidalgo County Precinct No. 2-
"HAULING SERVICES FOR ALL ROAD MATERIALS"

We have received one (1) respondent to the above mentioned project. Enclosed you will find a copy of the tabulation sheet along with copies of the bid responses for your review and recommendation.

We would like to present your recommendation to Commissioner's Court Meeting; therefore, we need your response no later than April 04, 2012 @ 10:00 a.m. to be able to present to Commissioner's Court on the proposed date: April 17,2012. Please indicate your recommendation or any concerns on the space provided below and reply to the Purchasing Department, via fax to (956)-318-2629 or via email to: sandy.suarez@co.hidalgo.tx.us.

Should you have any questions or require further information please do not hesitate to call me at 318-2626- ext. 4860. Thank you for your attention and cooperation to this matter.

AWARD TO VENDOR(S):		RECOMMENDATION (why)
1. Roy's Hauling	Sole Bidder	
2.		
3.		

Please include the budget account number(s) for the above referenced project.

Budget Acct No.: 2-1200-431-00.122-006-0-623
"Account Depends on Project."

Ricardo Cuellar | RICARDO Cuellar | R&B Dept's Asst. | 4/16/12

AUTHORIZED SIGNATURE | PRINTED NAME | DEPARTMENT | DATE

Enclosures

HIDALGO COUNTY PURCHASING DEPARTMENT
BID TABULATION SHEET

DEPARTMENT NAME: Hidalgo County Precinct No. 2

DESCRIPTION OF BID: Hauling Services for All Road Material

BID NO.: 2012-055-03-28- SGS | **BUYER: Sandy Suarez**

BID OPENING DATE: MARCH 28, 2012 | **TIME: 9:30 A.M.**

Location of Plant Listed vendors are subject to be changed upon contract expiration:			PARTICIPATING VENDOR Roy's Hauling Inc. Sole Bidder-Crushed Caliche only		
DESCRIPTION OF MATERIALS	NAME OF PITS		Total Cost Per Ton	Fuel Costs Percentage Per Ton	Current / Base Fuel Cost
COLD MIX Frontera Materials	La Joya Plant		NO BID	NO BID	NO BID
TYPE D HOT MIX-GRAVEL Frontera Materials	Lay Joya Plant		NO BID	NO BID	NO BID
	Progresso Plant		NO BID	NO BID	NO BID
TYPE D HOT MIX-LIMESTONE Frontera Materials	Lay Joya Plant		NO BID	NO BID	NO BID
	Progresso Plant		NO BID	NO BID	NO BID
CRUSHED CALICHE	Frontera Materials	490 pit	4.95	75%	3.71
	Martin Marietta	Jericho Pit	4.95	75%	3.71
No of Hauling Trucks: 10 No. of Tandem Trucks: 0 (Not required for Caliche, as per Specs)					

HIDALGO COUNTY PURCHASING DEPARTMENT
PARTICIPATING BIDDER'S LOG
SPECIFICATIONS/BID PACKETS

BID OPENING DATE: MARCH 28, 2012 **BID OPENING TIME: 9:30 A.M.**

DEPARTMENT/BID DESCRIPTION:"HIDALGO COUNTY PRECINCT NO 2- HAULING SERVICES FOR ALL ROAD MATERIALS"

BID NO.: 2012-055-03-28-SGS

NAME OF VENDOR: COMPANY/FIRM	BID REQUEST *VIA	SIGNATURE (IF APPLICABLE) OR INITIALS OF STAFF ADDRESSING MAIL OUT	DATE	ADDRESS & PHONE NO
1. **ROY'S HAULING SERVICE, INC.** Attn: Roy Balderas Jr.	EM	Sandy Suarez	03/12/12	P.O. BOX 1896 EDINBURG, TX 78540 office-956-383-2206 fax-956-383-2569 mobile-956-239-2359 royshaulinginc@aol.com
2. **ORTIZ DUMP TRUCK SERVICES** Attn: Arturo Ortiz	/EM	Sandy Suarez	03/12/12	906 Princeton Drive Mission, Tx 78572 Cell-956-321-5015 Superslick4949@aol.com
3. **UNIVERSAL TRUCKERS INC.** Attn: Bernardo Saenz	EM/IP	Sandy Suarez	03/12/12- 03/16/12	1052 Esperanza St. Alamo, TX 78516 C# 956-650-0673 Bernardosaenz95@yahoo.com
4. **TRES PALACIOS, DIRT, SAND & GRAVEL** Attn: Michael Palacios	EM	Sandy Suarez	03/12/12	1899 N. Cage Pharr, Texas 78577 (956)787-9920-office (956)781-0533-fax cell#: (956)904-6558 evpharr@aol.com
5. **INTERNATIONAL MATERIALS** Attn: Javier Garza	EM	Sandy Suarez	03/12/12	3408 N. Conway Ave. Mission, Tx 78574 Office-956-240-1423 Fax -956-584-3206 internationalmats@att.net
6. **TREV-CORT TRUCKING INC. Attn: Candido Trevino or Lizbeth Guerra**	EM	Sandy Suarez	03/12/12	P.O. BOX 476 Alamo, Tx 78516 Office- 787-7878 Fax- 956-787-7868 Cell -956-534-4695 Candido Cell -793-2943 Lizbeth Guerra trevcort@gmail.com

***VIA:**
IN PERSON (IP)
TELEPHONE REQUEST (TR)
BIDDER LIST MAIL OUT (BLM)
E-MAIL (EM)
FACSIMILE (FAX)

Hidalgo County Purchasing Department
2812 S. Business Highway 281
New Administration Building
Edinburg, Texas 78539
(956) 318-2626/ Fax: (956) 318-2629

MEMORANDUM

(Department's Recommendation)

TO: Commissioner Hector "Tito" Palacios
Hidalgo County Pct. 2

ATTN: Ricardo Cuellar, Field Operations Director
Yolanda Cisneros, Administrative Asst.

FROM: Sandy Suarez, Buyer II
Hidalgo County Purchasing Dept.

DATE: March 28, 2012

RE: BID AWARD RECOMMENDATION REQUEST
Bid No. 2012-055-03-28-SGS-Approval of Specifications for Hidalgo County Precinct No. 2-
"HAULING SERVICES FOR ALL ROAD MATERIALS"

We have received one (1) respondent to the above mentioned project. Enclosed you will find a copy of the tabulation sheet along with copies of the bid responses for your review and recommendation.

We would like to present your recommendation to Commissioner's Court Meeting; therefore, we need your response no later than April 04, 2012 @ 10:00 a.m. to be able to present to Commissioner's Court on the proposed date: April 17,2012. Please indicate your recommendation or any concerns on the space provided below and reply to the Purchasing Department, via fax to (956)-318-2629 or via email to: sandy.suarez@co.hidalgo.tx.us.

Should you have any questions or require further information please do not hesitate to call me at 318-2626- ext. 4860. Thank you for your attention and cooperation to this matter.

AWARD TO VENDOR(S):		RECOMMENDATION (why)
1. Roy's Hauling	Sole Bidder	
2.		
3.		

Please include the budget account number(s) for the above referenced project.

Budget Acct No.: 2-1200-431-00.122-006.0-[illegible]346
"Account Depends on Project"

Ricardo Cuellar RICARDO Cuellar R&B Road Supt. 4/28/12

AUTHORIZED SIGNATURE PRINTED NAME DEPARTMENT DATE

Enclosures

Account Inquiry - FAINQ01A 11/15/11 10:10 am

Account No 2-1200-431-00-122-006-0-345 Accounting Period 13 Period YTD 310207 pq 01 -1 1 1

Acct. Year 2 Previous Year Info. Description PCT2 RD MAINT-HAULING & FREIGHT SERVICES

Summary | Budgets | Open Encumb | Encumb Detail | All Encumb | Checks | Unposted Pay | Unprinted Pay | AJE | Recpts/Ir

Period	Original Budget	Adjusted Budget	Encumbrance	Actual	Avail/Rec/Bal
01	10,762.99	10,762.99	.00	.00	10,762.99
YTD	10,762.99	10,762.99	.00	.00	10,762.99
PRE	.00	.00	.00	.00	.00
TOT	10,762.99	10,762.99	.00	.00	10,762.99

as of 06/14/12

AI-32712 **Purchasing Department 17. C. 1.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Martha L. Salazar **Submitted By:** Nielda Cavazos, PURCHASING DEPT.

Department: PURCHASING DEPT.

Information

CAPTION

a. Requesting exemption from competitive bidding requirements under the Texas Local Government Code, Section 262.024 (A) (4) a professional service;

b. Presentation of scoring grid (for the purpose of ranking by CC) of the firms graded and evaluated through the County's approved "pool" of Engineering Services for on call services within Precinct No. 4:

Evaluator	Dos Logistics	LeFevre	TEDSI
Evaluator	98	96	94
Total			

c. Authority for the Purchasing Department to negotiate a professional (Engineering Services) contract with the No. 1 ranked firm of _____ for: the provision of professional engineering services (on call services) for Precinct #4:

d. Requesting exemption from competitive bidding requirements under the Texas Local Government Code, Section 262.024 (A) (4) a professional service;

e. Presentation of scoring grid (for the purpose of ranking by CC) of the firms graded and evaluated through the County's approved "pool" of Architectural Firms for building repairs and/or renovations for projects in Precinct No. 4:,

Evaluators	Alcoser Garcia Associates	Dannenbaum Engineering	VA Architecture
Evaluators	92	96	94
Ranking			

f. Authority for the Purchasing Department to negotiate a professional (Architectural Services) contract with the No. 1 ranked firm of _____ for: the provision of professional architectural services building repairs and or renovations for projects within Precinct No. 4.

BACKGROUND

Fiscal Impact

FISCAL YEAR: **ACCT. #:**

FUNDS AVAILABLE Y/N?: **MATCHING FUNDS Y/N?:**

BUDGETARY IMPACT:

Funding to be determined once Precinct# 4 identifies projects.

Services are on an ”as needed basis”.

Attachments

grid eng
Grid arch

Form Review

Inbox	Reviewed By	Date
Purchasing Department	Marty Salazar	06/07/2012 03:13 PM
Budget & Management	Ivan Cantu	06/07/2012 04:37 PM
Manuel Chapa	Manuel Chapa	06/08/2012 10:46 AM
Auditor's Office	Arcilia Duran	06/22/2012 03:09 PM

Form Started By: Nielda Cavazos Started On: 06/06/2012 03:38 PM

Final Approval Date: 06/22/2012

HIDALGO COUNTY PRECINCT NO 4
FOR
Engineering Services
(On Call)
Scoring & Evaluation
GRID

Engineering Services

Total Scores	Dos Logistics	LeFevre	Tedsi
Evaluator 1	98	96	94
Average	98	96	94
RANKING			

*Scoring & Evaluation was completed by Pct No 4 *

HIDALGO COUNTY PRECINCT NO 4
FOR
Architectural Services
Scoring & Evaluation GRID

Architectural Services

Total Scores	Alcoser Garcia Associates	Dannenbaum Engineering	VA Architecture
Evaluator 1	92	96	94
Average			
RANKING			

*Scoring & Evaluation was completed by Pct No 4 *

AI-32781 **Purchasing Department 17. C. 2.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Martha L. Salazar **Submitted By:** Oscar Garza, PURCHASING DEPT.

Department: PURCHASING DEPT.

Information

CAPTION

a. Approval to purchase One (1) New 2013 or Newer Chevrolet 1500 Silverado PU through the County's membership/participation with HGAC (Houston-Galveston) awarded vendor, Caldwell Country Chevrolet (Contract #VE11-11) in the amount of $18,490.00 which includes a $600.00 HGAC administration fee and delivery for (Project #2012-162-OGG); or, if not approved,

b. Authority to advertise sealed procurement for the vehicles described above and herein, using the information detailed to finalize general and minimum specifications.

BACKGROUND

As requested by Commissioner Joseph Palacios, Pct. #4 HC Commissioner, appropriation of funds have been appropriated under Req.#00217474, Acct. #2-1100-452-00-124-009-0-741.

Fiscal Impact

FISCAL YEAR: 2012 **ACCT. #:** 2-1100-452-00-124-009-0-741

FUNDS AVAILABLE Y/N?: YES **MATCHING FUNDS Y/N?:** NO

BUDGETARY IMPACT:

Funding appropriaed under Req #00217474 in the total amount of $18,490.00 which includes administrative fees and any other appurtenances for proposed purchase.

Attachments

217474 Caldwell Chevrolet

Form Review

Inbox	Reviewed By	Date
Purchasing Department	Marty Salazar	06/15/2012 04:59 PM
Budget & Management	Merlen P. Munoz	06/18/2012 08:04 AM
Manuel Chapa	Manuel Chapa	06/19/2012 01:43 PM
Oscar Garza	Tanya Delira	06/20/2012 09:02 AM
Auditor's Office	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Oscar Garza Started On: 06/12/2012 08:51 AM

Final Approval Date: 06/22/2012

Requisition

Req # 00217474

PO #

Date: 06/07/12

Bill To: x
x

Vendor : 358185
CALDWELL COUNTRY CHEVROLET
P.O. BOX 27
CALDWELL TX 77836

Ship To: HIDALGO CO. PCT 4
1051 N. DOOLITTLE
EDINBURG TX 78542

Contact: MUNOZ JR. R.
956-383-3112

Contract No: HGAC VE11-11

Special Instructions:
PCT. REQ. #0893

QUANTITY	UOM	DESCRIPTION	UNIT PRICE	AMOUNT
		AS PER HGAC CONTRACT VE11-11 DO NOT DUPLICATE ORDER		
1.00	EACH	F: H-GAC FEE CALCULATION (FROM CURRENT FEE TABLES)	600.00	600.00
1.00	EACH	PRODUCT CODE: A38 DESCRIPTION: 2013 CHEVROLET 1500 SILVERADO CC10753 A. PRODUCT ITEM BASE UNIT PRICE PER CONTRACTOR'S H-GAC CONTRACT: $17,727.00 B. PUBLISHED OPTIONS - ITEMIZED BELOW : 4.3LV6 LU3 INCLUDED AUTOMATIC M30 INCLUDED TRAILER TOW PACKAGE Z82 $470.00 SUBTOTAL B: $470.00 C. UNPLUPLISHED OPTIONS - ITEMIZE BELOW: RUBBER MATS (2) INCULUED 119" WHEELBASE-R/C6.5' INCLUDED SUBTOTAL C: $0.0 D. OTHER COST ITEMS NOT ITEMIZED ABOVE: DELIVERY $693.00 EXTERIOR COLOR WHITE INCLUDED V6 CREDIT $1,000.00 SUBTOTAL D: $-307.00 E. TOTAL COST BEFORE ANY APPLICABLE TRADE-IN / OTHER ALLOWANCES / DISCOUNTS (A + B + C + D) $17,890.00 QUANTITY ORDERED: 1 X SUBTOTAL OF A + B + C + D : $17,890.00 = SUBTOTAL E: $17,890.00	17,890.00	17,890.00
		Account No	Encumbrance	
		2-1100-452-00-124-009-0-741	18,490.00	
			Freight	.00
			Total	18,490.00
		REPORT ROAD HAZARDS 1-866-HCR-SAFE OR 1-866-427-7233		

Authorized By: _____

CONTRACT PRICING WORKSHEET
For Standard Equipment Purchases

Contract No.:	VE11-11	Date Prepared:	6/19/2012

This Form must be prepared by Contractor, and provided to End User to attach to Purchase Order, with copy to H-GAC. The H-GAC administrative fee shall be calculated and shown as a separate line item. Please type or print legibly.

Buying Agency:	HIDALGO COUNTY PCT4	Contractor:	CALDWELL COUNTRY CHEVROLET
Contact Person:	OSCAR GARZA	Prepared By:	AVERYT KNAPP
Phone:	956-318-2626 X4857 (STEVE CRUZ 956-605-9966)	Phone:	979-567-6116
Fax:	956-292-7612	Fax:	979-567-0853
Email:	OSCARG.GARZA@CO.HIDALGO.TX.US	Email:	AKNAPP@CALDWELLCOUNTRY.COM

Product Code:	A38	Description:	2013 CHEVROLET 1500 SILVERADO CC10753

A. Product Item Base Unit Price Per Contractor's H-GAC Contract: 17,727.00

B. Published Options - Itemize below - Attach additional sheet(s) if necessary - Include Option Code in description if applicable.
(Note: Published Options are options which were submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
4.3LV6 LU3	INCL		
AUTOMATIC M30	INCL		
TRAILER TOW PACKAGE Z82	470		
		Subtotal From Additional Sheet(s):	
		Subtotal B:	470

C. Unpublished Options - Itemize below / attach additional sheet(s) if necessary.
(Note: Unpublished options are items which were not submitted and priced in Contractor's bid.)

Description	Cost	Description	Cost
RUBBER MATS (2)	INCL		
119" WHEELBASE-R/C-6.5' BED	INCL		
		Subtotal From Additional Sheet(s):	
		Subtotal C:	0

Check: Total cost of Unpublished Options (C) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B). **For this transaction the percentage is:** 0%

D. Other Cost Items Not Itemized Above (e.g. Installation, Freight, Delivery, Etc.)

Description	Cost	Description	Cost
DELIVERY	693	V6 CREDIT	-1000
EXTERIOR COLOR WHITE	INCL		
		Subtotal D:	-307

E. Total Cost Before Any Applicable Trade-In / Other Allowances / Discounts (A+B+C+D) 17890

Quantity Ordered: 1 **X Subtotal of A + B + C + D:** 17890 = **Subtotal E:** 17890

F. H-GAC Fee Calculation (From Current Fee Tables) **Subtotal F:** 600

G. Trade-Ins / Other Allowances / Special Discounts

Description	Cost	Description	Cost
		Subtotal G:	0

Delivery Date: 90 DAYS APPX **H. Total Purchase Price (E+F+G):** 18490

AI-32562 **17. D. 1.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted For: Martha Salazar Submitted By: Elena Gomez, PURCHASING DEPT.

Department: PURCHASING DEPT.

Information

CAPTION

a. Requesting exemption from competitive bidding requirements under Texas Local Government Code, 262.024 (a)(7) "an item that can be obtained from only one source; through requisitions #214858 & 214846 for the following services:

b. Requesting approval of a "Sole Source Declaration" for SOE SOFTWARES with authority to purchase and enter into an agreement for the following softwares with licenses, support and maintenance services detailed herein:

1. Clarity Control Software Suite & Licenses; and,
2. Clarity ENR Software & Licenses

which provdies web-based graphical presentation of Election Night Results (ENR) including travel when necessary & requested by Election's Department (as part of Clarity Election Suite Hosting and Support Agreement and in accordance wth Hidalgo County's Travel Policies & Procedures) in the amounts detailed:

CLARITY CONTROL PRICING SERVICE PRICE
Software License Price $47,600
Statewide Discount – 20% (*) $14,280
Software License Total (One Time) $33,320
Implementation (One Time)$8,996
Ongoing Assurance $7,664
FIRST YEAR COST $49,980

CLARITY ENR PRICING SERVICE PRICE
Software License Price $66,298
Statewide Discount – 20% (*) $13,260
Software License Total (One Time) $53,038
Implementation (One Time)$13,259
Ongoing Assurance $13,259
FIRST YEAR COST $79,556

TOTAL FIRST YEAR COST $129,536

BACKGROUND

Fiscal Impact

FISCAL YEAR: 2012 ACCT. #: 2-1283-414-00-130-016-8-747

FUNDS AVAILABLE Y/N?: y MATCHING FUNDS Y/N?: n

BUDGETARY IMPACT:

FISCAL YEAR: 2012 ACCT. #: 2-1283-414-00-130-010-8-747

FUNDS AVAILABLE Y/N?: y MATCHING FUNDS Y/N?: n

BUDGETARY IMPACT:

Attachments

Texas Local Government Code
Legal Counsel Approval
Backup for Clarity-Elections
Memo
Supporting Documention

Form Review

Inbox	Reviewed By	Date
Purchasing Department	Monica Badillo	06/01/2012 11:01 AM
Elena Gomez	Elena Gomez	06/12/2012 09:13 AM
Purchasing Department	Marty Salazar	06/15/2012 03:11 PM
Purchasing Department	Monica Badillo	06/01/2012 11:01 AM
Elena Gomez		
Purchasing Department	Marty Salazar	06/15/2012 03:11 PM
Elena Gomez	Elena Gomez	06/22/2012 04:44 PM
Budget & Management		
Auditor's Office		

Form Started By: Elena Gomez Started On: 05/25/2012 09:40 AM

(c) A county may receive bids or proposals under this subchapter in hard-copy format or through electronic transmission. A county shall accept any bids or proposals submitted in hard-copy format.

Added by Acts 2001, 77th Leg., ch. 1063, § 1, eff. Sept. 1, 2001.

§ 262.023. Competitive Requirements for Certain Purchases

(a) Before a county may purchase one or more items under a contract that will require an expenditure exceeding $50,000, the commissioners court of the county must:

(1) comply with the competitive bidding or competitive proposal procedures prescribed by this subchapter;

(2) use the reverse auction procedure, as defined by Section 2155.062(d), Government Code, for purchasing; or

(3) comply with a method described by Subchapter H, Chapter 271.

(b) The requirements established by Subsection (a) apply to contracts for which payment will be made from current funds or bond funds or through anticipation notes authorized by Chapter 1431, Government Code, or time warrants. Contracts for which payments will be made through certificates of obligation are governed by The Certificate of Obligation Act of 1971 (Subchapter C, Chapter 271).[1]

(b–1) A county that complies with a method described by Subchapter H, Chapter 271, as provided by Subsection (a)(3), to enter into a contract for which payment will be made through anticipation notes authorized by Chapter 1431, Government Code, may not issue anticipation notes for the payment of that contract in an amount that exceeds the lesser of:

(1) 20 percent of the county's budget for the fiscal year in which the county enters into the contract; or

(2) $10 million.

(c) In applying the requirements established by Subsection (a), all separate, sequential, or component purchases of items ordered or purchased, with the intent of avoiding the requirements of this subchapter, from the same supplier by the same county officer, department, or institution are treated as if they are part of a single purchase and of a single contract. In applying this provision to the purchase of office supplies, separate purchases of supplies by an individual department are not considered to be part of a single purchase and single contract by the county if a specific intent to avoid the requirements of this subchapter is not present.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 1, § 57(a), eff. Aug. 28, 1989; Acts 1989, 71st Leg., ch. 1250, § 9, eff. Sept. 1, 1989; Acts 1991, 72nd Leg., ch. 16, § 13.02(b), eff. Aug. 26, 1991; Acts 1993, 73rd Leg., ch. 757, §§ 13, 38, eff. Sept. 1, 1993; Acts 1997, 75th Leg., ch. 442, § 1, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 505, § 2, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 436, § 4, eff. May 28, 2001; Acts 2001, 77th Leg., ch. 1063, § 2, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1409, § 4, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 1276, § 12.004, eff. Sept. 1, 2003; Acts 2007, 80th Leg., ch. 689, § 1, eff. Sept. 1, 2007; Acts 2009, 81st Leg., ch. 1266, § 4, eff. June 19, 2009.

[1] V.T.C.A., Local Government Code § 271.041 et seq.

Section 2 of Acts 2007, 80th Leg., ch. 689 provides:

"The changes in law made by this Act apply only to a contract entered into on or after the effective date [Sept. 1, 2007] of this Act. A contract entered into before the effective date of this Act is governed by the law in effect when the contract was entered into, and the former law is continued in effect for that purpose."

Section 17 of Acts 2009, 81st Leg., ch. 1266 provides:

"The change in law made by this Act applies only to a claim that arises under a contract executed on or after the effective date of this Act. A claim that arises under a contract executed before the effective date of this Act is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose."

§ 262.0235. Procedures Adopted by County Purchasing Agents for Electronic Bids or Proposals

The county purchasing agent, before receiving electronic bids or proposals, shall adopt rules in conformance with Section 262.011(o) to ensure the identification, security, and confidentiality of electronic bids or proposals.

Added by Acts 2001, 77th Leg., ch. 1063, § 3, eff. Sept. 1, 2001.

§ 262.024. Discretionary Exemptions

(a) A contract for the purchase of any of the following items is exempt from the requirement established by Section 262.023 if the commissioners court by order grants the exemption:

(1) an item that must be purchased in a case of public calamity if it is necessary to make the purchase promptly to relieve the necessity of the citizens or to preserve the property of the county;

(2) an item necessary to preserve or protect the public health or safety of the residents of the county;

(3) an item necessary because of unforeseen damage to public property;

(4) a personal or professional service;

(5) any individual work performed and paid for by the day, as the work progresses, provided that no individual is compensated under this subsection for more than 20 working days in any three month period;

(6) any land or right-of-way;

(7) an item that can be obtained from only one source, including:

(A) items for which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies;

(B) films, manuscripts, or books;

(C) electric power, gas, water, and other utility services; and

(D) captive replacement parts or components for equipment;

(8) an item of food;

(9) personal property sold:

(A) at an auction by a state licensed auctioneer;

(B) at a going out of business sale held in compliance with Subchapter F, Chapter 17, Business & Commerce Code; [1] or

(C) by a political subdivision of this state, a state agency of this state, or an entity of the federal government;

(10) any work performed under a contract for community and economic development made by a county under Section 381.004; or

(11) vehicle and equipment repairs.

(b) The renewal or extension of a lease or of an equipment maintenance agreement is exempt from the requirement established by Section 262.023 if the commissioners court by order grants the exemption and if:

(1) the lease or agreement has gone through the competitive bidding procedure within the preceding year;

(2) the renewal or extension does not exceed one year; and

(3) the renewal or extension is the first renewal or extension of the lease or agreement.

(c) If an item exempted under Subsection (a)(7) is purchased, the commissioners court, after accepting a signed statement from the county official who makes purchases for the county as to the existence of only one source, must enter in its minutes a statement to that effect.

(d) The exemption granted under Subsection (a)(8) of this section shall apply only to the sealed competitive bidding requirements on food purchases. Counties shall solicit at least three bids for purchases of food items by telephone or written quotation at intervals specified by the commissioners court. Counties shall award food purchase contracts to the responsible bidder who submits the lowest and best bid or shall reject all bids and repeat the bidding process, as provided by this subsection. The purchasing officer taking telephone or written bids under this subsection shall maintain, on a form approved by the commissioners court, a record of all bids solicited and the vendors contacted. This record shall be kept in the purchasing office for a period of at least one year or until audited by the county auditor.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 1, § 59(c), eff. Aug. 28, 1989; Acts 1989, 71st Leg., ch. 962, § 1, eff. Sept. 1, 1989; Acts 1989, 71st Leg., ch. 1001, § 2, eff. Aug. 28, 1989; Acts 1989, 71st Leg., ch. 1060, § 1, eff. Aug. 28, 1989; Acts 1991, 72nd Leg., ch. 16, § 13.03, eff. Aug. 26, 1991; Acts 1997, 75th Leg., ch. 442, § 2, eff. Sept. 1, 1997; Acts 2001, 77th Leg., ch. 1065, § 1, eff. June 15, 2001; Acts 2007, 80th Leg., ch. 1272, § 3, eff. Sept. 1, 2007.

[1] V.T.C.A., Bus. & Com. Code § 17.81 et. seq.

§ 262.0241. Mandatory Exemptions: Certain Recreational Services

(a) This section applies only to a county that:

(1) has a population of 20,000 or less; and

(2) owns not more than one golf course open for public use.

(b) The competitive bidding and competitive proposal procedures prescribed by this subchapter do not apply to the purchase of:

(1) management services for:

(A) a county-owned golf course; or

(B) a retail facility owned by the county and located on the premises of the golf course; and

(2) landscape maintenance services for a county-owned golf course.

Added by Acts 2001, 77th Leg., ch. 1065, § 2, eff. June 15, 2001.

Elena Gomez

From: Martha Salazar [martha.salazar@co.hidalgo.tx.us]
Sent: Monday, June 11, 2012 12:00 PM
To: 'Elena Gomez'; 'Darlene Betancourt'; yvonne.ramon@co.hidalgo.tx.us; 'Veronica Lopez'
Subject: FW: Sole Source

From: Steve Crain [mailto:scrain@atlashall.com]
Sent: Monday, June 11, 2012 7:39 AM
To: 'Martha Salazar'
Subject: RE: Sole Source

It looks good to me but the auditor will ask for the Commitment of Current Revenue clause although it is not legally required in this agreement.

From: Martha Salazar [mailto:martha.salazar@co.hidalgo.tx.us]
Sent: Friday, June 08, 2012 5:13 PM
To: 'Steve Crain'; yvonne.ramon@co.hidalgo.tx.us
Cc: 'Elena Gomez'; darlene.betancourt@co.hidalgo.tx.us; 'Veronica Lopez'
Subject: FW: Sole Source
Importance: High

Mr. Crain:

We have asked vendor to make all recommended additions/deletions, please review and comment as to form.

Marty

From: Elena Gomez [mailto:elena.gomez@co.hidalgo.tx.us]
Sent: Friday, June 08, 2012 4:41 PM
To: 'Martha Salazar'
Cc: 'Darlene Betancourt'
Subject: FW: Sole Source

Mrs. Salazar all modifications have been implemented and agreed by vendor as recommended, please see attached and comment below. If you have any questions please don't hesitate to call me.

SOE SOFTWARE

www.soesoftware.com

CLARITY ELECTION SUITE SOLUTION PROPOSAL

Clarity SOFTWARE SUITE

ELECTION CALENDAR / TASK MANAGEMENT & ELECTION NIGHT REPORTING

Prepared Exclusively for

HIDALGO, TX

THE COUNTY OF HIDALGO TEXAS

June 11, 2012

Proposal Terms

The services and cost estimates contained represent the best solutions at competitive prices within the stated project parameters. This proposal is valid for a period of thirty (30) days from June 11, 2012. In the event that Hidalgo County and SOE Software cannot agree upon a mutually agreeable contract within a thirty (30) day period, SOE Software reserves the right to make any necessary adjustments to the scope, time estimates, or investment price for the project.

This proposal does not serve as a binding agreement for either party represented. Binding agreements will be acknowledged as a definitive contract, executed and delivered.

Should you require any clarification or additional information, do not hesitate to contact our offices. Again, thank you for this opportunity and we look forward to a successful engagement with Hidalgo County.

Sincerely,



Bill Murphy
Director of Business Development
SOE Software Corporation
bmurphy@soesoftware.com
(813) 865-7548 (Direct)
(813) 503-3668 (Cellular)
www.soesoftware.com

SOE SOFTWARE

www.soesoftware.com

WHO IS SOE SOFTWARE?

Focused on the needs of Election Officials and their staff

SOE Software provides Elections Officials and their staff with the tools they need to optimize elections operations, to create confident voters, and to manage the myriad tasks necessary to conduct a successful election. Our easily implemented software suite assists Officials at all levels, by providing easy to implement, election specific, web automation which will allow your office to do more with less. SOE Software is a national software vendor dedicated to elections that has developed software products specifically for the election process. The SOE Clarity Suite is available for acquisition with General Compliance HAVA funds as well as many types of funding provided to improve and modernize internal operations or to enhance inclusion, openness and transparency in the election process.

SOE Software Highlights include:

- Election Customers in 26 States
  (AL, AR, AZ, CA, CO, CT, DC, FL, GA, IL, KS, KY, IN, MI, MN, MS, NC, NM, NY, OK, SC, TX, UT, VA, WA, WV)
- Over 1200 Elections Jurisdictions using SOE products
- Products enhanced through collaboration with election officials

Clarity SOFTWARE SUITE

INDUSTRY LEADING EXPERTISE

SOE Software is proud to admit our strongest advocates are our satisfied customers, election leaders across the United States. With customers in over 600 jurisdictions in 20 states SOE Software is able to leverage "best practices" gained from each implementation to enhance the solutions we deliver to each new customer whether at the city, county or state level. Our extensive roster of customers spans size, demographics, geography and voting equipment type and vendor. While all modules of the Clarity Election suite are agnostic to voting equipment type or vendor, SOE Software currently works with customers who utilize equipment from every major tabulation equipment vendor.

SOE SOFTWARE REFERENCE CLIENTS

JEFFERSON, TX	DALLAS, TX	TARRANT, TX
Kaleb Breaux Election Administrator Phone: (409) 722-4637 Email: kbreaux@co.jefferson.tx.us Voting Equipment: ES&S Registered Voters: 159,927	Toni Pippins-Poole Election Administrator Phone: (214) 819-6334 Email: tpippins@dallascounty.org Voting Equipment: ES&S Registered Voters: 1,200,000	Steve Raborn Elections Administrator Phone: (817) 831-6480 Email: srraborn@tarrantcounty.com Voting Equipment: HART Registered Voters: 890,000

SOE SOFTWARE

www.soesoftware.com

SOLUTION OVERVIEW

ELECTION NIGHT REPORTING

ENR

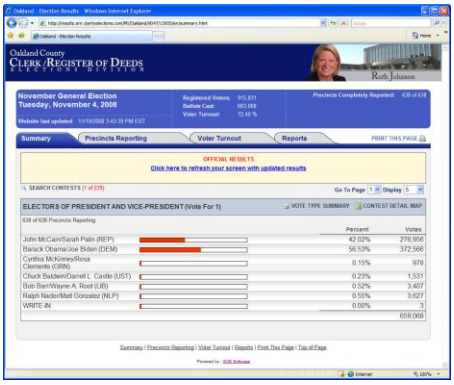
Providing your constituents with county wide election results can be managed with a few mouse clicks with SOE Software's **Clarity ENR**. This tool allows elections officials to display visually appealing, graphical results along with maps to illustrate voter turnout, totals by vote type, and results by precinct. With brilliant, colorful display this product is a must have for the public and the media on Election Night.

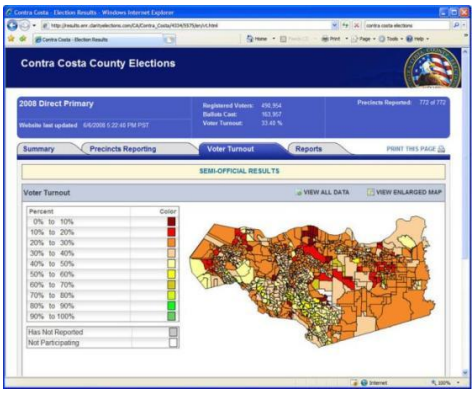
HIGHLIGHTS INCLUDE

- **Hosted Delivery & Guaranteed Bandwidth Capability**
- **Graphical Presentation of Election Night Results**
- **No Direct Internet Connection to Tabulation Equipment**
- **Extensive Experience with ES&S Tabulation Files**

GRAPHICAL PRESENTATION

Clarity ENR enhances your web presentation of election night returns by empowering every web visitor with the ability to search for and find the information they desire. Bar chart presentation for each contest or issue on your ballot visually highlights leading candidates or issues, while providing granular detail down to actual number of votes received, where those votes have come in, even breaking down vote type (election day, absentee, provisional, etc.).



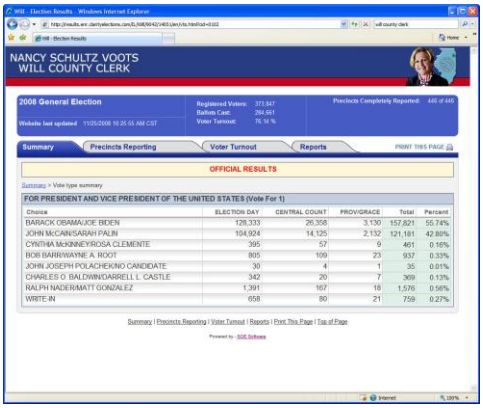


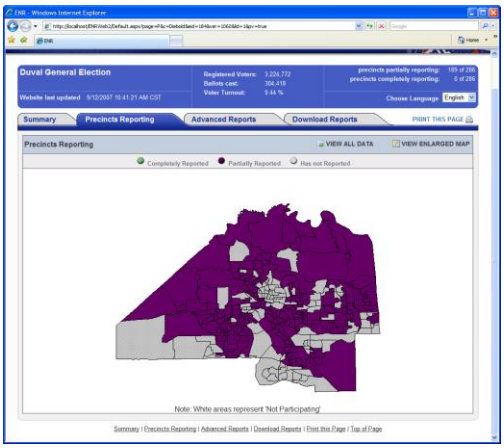
COUNTY MAP DISPLAY

Candidates, political parties, interested constituents, and media outlets appreciate the visual display provided by **Clarity ENR**. For every political contest or question on your ballot **Clarity ENR** provides color-coded maps showing contest leaders in each Precinct, within each County, of your State. Hovering your mouse over each Precinct displays its unique name or number empowering your web visitors to locate the information they are most interested in capturing. **Clarity ENR's** State map display delivers instant feedback on voting trends minimizing inbound requests for information from your staff.

VOTE TYPE BREAKDOWN

Today's web visitor's demand customized information. **Clarity ENR** delivers with searchable reports detailing election night information such as precinct specific results, contest or question specific results, even vote type breakdowns. The vote type breakdown tab provides granular detail of how votes have been received outlining early voting numbers, absentee voting numbers, Election Day returns, etc. This level of detail makes **Clarity ENR** the election industry's most comprehensive election night reporting tool.



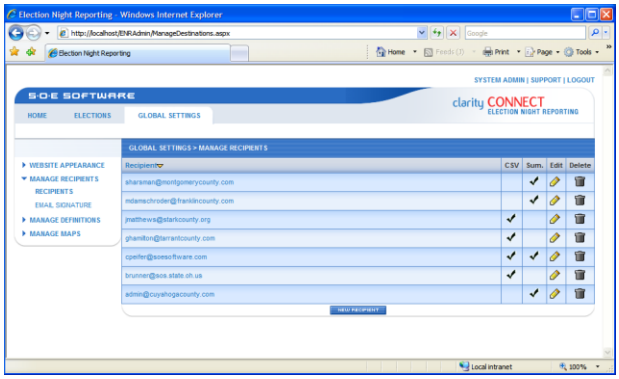


PRECINCT REPORTING UPDATE

As important as it is to knowing who is leading in each contest is understanding the status of reporting for each county. **Clarity ENR** provides this detail through our visually appealing county map display feature. Each precinct or county displays their level of reporting **Grey** = ***have not reported***, **Purple** = ***partially reported***, *and* **Green** = ***completely reported***. This enhances the level of detail displayed on your web site minimizing inbound requests for information.

AUTOMATED EMAIL AND (S)FTP DELIVERY

Clarity ENR assists elections directors in distributing the multitude of report requests on election night. The product includes an automated delivery system managed through "Recipients Lists". This feature allows administrators to preload an unlimited number of email addresses or secure FTP address prior to each election. Upon completion of each upload, these recipients will automatically receive a CSV or excel file of the most recent update. This feature has been praised by our customers for providing information proactively to the pubic in as close to "real time" as possible.



ELECTION CALENDAR & TASK MANAGEMENT

Control

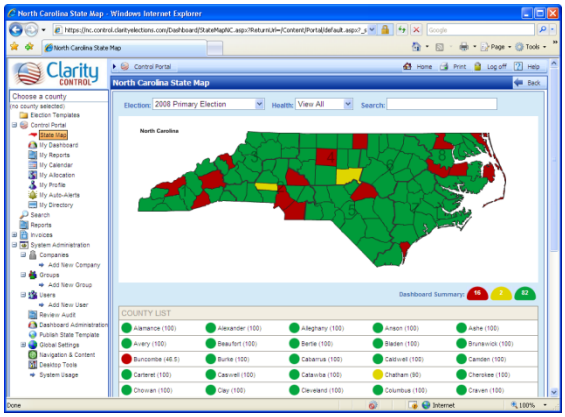
Developed and shaped from our clients, this solution enables elections offices across the country to manage multiple elections and a myriad of critical tasks while planning for contingencies. Clarity CONTROL provides each staff member with a unique and targeted view of their responsibilities by election. Managers are able to review email (from their computer, PDA, or phone) and instant messaged notifications of task status based on rules they determine (i.e. task is late by 1 day). This powerful data aggregation provides instant updates for maximum oversight without the burden of learning new software through integration with Microsoft Outlook.

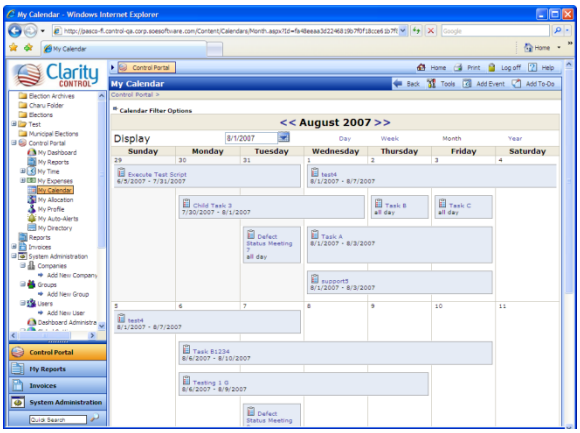
HIGHLIGHTS INCLUDE

- Executive Dashboard Reporting including an Interactive Calendar
- Manage Multiple Elections or Project Simultaneously
- 100% Pre-Loaded by SOE Software – No Burden on Staff
- Interfaces with Microsoft Outlook and Microsoft Project
- Hosted Delivery – NO Hardware, Software, or Bandwidth Burden

EXECUTIVE DASHBOARD REPORTING

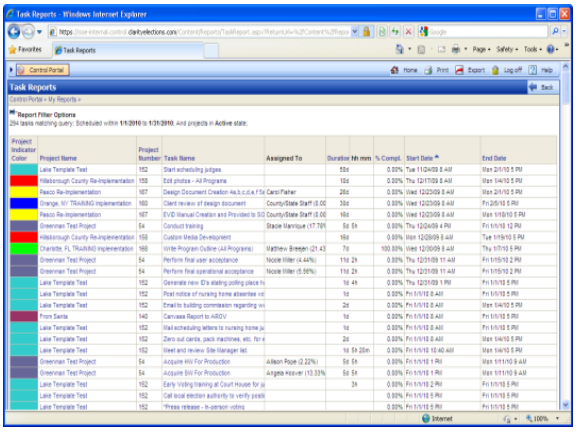
Graphically display Election progress in a variety of manners. One display is the "Executive Dashboard". This view allows senior Elections Officials to check the status of various departments at any time. Preloaded tasks can include vendor preparation, statutory requirements, and customer preferences. Intuitive gauges provide immediate feedback into the health of each task. RED = Needs Immediate Attention, YELLOW = Monitor Closely, GREEN = On Time/On Schedule.





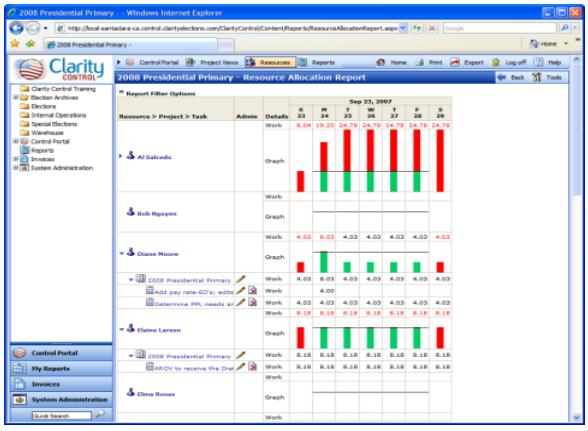
REALTIME VISIBILITY IN CALENDAR FORMAT

Interactive, personalized calendars are another project view that allows users to "drill down" on specific tasks for more information. This view may be filtered by selecting any or all elections and any or all resources. Calendars allow users to look at an individual day, week, month, or an entire year of tasks.



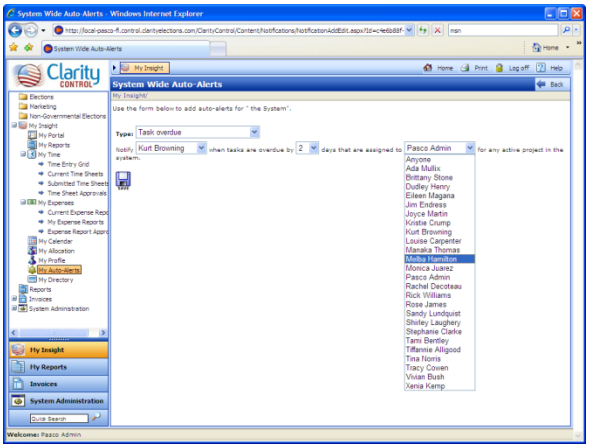
FLEXIBLE, IN-DEPTH REPORTING

During elections or after elections, seeing which tasks are in danger of falling behind or areas that need additional help are crucial tools for any elections office. This election calendar solution provides complete reporting capability on any data field in the entire platform. Ad hoc reporting allows administrators to create and save custom reports for themselves or other managers throughout the organization.



MONITOR STAFF WORKLOAD

Managers will be able to determine if they have sufficient resources to accomplish required tasks by utilizing the personnel management functionality. By adding resources such as personnel or time, Elections Officials can see the effects of their resource decision on the outcome of specific events. Burden rates for each resource may be set to assist in determining actual cost in conducting countywide or even municipal elections.



TIMELY EMAIL ALERTS

Never miss an important date through the use of user-defined email alerts. This feature is designed to alert staff or managers through email when a task is scheduled to start or the status of a task has changed. With email alerts, staff members remain productive and on track when they are away from their desks.

Events that can prompt an auto-alert include:

- Task Overdue
- Task scheduled to Start
- New Task Added
- Predecessor Task Complete



PRICING OVERVIEW

CLARITY CONTROL PRICING	
SERVICE	PRICE
Software License Price	$47,600
Statewide Discount – 20% (*)	$14,280
Software License Total (One Time)	$33,320
Implementation (One Time)	$8,996
Ongoing Assurance	$7,664
TOTAL FIRST YEAR COST	$49,980

CLARITY ENR PRICING	
SERVICE	PRICE
Software License Price	$66,298
Statewide Discount – 20% (*)	$13,260
Software License Total (One Time)	$53,038
Implementation (One Time)	$13,259
Ongoing Assurance	$13,259
TOTAL FIRST YEAR COST	$79,556

(*) Discount applies to a 1 year deal for a single product. Additional discounts are available for multiple year / multiple product contracts.

THANK YOU

On behalf of SOE Software, I would like to thank you for taking the time to learn about our Clarity Election Solutions. I hope you find the information in this document informative and that it helps you to make decisions that bring value to all voters in Hidalgo County.

This price quote was crafted based on previous discussions and on what other jurisdictions similar to Hidalgo County across the country have paid. We appreciate the opportunity to show you the value enhanced technology can bring and the wide variety of solutions SOE Software provides in the election space.

SOE Software is an eGovernment technology company that specializes in elections and transparency. Our goal is to develop a long-term partnership that will keep Hidalgo County Elections ahead of the technology curve so you can efficiently serve your constituents by providing openness, transparency and consistency in the voting process. Below you will find my contact information if you should want to contact me for any questions.

I look forward to hearing the questions that come from our discussions today. If I can provide you with any further information regarding Clarity CONTROL or Clarity ENR, please feel free to contact me directly. I look forward to continuing this dialogue and helping to provide SOE's Clarity Election Solutions where you see fit.

Thank you, again, for your time and consideration!

Sincerely,

Bill Murphy
Director of Business Development
SOE Software Corporation
bmurphy@soesoftware.com
(813) 865-7548 (Office)
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Clarity
SOFTWARE SUITE

CLARITY ELECTION SUITE HOSTING AND SUPPORT AGREEMENT

This Clarity Election Suite Hosting Agreement ("Agreement") is made and entered into by and between Hidalgo County Elections Department, located at 101 S 10th, Edinburg, TX 78539 (hereinafter "Customer") and **SOE Software Corporatio**n, a Florida corporation, having its principal place of business located at 5426 Bay Center Drive, Suite 525, Tampa, Florida, 33609 (hereinafter "Licensor ").

WHEREAS, Licensor grants Customer a nonexclusive license to use its Clarity ENR and Clarity CONTROL software application (hereinafter the "Software") and the associated documentation.

WHEREAS, Customer's use of the Software will be restricted to our hosted computer environment.

WHEREAS, Licensor will provide and maintain the hosted computer environment for Customer's use of the Software (the "Service").

WHEREAS, in addition to the maintenance and support services that are included in certain fees paid by Customer to Licensor, Customer may opt to acquire additional maintenance services for the Software and documentation in accordance with the terms and on the conditions set forth in this Agreement.

WHEREAS, Customer desires to receive a license for the Software and engage Licensor to provide the Service.

NOW, THEREFORE, in consideration of the covenants, representations and warranties set forth herein and other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, the parties, by their authorized signatures below, hereby agree as follows:

1. Definitions

1.1. The term "Agreement" shall mean this Agreement and all Exhibits, Schedules and Attachments attached hereto now or in the future.

1.2. The term "Customer Data" shall mean the content and characteristics within the service that are modified through the use of the Service features by the authorized Account users of the Service.

1.3. The term "Documentation" shall mean all documentation and/or other materials (including manuals, instructions, training materials, specifications, flow charts, logic diagrams, and other support materials) relating to the use, operation and functionality of the Service.

1.4. The "Effective Date" is the date shown at the end of this Agreement and is the date when the parties intend the Service to commence.

1.5. The term "Services" shall have the meaning set forth in the Recitals above, and further described in Section 2. When the term "Services" is used alone herein, it shall also be deemed to include the term "Hosting Services" as that term is further described in Section 2.

1.6. The term "Service Level Agreement" shall mean Exhibit D, which sets forth the service levels at which identified portions of the Service are to be provided by Licensor and sets forth certain remedies for Customer in the event that Licensor does not attain such service levels.

1.7. The term "Term" shall mean the period of time this Agreement is in effect (absent any earlier termination as provided herein) and is a period of Five (5) years commencing on the Effective Date, subject to extension as provided herein.

2. Services

2.1. Services Scope - Licensor agrees to provide to Customer services for hosting the Software and for hosting other software required for the operation of the Software (the "Clarity ENR and CONTROL Software,"). Licensor shall permit Customer to, on a 24 x 7 basis; remotely access and use the Software are referred to as the "Hosting Services". Licensor's performance of the Service shall be pursuant to the terms and conditions set forth herein and also must conform to Customer's standard technical support requirements set forth in Sec. 2.2 hereof. Licensor shall give a password to Customer allowing it to access Licensor's site. Licensor shall serve as the single point of contact for all Services and Hosting Services issues and shall be solely responsible for coordinating and ensuring the resolution of any problems involving the Services and Hosting Services in a prompt and timely fashion.

2.2. Technical Support - As part of the Hosting Services, Licensor shall provide the support set forth in Exhibit B, the Hosting Environment Agreement, attached to and incorporated in this Agreement by this reference, and understands and agrees that Customer shall be entitled to the remedies stated therein.

3. Grant of License

3.1 Licensor grants Customer and its operating divisions a non-exclusive, perpetual license to use the Hosted Software in machine readable form as long as Customer maintains its status in good standing as a Customer of Licensor's Annual Software Assurance and Support Agreement and has purchased all requisite licensing fees. Licensor also grants Customer a non-exclusive perpetual license to use the Documentation.

3.2 Software upgrades are full version releases (e.g. version 4.x to version 5.0) and are included as part of the Annual Software Assurance and Support Agreement provided by Licensor to Customer.

3.3 Software updates (e.g. version 4.1 to version 4.2), including bug fix builds, are included as part of the Service provided by Licensor to Customer provided that Customer is current on all monies due to Licensor.

4. Obligations

4.1. Implementation - As a condition to Licensor's obligation to provide the Hosting Services, both parties shall be responsible for fulfillment of all of their obligations under the Agreement and completion of the project implementation plan. The project implementation plan will be jointly developed by Licensor and Customer subsequent to execution of this Agreement by both parties and payment of fee(s) as outlined in Exhibit A, attached to and incorporated in this Agreement by this reference.

4.2. Technical Environment - Licensor shall provide the Services and other products, as prescribed in Exhibit B, (or similar services and products that provide a similar level of service), and will also provide any and all equipment, to provide the Hosting Services (the "Hosting Environment") pursuant to Exhibit B. Licensor shall be responsible for the costs associated with obtaining and maintaining the Hosting Environment, unless otherwise indicated in Exhibit A. Licensor also shall pay the costs of the services or other products necessary to permit Customer to transmit data to and receive data from the Hosting Environment; however Customer is responsible for the costs of its own communication lines. Licensor shall maintain and insure the server and shall indemnify Customer for any damage, loss or injury to the equipment (other than normal wear and tear).

4.3. Data Transmission - Should Customer require a special data transmission format to the Software, such as SSL, the format and any additional costs and implementation timeline effects will be agreed upon, in writing, between Licensor and Customer.

4.4. Coordination - Each party shall designate a contact to coordinate day-to-day communication with the other party.

5. **Term, Termination, and Transition Assistance**

5.1. The initial term of this Agreement will be for five (5) years commencing on the Effective Date (the "Initial Term").

5.2. Renewal Term - Customer may exercise an option to renew this Agreement, for an additional twelve (12) month term beyond the Initial Term (the "Renewal Term"), at any time prior to the end of the Initial Term by giving notice thereof in writing to Licensor. In the absence of notification, Customer shall be deemed to have agreed to the renewal of this Agreement for an additional twelve (12) month term beyond the Initial Term.

5.3. Termination for Material Breach - A party may terminate this Agreement if the other party commits a material breach or default (including nonpayment of fees) and fails to remedy such breach or default within thirty (30) days after written notice of the same from the other party. In the event of termination due to a breach or default by Customer, no refunds or credits will be due to Customer. In the event of termination due to a breach or default by Licensor, Customer will receive a refund of the fees for the remaining Annual Assurance Plan Payment.

5.4. Effect of Termination or Expiration - Upon the termination or expiration of this Agreement, all payment obligations of one party to the other under this Agreement incurred through the date of termination or expiration will immediately become due. Upon notification by Customer, and at Customer's sole discretion, Licensor shall either return all Customer's Data within thirty (30) days of the date of termination or expiration, or shall commence implementation of the Transition Plan as set forth below (Section 5.7). Licensor shall invoice Customer for the transportation and insurance costs associated with returning the Customer Data to Customer. Termination of this Agreement by either party shall not operate to terminate the underlying Agreement.

5.5. Termination of Agreement Upon Bankruptcy - Either party may terminate this Agreement upon written notice to the other party if the other party becomes insolvent, makes a general assignment for the benefit of creditors, files a voluntary petition of bankruptcy, suffers or permits the appointment of a receiver for its business or assets, or becomes subject to any proceeding under any bankruptcy or insolvency law, whether domestic or foreign, or has wound up or liquidated, voluntarily or otherwise.

5.6. Termination of Agreement Upon Service Level Failures - Customer may terminate this Agreement upon thirty (30) days written notice to Licensor upon the failure of Licensor to provide technical and customer support constituting a material breach of this Agreement in accordance with the service levels outlined in the Service Level Agreement (Exhibit D). In the event of termination of this Agreement due to a material breach of this Agreement pursuant to this Section 5.6, Customer shall receive a refund of the fees for the remaining Annual Assurance Plan Payment.

5.7. Transition Services - The parties acknowledge that, prior to the termination or expiration of this Agreement, Customer may engage a successor vendor to perform such services or bring such services in-house. From the time that Customer notifies Licensor to whom Customer plans to migrate the services, Licensor agrees to cooperate with Customer (and, if applicable, the successor vendor) to effect an orderly and efficient transition. Within sixty (60) calendar days after termination or expiration of this Agreement by either party, Customer shall pay Licensor all undisputed amounts due and owing as of the termination of the Agreement, and, except to the extent reasonably necessary for the transition services described in this Section 5.7, shall immediately cease any and all use of the Service and materials or services provided by Licensor pursuant to this Agreement. At such time as Customer reasonably determines necessary to effect the transition, Licensor shall provide in electronic format a copy of all Customer information, without limitation, residing on Licensor's systems that is necessary for an effective transition. Cooperation by Licensor may include, without limitation, continuing to host Customer images, making qualified service personnel available for questions and consultations, transferring contact numbers or URL addresses, and providing any required technical assistance and cooperation to Customer as Customer may from time to time reasonably request. Such transition period will not extend past six (6) months from the termination or expiration of this Agreement, unless otherwise negotiated. Customer and Licensor agree to act in good faith in complying with these obligations. Customer will pay the reasonable expenses of Licensor in providing services during the transition period. Within thirty (30) days after the transition period ends, upon

written request, each party shall deliver to the other party all copies of the Confidential Information of the other party in every form that such party continues to hold. On a party's written request, the other party shall certify, in writing, to the requesting party that the other party has performed the foregoing delivery or destruction.

6. Fees Price - Payment

6.1. Fees - Customer shall pay to Licensor the fees as prescribed in Exhibit A, attached to and incorporated in this Agreement by reference. All fees shall remain the same during the Initial Term and the Renewal Term, if any. If Customer and Licensor agree in writing to further extend the Initial Term or the Renewal Term, such writing shall set forth the fees that shall be applicable during the extended term(s). Maximum compensation payable by Customer to Licensor shall not exceed the fees prescribed in Exhibit A during the Initial Term and any Renewal Term, if any.

6.2. Service Fees - Customer shall pay to Licensor the fees set forth in Exhibit A, to the extent applicable. All fees shall remain the same during the original Term and the initial 12-month extension, if Customer opts for such extension. If Customer and Licensor agree in writing to further extend the Term, such writing shall set forth the fees that shall be applicable during the extension of the Term.

6.3. Payment Terms - Licensor shall submit invoices to Customer on a monthly basis. Payment on undisputed amounts shall be due within thirty (30) days after Customer's receipt of Licensor's invoice. Customer shall pay interest at a rate of 1.5% per month on any overdue invoices. Customer shall have no obligation to pay amounts not invoiced within ninety (90) days of the final date that the services being invoiced were delivered, unless the vendor has notified customer in writing within such ninety (90) day period, that the invoice will be delayed and has indicated in writing when the invoice will be delivered to customer.

6.4. Taxes - Customer shall pay or reimburse Licensor for sales and use taxes, where applicable, and any other governmental charges levied, imposed or assessed on the Services, excluding, however, ordinary personal property taxes assessed against or payable by Licensor, taxes based upon Licensor's net income.

7. **Licensor Representations and Warranties.**

In addition to the representations and warranties in the Agreement:

7.1. General Licensor Warranties - Licensor warrants that (a) the Service provided hereunder and the underlying technology used by Licensor in performing the Service is owned free and clear of any encumbrances or is in the public domain; (b) Licensor has full power and authority to enter into this Agreement and to carry out its obligations under this Agreement; (c) there are no outstanding assignments, grants, licenses, encumbrances, obligations or agreements (whether written, oral or implied) that are inconsistent with this Agreement; (d) Licensor's compliance with the terms and conditions of this Agreement shall not violate any federal, state or local laws, regulations or ordinances nor shall it violate any third party agreements; (e) there is no claim, litigation or proceeding pending or threatened against Licensor with respect to the Service or its underlying technology or any component thereof alleging infringement or misappropriation of any patent, trademark, copyright or any trade secret or other proprietary right of any person; and (f) the Service does not infringe or misappropriate in any respect upon any patent, trademark, copyright or any trade secret or other proprietary right of any person or entity

7.2. Authority and Performance - Licensor represents and warrants that it has the legal right and authority to enter into this Agreement and perform its obligations hereunder, and the performance of its obligations hereunder will not cause a breach of any agreements between Licensor and any third parties, including all vendors critical to its performance obligations hereunder.

7.3. Service Level Commitment - Licensor warrants that it will perform its services in accordance with Licensor's service level commitment as set forth in Exhibit D. Customer's sole and exclusive remedy for Licensor's failure to meet the service level commitment is the remedy set forth in Exhibit D.

7.4. NO OTHER WARRANTY - EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT THE HOSTING SERVICES ARE PROVIDED AS IS AND LICENSOR DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTIBILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTY THAT THE HOSTING SERVICES WILL BE UNINTERRUPTED OR ERROR-FREE.

7.5. LICENSOR AND ITS THIRD PARTY VENDORS SHALL NOT BE RESPONSIBLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR OTHER INDIRECT DAMAGES (INCLUDING WITHOUT LIMITATION LOSS OF PROFITS, LOSS OF DATA OR LOSS OF USE DAMAGES) WHICH CUSTOMER MAY INCUR OR EXPERIENCE ARISING FROM THE SOFTWARE OR ON ACCOUNT OF ENTERING INTO OR RELYING ON THIS AGREEMENT, EVEN IF LICENSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

8. Customer Representations and Warranties.

In addition to the representations and warranties in the Agreement:

8.1. Authority and Performance. Customer represents and warrants that it has the legal right and authority to enter into this Agreement and perform its obligations hereunder, and the performance of its obligations hereunder will not cause a breach of any agreements between Customer and any third parties.

9. Intellectual Property

9.1. Customer Data - Customer will own all Customer Data. Licensor will not sell, license or in any way distribute the Customer Data to any person or entity, and shall not permit the Customer Data to be used in any way (including any aggregation or summarized results of Customer Data) by any person or entity other than Customer without Customer's express written permission.

9.2. Aggregated Data - Notwithstanding the preceding section 9.1, Licensor may include in its benchmark/comparison studies performance data about the Services provided hereunder such as total number of users, overall customer count, average amount of disk usage, etc., so long as such performance data is aggregated with the performance data of Licensor's other customers so that Customer's information cannot be separately identified.

9.3. Licensor Technology - The Service and any technology, computer programs or computer codes developed, created or produced by or on behalf of Licensor existing as of the Effective Date of this Agreement, and any Licensor documentation relating thereto, are, as between Licensor and Customer, the sole property of Licensor. To the extent that, during the term of this Agreement, Customer pays in whole or in part for, or provides development personnel to work on, technical or functional developments related to the Service, Licensor agrees to incorporate such developments into the Service provided for Customer. Licensor shall have full right, title and interest in the developments and may incorporate the developments into the services made available to Licensor's other customers.

9.4. No Rights in Other Party's Intellectual Property - Neither party will have any rights in or with respect to the other party's property described in the preceding Section 9.1 and 9.2, other as expressly set forth in this Agreement and the exhibits hereto.

10. Indemnification

10.1. Licensor shall indemnify, defend, and hold harmless Customer, its respective employees, directors, shareholders and agents, from and against any expense, cost, damage, loss, fine, penalty, liability or judgment (including attorneys' fees and costs) suffered or incurred by Customer as a result of a third party claim, demand, action, arbitration, suit or similar proceeding (hereafter "Claim") related to Licensor's actual or alleged infringement of a patent, copyright, trade secret or other proprietary right of any such third party. Licensor s indemnification obligation is subject to: (i) Customer providing

Licensor with prompt written notice of any Claim, (ii) Licensor having sole control of the defense and all negotiations for settlement or compromise thereof (provided, however, that any settlement or compromise that imposes any current or future obligation on Customer or directly or indirectly, explicitly or implicitly, acknowledges guilt or responsibility of Customer shall require the advance review and approval of Customer, which approval may be withheld in Customer's sole discretion) and (iii) Customer reasonably cooperating, at Licensor's expense, in the defense of such Claim. Failure to provide prompt written notice shall not abrogate or diminish Licensor's obligations under this Section if Licensor has or receives knowledge of the existence of such Claim by any other means or if such failure does not materially prejudice Licensor's ability to defend the same. Licensor agrees to pay all settlements entered into by Licensor, judgments finally awarded against Customer, and all attorneys' fees and expenses for counsel hired by Licensor. Customer may elect to participate in any such action with counsel of its own choice and at its own expense. In the event Customer is precluded by a court of competent jurisdiction from using the Service as a result of Licensor's infringement of any such patent, copyright, trade secret or other proprietary right of such third party, Licensor shall do one of the following (the election of which option to pursue being in Licensor's reasonable discretion):

a. obtain the right for Customer to use the Service; or

b. replace or modify the Service so that it no longer infringes but maintains substantially the same functionality and performance; or

c. if neither of the foregoing is, in Licensor's reasonable opinion, commercially reasonable: terminate this Agreement with respect to the Service and promptly reimburse to Customer all unused prepaid fees paid by Customer and provide to Customer transition services as described in Section 5.8.

11. Limitation of Liability

11.1. LICENSOR'S AND ITS THIRD PARTY VENDORS' AGGREGATE LIABILITY FOR ANY LOSS OR DAMAGES RESULTING FROM ANY CLAIMS, DEMANDS, OR ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL NOT EXCEED THE LICENSE FEE PAID BY CUSTOMER TO LICENSOR FOR USE OF THE SERVICES.

12. Insurance

12.1. During the Term, Licensor shall keep in full force and effect, policies of insurance meeting or exceeding the following specifications:

a) Commercial General Liability insurance, with coverage including premises/operations, contractual (including without limitation coverage for all indemnities herein), personal and advertising injury, and products/completed operations, with aggregate coverage limits of not less than one million dollars ($1,000,000).

b) Workers' Compensation insurance, as required by law, and Employer's Liability insurance with limits of liability of not less than one hundred thousand dollars ($100,000) per accident or disease and five hundred thousand dollars ($500,000) aggregate by disease.

Such insurance shall be purchased from companies having a rating of A-VII or better in the current Best's Insurance Reports published by A. M. Best Company. Policies of insurance shall provide that they will not be canceled or materially changed without at least thirty (30) days prior written notice to Customer. Licensor shall, at Customer's request, provide a Certificate of Insurance.

13 Dispute Resolution

13.1 Procedures - For any dispute arising under the Agreement that is not resolved informally, either party may give to the other party notice of the dispute, including reasonable detail concerning the alleged deficiency in performance of the other party. The parties shall then meet in person at Customer's offices in Hidalgo County. Texas or at another agreeable location or by other acceptable means and attempt in good faith to reach an agreement resolving the dispute. If they do not reach such an agreement within seven (7) days

after such notice is given, then each of them shall produce a detailed report about the dispute for his or her appropriate management level (Second Level in the chart below), who shall meet in person at Customer's offices in Hidalgo County, Texas or at another agreeable location or by other acceptable means and attempt in good faith to reach an agreement. If they do not reach such an agreement within the period specified below, then each party shall refer the dispute to higher levels of management as shown below. In each case, the parties' specified representatives shall meet in person at Customer's offices in Hidalgo County, Texas or at another agreeable location or by other acceptable means, shall attempt in good faith to reach an agreement and, if they do not do so within the period specified, shall refer the dispute to the next level at the end of such period.

Management Level	***Customer Management Level***	***Licensor Management Level***	***Period of Resolution Efforts***
First Level	Project Mgr. or equivalent	Vice President, Sales	7 days
Second Level	Group Manager or equivalent	Vice President, COO	7 days
Third Level	Senior Level or equivalent	Chief Executive Officer	7 days

If the parties have not signed a written agreement to resolve the dispute by the end of the period specified for the Third Level, then either party may request mediation as provided for in Section 13.2 below. Except as otherwise specifically provided, neither party shall initiate mediation unless and until the procedures described in this Section 13.1 have been completed or waived by both parties.

13.2. Mediation - If a dispute between the parties arising out of or relating to the Agreement remains unresolved after the procedures in Section 13.1 have been completed or waived by both parties, then the parties agree to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under the Commercial Mediation Rules, as modified by this Section 13.2. The mediation shall take place at Customer's offices in Hidalgo County, Texas or at another agreeable location.. If the two parties cannot otherwise agree on the mediator, the mediator shall be selected according to the following process: (i) the parties shall request the American Arbitration Association to provide to both parties, within 15 days of receipt of the notice of mediation, a list of mediators that comply with the requirements set forth in this Section 13.2; (ii) within 5 days of receipt of the list of mediators from the American Arbitration Association, each party shall notify the other party of its selection of one person from the list; (iii) immediately following the parties' selection of the two persons, the parties shall send a notice to the two persons informing them that they have been selected, that their role will be to select another person from the list who will serve as the mediator of the dispute, and that they must inform both parties of their selection within 7 days; and (iv) if the two persons so selected fail to select an mediator within the stated 7-day period, the parties shall provide notice to the American Arbitration Association and direct the American Arbitration Association to select a mediator from the list within 7 days. Subject to the rules of the American Arbitration Association, the parties shall request that the mediation occur within a period of 20 days after the mediator is selected, and each party shall act in good faith to facilitate completion of the mediation within such period. The parties agree that a potential mediator's experience in the information-technology industry and experience in arbitrating disputes between service/equipment Licensors and purchasers of services and equipment shall be relevant factors in selecting the mediator.

13.3. No Effect on Injunctive Relief - A party must follow and participate in the processes outlined in Sections 13.1 and 13.2 above before pursuing litigation or any other remedy. Notwithstanding the preceding, a party shall not be precluded from seeking injunctive relief in connection with a breach of confidentiality under the Nondisclosure.

13.4. Performance Pending Outcome of Disputes - In the event of a dispute between the parties pursuant to which Customer in good faith believes it is entitled to withhold payment, Customer shall be entitled to withhold payment of the disputed amount during the pendency of the dispute-resolution process described in this Section 13 and any subsequent litigation or other proceeding and Licensor shall

continue to provide the Service at the same level and quality required by this Agreement, so long as Customer continues to pay undisputed amounts to Licensor.

14. Other Provisions

14.1 Notice - All notices, consents and other communications under or regarding this Agreement shall be in writing and shall be deemed to have been received on the earlier of the date of actual receipt, the third business day after being mailed by first class, certified mail return receipt requested, or the first business day after being sent by a reputable overnight delivery service. Customer's address for notices is Hidalgo Elections Department, 101 S. 10th Ave., Edinburg, TX 78539. Licensor's address for notices is the address shown at the beginning of this Agreement. Either party may change its address for notices by giving written notice of the new address to the other party in accordance with this Section 14.1.

14.2 Benefit of Successors and Assignees - This Agreement and all of the terms and conditions hereof shall be binding upon and inure to the benefit of Licensor and Customer and their respective successors, transferees, or assignees. Any terms of this Agreement containing a reference to Customer, Licensor, or a party hereto shall apply with equal effect to any such successor, assignee, transferee of the party in question.

14.3 Assignment - Customer may not assign this Agreement or convey any rights or obligations under this Agreement to a third party. Licensor may not assign this Agreement or convey any rights or obligations under this Agreement to a third party; provided however, Licensor may assign this Agreement to a purchaser of all or substantially all of its assets, a subsidiary or business unit, or a successor by merger or operation of law so long as such purchaser, subsidiary, business unit or successor agrees to be bound by the terms of this Agreement.

14.4 Relationship - The relationship between the parties created by this Agreement is that of independent contractors and not partners, joint ventures or agents. Nothing in this Agreement makes Licensor a sole supplier to Customer, grants any exclusive rights to Licensor, or prohibits Customer from obtaining similar or related services from other parties.

14.5 Severability - A determination that any provision of this Agreement is invalid or unenforceable shall not affect the other provisions of this Agreement.

14.6 Headings Gender, Number and Language of Inclusion - Section headings are for convenience of reference only and shall not affect the interpretation of this Agreement. Unless the context clearly requires otherwise, the singular includes the plural and vice versa, and the masculine, feminine and neuter adjectives include one another. As used in this Agreement, the word "including" shall mean "including, but not limited to".

14.7 Governing Law - This Agreement shall be governed by and construed under the laws of the State of Texas and is performable in Hidalgo County, Texas without regard to the conflicts of law provisions thereof.

14.8 Publicity - Licensor may not use Customer's trade names, trademarks, logos, service marks, or other proprietary marks in any manner, including but not limited to advertising, publicity, user lists, or guest lists or websites, unless Licensor has received prior consent from an authorized representative of Customer to do so, which consent may not be unreasonably withheld by Customer.

14.9 Data Privacy - Licensor may use Customer's contact information, including names, phone numbers, and e-mail addresses only in connection with the performance of its obligations hereunder.

14.10 Remedies - The rights and remedies of Customer set forth in this Agreement are not exclusive and are in addition to any other rights and remedies available to it in law or equity. Notwithstanding anything to the contrary in this Agreement, in the event of an alleged breach of this Agreement by Customer, Licensor shall not use any type of electronic means to prevent or interfere with Customer's use of the Software without first obtaining a valid court order authorizing the use of such electronic means.

14.11 Entire Understanding - This Agreement, its Schedules and amendments constitute the entire agreement between the parties for the Software licensed hereunder, and will become binding when signed by both parties. There are no understandings, agreements or representations not specified herein with respect to Software licensed hereunder. This Agreement may not be modified, except by a written amendment signed by duly authorized representatives of both parties.

14.12 Force Majeure - Any delay or failure of performance of either party to this Agreement shall not constitute a breach of the Agreement or give rise to any claims for damages, if and to the extent that such delay or failure is caused by an occurrence beyond the reasonable control of the party affected, including acts of governmental authorities, acts of God, material shortages, wars, riots, rebellions, sabotage, fire, explosions, accidents, floods, or strikes or lockouts of third parties. In the event one of the parties intends to invoke this provision, that party shall (i) promptly notify the other party of the cause beyond its reasonable control, the expected duration thereof, and the anticipated effect of such cause on its ability to perform its obligations under this Agreement, and (ii) shall make reasonable efforts to mitigate any such effects.

14.13 Costs of Litigation - If a dispute should arise relating to the rights and obligations of the parties under this Agreement, and should that dispute result in litigation, the prevailing party shall be entitled to recover all reasonable costs incurred in the defense or prosecution of the claim, including, without limitation, court costs and reasonable attorneys' fees.

14.14 No Waiver - Except as expressly set forth in this Agreement, the failure of either party at any time to require performance of any provision of this Agreement or to exercise any right provided for herein shall not be deemed a waiver of such provision or right unless made in writing and executed by the party waiving such performance or right. No waiver by either party of any breach of any provision of this Agreement or of any right provided for herein shall be construed as a waiver of any continuing or succeeding breach of such provision or right or a waiver of the provision or right itself.

14.15 Survival - All representations, warranties, indemnities and obligations of confidentiality expressly set forth herein shall survive the termination of this Agreement.

This Agreement may be terminated by County without cause upon thirty (30) days written notice.

15. Effective Date

The Effective Date, when the parties intend for the Service to commence, is the date signed by Customer below.

16. Schedules

The following Exhibits are attached hereto and deemed part of this Agreement:

Exhibit A Fees
Exhibit B Hosted Environment – Annual Software Assurance and Support
Exhibit C Technical Support Attachment
Exhibit D Service Level Agreement

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in duplicate originals by authorized personnel who, on the date of such signing, have the necessary and appropriate corporate authority to bind his or her respective organization hereunder.

Licensor:	**Customer:**
By: _____	By: _____
Name: **Marc J. Fratello**	Name: _____
Title: **CEO**	Title: _____
Date: **6/12/12**	Date: _____

EXHIBIT A

FEES

PRICING Overview

The following outlines our pricing model for SOE Software's Election Night Reporting and Project Management applications, known as Clarity ENR and CONTROL.

Assurance Plan – This plan is included in the pricing listed below. The assurance plan provides the County with application hosting, customer support, maintenance, upgrades and the evolution of the products at no additional charge. The SOE team completes all of the upgrades for you eliminating an Information Technology burden on the County.

PRICING FOR HIDALGO COUNTY

The scenario below requires an implementation cost based on the selected products. These fees include the comprehensive project management process of implementation, install and training.

	COST
Clarity ENR and CONTROL Software License	$ 86,358
Implementation Cost	$ 22,255
Annual Software Assurance and Support	$ 20,923
TOTAL FIRST YEAR COSTS	$ 129,536

Payment Terms

Year 1 Software & Services are due within sixty (60) days of the execution of this agreement

Other

Actual Travel expenses will be billed when incurred.

Hidalgo County will not pay any more for travel expenses other than what Hidalgo County Travel Policies allows and covers. Travel expenses must be reasonable and necessary. Any inappropriate or excessive costs will be at the expense of the traveler.

All billing invoices will be itemized (parts, labor, etc....)

Any/all supporting documentations for travel must be submitted with all invoices.

- All billing for travel time must be itemized (e.i. air travel, lodging, car rental, meals, mileage etc.)
- Copies of original receipts for all travels expenses must be provided with your invoice.

EXHIBIT B

HOSTED ENVIRONMENT

ANNUAL SOFTWARE ASSURANCE AND SUPPORT

1. Software Assurance Services - Operations

The software assurance services (the "Assurance") provided by Licensor to the Customer hereunder are in consideration of the annual charge described in Exhibit A, unless otherwise specified herein. The Assurance shall consist of:

1.1 All day to day operations of hosted products will be managed by Licensor staff or its agents, including required operating system and system utility administrative tasks and system back up and recovery. This includes management of system logs, coordination and installation of operating system patches and upgrades and system tuning.

1.2 Licensor will act as the database administrator for the application. Licensor will perform data back-up and recovery activities, manage and control database access, monitor and tune database performance and implement any required database patches and/or upgrades. Daily incremental backups will be performed Monday through Friday, after standard business hours. Full database back-ups will be performed weekly, after standard business hours. Database patches and/or upgrades are implemented as required, after standard business hours.

1.3 All maintenance will be performed done by Licensor staff or their agents.

1.4 Use of Licensor's reasonable commercial efforts to correct errors in the licensed Software. Errors are defined as the failure of the Software to operate in substantial conformity to the applicable documentation provided by Licensor to Customer for such Software.

1.5 Licensor will manage and maintain other items necessary to Hosting Services, including Software, internal network, firewall, routers, servers and data transmission equipment (including Licensors virtual private network (VPN)).

2. Support

2.1 Operations and Technical Support will be available Monday – Friday, 8:30 AM – 8 PM, Eastern Time ("Business Hours")

2.2 Access to after-hour support (8:00 PM to 8:30 AM ET Monday – Friday, plus Saturday – Sunday), will be available through our after-hours support team

2.3 Response by Operations / Technical Support personnel will be within 4 hours, during Business Hours

2.4 Operation / Technical Support will cover data transfer and database / application availability issues

2.5 Operation and Technical Support will not cover end-use or analytical issues or questions

3. Bandwidth

3.1 Licensor will provide equipment and related software to send and receive data at approximately a 100 Mbps rate. However, Licensor cannot guarantee Internet latency and over-all Internet performance.

4. Redundancy

4.1 Primary Production Facility – Licensor will provide and maintain a fault-tolerant Premiere Hosting facility, including redundant power and communications.

4.2 Licensor will also provide an out-of-state failover hosting facility, in case of massive failure of all redundant systems, with similar capabilities as the main data center.

5. Security

5.1 Licensor will perform user ID and password management and dissemination. Access to Hosting Systems, Software and Ancillary Software will be coordinated with the Customer.

5.2 Licensor and Customer may agree to set-up and use a mutually agreed upon data encryption mechanism to transfer data between the Licensor's and Customer's sites within thirty (30) days from the execution of this Schedule.

6. Additional Services

Customer may request Licensor to perform services of a different nature than, or beyond the scope of, those described above, and Licensor may provide such services ("Additional Services") and shall be compensated therefore by Customer at rates for such services as are customarily charged by Licensor. Examples of such Additional Services are:

6.1 Designing, programming, or testing of "customer specific" customization or requested enhancements.

6.2 Changes required to Customer's unique modifications to interface with updates to the standard version of the Software.

Additional training and instruction (other than what is provided with normal implementation**Commitment of Current Revenues Only**. In the event that, during any term hereof, the Commissioners Court does not appropriate sufficient funds to meet the obligations of Buyer under this Agreement, Buyer may terminate this Agreement upon sixty (60) days written notice to Seller. Buyer 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 Buyer pursuant to the provisions of Tex. Loc. Govt. Code Ann. § 271.903 (Vernon Supp. 1996).

EXHIBIT C

TECHNICAL SUPPORT ATTACHMENT

TECHNICAL SUPPORT RESPONSE AND RESOLUTION LEVELS SHALL BE AS FOLLOWS:

Severity Classification	Description	Response Time*	Resolution Time Standard**
1 - Critical	• Business critical function is down • Major impact to Customer's business • No workarounds exists	As soon as possible, using reasonable commercial efforts, but no more than one hour	42 hours^
2 - Major	• Business critical function is impaired or degraded • There are time-sensitive issues that impact ongoing production • Workaround exists, but it is only temporary	4 hours	2 days^
3 - Minor	• Non-critical function down or impaired • Does not have significant current production impact • Performance is degraded	1 business day	4 weeks^
4 - Low	• Non-critical, function down or impaired • No business impact • Generic Service Enhancements	1 business day	Mutually agreed timeframe based on prioritization.

* Response Time is the elapsed time between Customer's first report of a problem and when the Vendor assigns a ticket number for the problem.

** Resolution Time is the elapsed time between Customer's first report of the problem and the problem in the Software has been resolved.

^ Level 1 – 3 issues may require resolution times that exceed these Response Time Standards. If fixes to level 1 – 3 issues are not resolvable within the timeframes listed above, Licensor will immediately notify Customer of the anticipated time to resolve the issue.

In the event that the issue is classified as a level 1 or level 2, Licensor will immediately assign a senior Product Developer to work exclusively on the issue. Additionally, the COO will be notified and the issue resolution will be given top priority. If the fix will require more than one business week to implement, Licensor and Customer will mutually agree on a resolution timetable and Licensor will provide updates at agreed upon intervals via email and/or telephone calls. Interim workarounds, if any, will also be communicated during the initial meeting and any subsequent communications should a workaround become available after the initial meeting.

Failure to meet the mutually agreed upon maintenance response timetable in the preceding paragraphs using reasonable commercial efforts will result, at the Customer's option, in triggering the Dispute Resolution provisions outlined in section 13.

EXHIBIT D

SERVICE LEVEL AGREEMENT

1. Licensor may schedule no more than 5 hours per week for routine maintenance, back-ups and data loads. Licensor may or may not choose to use this time for maintenance, back-ups and data loads, but downtime in this period will not count against Licensor's service availability commitment. For major new releases Licensor may from time to time require longer planned maintenance window. In the case of longer planned maintenance due to major releases, Customer shall be notified twenty-four (24) hours in advance of any scheduled down-time. Release builds and routine maintenance will typically be performed on weekends between 7:00 a.m. Eastern Time Saturday morning and Sunday 12:00 p.m. Eastern Time. Occasionally, bug fix builds will need to be performed during the business week. If a bug fix build is required to be performed during the business week, it will take place after 9:00 p.m. Eastern Time.

2. The Hosting Services shall be deemed "unavailable" if Customer is unable for all practical business purposes to transmit data to or receive data from the Hosting Environment, provided that the inability to transmit and receive data is not due to problems with non-Hosting Environment equipment, services, communication lines, or other products.

3. Failure to meet Availability service levels will result in penalties and will not be considered a breach of this Agreement. Penalties will be calculated according to the following matrix if Licensor falls below minimum service levels detailed below. All percentages exclude planned maintenance.

Availability	
Guaranteed System Availability Percentage	99.7% of Total Hours Per Month (excluding planned maintenance referenced in 1.1 above)
Credit to Customer's Account	3% of monthly fee for each 1% of the time period that the Services are down beyond committed levels
Penalty Cap	Maximum = Monthly fee

HIDALGO COUNTY PURCHASING DEPARTMENT
SOLE SOURCE AFFIDAVIT

THIS IS AN OFFICIAL PURCHASING DOCUMENT-RETAIN WITH PURCHASE ORDER

Before me, the undersigned official, on this day, personally appeared Bill Murphy a person known to me to be the person whose signature appears below, whom after being duly sworn upon his/her oath deposed and said:

1. My name is Bill Murphy. I am over the age of 18, have never been convicted of crime and am competent to make this affidavit.
2. I am an authorized representative of the following company or firm: SOE Software.
3. The above named company or firm is the sole source for the following item(s), product(s) or service(s): Clarity Election Night Reporting (ENR) Clarity Control Election Project Mgmt
4. Competition in providing the above named item(s), product(s), service(s) is precluded by the existence of a patent, copyright, secret process or monopoly as stated under Section 262.024(a)(7)(A), of the Local Government Code. Also, attached hereto is a sole source letter, which sets forth the reasons why this Vendor is a sole source provider (dated and signed).
5. There is/are no other like item(s) or product(s) available for purchase that would serve the same purpose or function.
6. Note: This Vendor understands that by providing false information on this Sole Source Affidavit, it may be considered a non-responsible Vendor on this and future purchases and may result in discontinuations of any/all business with Hidalgo County.

Signature [signature]

SWORN AND SUBSCRIBED TO under oath before me on 6th day of June, 2012.

[signature]
NOTARY PUBLIC

Notary Public State of Florida
Michael Greenman
My Commission DD879725
Expires 06/27/2013

Michael Greenman
PRINTED NAME

6/27/2013
MY COMMISSION EXPIRES

COMPANY NAME: SOE Software
ADDRESS, CITY, STATE & ZIP CODE: 5426 Bay Center Dr. Ste 525
PHONE: (813) 865-7548 NUMBER:
CONTACT NAME AND TITLE: Bill Murphy, Director of Business Development
WEB ADDRESS: www.SOESoftware.com EMAIL: bmurphy@soesoftware.com
FEDERAL TAX ID NUMBER: 82-0565032 TEXAS SALES TAX NUMBER: N/A

PURCHASING DEPARTMENT
County Of Hidalgo

MEMORANDUM
SOLE SOURCE DECLARATION

"ORDER"

To: Hidalgo County Commissioners Court

From: Martha L. Salazar, CPPB
Hidalgo County Purchasing Agent

Date: June 26, 2012

Re: "Sole Source Declaration" - SOE Software

Hidalgo County Elections Department wishes to acquire software specific including, but not limited to:

A. enhancing activities related to the preparation, organization and planning to the elections process;
B. aiding with gathering, organization, and presentation of election results;

SOE Software is the sole proprietary developer/creator and distributor of Clarity Election Suite (specifically Clarity ENR and CONTROL modules). Companies that desire to sell these software products must not only purchase them from SOE but also sign "non-compete" agreements.

Therefore, as the Hidalgo County Elections Department in order to improve, expand and efficiently operate the election process must purchase from SOE Software the sole creator/developer/distributor of the Clarity ENR and CONTROL modules including licenses, maintenance and support and related services.

Elena Gomez

From: Bill Murphy [bmurphy@soesoftware.com]
Sent: Thursday, June 21, 2012 5:06 PM
To: 'Elena Gomez'
Cc: veronica.lopez@co.hidalgo.tx.us; yvonne.ramon@co.hidalgo.tx.us
Subject: RE: Sole Source

Elena,

Thanks for your question. Although it says "Statewide Discount", SOE has no contractual obligations with the State of TX or GSA to provide any discounts. We work with each of our clients on a case by case basis. We have given TX counties a discount of 20% in the past which is why we use that term. That being said, because you have shown interest in purchasing two products, we have added an additional 10% discount to Clarity CONTROL. I failed to reflect this additional discount in your proposal, which may be part of the reason for confusion. Discounts are made to software license fees only because implementation and assurance costs are fixed costs for SOE.

Hidalgo County will be receiving a 30% discount on Clarity CONTROL and a 20% discount on Clarity ENR, for a total discount of 24%.

I hope this clears up any confusion. Please let me know if you would like me to correct any typos in our initial proposal to reflect the actual discount amounts or if you need any other supporting documentation to help ensure the commissioners feel comfortable with our proposal. I appreciate you contacting me. Please let me know what more I can do to help.

Regards,

Bill Murphy

SOE Software
5426 Bay Center Drive
Suite 525
Tampa, FL 33609
813-865-7548 (office)
813-503-3668 (cell)
813-207-2047 (fax)
bmurphy@soesoftware.com
www.soesoftware.com



Elena Gomez

From: Bill Murphy [bmurphy@soesoftware.com]
Sent: Friday, June 22, 2012 2:33 PM
To: Elena Gomez
Subject: Re: Sole Source
Attachments: image001.jpg; image008.gif; image009.png; image010.gif; image003.jpg

Hey Elena,

I am in the process of getting our HR manager to forward you our insurance info. I will be back in the office Monday morning. Is it ok for me to send you the revised proposal first thing Monday?

Regards,

Bill

On Jun 22, 2012, at 3:27 PM, "Elena Gomez" <elena.gomez@co.hidalgo.tx.us> wrote:

>
> Good Afternoon, Mr. Murphy
> As per our conversion on the confusion on the Pricing Overview, For auditing purposes our Auditor's would like it to read correctly on the as far as the discount, if you can please indicate the Statewide Discount- 30% discount On CLARITY CONTROL PRICING, and also I know I already asked you about the insurance, but we are also going to be needing the General Liability and W/C. I know you are out of town at the moment but is there anyone in your main office that can provide me with this information on or before Monday June 25, 2012 3:00 p.m. I would really appreciate it.
> Thank you,
> [cid:image003.jpg@01C7C230.B04AA850]
> Elena Gomez, Buyer II
> Hidalgo County Purchasing Dept.
> 2812 S Bus. Highway 281
> Edinburg, Texas 78539
> (956) 318-2626 x 4855
> (956) 292-7612
> elena.gomez@co.hidalgo.tx.us<mailto:elena.gomez@co.hidalgo.tx.us>
>
> From: Bill Murphy [mailto:bmurphy@soesoftware.com]
> Sent: Thursday, June 21, 2012 5:06 PM
> To: 'Elena Gomez'
> Cc: veronica.lopez@co.hidalgo.tx.us; yvonne.ramon@co.hidalgo.tx.us
> Subject: RE: Sole Source
>
> Elena,
> Thanks for your question. Although it says "Statewide Discount", SOE has no contractual obligations with the State of TX or GSA to provide any discounts. We work with each of our clients on a case by case basis. We have given TX counties a discount of 20% in the past which is why we use that term. That being said, because you have shown interest in purchasing two products, we have added an additional 10% discount to Clarity CONTROL. I failed to reflect this additional discount in your proposal, which may be part of the reason for confusion. Discounts are made to software license fees only because implementation and assurance costs are fixed costs for SOE.

AI-32710 **Purchasing Department** **17. E. 1.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Martha Salazar **Submitted By:** Sandy Suarez, PURCHASING DEPT.

Department: PURCHASING DEPT.

Information

CAPTION

Presentation of sole bid received from Campbell's Services as further detailed in tabulation sheet contained herein meeting all specifications and/or requirements for the purpose of award and approval of contract for Request for Bid titled: Hidalgo County WIC Program-" Floor Maintenance for all WIC Clinics located in Hidalgo County" through project No.: 2012-051-04-04-SGS.

BACKGROUND

1. Upon approval by Commissioner's Court the contract will commence on August 11, 2012.
2. Contract document was reviewed and approved by Legal Counsel as to form.

Fiscal Impact

FISCAL YEAR: 2012 **ACCT. #:** 2-1292-441-00-350-001-2-423

FUNDS AVAILABLE Y/N?: Y **MATCHING FUNDS Y/N?:** N

BUDGETARY IMPACT:

Available funds as of 6/21/12 $5,096.00.

Attachments

Packet for award

Form Review

Inbox	Reviewed By	Date
Purchasing Department	Marty Salazar	06/07/2012 03:06 PM
Budget & Management	Ivan Cantu	06/07/2012 04:36 PM
Erika Zamora	Erika Zamora	06/21/2012 09:23 AM
Auditor's Office	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Sandy Suarez Started On: 06/06/2012 03:32 PM

Final Approval Date: 06/22/2012

PURCHASING DEPARTMENT
County Of Hidalgo

MEMORANDUM

TO: Norma Longoria, Director
Hidalgo County WIC Program

ATTN: Margarita Gonzalez,
Administrative Assistant II

FROM: Sandy Suarez, Buyer II
Hidalgo County Purchasing Department

DATE: April 10, 2012

RE: **Memo of Concurrence/Recommendation**
Bid No. 2012-051-04-04-SGS
Hidalgo County WIC Program-"Floor Maintenance for all WIC Clinics Located in Hidalgo County"

Attached you will find copies of one (1) bid responses received for the above referenced project. Please review. We will need to present this on the proposed Commissioner's Court Meeting; therefore, we would like to have your response on or before the following deadline.

Please acknowledge by signing below, of your Concurrence/Recommendation to award to the sole bidder meeting all specifications/requirements and return to the Purchasing Dept. **via fax to (956)-318-2629 or (956) 292-7612 or email: sandy.suarez@co.hidalgo.tx.us by no later than Monday, April 16, 2012 @10:00 A.M. in order to place this item on the agenda for the proposed Commissioners Court Meeting, Tuesday, May 01, 2012.**

Write name of the Recommended Bidder and any concerns on the space provided below.

If you should have any questions or need additional information please contact me at (956) 318-2626 ext.4860

COMMENTS/CONCERNS: Recommended Bidder:
Campbell's Services.

BUDGET ACCOUNT #: 2.1292.441.00.350.001.2.423

Norma L. Longoria	Norma L. Longoria	WIC	4/12/12
Authorized Signature	Printed Name	Department	Date

Enclosures

HIDALGO COUNTY PURCHASING DEPARTMENT
TABULATION SHEET

DEPARTMENTS NAME: HIDALGO COUNTY WIC PROGRAM

BID OPENING: APRIL04, 2012 | **OPENING TIME: 9:30 A.M.**

DESCRIPTION OF BID: RFB "Floor Maintenance For WIC Clinics Located In Hidalgo County"

BID NO. 2012-051-04-04-SGS

	LOCATIONS/SITE	SOLE BIDDER - Campbell's Services
		MONTHLY RATE
1.	Alamo WIC CLINIC -1215 313 E. Business 83 Ste 113 Alamo, TX. 78516	$ 155.65
2.	Alton WIC CLINIC -1214 3513 E. Main Ave. Alton, TX. 78572	$ 155.65
3.	Alton WIC CLINIC -1231 3519 W. Main Ave. Ste. B Alton, TX. 78572	$ 155.65
4.	Donna WIC CLINIC -1206 301 S. 8th Donna, TX. 78537	$ 155.65
5.	Edinburg WIC CLINIC -1219 113 Dawson Edinburg, TX. 78539	$ 155.65
6.	Edinburg Adm. Office C.O. 3105 W. University Dr. Edinburg, TX. 78539	$ 155.65
7.	La Joya WIC CLINIC -1210 204 W. 2nd La Joya, TX. 78560	$ 155.65
8.	Las Milpas WIC CLINIC -1211 7013 S. Cage Ste F. Las Milpas, TX. 78577	$ 155.65
9.	McAllen WIC CLINIC -1218 220 S. Bicentennial Ste. D McAllen, TX. 78501	$ 155.65
10.	McAllen WIC CLINIC -1230 3001 N. 23rd Ste. 8 McAllen, TX. 78501	$ 155.65
11.	Mercedes WIC CLINIC -1208 540 S. Texas Mercedes, TX. 78570	$ 155.65
12.	North San Juan WIC CLINIC 1229 509 E. Earling San Juan, TX. 78589	$ 155.65
13.	Pharr WIC CLINIC -1224 925 W. Sam Houston Ste. 3 Pharr, TX. 78577	$ 155.65
14.	San Carlos WIC CLINIC -1226 230 N. 86th Edinburg, TX. 78539	$ 155.65
15.	Weslaco WIC CLINIC -1227 417 S. Oregon Weslaco, TX. 78596	$ 155.65
16.	South Tower Rd. CRC WIC -1245 1429 S. Tower Rd. Alamo, TX. 78516	$ 155.65
17.	Rio Grande City WIC Clinic -1243 5404 Brand Street Rio Grande City, TX. 78582	$ 155.65
	TOTAL	$2,646.05

HIDALGO COUNTY PURCHASING DEPARTMENT
PARTICIPATING BIDDER'S LOG
SPECIFICATIONS/BID PACKETS

RFB-RFP-RFQ

BID OPENING DATE: APRIL 04, 2012 BID OPENING TIME: 9:30 A.M.
DEPARTMENT/BID DESCRIPTION: "FLOOR MAINTENANCE FOR WIC CLINICS LOCATED IN HIDALGO COUNTY"
BID NO.: 2012-051-04-04-SGS

NAME OF VENDOR: COMPANY/FIRM	BID REQUEST *VIA	SIGNATURE(IF APPLICABLE) OR INITIALS Of STAFF ADDRESSING MAIL OUT	DATE	ADDRESS & PHONE NO
ABC Janitorial Service **Attn: Dina Guerra**	E-mail/ velosity	Sandy Suarez	03/19/12 3/21/12	908 Sycamore Ave McAllen, Tx. 78501 (956)682-1700 abcfloor1@netzero.com - eaidina@aol.com
Action Janitorial Service **Attn: Frank Cole**	E-mail	Sandy Suarez	03/19/12	509 E. Schunior Edinburg, Tx. 78539 (956)380-1771 ajsgo@yahoo.com
Campbell's Janitorial Services **Attn: Matthew Campbell**	E-mail	Sandy Suarez	03/19/12	2212 S. Primrose Bldg. G McAllen, Tx. 78501 (956)687-6243 Campbells.services@hotmail.com
Commercial Cleaning Service **Attn: Chris Kohert**	E-mail	Sandy Suarez	03/19/12	5500 N. Athol Pharr, Tx. 78577 (956)702-3892 ccsirgv@aol.com
Green Cleaning Services **Attn: Sandra**	E-mail	Sandy Suarez	03/19/12	3107 San Gabriel Mission, Tx. 78572 (956)212-1835 greencleaningserv@hotmail.com
Guerra Maintenance Mgm't **Attn: Servando Guerra**	E-mail	Sandy Suarez	03/19/12	401 W. Sansada Street Falfurrias, Tx. 78355 (361)228-1541 guerraservando@yahoo.com
Maistro Services **Attn: Francisco Tenorio**	E-mail	Sandy Suarez	03/19/12	31/2 Mile N. I Rd. San Juan, Tx. 78589 (956)638-9818 maistrosvc@msn.com
B.A. Enterprise **Attn: Ann King**	E-mail	Sandy Suarez	03/19/12	2605 Royality Dr. Garland, Tx. 75044 (972)496-0615 baenterprise1@yahoo.com
Diversitech Systems **Attn: Paul Wild**	E-mail	Sandy Suarez	03/19/12	416 East Cedar McAllen, Tx. 78501 (956)221-1983 paul.wild@dssg4u.com
LS Cleaning **Attn: Ted Snavely**	E-mail	Sandy Suarez	03/19/12	4010 Ora St. Edinburg, Tx. 78539 (956)793-3449 tsnv4@aol.com

HL Projects & Construction **Attn: Hernan Lugo**	E-mail	Sandy Suarez	03/19/12	5111 N. 10th St. # 246 McAllen, TX. 78504 (956)383-3938 (956)648-9799 cell hernanlugo@cantv.net
Appletree Janitorial Services **Attn: Peter or Kandii**	E-mail Velocity	Sandy Suarez	03/19/12 3/21/12	820 Nolana Bldg C McAllen TX. 78504 956-800-4400 peter@appletreejanitorialfloorcare.com Kandii@appletreejanitoralfloorcare.com
Virtual Building Exchange **Attn: Lorri Chambers**	E-mail	Sandy Suarez	03/21/12	Virtual Builders Exchange 4047 Naco Perrin Ste 100 San Antonio,TX 78217 210-564-6900 x112 lorri@virtualbx.com
Synergy Construction **Attn: Herberto Del Los Santos**	E-mail	Sandy Suarez	03/22/12	956-325-2836 Synergyhs54@yahoo.com
Intel Cleaning Service **Attn: Nelson Snavely**	E-mail	Sandy Suarez	03/26/12	956-244-0188 nelson@intelcleaning.com

***VIA:**
IN PERSON (IP)
TELEPHONE REQUEST (TR)
BIDDER LIST MAIL OUT (BLM)
E-MAIL (EM)
FACSIMILE (FAX)

AI-32778 **Purchasing Department** **17. E. 2.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Martha L. Salazar **Submitted By:** Yolanda Velasquez, PURCHASING DEPT.

Department: PURCHASING DEPT.

Information

CAPTION

Presentation of sole response received as further detailed in tabulation sheet contained herein meeting all specifications and/or requirements for the purpose of award and approval of contract for the following WIC Program projects:

RFB No	Bid Description	Recommend Vendor/Bidder
2012-052-05-23	Lease of Office Space City of Edinburg	Dr. Ralph H. Jackson
2012-054-05-23	Lease of Office Space City of Alton	Miguel L. Barboza Jr.

BACKGROUND

Fiscal Impact

FISCAL YEAR: 2012 **ACCT. #:** 2-1292-441-00-350-001-2-441

FUNDS AVAILABLE Y/N?: Y **MATCHING FUNDS Y/N?:** N

BUDGETARY IMPACT:

Funds available as of 6/21/12 $29,697.50.

Attachments

WIC RECOMMENDATION MEMO

Lease C-12-052-06-26

C-12-054-06-26

Legal review

TABULATION-PARTICIPATION LOG-52-54

Form Review

Inbox	Reviewed By	Date
Purchasing Department	Marty Salazar	06/15/2012 04:49 PM
Budget & Management	Merlen P. Munoz	06/18/2012 08:02 AM
Erika Zamora	Erika Zamora	06/21/2012 09:42 AM
Auditor's Office	Arcilia Duran	06/22/2012 02:59 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Yolanda Velasquez Started On: 06/11/2012 03:21 PM

Final Approval Date: 06/22/2012

MEMORANDUM

2812 SOUTH BUSINESS HIGHWAY 281 ★ EDINBURG, TEXAS 78539★TEL: (956) 318-2626 ★ FAX: (956) 318-2629

To: Norma Longoria, Director
H.C. WIC Program
Attn: Margarita Gonzalez, Administrative Asst.

From: Yolanda Velasquez YZV
Purchasing Dept., Buyer II

Date: May 23, 2012

Re: **REQUEST FOR RECOMMENDATION for: RFB-2012-052-05-23-YZV -"LEASE OF OFFICE SPACE-CITY OF EDINBURG**

A sole response to the above mentioned project was received. Enclosed you will find a copy of the Tabulation sheet for your review and recommendation/non-recommendation.

We would like to present your recommendation on the next Commissioner's Court Meeting: therefore, we need your response **Wednesday, May 30, 2012 no later than 2:30 p.m.** Please indicate your recommendation or any concerns on the space provided below and reply to the Purchasing Department via fax to (956) 318-2629 or via email to: **yolanda.velasquez@co.hidalgo.tx.us**

☑ **DO** recommend accepting of response ☐ **DO NOT** recommend accepting of response

BUDGET ACCOUNT#: 2.1292.441.00.350.001.2.441

Recommendations/Concerns:

Please award.

If you should have any questions or need additional information please let me know.

Norma L Longoria — Norma L. Longoria — 5/23/12

AUTHORIZED SIGNATURE — PRINTED NAME — DATE

MEMORANDUM

2812 SOUTH BUSINESS HIGHWAY 281 ★ EDINBURG, TEXAS 78539★TEL: (956) 318-2626 ★ FAX: (956) 318-2629

To: Norma Longoria, Director
H.C. WIC Program
Attn: Margarita Gonzalez, Administrative Asst.

From: Yolanda Velasquez YZV
Purchasing Dept., Buyer II

Date: May 23, 2012

Re: **REQUEST FOR RECOMMENDATION for: RFB-2012-054-05-23-YZV -"LEASE OF OFFICE SPACE-CITY OF ALTON**

A sole response to the above mentioned project was received. Enclosed you will find a copy of the Tabulation sheet for your review and recommendation/non-recommendation.

We would like to present your recommendation on the next Commissioner's Court Meeting: therefore, we need your response **Wednesday, May 30, 2012 no later than 2:30 p.m.** Please indicate your recommendation or any concerns on the space provided below and reply to the Purchasing Department via fax to (956) 318-2629 or via email to: **yolanda.velasquez@co.hidalgo.tx.us**

☑ **DO** recommend accepting of response ☐ **DO NOT** recommend accepting of response

BUDGET ACCOUNT#: 2.1292.441.00.350.001.2.441

Recommendations/Concerns: _____

If you should have any questions or need additional information please let me know.

Norma L Longoria — Norma L. Longoria — 5/23/12

AUTHORIZED SIGNATURE — PRINTED NAME — DATE

THE STATE OF TEXAS §
§
COUNTY OF HIDALGO §

LEASE
C-12-052-06-26

THIS LEASE is made and entered into by and between **Dr. Ralph H. Jackson** referred to in this Lease as Lessor, and **THE COUNTY OF HIDALGO**, referred to in this Lease as Lessee.

In consideration of the mutual covenants and agreements set forth in this Lease, and other good and valuable consideration, Lessor demises and leases to Lessee, and Lessee leases from Lessor that certain real property described on Exhibit "A " attached hereto. The premises leased hereunder are referred to in this Lease as "the Premises" or "the Leased Premises." Lessee issued a Request for Bid in accordance with specification on the Request for Bid, and a copy of such as Request for Bid Procurement packet and Bid Page is (collectively the "RFB") attached hereto as Exhibit "B".

ARTICLE 1. TERM

Term of Lease

1.1 Except as otherwise herein provided, the term of this Lease shall be for five (5) years commencing on **August 02, 2012** (as hereinafter defined) and ending on **August 01, 2017**(as hereunder defined) unless sooner terminated or unless renewed and extended in accordance with Paragraph 1.2, hereof. The "Commencement Date" is the date the Premises are available for occupancy by Lessee, which date shall be ten(10) days following the date the Lessor provides Lessee written notice that the Lessor's negotiated remodeling obligation is complete. If the Premises are sold to an unrelated third party (not affiliated by common

ownership with Lessor) at a time when more than six (6) months remains on the unexpired portion of the term of this Lease, then the unexpired portion of this Lease may, at Lessee's option, be shortened to six (6) months from the date of such sale.

Renewal or Termination

1.2. Lessee shall have the right and option to renew and extend the term of this Lease for two (2) additional one (1) year terms under same rates terms and conditions and have a sixty (60) day grace period extension at the end of the contract term for unforeseen delay in award of new bid. If Lessee desires to renew and extend the term of this Lease for a renewal period, Lessee must give Lessor written notice of such renewal at least sixty (60) days prior to the termination of the initial lease term or any extension thereof. Any renewal or extension of this Lease shall be on the terms and conditions as provided herein. This Lease shall terminate and become null and void without further notice on the expiration of the term specified in Article 1.1, unless sooner terminated or renewed and extended in accordance with this Article 1.2; and any holding over by Lessee after the expiration of that term shall not constitute a renewal of the Lease or give Lessee any rights under the Lease in or to the Leased Premises.

Holdover

1.3 If Lessee holds over and continues in possession of the Leased Premises after expiration of the term of this Lease, Lessee will be deemed to be occupying the Premises on the basis of a month to month tenancy, subject to all of the terms and conditions of this Lease. The inclusion of this Article 1.2 shall not be construed as Lessor's consent for Lessee to hold over.

Termination

1.4 Lessee may declare this Lease, and all rights and interest created by it, to be terminated without cause upon giving the Lessor ninety (90) days written notice. Upon Lessee's

electing to terminate, this Lease shall cease and come to an end as if the day of the termination party's election were the day originally fixed in the Lease for its expiration.

Lessor's Warranty of Quiet Enjoyment

1.5. Lessor covenants and agrees that Lessee on paying the rent and other charges herein provided for and observing and keeping the covenants, conditions, and terms of this Lease on Lessee's part to be kept or performed, shall lawfully and quietly hold, occupy, and enjoy the Leased Premises during the term of this Lease without hindrance or molestation by Lessor or any person claiming under Lessor except such portion of the Leased Premises, if any, as shall be taken under the power of eminent domain.

ARTICLE 2. RENT

Base Rent

2.1 Lessee agrees to pay to Lessor, during the term hereof, a monthly rental equal to two-thousand-five hundred and fifty dollars ($2,550.00) per month. In the event the Commencement Date is a day other than the first day of the month, the rent for the period from the commencement date to the last day of the month shall be prorated by dividing the monthly rental by thirty (30) days, and multiplying the result by the number of days remaining in the month that includes the Commencement Date.

Time and Manner of Payment

2.2 All rent due under this article shall be paid by Lessee on a monthly basis and in advance, on the first business day of each month commencing on the Commencement Date. All installments of rent shall be paid in lawful money of the United States to the Lessor at 105 Dawson, Edinburg, Texas 78539 or other such other location or locations as Lessor shall from

time to time designate by written notice to Lessee. Any rent due for any partial month at the beginning or the end of the term hereof shall be prorated on the basis of a thirty (30) day month.

Taxes

2.3 Lessor is responsible for rendering and paying all real estate taxes on the Property. Lessee shall be responsible for taxes, if any, on Lessee's personal property located on the Premises.

ARTICLE 3. USE OF PREMISES

Permitted Use

3.1 Lessee may use the premises for office space and for any other lawful purpose.

Waste, Nuisance, or Illegal Use

3.2 Lessee shall not use, or permit the use of, the Premises in any manner that results in waste of the Premises or constitutes a nuisance or violates any statute, ordinance, rule or regulation applicable to the premises or for any illegal purpose.

ARTICLE 4. REPAIRS AND MAINTENANCE

4.1 Lessee shall be responsible for providing general janitorial service. Lessee shall be responsible for all repairs and maintenance in connection with damage to the Premises caused by Lessee's negligent used of Premises, and damage to fixtures and improvements resulting from negligent or willful acts of the Lessee, or the Lessee's employees, agents, licenses or invitees. In addition, Lessee shall repair all injury caused by the installation or removal of furniture, fixtures or property permitted under this Lease to be removed from the Leased Premises. All such repairs shall be made in a good, workmanlike manner using high quality materials.

LESSOR'S AND LESSEE'S DUTIES TO REPAIR

4.2 Lessor shall maintain the foundation, roof, plumbing, heating, ventilation and air conditioning systems ("HVAC") and structural integrity of the Leased Premises and shall make all such necessary repairs to the foundation, roof plumbing, HVAC and structural integrity of the Leased Premises, except that Lessee shall make those repairs occasioned by Lessee's negligent use of the Leased Premises.

LESSOR'S DUTY

4.3 Lessor shall construct, repair and maintain the Leased Premises so that the Premises will have:

(1) Effective waterproofing and weather protection of the contents of the Leased Premises by watertight roof, exterior walls, windows, and doors.

(2) Plumbing facilities that conform to applicable law, maintained in good working order.

(3) A water supply approved under applicable law that is under the control of Lessee, capable of producing hot and cold running water, or a system that is under the control of Lessor that produces hot and cold running water furnished to Lessee and connected to a sewage disposal system conforming to applicable law.

(4) Heating, ventilation and air conditioning facilities conforming to applicable law which are more than adequate to heat, ventilate and air condition the improvements on the Leased Premises, and are maintained in good-working order.

(5) Electrical lighting, with wiring and electrical equipment that conform to applicable law, maintained in good working order.

(6) Building, grounds, and appurtenances in every part clean, sanitary, and free from all accumulations of debris, and all areas under control of Lessor kept in every part clean, sanitary, and free from all accumulations of debris.

(7) Floor, stairways, and railings maintained in good repair.

(8) Landscaping (all greenery, watering, and maintenance).

(9) Parking Lot (including painting, striping, paving, etc.)

Lessee's Right to Repair for Lessor or Vacate

4.4 (a) If after Lessee's notice to Lessor of repairs or maintenance which Lessor has a duty to undertake, Lessor neglects to make such repairs within thirty (30) days following written notice from Lessee, Lessee may make the repairs itself. In such a case, Lessee may deduct the expenses of the repairs from further payment of rent, terminate this Lease Agreement as of the date Lessee vacates the Premises and any rental shall be abated for the unexpired term of this Lease.

(b) For purposes of this Section 4.4, if Lessor makes repairs at least fifteen (15) days following the date of Lessee's notice to Lessor, it will be presumed to have act in a reasonable time.

ARTICLE 5. UTILITIES

Utility Charges

5.1 Lessee shall pay all utility charges, including but not limited to, electricity and water, used in and about the Leased Premises during the term of this Lease, all such charges to be paid by Lessee directly to the utility company or municipality furnishing the same, before the same shall become delinquent.

ARTICLE 6. ALTERATIONS, ADDITIONS, AND IMPROVEMENTS

Consent of Lessor

6.1 Lessee shall not make any alterations, additions, or improvements to the Leased Premises without the prior written consent of Lessor. Consent for nonstructural alterations, additions, or improvements shall not be unreasonably withheld by Lessor.

Property of Lessor

6.2 All alterations, additions, or improvements made by Lessee shall become the property of Lessor at the termination of this Lease. Lessor may, however, require that Lessee remove any or all alterations, additions, and improvements installed or made by Lessee, and any other property placed on the Premises by Lessee, upon termination of the Lease. In the event that Lessor requires Lessee to remove such alterations, additions, or improvements, Lessee shall repair any damage to the Premises caused by such removal.

ARTICLE 7. SIGNS

Signs

7.1 Subject to the written approval of Lessor, and further subject to applicable laws, ordinances and regulations, Lessee shall have the right to install signs on the Leased Premises. Lessee must remove all signs at the termination of this Lease and repair any damage resulting from the erection or removal of the signs.

ARTICLE 8. MECHANIC'S LIEN

8.1 Lessee will not permit any mechanic's lien or liens to be placed upon the Leased Premises or improvements on the Premises, and if such lien is claimed as a result of the acts of Lessee, Lessee will promptly pay the lien. If default in payment of the lien continues for twenty

(20) days after written notice from Lessor, Lessor may, at its option, pay the lien or any portion of it without inquiry as to its validity. Any amounts paid by the Lessor to remove a mechanic's lien caused to be filed against the Premises or improvements on the Premises by Lessee, including expenses and interest, shall be due from Lessee to Lessor and shall be repaid to Lessor immediately on rendition of notice, together with interest at ten percent (10%) per annum until repaid.

ARTICLE 9. INSURANCE AND INDEMNITY

Property Insurance

9.1 Lessor shall, at its own expense, during the term of this Lease, keep all buildings and improvements on the Leased Premises insured against loss or damage by fire with extended coverage to include direct loss by windstorm, hail, explosion, riot, or riot attending a strike, civil commotion, aircraft, vehicles, and smoke, in the aggregate amounts of not less than the full fair insurable value of the buildings and improvements. The insurance is to be carried by one or more insurance companies licensed to do business in Texas and approved by Lessee. The policies shall provide that any proceeds for loss or damage to buildings or to improvements shall be payable solely to Lessor, which sum Lessor shall use for repair and restoration purposes as provided herein. Lessee shall maintain all insurance on Lessee's personal property located within the Leased Premises and Lessee covenants and agrees that Lessor shall have no responsibility for damage or destruction of Lessee's personal property located within the Leased Premises.

General Liability Insurance

9.2 **Lessor**. Lessor, at its own expense, shall provide and maintain in force during the term of this Lease, liability insurance with limits of at least Five Hundred Thousand Dollar

($500,000.00), naming Lessee as additional insured. Prior to occupancy of the Premises, Lessor shall provide Lessee with evidence of such insurance satisfying the insurance requirements stated in the RFB, such evidence of insurance is attached hereto as “Exhibit C.”

9.3 **Lessee**. Lessee, at its own expense, shall provide and maintain in force during the term of this Lease, liability insurance in the amounts deemed adequate by Lessee.

Remedy for Failure to Provide Insurance

9.4 Lessor shall furnish Lessee with the original of all insurance policies required by this Article. If Lessor does not provide such policies or proof of such insurance within ten (10) days of the execution of this Lease, or if Lessor allows any insurance required under this Article to lapse after receipt of notice of cancellation or of non-renewal, or if Lessor fails to deliver proof of insurance showing coverages to Lessee prior to the effective date of such insurance and the original insurance policy within thirty (30) days thereafter, such failure shall be a default of Lessor under this Lease; or Lessee may, but shall not be required, to take out such insurance and pay the premiums on the necessary insurance to comply with Lessor's obligations under the provisions of this Article. Lessor agrees to reimburse Lessee all amounts spent by Lessor to procure and maintain such insurance within fifteen (15) days after demand from Lessor. Failure to pay such amount when due shall be a default of Lessor under this Lease.

ARTICLE 10. DAMAGE OR DESTRUCTION OF PREMISES

Notice to Lessor

10.1 If the Leased Premises, or any structures or improvements on the Leased Premises, should be damaged or destroyed by fire, tornado, or other casualty, Lessee shall give immediate written notice of the damage or destruction to Lessor, including a description of the damage and, as far as known to Lessee, the cause of the damage.

10.2 If the building on the Leased Premises should be totally destroyed by fire, tornado, or other casualty, or if it should be so damaged that rebuilding is necessary, this Lease Agreement, at the option of the Lessee, shall terminate and rent shall be abated for the unexpired portion of this Lease, effective as of the date of said occurrence.

10.3 If the Leased Premises should be damaged by fire, tornado, or other casualty, but not to such an extent that rebuilding or repairs can reasonably be completed with thirty (30) working days from the date of the occurrence of the damage, this Lease shall not terminate, but Lessor shall, if the casualty has occurred prior to the final six (6) months of the lease term, at Lessor's sole cost and risk proceed forthwith to rebuild or repair the Leased Premises to substantially the condition in which they existed prior to such damage. If the casualty occurs during the final six (6) months of the lease term, Lessor shall not be required to rebuild or repair such damage. If the Leased Premises are to be rebuilt or repaired and are untenantable in whole or in part following such damage, the rent payable hereunder during the period in which they are untenantable shall be adjusted equitably. Within thirty (30) working days from the date of the occurrence of the damage, Lessee may at its option terminate this Lease by written notification at such time to Lessor, whereon all rights and obligations hereunder shall cease.

ARTICLE 11. CONDEMNATION

Total Condemnation

11.1 If during the term of this Lease all of the Leased Premises should be taken for any public or quasi-public use under any governmental law, ordinance, or regulation, or by right of eminent domain, or should be sold to the condemning authority under threat of condemnation, the Lease shall terminate, and the rent shall be abated during the unexpired portion of this Lease, effective as of the date of the taking of the premises by the condemning authority.

Partial Condemnation

11.2 If less than all, but more than ten percent (10%) of the Leased Premises is taken for any public or quasi-public use under any governmental law, ordinance, or regulation, or by right of eminent domain, or should be sold to the condemning authority under threat of condemnation, Lessee may terminate the Lease by giving written notice to Lessor within thirty (30) days after possession of the condemned portion is taken by the entity exercising the power of condemnation.

If the Leased Premises are partially condemned and Lessee fails to exercise the option to terminate the Lease under this section, or if less than ten percent (10%) of the Leased Premises are condemned, this Lease shall not terminate, but Lessor may, at its sole expense, restore and reconstruct the building and other improvements situated on the Leased Premises to make them reasonably tenantable and suitable for the uses for which the Premises are Leased. The rent payable under Sections 2.1 of this Lease shall be decreased equitably during the period of such restoration or reconstruction.

Condemnation Award

11.3 Lessor and Lessee shall each be entitled to receive and retain such separate awards, and portions of lump sum awards, as may be allocated to their respective interest in any condemnation proceedings. The termination of this Lease shall not affect the rights of the respective parties to such awards.

ARTICLE 12. DEFAULT

Default by Lessee

12.1 If Lessee shall allow the rent to be in arrears more than ten (10) days after written notice of such delinquency, or shall remain in default under any other condition of this Lease for

a period of fifteen (15) days after written notice from Lessor, Lessor may at its option, without notice to Lessee, terminate this Lease or, in the alternative, Lessor may re-enter and take possession of the Premises and remove all persons and property without being deemed guilty of any manner of trespass and re-let the Premises, or any part of the Premises, for all or any part of the remainder of the Lease term, to a party satisfactory to Lessor and at such monthly rental as Lessor may with reasonable diligence be able to secure. Should Lessor be unable to relet after reasonable efforts to do so, or should such monthly rental be less than the rental Lessee was obligated to pay under this Lease, or any renewal of this Lease, plus the expense of reletting, then Lessee shall pay the amount of such deficiency plus reasonable attorney's fees to Lessor.

Default by Lessor

12.2 If Lessor defaults in the performance of any terms, covenants, or conditions required to be performed by it under this Lease, in addition to other remedies afforded Lessee under this Lease or at law, Lessee may elect that: Upon Lessee's notice to Lessor of repairs or maintenance which Lessor has a duty to undertake, Lessor neglects to make such repairs within thirty (30) days following written notice from Lessee, Lessee may vacate the Premises, in which case it shall be discharged from further payment of rent, the performance of all other terms and conditions of this Lease, and this Lease shall terminate as of the date Lessee vacates the Premises and any rental shall be abated for the unexpired term of this Lease.

Cumulative Remedies

12.4 All rights and remedies of Lessor and Lessee under this Article shall be cumulative, and none shall exclude any other right or remedy provided by law or by any other provision of this Lease. All such rights and remedies may be exercised and enforced concurrently and whenever, and as often, as occasion for their exercise arises.

Waiver of Breach

12.5 A waiver by either Lessor or Lessee of a breach of this Lease by the other party does not constitute a continuing waiver or a waiver of any subsequent breach of the Lease.

ARTICLE 13. ASSIGNMENT AND SUBLETTING

Assignment and Subletting by Lessee

13.1 Lessee may sublet, assign, encumber, or otherwise transfer this Lease, or any right or interest in this Lease or in the Leased Premises or the improvements on the Leased Premises, with the written consent of Lessor. If Lessee sublets, assigns, encumbers, or otherwise transfers its rights or interest in this Lease or in the Leased Premises or the improvements on the Leased Premises, other than as specified herein, without the written consent of Lessor, Lessor may, at its option, declare this Lease terminated and Lessee and Lessor shall have no further obligation to each other under this Lease. In the event Lessor consents in writing to an assignment, sublease or other transfer of all or any of Lessee's rights under this Lease, the assignee or sublessee, must assume all of Lessee's obligations under this Lease, and Lessee shall remain liable for every obligation under the Lease. Lessor's consent under this section will not be arbitrarily or unreasonably withheld.

Assignment by Lessor

13.2 Lessor may assign or transfer any or all of its interests under the terms of this Lease.

ARTICLE 14. MISCELLANEOUS

Notices and Addresses

14.1 All notices required under this Lease will be deemed delivered when deposited in

certified or registered mail, addressed to the proper party, at the following addresses:

Lessor:	Lessee:
Dr. Ralph H. Jackson 105 Dawson Edinburg, Texas 78539	County of Hidalgo Attn: County Judge 1615 S. Closner, Suite J Edinburg, Texas 78539

Either party may change the address to which notices are to be sent it by giving the other party written notice of the new address in the manner provided in this section.

Parties Bound

14.2 This Lease Agreement shall be binding upon, and inure to the benefit of, the parties to the Lease and their respective heirs, executors, administrators, legal representatives, successors and assigns when permitted by this Lease Agreement.

Texas Law to Apply

14.3 This Lease Agreement shall be construed under, and in accordance with, the laws of the State of Texas, and all obligations of the parties created by this Lease are performable in Hidalgo County, Texas.

Legal Construction

14.4 In case any one or more of the provisions contained in this Lease Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of the Lease Agreement, and this Lease Agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been included in the Lease Agreement.

Prior Agreements Superseded

14.5 This Lease Agreement constitutes the sole and only agreement of the parties and

supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter of this Lease Agreement.

Amendment

14.6 No amendment, modification, or alteration of the terms of this Lease Agreement shall be binding unless it is in writing, dated subsequent to the date of this Lease Agreement, and duly executed by the parties to this Lease Agreement.

Rights and Remedies Cumulative

14.7 The rights and remedies provided by this Lease Agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive that party's right to use any or all other remedies. The rights and remedies provided in this Lease are in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

Attorneys' Fees and Costs

14.8 If, as a result of a breach of this Lease Agreement by either party, the other party employs an attorney or attorneys to enforce its rights under this Lease, then the breaching or defaulting party agrees to pay the other party the reasonable attorneys' fees and costs incurred to enforce the Lease.

Force Majeure

14.9 Neither Lessor nor Lessee shall be required to perform any term, condition, or covenant in this Lease so long as such performance is delayed or prevented by force majeure, which shall mean acts of God, strikes, lockouts, material or labor restrictions by any governmental authority, civil riot, floods, and any other cause not reasonably within the control of Lessor or Lessee and which by the exercise of due diligence Lessor or Lessee is unable, wholly or in part, to prevent or overcome.

Real Estate Commission and Finder's Fees

14.10 Neither Lessor nor Lessee has entered into any real estate commission or finder's fee agreements with any broker, agent or finder in respect of this transaction, and Lessor and Lessee each agree to indemnify and hold harmless the other from and against any and all claims, losses, damages, costs or expenses of any kind, or arrangement or understanding alleged to have been made by the indemnifying party or on its behalf with any broker, salesman or finder in connection with this Lease or the transactions contemplated hereby.

Estoppel Information

14.11 Lessee shall, at the request of Lessor, provide any and all information with respect to this Lease to any person designated by Lessor.

Time of Essence

14.12 Time is of the essence of this Lease Agreement.

Commitment of Current Revenues Only

14.13 In the event that, during any term hereof, the Commissioners Court does not appropriate sufficient funds to meet the obligations of Lessee under this Agreement, Lessee may terminate this Agreement upon sixty (60) days written notice to Lessor. Lessee 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 Lessee pursuant to the provisions of Tex. Loc. Govt. Code Ann. ' 271.903 (Vernon Supp. 1996).

THE UNDERSIGNED Lessor and Lessee execute this Lease Agreement on the_____ day of _____, 2012.

HIDALGO COUNTY

_____
Ramon Garcia, County Judge

VENDOR'S NAME

_____
Dr. Ralph H. Jackson

APPROVED AS TO FORM:
Atlas & Hall, L.L.P.

_____
Stephen L. Crain

ATTEST:

_____
Arturo Guajardo Jr., County Clerk

EXHIBIT “A”

LEGAL DESCRIPTION

EXHIBIT “A”

JACKSON HEIGHTS LOT 2 AND UND 20% LOT 6 SITUS 113 E. DAWSON TO THE CITY OF EDINBURG, HIDALGO COUNTY, TEXAS; AS PER MAP OR PLAT THEREOF RECORDED IN VOLUME 31, PAGE 135, AND DEED RECORDS OF HIDALGO COUNTY, TEXAS

EXHIBIT “B”

REQUEST FOR BID (RFB) & BID PAGE

Hidalgo County Purchasing Department
2812 S. Business Highway 281
Edinburg, Texas 78539
(956) 318-2626/ Fax: (956) 318-2629

REQUEST FOR BIDS (RFB)

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HIDALGO COUNTY-WIC PROGRAM

"LEASE OF OFFICE SPACE- CITY OF EDINBURG "
RFB № 2012-052-05-23-YZV

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The above mentioned items shall be found in the Request for Bid (RFB) packet that is attached herewith. Should you find that any of the items are not attached in its entirety please contact Purchasing by calling (956) 318-2626, advise of missing documentation, and Purchasing will forward information either through facsimile or by U.S. Mail.

Thank you.

Martha L. Salazar, CPPB, Purchasing Agent

May 07, 2012
Date

PURCHASING DEPARTMENT
County Of Hidalgo

May 07, 2012

RE: Hidalgo County-WIC Program Request for Bids – **"LEASE OF OFFICE SPACE-CITY OF EDINBURG"**
RFB № 2012-052-05-23-YZV

Dear Sir/Madam:

Enclosed please find a Request for Bid (RFB) packet for your review and consideration.

Hidalgo County Purchasing Department welcomes and appreciates your participation in the bid process.

If any further assistance is required, please do not hesitate to call the Purchasing Department 956/318-2626.

Sincerely,

Martha L. Salazar, CPPB
Hidalgo County Purchasing Agent
MLS/yzv

Enclosures

2812 S. Business Highway 281 ★ Edinburg, Texas 78539 ★ (956) 318-2626 ★ Fax (956) 318-2629

REQUEST FOR BIDS (RFB)

HIDALGO COUNTY-WIC PROGRAM

"LEASE OF OFFICE SPACE- CITY OF EDINBURG"

RFB NO: 2012-052-05-23-YZV

Acceptance Due Date: **MAY 23, 2012**

Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department

Project Buyer Contact Information:

Yolanda Velasquez, Buyer III
(956) 292-7000 Ext. 4881
yolanda.velasquez@co.hidalgo.tx.us

Form HCPD-03

1. Sealed bids will be received for **"HIDALGO COUNTY-WIC PROGRAM- LEASE OF OFFICE SPACE- CITY OF EDINBURG"** in accordance with the specifications attached as Exhibit "A" hereto. Bids should address all specifications set forth. Bidders may suggest substitutions of features which they feel would be in the best interest of Hidalgo County ("County"). Strong rationale must be presented for any deviation from the specifications. Hidalgo County reserves the right to reject the deviation and its effect on the overall bid.

2. One (1) original and Three (3) copies of all bids are required with the bidders name and return address clearly typed/printed on upper left hand corner and the proper notation clearly typed/printed on the lower left hand corner of the envelope and/or package: **"BID-2012-052-05-23-YZV- HIDALGO COUNTY–WIC PROGRAM- LEASE OF OFFICE SPACE CITY OF EDINBURG"** and in County's Purchasing Department, physical address: 2802 S. Business Hwy 281, mailing address 2812 S. Business 281 New Administration Building,, Edinburg, Texas, **on or before 9:30 a.m., WEDNESDAY, MAY 23, 2012.**

   NO FACSIMILES OR LATE ARRIVALS WILL BE ACCEPTED. ANY RFB RECEIVED AFTER THAT TIME WILL NOT BE OPENED AND WILL BE RETURNED. OVERNIGHT MAIL MUST ALSO BE PROPERLY LABELED ON THE OUTSIDE OF EXPRESS ENVELOPE OR PACKAGE WITH REFERENCE TO "REQUEST FOR BIDS -2012-052-05-23-YZV HIDALGO COUNTY-WIC PROGRAM – LEASE OF OFFICE SPACE – CITY OF EDINBURG". Hidalgo County reserves the right to refuse and reject any/all RFB and to waive any/all formalities or technicalities, or to accept the RFB considered the best and most advantageous to Hidalgo County

3. Hidalgo County reserves the right to: A. separate and accept, or eliminate any item(s) listed under this bid that it deems necessary to accommodate budgetary and/or operational requirements; B. reject any or all bids submitted and further reserves the right to design the evaluation criteria to be used in selecting the lowest and best bid for approval; and C. award the bid to one bidder or to multiple bidders if the County determines it is in its best interest to do so."

4. The Bidder shall not substitute items named in the bid without the express written consent of Hidalgo County. Failure of the delivered item(s) to perform as specified, or failure to meet the stated delivery schedule shall release Hidalgo County from all obligations to the contracting party with regard to the item(s) in question. In such event, County may elect to award the contract to the next-lowest responsible bidder, or to reject all bids and re-advertise.

5. For work to be performed at a County owned or operated location, each bidder shall, in its sole discretion, visit the job site before preparing the bid and thoroughly familiarize himself/herself with existing conditions. Bidder should take field dimensions and note all circumstances which affect the dollar amount of the bid.

6. Descriptive specifications are referenced in this document to indicate the general kind and quality of equipment desired by Hidalgo County. Due to various styles and models

of equipment, bidders are required to include illustrations, specifications, explanation of warranties, and service data with their bid including catalogue numbers and any necessary references.

7. No bid may be withdrawn within thirty (30) days from the scheduled time to open bids.

8. Proposed prices are to remain firm for a minimum of ninety (90) days after bid opening.

9. Any interpretations, amendments, corrections or changes to this bid document must be in a written addendum and signed by the County Judge or his designee. Addenda will be mailed to all who are known to have received a copy of the Request for Bids. Bidders shall acknowledge receipt of all addenda as a part of their bid.

10. County reserves the right to accept or reject any or all bids.

11. Costs are to be net F.O.B., County Prepaid.

12. County is exempt from Federal Excise Tax, State Tax and Local Tax. Do Not include tax in cost figure. If it is determined that tax was included in the cost figures it will not be included in the tabulation of any awards. Tax exemption certificates will be furnished upon request.

13. Funds for this procurement have been provided through the County budget for this fiscal year only. County, on an annual basis, has the right to reconsider a contract during the budget process for ensuing years if financial resources of County are insufficient to meet the liabilities of said contract. The award of a bid or contract hereunder will not be construed to create a debt of the County which is payable out of funds beyond the current fiscal year.

14. Upon award and prior to execution of a contract, Sole Proprietorships are required to submit a copy of their social security cards to the Hidalgo County Auditor's Office in order to establish an account with the County. All awarded vendors must submit a completed W-9 and a copy o their Federal ID Number Certificate.

15. DELIVERY INSTRUCTIONS:

- No deliveries accepted after 3:00 P.M., Monday-Friday.

- At least seventy two (72) hours prior notice of delivery must be given to Martha L. Salazar, Purchasing Agent before delivery will be accepted.

- If you need additional information call the office listed below:

Hidalgo County Purchasing Department
Martha L. Salazar, Purchasing Agent
(956) 318-2626

16. BILLING AND PAYMENT INSTRUCTIONS:

- Invoices must include:
  a) Name and address of successful bidder

b) Name and address of receiving department or official
c) Purchase Order Number (if any)
d) Notation - **BID-2012-052-05-23-YZV- HIDALGO COUNTY–WIC PROGRAM – LEASE OF OFFICE SPACE CITY OF EDINBURG"**
Descriptive information as to the items or services delivered, including product code, item number, quantity, etc.

. Discount payments will be considered when offered.

. Contact person for Billing and Payment questions:

Hidalgo County WIC Program
Attn: Margarita Gonzalez
3105 W. University Dr.
Edinburg, TX. 78539
(956) – 381-4646

17. Schedule of Events

Bid Opening	**9:30 AM**	**MAY 23, 2012**
Award of Contract		_____, 2012
Commence Work or Deliver Products		_____, 2012

HIDALGO COUNTY APPROVED HOLIDAYS

2012 YEAR	
New Year's Day	12/30/11 and 01/02/12
Martin Luther King Day	01/16/12
President's Day	02/20/12
Good Friday	04/06/12
Easter	04/09/12
Memorial Day	05/28/12
Independence Day	07/04/12
Labor Day	09/03/12
Columbus Day	10/08/12
Veteran's Day	11/12/12
Thanks Giving Day	11/22/12 and 11/23/12
Christmas Day	12/24/12 and 12/25/12

18. Bid or Performance Bond and Debarment Certification; Payment Under Contract:

. If the contract proposed is for the construction of public works or is for a contract for goods & services exceeding $100,000, all bidders shall furnish a good and sufficient bid bond in the amount of five percent of the total contract price. A bid bond must be executed with a surety company authorized to do business in Texas. All bidders are also required to furnish a certification or acknowledgment stating that the contractor or vendor is free from suspension or debarment pursuant to federal regulation 45CFR Part 76.

. Together with the signing of a contract or issuance of a purchase order following the acceptance of a bid, and prior to commencement of the actual work, the bidder shall furnish a performance bond to the County for the full amount of the contract, if that contract exceeds $50,000.

. If the contract is for $50,000 or less, no money will be paid to the contractor until completion and acceptance of the work or the fulfillment of the purchase obligation to the County, and, if applicable, the receipt by County of satisfactory evidence that all subcontractors and material men have been paid.

. If a contract is for the construction, alteration or repair of public buildings or public works, the contractor *shall* provide a payment bond for a contract in excess of Twenty Five Thousand Dollars ($25,000.00), as required by Tex. Govt. Code Ch. 2253.

. For requirements contracts, bond requirements are determined by applying the proposed unit price to the estimated quantities included in the specifications.

19. Ethical Standards:

. It shall be a breach of ethics to offer, give or agree to give any elected official, department head or employee, or former elected official, department head or employee, of the County, or for any elected official, department head or employee or former elected official, department head or employee of the County, to solicit, demand, accept or agree to accept from another person, entity or organization, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore pending before any department or agency of the County.

. It shall be a breach of ethics for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor for any contract for the County, or any person associated therewith, as an inducement for the award of a subcontract or order.

. No public official shall have an interest in a contract awarded hereunder except in accordance with Tex. Loc. Govt. Code Chapter 171.

- NOTICE:
  ALL COMMUNICATIONS BY A VENDOR TO THE COUNTY, ITS OFFICIALS, AND DEPARTMENT HEADS REGARDING THIS PROCUREMENT SHALL BE DONE THROUGH THE HIDALGO COUNTY PURCHASING DEPARTMENT.

  No vendor, its representative, agent, or employee shall engage in private communication with a member of the Hidalgo County Commissioners Court or county department heads

regarding any procurement of goods or services by the County from the date that the bid, RFP, or RFQ is released. No private communication regarding the purchase shall be permitted until the procurement process is complete and a purchase order is granted or a contract is entered into. Members of the commissioners court are required to make a reasonable effort to inform themselves regarding potential procurements and have a duty to inquire of vendors, their representatives or employees, the nature of any private communication being sought prior to engaging in any communication. "Private Communication" means communication with any vendor outside of a posted meeting of the governing body, a regular meeting of a standing or appointed committee, or a negotiation with a vendor which has been specifically authorized by the governing body.

20. Disclosure of Conflict of Interest

. Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor, person, consultant or contractor considering doing business with Hidalgo County ("the County") to disclose in the Conflict of Interest Questionnaire (the "CIQ") attached as Exhibit D, the vendor, person, consultant or contractor's affiliation or business relationship that might cause a conflict of interest with the County. By law, the CIQ must be filed with the Hidalgo County Clerk's Office no later than the seventh business day after the date the person becomes aware of facts that require that statement to be filed. The disclosure requirement applies to a person or business who contracts or seeks to contract with Hidalgo County for the sale or purchase of property, goods or service. Any purchase order or contract resulting from this process shall be considered null and void if the successful bidder fails to comply with Texas Local Government Code Chapter 176. Vendors, consultants, contractors and others who desire to conduct business with Hidalgo County are encouraged to refer to Texas Local Government Code Chapter 176 for the details of this law. An offense under Texas Local Government Code Chapter 176 is a Class C Misdemeanor.

Please Submit completed CIQ forms to the Hidalgo County Clerk's Office located at 100 N. Closner, Edinburg, Texas 78539-Hidalgo County Courthouse **COMPLETION AND SUBMISSION OF FORM CIQ IS THE SOLE RESPONSIBILITY OF THE PROSPECTIVE BIDDER.**

21. If, during the life of any contract or bid awarded, the successful bidder's net prices generally available to other customers for items awarded herein are reduced below the contracted price, it is understood and agreed that the benefits of such reduction shall be extended to County.

22. Bids, and all goods and services provided thereunder, shall comply with all federal, state and local laws concerning this type(s) of goods and/or services

23. Minimum Standards For Responsible Prospective Bidders: A prospective bidder must affirmatively demonstrate bidder's responsibility. A prospective bidder, by submitting a bid, represents to County that it meets the following requirements:

. **Possess and submit a Certificate of Account Status indicating bidder is in "Good Standing" with the Texas Comptroller of Public Accounts if such bidder is incorporated in the State of Texas. If the bidder is not incorporated**

with the Texas, the bidder must submit the appropriate evidence of filing with the Texas Secretary of State stating that the business is authorized to transact business in Texas.

- Possess or is able to obtain adequate financial resources as required to perform under the bid;
- Be able to comply with the required or proposed delivery schedule;
- Have a satisfactory record of performance;
- Have a satisfactory record of integrity and ethics;
- Be otherwise qualified and eligible to receive an award.

24. Successful bidder will pay or cause to be paid, without cost or expenses to County, all FICA, FUTA/SUTA and Federal Income Withholding Taxes of all employees, and all wages and benefits as required by Federal or State law. Successful bidder's officers, agents and/or employees will not be entitled to any benefits of an employee or elected official of County, including, but not limited to, benefits associated with County's civil service system.

25. Any contract award to a successful bidder will be in effect until (a) the contract expires, (b) delivery and acceptance of products, and/or performance of services ordered, or (c) terminated by County with thirty day's written notice prior to cancellation.

26. County reserves the right to enforce performance of any contract awarded hereunder in any manner prescribed by law or deemed to be in the best interest of the County in the event of breach or default by successful bidder; County reserves the right to terminate any contract immediately in the event a successful bidder fails to:

    A. Meet schedules;
    B. Pay any required fees or taxes; or
    C. Otherwise perform in accordance with the specifications.

27. Successful bidder shall defend, indemnify and save harmless County and all its elected officials, officers, agents and employees from all suits, actions, or other claims of any character, name and description brought for or on account of any injuries or damages received or sustained by any person, persons, or property on account of any negligent act or fault of the successful bidder, or of any agent, employee, subcontractor or supplier of successful bidder in the execution of, or performance under, any contract which may result from bid award or which arises from any event or casualty happening on or within County premises themselves or happening upon or in any halls, elevators, entrances, stairways or approaches of or to such County facilities. Successful bidder shall pay any judgment with costs which may be obtained against County growing out of such injury or damages, and shall, upon request, provide a defense to County by counsel reasonably acceptable to County. Successful bidder’s indemnity hereunder shall include, but is not limited to, claims relating to patent, copyright or trademark infringement, and the like, arising out of the goods and services provided by successful bidder.

28. Successful bidder shall warrant that all items/services shall conform with the specifications and/or all warranties provided under the Uniform Commercial Code and be free from all defects in material, workmanship and the like. Items supplied under a contract pursuant to this Request for Bids shall be subject to County's approval. Items found to be defective or not meeting specifications shall be replaced by successful bidder within two business days at no expense to County. Items not picked up within one (1)

week after notification shall be deemed a donation to County and may be used or disposed of at County's discretion and without waiver of any other rights of County as to the item's nonconformity.

29. ***Vendors hereby assigns to purchaser any and all claims for overcharges associated with this contract which arise under the antitrust laws of the United States, 15 USCA, Section 1 et. seq., and which arise under the antitrust laws of the State of Texas, Bus. & Com. Code, Section 15.01, et. seq.***

30. This document and any disputes arising hereunder shall be governed and construed according to the laws of the State of Texas, and will be performable exclusively in Hidalgo County, Texas.

31. The successful bidder shall not assign, sell, transfer or convey its rights under any awarded contract, in whole or in part, without the prior written consent of County.

Bid
for

HIDALGO COUNTY-WIC PROGRAM
"LEASE OF OFFICE SPACE-CITY OF EDINBURG"

BID No. -2012-052-05-23-YZV

To: Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
2802 S. Bus. Hwy. 281
Edinburg, Texas 78539

In accordance with the Specifications, and subject to all laws and regulations of the United States and state and local laws, the undersigned bidder proposes and commits to furnish all labor, equipment, material, software and services as set forth in the documents hereinbefore mentioned. The undersigned bidder further agrees, upon acceptance of its bid, to execute a contract and/or Purchase Order issued by Hidalgo County for performing and completing the work described in the Specifications within the time stated and for the prices proposed in the documents attached hereto and made a part hereof.

Bidder acknowledges receipt of all of the pages of the documents referenced in the Invitation to Bid Checklist presented in connection with this procurement. Bidder understands that Hidalgo County reserves the right to reject any or all bids and further reserves the right to design the evaluation criteria to be used in selecting the lowest and best bid.

Bidder agrees that this bid shall be good and may not be withdrawn for a period of ninety (90) calendar days after the scheduled closing time for receiving bids, as contained in the Specifications.

Respectfully submitted,

Bidder: _____

Address: _____

By: _____

Printed Name: _____

Title: _____

EXHIBIT "A"
HIDALGO COUNTY-WIC OFFICE
"LEASE OF OFFICE SPACE FOR WIC Clinic - CITY OF EDINBURG"
RFB NO.: 2012-052-05-23-YZV

SCOPE OF WORK:
Hidalgo County is seeking bidders to establish a contract for "**Lease of Office Space in the City of Edinburg"** The proposed building should be in good habitable condition and shall consist as follows:

SPECIFICATIONS:

1. Proposed office space should be located within the following Parameter **South side of City of Edinburg.**

2. Said office space shall have the designated rooms or areas for conducting WIC functions:

   - Waiting Area
   - Nutrition Education Classroom
   - Computer Area
   - Lab Lactation Room
   - File Room
   - Reception Area
   - Counseling Room
   - Screening Room
   - Lounge Area
   - Two (2) Storage Rooms

3. The proposed office building shall consist of a **minimum of 2,500 square feet to a maximum of 3.,000 square feet** of available tile floor space to perform WIC services.

4. Building must be well insulated with an ERA rating of minimum of eleven (11).

5. **Bidder shall charge by the square foot for the rental of space on a monthly basis.** The bid should reflect the actual square feet of the building being proposed.

6. The proposed bid premises will comply with all federal, state and local laws, ordinance and codes at the time of occupancy (examples: fire extinguisher, ADA).

7. The building must meet all American with Disabilities Act (ADA) accessibility requirements for all entrances, restrooms (men and women) and shall be fully handicap accessible for all parking areas.

8. Building premises must have handicapped accessible restroom facilities for both men and women and separate restroom facilities for employees.

9. The public parking lot must consist of at least thirty (30) parking spaces should made available with at least two (2) designated handicap parking spaces, with ramp access available from such spaces .

10. Bid premises shall have electricity, water, sewer central air and heating of the entire building and includes garbage pickup.

11. Lessor will be responsible for electrical, painting, keeping building free mold at all times and central air and cooling maintenance.

12. Building should have a minimum of three (3) fire extinguishers or amount required by the City Fire code under federal, state, local and building codes and regulations. Floor area exits or exit access doorways must comply with the City Fire Code under federal, state and local building codes and regulations.

13. Building shall be safe from rodents and insects prior to occupancy by Hidalgo County – WIC Program Staff. It will be the Lessor's responsibility for the expense of the pest control services throughout the term of this contract.

14. Lessor must provide documented proof that the building is asbestos free.

15. The complete space will be inspected by WIC Program Director, before lease contract is in place, in order to verify status and kind of business activity within the building.

16. An existing building must be ready for occupancy with all the specifications completed and in compliance with the Americans with Disabilities Act, ninety (90) days from the date of the awarding of the bid.

17. The floor plans of the building will be constructed according to the WIC Director. If present building needs renovations; the renovation work will be made by Lessor and the Lessor's cost and work must be completed ninety (90) days from the date of contract/lease award and execution of the contract/lease or the award will become void/null.

18. Any and all repairs will be done on a timely manner as prioritized by Hidalgo County.

REQUIREMENTS:

The awarded bidder shall adhere to the following insurance requirements.

1. Bidder shall maintain liability insurance on the proposed building. Bidder shall also maintain insurance against fire, accident and natural disaster. Bidder shall maintain liability insurance on the premises as described and listed in Insurance Requirements (Exhibit "C").

2. Property insurance policy shall provide that any proceeds for loss or damage to buildings or to improvements shall be payable solely to Lessor, which sum Lessor shall use to repair and restoration purpose.

3. Certificates of insurance shall be submitted to Hidalgo County Purchasing Department for approval prior to rental services being performed by Lessor hereunder.

4. Each policy of insurance required hereunder shall extend for a period equivalent to or longer than the term of this Lease, and any insurer hereunder shall be required to give at least thirty (30) days written notice to the County prior to cancellation of any such coverage on the termination date or otherwise the lease shall be automatically suspended upon the cancellation or other termination of required policy of insurance

hereunder.

5. Provide the **legal description** of the property along with your bid and include a proposed "Floor Plan Layout" of your facility.

6. Hidalgo County is requesting that all interested vendor(s) submitting bids for this project, **must provide the following:**

    a) Property ID number and/or Geographic ID number
    b) Legal Description as listed in your local Hidalgo County District for proposed property.

TERM AND CONDITIONS:

1. The initial term of the contract/lease shall be for a period of five (5) years with option to renew two (2) additional one (1) year terms under same rates, terms and conditions. During initial lease term and any renewals or extensions permitted herein, contract will have a sixty (60) day termination/cancellation clause.

2. Hidalgo County reserves the right to continue this bid for an additional sixty (60) day grace period at the end of the contract term for unforeseen delay in award of new bid for next contract.

3. If a new building is to be constructed, there should be a completion date of approximately one hundred and twenty (120) days from date bid was awarded. If completion date is not met, bid will become void/null.

4. After bid is awarded and successful awarded contractor defaults in meeting the general instructions to bidder(s) and/or in complying with the contract agreement, Hidalgo County reserves the right to seek the services of the next lowest bidder(s). In such event, Hidalgo County shall charge the successful bidder the difference for any additional cost to the County.

5. All cost and expenses associated with the preparation and submission of bids proposals and/or quotes shall be the responsibility of the bidder and no reimbursement for such charges or expenses shall be passed onto Hidalgo County.

6. Hidalgo County reserves the right to hold bids for a period of ninety (90) days without taking any action.

7. Any contract awarded to a successful bidder will be in effect until:
    (a) The contract expires
    (b) Delivery and acceptance of products and/or performance of service ordered, or
    (c) Terminated by County with sixty (60) day written notice prior to cancellation.

8. The successful bidder will indemnify and hold harmless the County, and its officers, officials, and employees, agents and attorneys for any and all claims and expenses arising out of or related to the performance of the contract awarded pursuant hereto.

ADDITIONAL INFORMATION:
Hidalgo County is requesting that any and all questions, inquiries and clarifications regarding quotes, bids, proposals or statements of qualifications be addressed to Martha L. Salazar, CPPB, Purchasing Agent, 2812 South Business Hwy. 281, Edinburg, Texas 78539. **TELEPHONE INQUIRIES WILL NOT BE ACCEPTED.**

ALL WRITTEN INQUIRIES WILL BE ACCEPTED VIA FACSIMILE TO (956) 292-7612 **OR VIA E-MAIL TO** yolanda.velasquez@co.hidalgo.tx.us **BY NO LATER THAN Wednesday, May 16, 2012.** Responses to said inquiries will be sent to applicants via facsimile by no later than, **Friday, May 18, 2012.**

PLEASE PROVIDE THE LEGAL DESCRIPTION OF THE PROPERTY ALONG WITH YOUR BID

EXHIBIT "B"
BID PAGE

HIDALGO COUNTY – WIC PROGRAM
"LEASE OF OFFICE SPACE CITY OF EDINBURG
BID № 2012-052-05-23

Term:
The initial term of contract/lease is for a period of five (5) years with the County's option to renew for an additional two (2) one (1) year terms under same rates, terms and conditions.

BID PRICE PER SQ. FT. **$** _____

TOTAL MONTHLY AMOUNT: **$** _____

TOTAL SQ. FT OF PROPOSED BUILDING: _____

LOCATION/ADDRESS OF PROPOSED BUILDING: _____

_____

PROPERTY ID AND/OR GEOGRAPHIC ID _____

LEGAL DESCRIPTION OF PROPERTY _____

_____

BIDDER/COMPANY NAME _____

ADDRESS _____

CITY/STATE/ZIP CODE _____

PHONE № _____ **FAX №** _____

AUTHORIZED SIGNATURE _____

PRINTED NAME _____

TITLE _____

EMAIL: _____

EXHIBIT "C"
Insurance Requirements

The Bidder awarded the contract shall furnish proof of insurance, which will also include any subcontractor that is subcontracted by the bidder in at least the following limits, to be in place prior to providing any services under this Contract and to continue at all times in force in effect during the term of this Contract:

1. A Five Hundred Thousand Dollar ($500,000.00) Comprehensive General Liability insurance policy providing additional coverage to all underlying liabilities of County.

2. Automobile liability insurance policy with limits of at least Three Hundred Thousand Dollars ($300,000.00) per person and Five Hundred Thousand Dollars ($500,000.00) per occurrence. Coverage should include injury to or death of persons and property damage claims with limits up to Five Hundred Thousand ($500,000.00) arising out of the services provided to County hereunder.

3. Uninsured/Underinsured motorist coverage in an amount equal to the bodily injury limits set forth immediately above;

4. Workers compensation insurance in amounts established by Texas law, unless the Bidder is specifically exempted from the Texas Workers Compensation Act, Texas Labor Code Chapter 401, et. seq.

Hidalgo County will only accept certificates of insurance on an Acord form (as attached hereto). Certificates of insurance shall name Hidalgo County as additional insured and must be submitted to County for approval prior to any services being performed by Contractor. Each policy of insurance required hereunder shall extend for a period equivalent to, or longer than the term of the Contract, and any insurer hereunder shall be required to give at least thirty (30) days written notice to the County prior to the cancellation of any such coverage on the termination date, or otherwise. This Contract shall be automatically suspended upon the cancellation, or other termination, of any required policy of insurance hereunder, and such suspension shall continue until evidence adequate replacement coverage is provided to County. If replacement coverage is not provided within thirty (30) days following suspension of the Contract, this Contract shall automatically terminate.

Revised 10/01/08

ACORD CERTIFICATE OF INSURANCE

DATE (MM/DD/YY)

PRODUCER	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
	INSURERS AFFORDING COVERAGE
INSURED	INSURER A:
	INSURER B:
	INSURER C:
	INSURER D:
	INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THER TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	**GENERAL LIABILITY** ☐ COMMERCIAL GENERAL LIABILITY ☐ ☐ CLAIMS MADE OCCUR ☐ OWNER'S & CONT. PROT ☐ OWNER'S PROTECTIVE LIABILITY GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY PROJECT ☐ LOC				EACH OCCURRENCE	$
					FIRE DAMAGE (Any one fire)	$
					MED (Any one person)	$
					PERS & ADV INJURY	$
					AL AGGREGATE	$
					ODUCTS – COMP/OP GG	$
B	**AUTOMOBILE LIABILITY** ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident)	$
					BODILY INJURY (Per person)	$
					BODILY INJURY (Per accident)	$
					PROPERTY DAMAGE (Per accident)	$
	GARAGE LIABILITY ☐ ANY AUTO				AUTO ONLY-EA ACCIDENT	$
					OTHER THAN AUTO ONLY EA ACC	$
					AGG	$
C	**EXCESS LIABILITY** ☐ OCCUR ☐ CLAIMS MADE ☐ DEDUCTIBLE ☐ RETENTION $				EACH OCCURENCE	$
					AGGREGATE	$
						$
						$
						$
D	**WORKERS COMPENSATION AND EMPLOYER'S LIABILIT**				WC STATU-TORY LIMITS ☐ OTHER	
					E.L. EACH ACCIDENT	$
					E.L. DISEASE-EA EMPLOYEE	$
					E.L. DISEASE-POLICY LIMIT	$
	OTHER					

DESCRIPTION OF OPERATIONS / LOCATION / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

County of Hidalgo shall be named as additional insured on all Commercial General Liability policies.

CERTIFICATE HOLDER	ADDITIONAL INSURED; INSURER LETTER: _____ CANCELLATION
Hidalgo County **Attn: Purchasing Department** **2812 S Highway Bus. 281** **Edinburg, Texas 78539**	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BY CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL ***30*** DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE

SAMPLE

Insurance Requirement Acknowledgment

I, _____, authorized representative for_____
Company/Vendor

hereby acknowledge receipt of the County's required insurance limits. Said requirements:

☐ will be acquired within 10 working days after notification from Purchasing Department of bid awarded by the Hidalgo County Commissioners= Court;

☐ will acquire additional amounts required to meet the County's requirements within 10 working days after notification from Purchasing Department of bid award by the Hidalgo County Commissioners= Court; currently carry the following:

Automobile Liability: $_____ General Liability: $_____

☐ have already been met, see attached copy of insurance certificate.

_____ _____
Authorized Representative Date

Notice to Bidder:
A certificate of insurance for the required insurance limits shall be provided to the Purchasing
Department's Contract Managers in order to qualify for award of bid and to execute a contract
between your Company and the County

Failure to provide Certificates of Insurance to the Purchasing Department's Contract Managers will cause the bid award to be rescinded and re-awarded to next lowest bidder. Certificates of Insurance will be monitored and verified on a **quarterly basis** to ensure coverage policy is in place. It is the Company=s obligation to maintain the appropriate insurance coverage throughout the term of the contract.

THIS FORM MUST ACCOMPANY BID PACKET

PROJECT REQUIREMENTS ACKNOWLEDGMENT

This is to certify that I, _____, possess all of the APPLICABLE:

1. Licenses: _____
2. Bonds: _____
3. Certificates: _____
4. Permits: _____
5. Other: _____

necessary to carry out the required project. Furthermore, I am providing copies of the required documentation so that, if my company is awarded this bid, I may be eligible to enter into a contract with Hidalgo County and proceed to complete the project in a timely manner.

* Any licenses, bonds, certificates, permits, etc. which are required must be presented as part of the bid packet in order to expedite the bid evaluation process. Failure to provide said documentation will result in the disqualification of your bid.

_____ _____

Authorized Signature Date

_____

Company

_____

Address

_____

City, State, Zip

EXHIBIT "D"

CONFLICT OF INTEREST QUESTIONNAIRE — FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. *See* Section 176.006, Local Government Code.

A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

OFFICE USE ONLY
Date Received

1 **Name of person who has a business relationship with local governmental entity.**

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3 **Name of local government officer with whom filer has employment or business relationship.**

_____
Name of Officer

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

☐ Yes ☐ No

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

☐ Yes ☐ No

D. Describe each employment or business relationship with the local government officer named in this section.

4

_____ _____
Signature of person doing business with the governmental entity Date

Adopted 06/29/2007

HIDALGO COUNTY
PURCHASING DEPARTMENT
Bidder/Vendor Application

Complete in print or type. Please return this application to the Hidalgo County Purchasing Department
thru Facsimile: (956) 318-2629 or (956) 292-7612
in person or regular mail to:
Mailing/Postal Address: 2812 S. Business Hwy. 281
Physical Address: 2802 S. Business Hwy. 281
Edinburg, Texas 78539
or e-mail: purchasing@co.hidalgo.tx.us

Company Name: **Telephone No. ( )**

dba Name:

Legal Name:

Mailing Address: **Fax No. ( )**

Physical Address:

City, State, Zip **Tax I.D. No.**

Remit to Address : **City, State, Zip**

E-Mail Address:

Representative(s) Name(s) & Title(s)

Type of Organization (check one): _____ **Individual** _____ **Partnership** _____ **Corporation** _____**Non-Profit**
_____ **LLC** _____ **Sole Proprietor** _____ **Other, Specify**
State Identification No._____ **(Please attached completed W-9 form with this application)**
Federal Identification No. or (if individual) SS No.

State of Incorporation: _____ **Date:**_____ **Other:**

Type of Business (check one): _____ **Manufacturer** _____ **Wholesaler** _____ **Retailer** _____ **Broker**
_____ **Distributor** _____ **Service Organization** _____ **Other, Specify**

Name & Title of Person(s) Authorized to Sign Bids, Proposals, and/or Contracts:

Small and/or Disadvantaged Business Information (check application criteria)

Small Business:	**Disadvantaged Business (At Least 51% Ownership)**	
☐ Less than 125,000 annual gross receipt	☐ Black American	☐ Native American
☐ Less than 250,000 annual gross receipt	☐ Hispanic American	☐ Women
☐ Less than 499,000 annual gross receipt	☐ Asian Pacific American	☐ Other
☐ More than 500,000 annual gross receipt		

Have you been certified as a HUB or an MBE/WBE source?: ☐ Yes ☐ No

Indicate Certification No.(s):_____ **or are Certificate(s) attached?:** ☐ Yes ☐ No

What type of product(s) is/are solicited by your company?:

Would you like to be provided with specifications for procurements of such products?: ☐ Yes ☐ No

To Be Completed by the County: Rec'd by (Purchasing):_____ **Date Rec'd by (Purchasing):**

Date Forwarded Information to Auditor's Office:_____**Entry Date:** _____ **Vendor No.:**

HISTORICALLY UNDERUTILIZED BUSINESS (HUB) DECLARATION

The primary objective of the Hidalgo County HUB Program is to ensure Historically Underutilized Businesses receive a fair and equal opportunity for participation in the County's procurement process. This fact holds true for Services (Professional & Non-Professional), Commodities, and Construction contracts and any subcontracts thereto. The program strongly encourages Prime Contractors to provide subcontracting opportunities to Certified Hub Contractors/Vendors. Our goal for HUB contractor/vendor participation, as well as HUB subcontractor participation is 30%. To be considered as a "Certified HUB Contractor/Vendor" the contractor/vendor must have been certified by, and hold a current and valid certification with any of the three agencies listed below.

Have you been Certified as a HUB or an MBE/WBE source?: ☐Yes ☐ No

If yes, by whom?: ☐ Texas Building & Procurement Commission ☐ Other_____

Indicate Certification No(s).:_____ or Are Certificate(s) Attached?: ☐ Yes ☐ No

LIST OF CERTIFIED HUB SUBCONTRACTORS

(Attach additional pages if necessary)

What percentage of the Bid, RFP, or RFQ is to be subcontracted with Certified HUB sources?: _____%
(List HUB Subcontractor information below).

HUB Subcontractor Name: _____ HUB Status:
Certifying Agency (Check all applicable): ☐Texas Building & Procurement Commission ☐ other
Address: _____ City: _____ State: _____ Zip:
Contact Person: _____ Title: _____ Phone No.: ( )
Subcontract Amount: $_____ Description of Work to be Performed:

HUB Subcontractor Name: _____ HUB Status:
Certifying Agency (Check all applicable): ☐Texas Building & Procurement Commission ☐ other
Address: _____ City: _____ State: _____ Zip:
Contact Person: _____ Title: _____ Phone No.: ( )
Subcontract Amount: $_____ Description of Work to be Performed:

HUB Subcontractor Name: _____ HUB Status:
Certifying Agency (Check all applicable): ☐Texas Building & Procurement Commission ☐ other
Address: _____ City: _____ State: _____ Zip:
Contact Person: _____ Title: _____ Phone No.: ( )
Subcontract Amount: $_____ Description of Work to be Performed:

Form **W-9**
(Rev. January 2011)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type See **Specific Instructions** on page 2.

Name (as shown on your income tax return)

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification (required): ☐ Individual/sole proprietor ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶

☐ Other (see instructions) ▶

☐ Exempt payee

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number

			–		–				

Employer identification number

		–							

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here **Signature of U.S. person ▶** **Date ▶**

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,

2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line.

Disregarded entity. Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income will be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a domestic owner, the domestic owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, you must complete an appropriate Form W-8.

Note. Check the appropriate box for the federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the tax classification in the space provided. If you are an LLC that is treated as a partnership for federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/ disregarded entity name" line.

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the "Business name/ disregarded entity name," sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),

2. The United States or any of its agencies or instrumentalities,

3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,

4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or

5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,

7. A foreign central bank of issue,

8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,

9. A futures commission merchant registered with the Commodity Futures Trading Commission,

10. A real estate investment trust,

11. An entity registered at all times during the tax year under the Investment Company Act of 1940,

12. A common trust fund operated by a bank under section 584(a),

13. A financial institution,

14. A middleman known in the investment community as a nominee or custodian, or

15. A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 5 and 7 through 13. Also, C corporations.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over $600 required to be reported and direct sales over $5,000 [1]	Generally, exempt payees 1 through 7 [2]

[1] See Form 1099-MISC, Miscellaneous Income, and its instructions.

[2] However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at *www.ssa.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/businesses* and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: *A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.*

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, below, and items 4 and 5 on page 4 indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt Payee* on page 3.

Signature requirements. Complete the certification as indicated in items 1 through 3, below, and items 4 and 5 on page 4.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account [1]
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor [2]
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee [1]
b. So-called trust account that is not a legal or valid trust under state law	The actual owner [1]
5. Sole proprietorship or disregarded entity owned by an individual	The owner [3]
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	**Give name and EIN of:**
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity [4]
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

[4] List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

***Note.** Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov.* You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: *spam@uce.gov* or contact them at *www.ftc.gov/idtheft* or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

Certification
Regarding Debarment, Suspension and Ineligibility

As is required by the Federal Regulations Implementing Executive Order 12549, Debarment and Suspension, 45 CFR Part 76, Government-wide Debarment and Suspension, the applicant certifies, to the best of his or her knowledge and belief, that both it and its principals:

a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency;

b. Have not within a three-year period preceding this bid proposal and/or application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

c. Are not presently indicted for or otherwise criminally or civilly charged by a government entity with commission of any of the offenses enumerated herein; and

d. Have not within a three-year period preceding this bid proposal and/or application had one or more public transactions terminated for cause or default.

Signature:_____
Print Name:_____
Title:_____
Telephone Number:_____
Date:_____

If the bidder is unable to certify to all of the statements in this Certification, such bidder should attach an explanation to this proposal.

THE STATE OF TEXAS §
§
COUNTY OF HIDALGO §

LEASE
C-12-052-00-00

THIS LEASE is made and entered into by and between **VENDOR'S NAME**, referred to in this Lease as Lessor, and **THE COUNTY OF HIDALGO**, referred to in this Lease as Lessee.

In consideration of the mutual covenants and agreements set forth in this Lease, and other good and valuable consideration, Lessor demises and leases to Lessee, and Lessee leases from Lessor that certain real property described on Exhibit "A " attached hereto. The premises leased hereunder are referred to in this Lease as "the Premises" or "the Leased Premises." And in accordance with specification on the Request for Bid (RFB), A copy of such as Request for Bid (RFB) Procurement packet and Bid Page attached hereto as Exhibtit "B".

DRAFT

ARTICLE 1. TERM

Term of Lease

1.1 Except as otherwise herein provided, the term of this Lease shall be for five (5) years commencing on **August 01, 2012** (as hereinafter defined) and ending on **August 01, 2017**(as hereunder defined) unless sooner terminated or unless renewed and extended in accordance with Paragraph 1.2, hereof. The "Commencement Date" is the date the Premises are available for occupancy by Lessee, which date shall be ten(10) days following the date the Lessor provides Lessee written notice that the Lessor's negotiated remodeling obligation is complete. If the Premises are sold to an unrelated third party (not affiliated by common ownership with Lessor) at a time when

more than six (6) months remains on the unexpired portion of the term of this Lease, then the unexpired portion of this Lease may, at Lessee's option, be shortened to six (6) months from the date of such sale.

Renewal or Termination

1.2. Lessee shall have the right and option to renew and extend the term of this Lease for two (2) additional one (1) year terms under same rates terms and conditions and have a sixty (60 day grace period extension at the end of the contract term for unforeseen delay in award of new bid. If Lessee desires to renew and extend the term of this Lease for a renewal period, Lessee must give Lessor written notice of such renewal at least sixty (60) days prior to the termination of the initial lease term or any extension thereof. Any renewal or extension of this Lease shall be on the terms and conditions as provided herein. This Lease shall terminate and become null and void without further notice on the expiration of the term specified in Article 1.1, unless sooner terminated or renewed and extended in accordance with this Article 1.2; and any holding over by Lessee after the expiration of that term shall not constitute a renewal of the Lease or give Lessee any rights under the Lease in or to the Leased Premises.

Holdover

1.3 If Lessee holds over and continues in possession of the Leased Premises after expiration of the term of this Lease, Lessee will be deemed to be occupying the Premises on the basis of a month to month tenancy, subject to all of the terms and conditions of this Lease. The inclusion of this Article 1.2 shall not be construed as Lessor's consent for Lessee to hold over.

Termination

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1.4 Lessee may declare this Lease, and all rights and interest created by it, to be terminated without cause upon giving the Lessor ninety (90) days written notice. Upon Lessee's electing to terminate, this Lease shall cease and come to an end as if the day of the termination party's election were the day originally fixed in the Lease for its expiration.

Lessor's Warranty of Quiet Enjoyment

1.5. Lessor covenants and agrees that Lessee on paying the rent and other charges herein provided for and observing and keeping the covenants, conditions, and terms of this Lease on Lessee's part to be kept or performed, shall lawfully and quietly hold, occupy, and enjoy the Leased Premises during the term of this Lease without hindrance or molestation by Lessor or any person claiming under Lessor except such portion of the Leased Premises, if any, as shall be taken under the power of eminent domain.

ARTICLE 2. RENT

Base Rent

2.1 Lessee agrees to pay to Lessor, during the term hereof, a monthly rental equal to _____($_____) per month. In the event the Commencement Date is a day other than the first day of the month, the rent for the period from the commencement date to the last day of the month shall be prorated by dividing the monthly rental by thirty (30) days, and multiplying the result by the number of days remaining in the month that includes the Commencement Date.

Time and Manner of Payment

2.2 All rent due under this article shall be paid by Lessee on a monthly basis and in

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advance, on the first business day of each month commencing on the Commencement Date. All installments of rent shall be paid in lawful money of the United States to the Lessor at _____ _____or such other location or locations as Lessor shall from time to time designate by written notice to Lessee. Any rent due for any partial month at the beginning or the end of the term hereof shall be prorated on the basis of a thirty (30) day month.

Taxes

2.3 Lessor is responsible for rendering and paying all real estate taxes on the Property. Lessee shall be responsible for taxes, if any, on Lessee's personal property located on the Premises.

ARTICLE 3. USE OF PREMISES

Permitted Use

3.1 Lessee may use the premises for office space and for any other lawful purpose.

Waste, Nuisance, or Illegal Use

3.2 Lessee shall not use, or permit the use of, the Premises in any manner that results in waste of the Premises or constitutes a nuisance or violates any statute, ordinance, rule or regulation applicable to the premises or for any illegal purpose.

ARTICLE 4. REPAIRS AND MAINTENANCE

4.1 Lessee shall be responsible for providing general janitorial service. Lessee shall be responsible for all repairs and maintenance in connection with damage to the Premises caused by Lessee's negligent used of Premises, and damage to fixtures and improvements resulting from negligent or willful acts of the Lessee, or the Lessee's employees, agents, licenses or invitees. In addition, Lessee shall repair all injury caused by the installation or removal of furniture, fixtures or property permitted under this Lease to be removed from the Leased Premises. All such repairs shall be made in a good, workmanlike manner using high quality materials.

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LESSOR'S AND LESSEE'S DUTIES TO REPAIR

4.2 Lessor shall maintain the foundation, roof, plumbing, heating, ventilation and air conditioning systems ("HVAC") and structural integrity of the Leased Premises and shall make all such necessary repairs to the foundation, roof plumbing, HVAC and structural integrity of the Leased Premises, except that Lessee shall make those repairs occasioned by Lessee's negligent use of the Leased Premises.

LESSOR'S DUTY

4.3 Lessor shall construct, repair and maintain the Leased Premises so that the Premises will have:

(1) Effective waterproofing and weather protection of the contents of the Leased Premises by watertight roof, exterior walls, windows, and doors.

(2) Plumbing facilities that conform to applicable law, maintained in good working order.

(3) A water supply approved under applicable law that is under the control of Lessee, capable of producing hot and cold running water, or a system that is under the control of Lessor that produces hot and cold running water furnished to Lessee and connected to a sewage disposal system conforming to applicable law.

(4) Heating, ventilation and air conditioning facilities conforming to applicable law which are more than adequate to heat, ventilate and air condition the improvements on the Leased Premises, and are maintained in good-working order.

(5) Electrical lighting, with wiring and electrical equipment that conform to applicable law, maintained in good working order.

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(6) Building, grounds, and appurtenances in every part clean, sanitary, and free from all accumulations of debris, and all areas under control of Lessor kept in every part clean, sanitary, and free from all accumulations of debris.

(7) Floor, stairways, and railings maintained in good repair.

(8) Landscaping (all greenery, watering, and maintainance).

(9) Parking Lot (including painting, striping, paving, etc.)

Lessee's Right to Repair for Lessor or Vacate

4.4 (a) If after Lessee's notice to Lessor of repairs or maintenance which Lessor has a duty to undertake, Lessor neglects to make such repairs within thirty (30) days following written notice from Lessee, Lessee may make the repairs itself. In such a case, Lessee may deduct the expenses of the repairs from further payment of rent, terminate this Lease Agreement as of the date Lessee vacates the Premises and any rental shall be abated for the unexpired term of this Lease.

(b) For purposes of this Section 4.4, if Lessor make repairs at least fifteen (15) days following the date of Lessee's notice to Lessor, it will be presumed to have act in a reasonable time.

ARTICLE 5. UTILITIES

Utility Charges

5.1 Lessee shall pay all utility charges, including but not limited to, electricity and water, used in and about the Leased Premises during the term of this Lease, all such charges to be paid by Lessee directly to the utility company or municipality furnishing the same, before the same shall become delinquent.

ARTICLE 6. ALTERATIONS, ADDITIONS, AND IMPROVEMENTS

Consent of Lessor

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6.1 Lessee shall not make any alterations, additions, or improvements to the Leased Premises without the prior written consent of Lessor. Consent for nonstructural alterations, additions, or improvements shall not be unreasonably withheld by Lessor.

Property of Lessor

6.2 All alterations, additions, or improvements made by Lessee shall become the property of Lessor at the termination of this Lease. Lessor may, however, require that Lessee remove any or all alterations, additions, and improvements installed or made by Lessee, and any other property placed on the Premises by Lessee, upon termination of the Lease. In the event that Lessor requires Lessee to remove such alterations, additions, or improvements, Lessee shall repair any damage to the Premises caused by such removal.

ARTICLE 7. SIGNS

Signs

7.1 Subject to the written approval of Lessor, and further subject to applicable laws, ordinances and regulations, Lessee shall have the right to install signs on the Leased Premises. Lessee must remove all signs at the termination of this Lease and repair any damage resulting from the erection or removal of the signs.

ARTICLE 8. MECHANIC'S LIEN

8.1 Lessee will not permit any mechanic's lien or liens to be placed upon the Leased Premises or improvements on the Premises, and if such lien is claimed as a result of the acts of Lessee, Lessee will promptly pay the lien. If default in payment of the lien continues for twenty (20) days after written notice from Lessor, Lessor may, at its option, pay the lien or any portion of it without inquiry as to its validity. Any amounts paid by the Lessor to remove a mechanic's lien caused to be filed

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against the Premises or improvements on the Premises by Lessee, including expenses and interest, shall be due from Lessee to Lessor and shall be repaid to Lessor immediately on rendition of notice, together with interest at ten percent (10%) per annum until repaid.

ARTICLE 9. INSURANCE AND INDEMNITY

Property Insurance

9.1 Lessor shall, at its own expense, during the term of this Lease, keep all buildings and improvements on the Leased Premises insured against loss or damage by fire with extended coverage to include direct loss by windstorm, hail, explosion, riot, or riot attending a strike, civil commotion, aircraft, vehicles, and smoke, in the aggregate amounts of not less than the full fair insurable value of the buildings and improvements. The insurance is to be carried by one or more insurance companies licensed to do business in Texas and approved by Lessee. The policies shall provide that any proceeds for loss or damage to buildings or to improvements shall be payable solely to Lessor, which sum Lessor shall use for repair and restoration purposes as provided herein. Lessee shall maintain all insurance on Lessee's personal property located within the Leased Premises and Lessee covenants and agrees that Lessor shall have no responsibility for damage or destruction of Lessee's personal property located within the Leased Premises.

General Liability Insurance

9.2 **Lessor**. Lessor, at its own expense, shall provide and maintain in force during the term of this Lease, liability insurance with limits of at least Five Hundred Thousand Dollar ($500,000.00), naming Lessee as additional insured. Prior to occupancy of the Premises, Lessor shall provide Lessee with evidence of such insurance satisfying the insurance requirements stated in the RFB, such evidence of insurance is attached hereto as “Exhibit C.”

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9.3 **Lessee**. Lessee, at its own expense, shall provide and maintain in force during the term of this Lease, liability insurance in the amounts deemed adequate by Lessee.

Remedy for Failure to Provide Insurance

9.4 Lessor shall furnish Lessee with the original of all insurance policies required by this Article. If Lessor does not provide such policies or proof of such insurance within ten (10) days of the execution of this Lease, or if Lessor allows any insurance required under this Article to lapse after receipt of notice of cancellation or of non-renewal, or if Lessor fails to deliver proof of insurance showing coverages to Lessee prior to the effective date of such insurance and the original insurance policy within thirty (30) days thereafter, such failure shall be a default of Lessor under this Lease; or Lessee may, but shall not be required, to take out such insurance and pay the premiums on the necessary insurance to comply with Lessor's obligations under the provisions of this Article. Lessor agrees to reimburse Lessee all amounts spent by Lessor to procure and maintain such insurance within fifteen (15) days after demand from Lessor. Failure to pay such amount when due shall be a default of Lessor under this Lease.

ARTICLE 10. DAMAGE OR DESTRUCTION OF PREMISES

Notice to Lessor

10.1 If the Leased Premises, or any structures or improvements on the Leased Premises, should be damaged or destroyed by fire, tornado, or other casualty, Lessee shall give immediate written notice of the damage or destruction to Lessor, including a description of the damage and, as far as known to Lessee, the cause of the damage.

10.2 If the building on the Leased Premises should be totally destroyed by fire, tornado, or other casualty, or if it should be so damaged that rebuilding is necessary, this Lease Agreement, at the option of the Lessee, shall terminate and rent shall be abated for the unexpired portion of this Lease,

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effective as of the date of said occurrence.

10.3 If the Leased Premises should be damaged by fire, tornado, or other casualty, but not to such an extent that rebuilding or repairs can reasonably be completed with thirty (30) working days from the date of the occurrence of the damage, this Lease shall not terminate, but Lessor shall, if the casualty has occurred prior to the final six (6) months of the lease term, at Lessor's sole cost and risk proceed forthwith to rebuild or repair the Leased Premises to substantially the condition in which they existed prior to such damage. If the casualty occurs during the final six (6) months of the lease term, Lessor shall not be required to rebuild or repair such damage. If the Leased Premises are to be rebuilt or repaired and are untenantable in whole or in part following such damage, the rent payable hereunder during the period in which they are untenantable shall be adjusted equitably. In the working days from the date of the occurrence of the damage, Lessee may at its option terminate this Lease by written notification at such time to Lessor, whereon all rights and obligations hereunder shall cease.

ARTICLE 11. CONDEMNATION

Total Condemnation

11.1 If during the term of this Lease all of the Leased Premises should be taken for any public or quasi-public use under any governmental law, ordinance, or regulation, or by right of eminent domain, or should be sold to the condemning authority under threat of condemnation, the Lease shall terminate, and the rent shall be abated during the unexpired portion of this Lease, effective as of the date of the taking of the premises by the condemning authority.

Partial Condemnation

11.2 If less than all, but more than ten percent (10%) of the Leased Premises is taken for any

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public or quasi-public use under any governmental law, ordinance, or regulation, or by right of eminent domain, or should be sold to the condemning authority under threat of condemnation, Lessee may terminate the Lease by giving written notice to Lessor within thirty (30) days after possession of the condemned portion is taken by the entity exercising the power of condemnation.

If the Leased Premises are partially condemned and Lessee fails to exercise the option to terminate the Lease under this section, or if less than ten percent (10%) of the Leased Premises are condemned, this Lease shall not terminate, but Lessor may, at its sole expense, restore and reconstruct the building and other improvements situated on the Leased Premises to make them reasonably tenantable and suitable for the uses for which the Premises are Leased. The rent payable under Sections 2.1 of this Lease shall be decreased equitably during the period of such restoration or reconstruction.

Condemnation Award

11.3 Lessor and Lessee shall each be entitled to receive and retain such separate awards, and portions of lump sum awards, as may be allocated to their respective interest in any condemnation proceedings. The termination of this Lease shall not affect the rights of the respective parties to such awards.

ARTICLE 12. DEFAULT

Default by Lessee

12.1 If Lessee shall allow the rent to be in arrears more than ten (10) days after written notice of such delinquency, or shall remain in default under any other condition of this Lease for a period of fifteen (15) days after written notice from Lessor, Lessor may at its option, without notice to Lessee, terminate this Lease or, in the alternative, Lessor may re-enter and take possession of the Premises and remove all persons and property without being deemed guilty of any manner of trespass

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and re-let the Premises, or any part of the Premises, for all or any part of the remainder of the Lease term, to a party satisfactory to Lessor and at such monthly rental as Lessor may with reasonable diligence be able to secure. Should Lessor be unable to relet after reasonable efforts to do so, or should such monthly rental be less than the rental Lessee was obligated to pay under this Lease, or any renewal of this Lease, plus the expense of reletting, then Lessee shall pay the amount of such deficiency plus reasonable attorney's fees to Lessor.

Default by Lessor

12.2 If Lessor defaults in the performance of any terms, covenants, or conditions required to be performed by it under this Lease, in addition to other remedies afforded Lessee under this Lease or at law, Lessee may elect that: Upon Lessee's notice to Lessor of repairs or maintenance which Lessor has a duty to undertake, Lessor neglects to make such repairs within thirty (30) days following written notice from Lessee, Lessee may vacate the Premises, in which case it shall be discharged from further payment of rent, the performance of all other terms and conditions of this Lease, and this Lease shall terminate as of the date Lessee vacates the Premises and any rental shall be abated for the unexpired term of this Lease.

Cumulative Remedies

12.4 All rights and remedies of Lessor and Lessee under this Article shall be cumulative, and none shall exclude any other right or remedy provided by law or by any other provision of this Lease. All such rights and remedies may be exercised and enforced concurrently and whenever, and as often, as occasion for their exercise arises.

Waiver of Breach

12.5 A waiver by either Lessor or Lessee of a breach of this Lease by the other party does

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not constitute a continuing waiver or a waiver of any subsequent breach of the Lease.

ARTICLE 13. ASSIGNMENT AND SUBLETTING

Assignment and Subletting by Lessee

13.1 Lessee may sublet, assign, encumber, or otherwise transfer this Lease, or any right or interest in this Lease or in the Leased Premises or the improvements on the Leased Premises, with the written consent of Lessor. If Lessee sublets, assigns, encumbers, or otherwise transfers its rights or interest in this Lease or in the Leased Premises or the improvements on the Leased Premises, other than as specified herein, without the written consent of Lessor, Lessor may, at its option, declare this Lease terminated and Lessee and Lessor shall have no further obligation to each other under this Lease. In the event Lessor consents in writing to an assignment, sublease or other transfer of all or any of Lessee's rights under this Lease, the assignee or sublessee, must assume all of Lessee's obligations under this Lease, and Lessee shall remain liable for every obligation under the Lease. Lessor's consent under this section will not be arbitrarily or unreasonably withheld.

Assignment by Lessor

13.2 Lessor may assign or transfer any or all of its interests under the terms of this Lease.

ARTICLE 14. MISCELLANEOUS

Notices and Addresses

14.1 All notices required under this Lease will be deemed delivered when deposited in certified or registered mail, addressed to the proper party, at the following addresses:

Lessor:

Lessee:
County of Hidalgo
Attn: County Judge
1615 S. Closner, Suite J

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Edinburg, Texas 78539

Either party may change the address to which notices are to be sent it by giving the other party written notice of the new address in the manner provided in this section.

Parties Bound

14.2 This Lease Agreement shall be binding upon, and inure to the benefit of, the parties to the Lease and their respective heirs, executors, administrators, legal representatives, successors and assigns when permitted by this Lease Agreement.

Texas Law to Apply

14.3 This Lease Agreement shall be construed under, and in accordance with, the laws of the State of Texas, and all obligations of the parties created by this Lease are performable in Hidalgo County, Texas.

Legal Construction

14.4 In case any one or more of the provisions contained in this Lease Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of the Lease Agreement, and this Lease Agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been included in the Lease Agreement.

Prior Agreements Superseded

14.5 This Lease Agreement constitutes the sole and only agreement of the parties and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter of this Lease Agreement.

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Amendment

14.6 No amendment, modification, or alteration of the terms of this Lease Agreement shall be binding unless it is in writing, dated subsequent to the date of this Lease Agreement, and duly executed by the parties to this Lease Agreement.

Rights and Remedies Cumulative

14.7 The rights and remedies provided by this Lease Agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive that party's right to use any or all other remedies. The rights and remedies provided in this Lease are in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

Attorneys' Fees and Costs

14.8 If, as a result of a breach of this Lease Agreement by either party, the other party employs an attorney or attorneys to enforce its rights under this Lease, then the breaching or defaulting party agrees to pay the other party the reasonable attorneys' fees and costs incurred to enforce the Lease.

Force Majeure

14.9 Neither Lessor nor Lessee shall be required to perform any term, condition, or covenant in this Lease so long as such performance is delayed or prevented by force majeure, which shall mean acts of God, strikes, lockouts, material or labor restrictions by any governmental authority, civil riot, floods, and any other cause not reasonably within the control of Lessor or Lessee and which by the exercise of due diligence Lessor or Lessee is unable, wholly or in part, to prevent or overcome.

Real Estate Commission and Finder's Fees

14.10 Neither Lessor nor Lessee has entered into any real estate commission or finder's fee

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agreements with any broker, agent or finder in respect of this transaction, and Lessor and Lessee each agree to indemnify and hold harmless the other from and against any and all claims, losses, damages, costs or expenses of any kind, or arrangement or understanding alleged to have been made by the indemnifying party or on its behalf with any broker, salesman or finder in connection with this Lease or the transactions contemplated hereby.

Estoppel Information

14.11 Lessee shall, at the request of Lessor, provide any and all information with respect to this Lease to any person designated by Lessor.

Time of Essence

14.12 Time is of the essence of this Lease Agreement.

Commitment of Current Revenues Only

14.13 In the event that, during any term hereof, the Commissioners Court does not appropriate sufficient funds to meet the obligations of Lessee under this Agreement, Lessee may terminate this Agreement upon sixty (60) days written notice to Lessor. Lessee 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 Lessee pursuant to the provisions of Tex. Loc. Govt. Code Ann. ' 271.903 (Vernon Supp. 1996).

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THE UNDERSIGNED Lessor and Lessee execute this Lease Agreement on the_____ day of

_____, 2012.

HIDALGO COUNTY

_____
Ramon Garcia, County Judge

VENDOR'S NAME

_____

APPROVED AS TO FORM:
Atlas & Hall, L.L.P.

_____
Stephen L. Crain

ATTEST:

_____
Arturo Guajardo Jr., County Clerk

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EXHIBIT "B"
BID PAGE
HIDALGO COUNTY – WIC PROGRAM
"LEASE OF OFFICE SPACE CITY OF EDINBURG
BID № 2012-052-05-23

Term:
The initial term of contract/lease is for a period of five (5) years with the County's option to renew for an additional two (2) one (1) year terms under same rates, terms and conditions.

OPENED
9:49
5/23/12
Witnessed

BID PRICE PER SQ. FT. $ .85

TOTAL MONTHLY AMOUNT: $ 2,550.00

TOTAL SQ. FT OF PROPOSED BUILDING: 3,000

LOCATION/ADDRESS OF PROPOSED BUILDING: 113 Dawson
Edinburg, Tx. 78539

PROPERTY ID AND/OR GEOGRAPHIC ID 561025

LEGAL DESCRIPTION OF PROPERTY Jackson Heights Lot 2 & UND 20% Lot 6

BIDDER/COMPANY NAME Dr. Ralph H. Jackson

ADDRESS 105 Dawson

CITY/STATE/ZIP CODE Edinburg, Tx 78539

PHONE № 956 383-8700 **FAX №** 956 380-1715

AUTHORIZED SIGNATURE Dr. Ralph H. Jackson

PRINTED NAME Ralph H. Jackson

TITLE Owner

EMAIL: drjack816@aol.com

EXHIBIT “C”

CERTIFICATE OF INSURANCE

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 05/21/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
BBVA COMPASS INS AGENCY INC
PO BOX 741568
DALLAS TX 75374 - 1568

CONTACT NAME:
PHONE (A/C, No, Ext):
FAX (A/C, No):
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : DEPOSITORS INSURANCE COMPANY	42587
INSURER B : AMCO INSURANCE COMPANY	19100
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
DR RALPH H JACKSON
DBA FAMILY OPTICAL AND EYECARE CENTERS
816 S MAIN ST
MCALLEN TX 78501 - 5028

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
B	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR [X] HA/NO 2,000,000 GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT [X] LOC			ACP BPO 7252416511	12/23/2011	12/23/2012	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 2,000,000 $ 300,000 $ 5,000 $ 2,000,000 $ 4,000,000 $ 4,000,000
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $
A	UMBRELLA LIAB [X] OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION $			ACP CAD 7252416511	12/23/2011	12/23/2012	EACH OCCURRENCE AGGREGATE	$ 2,000,000 $ 2,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICE/MEMBER EXCLUDED? Y / N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N / A				WC STATU-TORY LIMITS / OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ $

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Hired and Nonowned Auto coverage is provided for under the above listed General Liability policy $1,000,000 Each Common Cause / $2,000,000 Aggregate. Policy includes Professional Liability for Ralph Jackson, OD - $2,000,000 Occurrence / $6,000,000 Aggregate. Policy location(s): 816 S Main St, McAllen, TX 78501-5028, 105 Dawson St, Edinburg, TX 78539-6401, 113 Dawson St, Edinburg, TX 78539-6401, and 240 E Hidalgo Ave, Raymondville, TX 78580-2511. Should any of the above described policies be cancelled before the expiration date thereof, the insurer will endeavor to mail 30 days written notice to the certificate holder named to the left, but failure to do so shall impose no obligation or liability of any kind upon the insurer, its agents, or representatives.

CERTIFICATE HOLDER

Hidalgo County
Attn: Purchasing Department
2812 S Hwy Business 281
Edinburg TX 78539

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Abigail Arthur

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THE STATE OF TEXAS §
§
COUNTY OF HIDALGO §

LEASE
C-12-054-06-26

THIS LEASE is made and entered into by and between **Miguel L. Barboza Jr.** , referred to in this Lease as Lessor, and **THE COUNTY OF HIDALGO**, referred to in this Lease as Lessee.

In consideration of the mutual covenants and agreements set forth in this Lease, and other good and valuable consideration, Lessor demises and leases to Lessee, and Lessee leases from Lessor that certain real property described on Exhibit "A " attached hereto. The premises leased hereunder are referred to in this Lease as "the Premises" or "the Leased Premises." Lessee issued a Request for Bid in accordance with specification on the Request for Bid, and a copy of such as Request for Bid Procurement packet and Bid Page is (collectively the "RFB") attached hereto as Exhibit "B".

ARTICLE 1. TERM

Term of Lease

1.1 Except as otherwise herein provided, the term of this Lease shall be for three (3) years commencing on **July 12, 2012** (as hereinafter defined) and ending on **July 11, 2015** (as hereunder defined) unless sooner terminated or unless renewed and extended in accordance with Paragraph 1.2, hereof. The "Commencement Date" is the date the Premises are available for occupancy by Lessee, which date shall be ten(10) days following the date the Lessor provides Lessee written notice that the Lessor's negotiated remodeling obligation is complete. If the Premises are sold to an unrelated third party (not

affiliated by common ownership with Lessor) at a time when more than six (6) months remains on the unexpired portion of the term of this Lease, then the unexpired portion of this Lease may, at Lessee's option, be shortened to six (6) months from the date of such sale.

Renewal or Termination

1.2. Lessee shall have the right and option to renew and extend the term of this Lease for an additional one (1) year and additional sixty (60) day under the same rates, terms and conditions. If Lessee desires to renew and extend the term of this Lease for a renewal period, Lessee must give Lessor written notice of such renewal at least sixty (60) days prior to the termination of the initial lease term or any extension thereof. Any renewal or extension of this Lease shall be on the terms and conditions as provided herein. This Lease shall terminate and become null and void without further notice on the expiration of the term specified in Article 1.1, unless sooner terminated or renewed and extended in accordance with this Article 1.2; and any holding over by Lessee after the expiration of that term shall not constitute a renewal of the Lease or give Lessee any rights under the Lease in or to the Leased Premises.

Holdover

1.3 If Lessee holds over and continues in possession of the Leased Premises after expiration of the term of this Lease, Lessee will be deemed to be occupying the Premises on the basis of a month to month tenancy, subject to all of the terms and conditions of this Lease. The inclusion of this Article 1.2 shall not be construed as Lessor's consent for Lessee to hold over.

Termination

1.4 Lessee may declare this Lease, and all rights and interest created by it, to be terminated without cause upon giving the Lessor ninety (90) days written notice. Upon Lessee's electing to terminate, this Lease shall cease and come to an end as if the day of the termination party's election were the day originally fixed in the Lease for its expiration.

Lessor's Warranty of Quiet Enjoyment

1.5. Lessor covenants and agrees that Lessee on paying the rent and other charges herein provided for and observing and keeping the covenants, conditions, and terms of this Lease on Lessee's part to be kept or performed, shall lawfully and quietly hold, occupy, and enjoy the Leased Premises during the term of this Lease without hindrance or molestation by Lessor or any person claiming under Lessor except such portion of the Leased Premises, if any, as shall be taken under the power of eminent domain.

ARTICLE 2. RENT

Base Rent

2.1 Lessee agrees to pay to Lessor, during the term hereof, a monthly rental equal to three-thousand three hundred and seventy five dollars ($3,375.00) per month. In the event the Commencement Date is a day other than the first day of the month, the rent for the period from the commencement date to the last day of the month shall be prorated by dividing the monthly rental by thirty (30) days, and multiplying the result by the number of days remaining in the month that includes the Commencement Date.

Time and Manner of Payment

2.2 All rent due under this article shall be paid by Lessee on a monthly basis and

in advance, on the first business day of each month commencing on the Commencement Date. All installments of rent shall be paid in lawful money of the United States to the Lessor at 3519 West Main Avenue, Mission, Texas 78574 or such other location or locations as Lessor shall from time to time designate by written notice to Lessee. Any rent due for any partial month at the beginning or the end of the term hereof shall be prorated on the basis of a thirty (30) day month.

Taxes

2.3 Lessor is responsible for rendering and paying all real estate taxes on the Property. Lessee shall be responsible for taxes, if any, on Lessee's personal property located on the Premises.

ARTICLE 3. USE OF PREMISES

Permitted Use

3.1 Lessee may use the premises for office space and for any other lawful purpose.

Waste, Nuisance, or Illegal Use

3.2 Lessee shall not use, or permit the use of, the Premises in any manner that results in waste of the Premises or constitutes a nuisance or violates any statute, ordinance, rule or regulation applicable to the premises or for any illegal purpose.

ARTICLE 4. REPAIRS AND MAINTENANCE

4.1 Lessee shall be responsible for providing general janitorial service. Lessee shall be responsible for all repairs and maintenance in connection with damage to the Premises caused by Lessee's negligent used of Premises, and damage to fixtures and improvements resulting from negligent or willful acts of the Lessee, or the Lessee's employees, agents, licenses or invitees. In addition, Lessee shall repair all injury caused

by the installation or removal of furniture, fixtures or property permitted under this Lease to be removed from the Leased Premises. All such repairs shall be made in a good, workmanlike manner using high quality materials.

LESSOR'S AND LESSEE'S DUTIES TO REPAIR

4.2 Lessor shall maintain the foundation, roof, plumbing, heating, ventilation and air conditioning systems ("HVAC") and structural integrity of the Leased Premises and shall make all such necessary repairs to the foundation, roof plumbing, HVAC and structural integrity of the Leased Premises, except that Lessee shall make those repairs occasioned by Lessee's negligent use of the Leased Premises.

LESSOR'S DUTY

4.3 Lessor shall construct, repair and maintain the Leased Premises so that the Premises will have:

(1) Effective waterproofing and weather protection of the contents of the Leased Premises by watertight roof, exterior walls, windows, and doors.

(2) Plumbing facilities that conform to applicable law, maintained in good working order.

(3) A water supply approved under applicable law that is under the control of Lessee, capable of producing hot and cold running water, or a system that is under the control of Lessor that produces hot and cold running water furnished to Lessee and connected to a sewage disposal system conforming to applicable law.

(4) Heating, ventilation and air conditioning facilities conforming to applicable law which are more than adequate to heat, ventilate and air

condition the improvements on the Leased Premises, and are maintained in good-working order.

(5) Electrical lighting, with wiring and electrical equipment that conform to applicable law, maintained in good working order.

(6) Building, grounds, and appurtenances in every part clean, sanitary, and free from all accumulations of debris, and all areas under control of Lessor kept in every part clean, sanitary, and free from all accumulations of debris.

(7) Floor, stairways, and railings maintained in good repair.

(8) Landscaping (all greenery, watering, and maintenance).

(9) Parking Lot (including painting, striping, paving, etc.)

Lessee's Right to Repair for Lessor or Vacate

4.4 (a) If after Lessee's notice to Lessor of repairs or maintenance which Lessor has a duty to undertake, Lessor neglects to make such repairs within thirty (30) days following written notice from Lessee, Lessee may make the repairs itself. In such a case, Lessee may deduct the expenses of the repairs from further payment of rent, terminate this Lease Agreement as of the date Lessee vacates the Premises and any rental shall be abated for the unexpired term of this Lease.

(b) For purposes of this Section 4.4, if Lessor make repairs at least fifteen (15) days following the date of Lessee's notice to Lessor, it will be presumed to have act in a reasonable time.

ARTICLE 5. UTILITIES

Utility Charges

5.1 Lessee shall pay all utility charges, including but not limited to, electricity and

water, used in and about the Leased Premises during the term of this Lease, all such charges to be paid by Lessee directly to the utility company or municipality furnishing the same, before the same shall become delinquent.

ARTICLE 6. ALTERATIONS, ADDITIONS, AND IMPROVEMENTS

Consent of Lessor

6.1 Lessee shall not make any alterations, additions, or improvements to the Leased Premises without the prior written consent of Lessor. Consent for nonstructural alterations, additions, or improvements shall not be unreasonably withheld by Lessor.

Property of Lessor

6.2 All alterations, additions, or improvements made by Lessee shall become the property of Lessor at the termination of this Lease. Lessor may, however, require that Lessee remove any or all alterations, additions, and improvements installed or made by Lessee, and any other property placed on the Premises by Lessee, upon termination of the Lease. In the event that Lessor requires Lessee to remove such alterations, additions, or improvements, Lessee shall repair any damage to the Premises caused by such removal.

ARTICLE 7. SIGNS

Signs

7.1 Subject to the written approval of Lessor, and further subject to applicable laws, ordinances and regulations, Lessee shall have the right to install signs on the Leased Premises. Lessee must remove all signs at the termination of this Lease and repair any damage resulting from the erection or removal of the signs.

ARTICLE 8. MECHANIC'S LIEN

8.1 Lessee will not permit any mechanic's lien or liens to be placed upon the Leased Premises or improvements on the Premises, and if such lien is claimed as a result of the acts of Lessee, Lessee will promptly pay the lien. If default in payment of the lien continues for twenty (20) days after written notice from Lessor, Lessor may, at its option, pay the lien or any portion of it without inquiry as to its validity. Any amounts paid by the Lessor to remove a mechanic's lien caused to be filed against the Premises or improvements on the Premises by Lessee, including expenses and interest, shall be due from Lessee to Lessor and shall be repaid to Lessor immediately on rendition of notice, together with interest at ten percent (10%) per annum until repaid.

ARTICLE 9. INSURANCE AND INDEMNITY

Property Insurance

9.1 Lessor shall, at its own expense, during the term of this Lease, keep all buildings and improvements on the Leased Premises insured against loss or damage by fire with extended coverage to include direct loss by windstorm, hail, explosion, riot, or riot attending a strike, civil commotion, aircraft, vehicles, and smoke, in the aggregate amounts of not less than the full fair insurable value of the buildings and improvements. The insurance is to be carried by one or more insurance companies licensed to do business in Texas and approved by Lessee. The policies shall provide that any proceeds for loss or damage to buildings or to improvements shall be payable solely to Lessor, which sum Lessor shall use for repair and restoration purposes as provided herein. Lessee shall maintain all insurance on Lessee's personal property located within the Leased Premises and Lessee covenants and agrees that Lessor shall have no responsibility for damage or

destruction of Lessee's personal property located within the Leased Premises.

General Liability Insurance

9.2 **Lessor**. Lessor, at its own expense, shall provide and maintain in force during the term of this Lease, liability insurance with limits of at least Five Hundred Thousand Dollar ($500,000.00), naming Lessee as additional insured. Prior to occupancy of the Premises, Lessor shall provide Lessee with evidence of such insurance satisfying the insurance requirements stated in the RFB, such evidence of insurance is attached hereto as "Exhibit C."

9.3 **Lessee**. Lessee, at its own expense, shall provide and maintain in force during the term of this Lease, liability insurance in the amounts deemed adequate by Lessee.

Remedy for Failure to Provide Insurance

9.4 Lessor shall furnish Lessee with the original of all insurance policies required by this Article. If Lessor does not provide such policies or proof of such insurance within ten (10) days of the execution of this Lease, or if Lessor allows any insurance required under this Article to lapse after receipt of notice of cancellation or of non-renewal, or if Lessor fails to deliver proof of insurance showing coverages to Lessee prior to the effective date of such insurance and the original insurance policy within thirty (30) days thereafter, such failure shall be a default of Lessor under this Lease; or Lessee may, but shall not be required, to take out such insurance and pay the premiums on the necessary insurance to comply with Lessor's obligations under the provisions of this Article. Lessor agrees to reimburse Lessee all amounts spent by Lessor to procure and maintain such insurance within fifteen (15) days after demand from Lessor. Failure to pay such amount when due shall be a default of Lessor under this Lease.

ARTICLE 10. DAMAGE OR DESTRUCTION OF PREMISES

Notice to Lessor

10.1 If the Leased Premises, or any structures or improvements on the Leased Premises, should be damaged or destroyed by fire, tornado, or other casualty, Lessee shall give immediate written notice of the damage or destruction to Lessor, including a description of the damage and, as far as known to Lessee, the cause of the damage.

10.2 If the building on the Leased Premises should be totally destroyed by fire, tornado, or other casualty, or if it should be so damaged that rebuilding is necessary, this Lease Agreement, at the option of the Lessee, shall terminate and rent shall be abated for the unexpired portion of this Lease, effective as of the date of said occurrence.

10.3 If the Leased Premises should be damaged by fire, tornado, or other casualty, but not to such an extent that rebuilding or repairs can reasonably be completed with thirty (30) working days from the date of the occurrence of the damage, this Lease shall not terminate, but Lessor shall, if the casualty has occurred prior to the final six (6) months of the lease term, at Lessor's sole cost and risk proceed forthwith to rebuild or repair the Leased Premises to substantially the condition in which they existed prior to such damage. If the casualty occurs during the final six (6) months of the lease term, Lessor shall not be required to rebuild or repair such damage. If the Leased Premises are to be rebuilt or repaired and are untenantable in whole or in part following such damage, the rent payable hereunder during the period in which they are untenantable shall be adjusted equitably. Within thirty (30) working days from the date of the occurrence of the damage, Lessee may at its option terminate this Lease by written notification at such time to Lessor, whereon all rights and obligations hereunder shall cease.

ARTICLE 11. CONDEMNATION

Total Condemnation

11.1 If during the term of this Lease all of the Leased Premises should be taken for any public or quasi-public use under any governmental law, ordinance, or regulation, or by right of eminent domain, or should be sold to the condemning authority under threat of condemnation, the Lease shall terminate, and the rent shall be abated during the unexpired portion of this Lease, effective as of the date of the taking of the premises by the condemning authority.

Partial Condemnation

11.2 If less than all, but more than ten percent (10%) of the Leased Premises is taken for any public or quasi-public use under any governmental law, ordinance, or regulation, or by right of eminent domain, or should be sold to the condemning authority under threat of condemnation, Lessee may terminate the Lease by giving written notice to Lessor within thirty (30) days after possession of the condemned portion is taken by the entity exercising the power of condemnation.

If the Leased Premises are partially condemned and Lessee fails to exercise the option to terminate the Lease under this section, or if less than ten percent (10%) of the Leased Premises are condemned, this Lease shall not terminate, but Lessor may, at its sole expense, restore and reconstruct the building and other improvements situated on the Leased Premises to make them reasonably tenantable and suitable for the uses for which the Premises are Leased. The rent payable under Sections 2.1 of this Lease shall be decreased equitably during the period of such restoration or reconstruction.

Condemnation Award

11.3 Lessor and Lessee shall each be entitled to receive and retain such separate awards, and portions of lump sum awards, as may be allocated to their respective interest in

any condemnation proceedings. The termination of this Lease shall not affect the rights of the respective parties to such awards.

ARTICLE 12. DEFAULT

Default by Lessee

12.1 If Lessee shall allow the rent to be in arrears more than ten (10) days after written notice of such delinquency, or shall remain in default under any other condition of this Lease for a period of fifteen (15) days after written notice from Lessor, Lessor may at its option, without notice to Lessee, terminate this Lease or, in the alternative, Lessor may re-enter and take possession of the Premises and remove all persons and property without being deemed guilty of any manner of trespass and re-let the Premises, or any part of the Premises, for all or any part of the remainder of the Lease term, to a party satisfactory to Lessor and at such monthly rental as Lessor may with reasonable diligence be able to secure. Should Lessor be unable to relet after reasonable efforts to do so, or should such monthly rental be less than the rental Lessee was obligated to pay under this Lease, or any renewal of this Lease, plus the expense of reletting, then Lessee shall pay the amount of such deficiency plus reasonable attorney's fees to Lessor.

Default by Lessor

12.2 If Lessor defaults in the performance of any terms, covenants, or conditions required to be performed by it under this Lease, in addition to other remedies afforded Lessee under this Lease or at law, Lessee may elect that: Upon Lessee’s notice to Lessor of repairs or maintenance which Lessor has a duty to undertake, Lessor neglects to make such repairs within thirty (30) days following written notice from Lessee, Lessee may vacate the Premises, in which case it shall be discharged from further payment of rent, the performance of all other terms and conditions of this Lease, and this Lease shall terminate

as of the date Lessee vacates the Premises and any rental shall be abated for the unexpired term of this Lease.

Cumulative Remedies

12.4 All rights and remedies of Lessor and Lessee under this Article shall be cumulative, and none shall exclude any other right or remedy provided by law or by any other provision of this Lease. All such rights and remedies may be exercised and enforced concurrently and whenever, and as often, as occasion for their exercise arises.

Waiver of Breach

12.5 A waiver by either Lessor or Lessee of a breach of this Lease by the other party does not constitute a continuing waiver or a waiver of any subsequent breach of the Lease.

ARTICLE 13. ASSIGNMENT AND SUBLETTING

Assignment and Subletting by Lessee

13.1 Lessee may sublet, assign, encumber, or otherwise transfer this Lease, or any right or interest in this Lease or in the Leased Premises or the improvements on the Leased Premises, with the written consent of Lessor. If Lessee sublets, assigns, encumbers, or otherwise transfers its rights or interest in this Lease or in the Leased Premises or the improvements on the Leased Premises, other than as specified herein, without the written consent of Lessor, Lessor may, at its option, declare this Lease terminated and Lessee and Lessor shall have no further obligation to each other under this Lease. In the event Lessor consents in writing to an assignment, sublease or other transfer of all or any of Lessee's rights under this Lease, the assignee or sublessee, must assume all of Lessee's obligations under this Lease, and Lessee shall remain liable for every obligation under the Lease.

Lessor's consent under this section will not be arbitrarily or unreasonably withheld.

Assignment by Lessor

13.2 Lessor may assign or transfer any or all of its interests under the terms of this Lease.

ARTICLE 14. MISCELLANEOUS

Notices and Addresses

14.1 All notices required under this Lease will be deemed delivered when deposited in certified or registered mail, addressed to the proper party, at the following addresses:

Lessor:	Lessee:
Miguel L. Barboza Jr.	County of Hidalgo
3711 E. Main Avenue	Attn: County Judge
Alton, Texas 78573	1615 S. Closner, Suite J
	Edinburg, Texas 78539

Either party may change the address to which notices are to be sent it by giving the other party written notice of the new address in the manner provided in this section.

Parties Bound

14.2 This Lease Agreement shall be binding upon, and inure to the benefit of, the parties to the Lease and their respective heirs, executors, administrators, legal representatives, successors and assigns when permitted by this Lease Agreement.

Texas Law to Apply

14.3 This Lease Agreement shall be construed under, and in accordance with, the laws of the State of Texas, and all obligations of the parties created by this Lease are performable in Hidalgo County, Texas.

Legal Construction

14.4 In case any one or more of the provisions contained in this Lease Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of the Lease Agreement, and this Lease Agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been included in the Lease Agreement.

Prior Agreements Superseded

14.5 This Lease Agreement constitutes the sole and only agreement of the parties and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter of this Lease Agreement.

Amendment

14.6 No amendment, modification, or alteration of the terms of this Lease Agreement shall be binding unless it is in writing, dated subsequent to the date of this Lease Agreement, and duly executed by the parties to this Lease Agreement.

Rights and Remedies Cumulative

14.7 The rights and remedies provided by this Lease Agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive that party's right to use any or all other remedies. The rights and remedies provided in this Lease are in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

Attorneys' Fees and Costs

14.8 If, as a result of a breach of this Lease Agreement by either party, the other party employs an attorney or attorneys to enforce its rights under this Lease, then the

breaching or defaulting party agrees to pay the other party the reasonable attorneys' fees and costs incurred to enforce the Lease.

Force Majeure

14.9 Neither Lessor nor Lessee shall be required to perform any term, condition, or covenant in this Lease so long as such performance is delayed or prevented by force majeure, which shall mean acts of God, strikes, lockouts, material or labor restrictions by any governmental authority, civil riot, floods, and any other cause not reasonably within the control of Lessor or Lessee and which by the exercise of due diligence Lessor or Lessee is unable, wholly or in part, to prevent or overcome.

Real Estate Commission and Finder's Fees

14.10 Neither Lessor nor Lessee has entered into any real estate commission or finder's fee agreements with any broker, agent or finder in respect of this transaction, and Lessor and Lessee each agree to indemnify and hold harmless the other from and against any and all claims, losses, damages, costs or expenses of any kind, or arrangement or understanding alleged to have been made by the indemnifying party or on its behalf with any broker, salesman or finder in connection with this Lease or the transactions contemplated hereby.

Estoppel Information

14.11 Lessee shall, at the request of Lessor, provide any and all information with respect to this Lease to any person designated by Lessor.

Time of Essence

14.12 Time is of the essence of this Lease Agreement.

Commitment of Current Revenues Only

14.13 In the event that, during any term hereof, the Commissioners Court does not appropriate sufficient funds to meet the obligations of Lessee under this Agreement, Lessee may terminate this Agreement upon sixty (60) days written notice to Lessor. Lessee 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 Lessee pursuant to the provisions of Tex. Loc. Govt. Code Ann. ' 271.903 (Vernon Supp. 1996).

THE UNDERSIGNED Lessor and Lessee execute this Lease Agreement on the ____ day of _____, 2012.

HIDALGO COUNTY

Ramon Garcia, County Judge

VENDOR'S NAME

Miguel L. Barboza Jr.

APPROVED AS TO FORM:
Atlas & Hall, L.L.P.

Stephen L. Crain

ATTEST:

Arturo Guajardo Jr., County Clerk

EXHIBIT “A”

LEGAL DESCRIPTION

LEGAL DESCRIPTION

LOT NINETEEN (19) LA HOMA GROVES SUBDIVISION UNIT 6, AN ADDITION TO THE CITY OF MISSION, HIDALGO COUNTY, TEXAS AS PER MAP OR PLAT THEROF RECORDED IN VOLUME 31, PAGE 89, MAP RECORDS, HIDALGO COUNTY, TEXAS.

EXHIBIT “B”

REQUEST FOR BID (RFB)
&
BID PAGE

Hidalgo County Purchasing Department
2812 S. Business Highway 281
Edinburg, Texas 78539
(956) 318-2626/ Fax: (956) 318-2629

REQUEST FOR BIDS (RFB)

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HIDALGO COUNTY-WIC PROGRAM

"LEASE OF OFFICE SPACE- CITY OF ALTON "
RFB № 2012-054-05-23-YZV

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3.	Exhibit A, Specifications/Requirements	4
4.	Exhibit B, Bid Page	1
5.	Exhibit C, Insurance Requirements,	4
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The above mentioned items shall be found in the Request for Bid (RFB) packet that is attached herewith. Should you find that any of the items are not attached in its entirety please contact Purchasing by calling (956) 318-2626, advise of missing documentation, and Purchasing will forward information either through facsimile or by U.S. Mail.

Thank you.

Martha L. Salazar, CPPB, Purchasing Agent

May 07, 2012
Date

PURCHASING DEPARTMENT
County Of Hidalgo

May 07, 2012

RE: Hidalgo County-WIC Program Request for Bids – **"LEASE OF OFFICE SPACE-CITY OF ALTON"**
RFB Nº 2012-054-05-23-YZV

Dear Sir/Madam:

Enclosed please find a Request for Bid (RFB) packet for your review and consideration.

Hidalgo County Purchasing Department welcomes and appreciates your participation in the bid process.

If any further assistance is required, please do not hesitate to call the Purchasing Department 956/318-2626.

Sincerely,

Martha L. Salazar, CPPB
Hidalgo County Purchasing Agent
MLS/yzv

Enclosures

2812 S. Business Highway 281 ★ Edinburg, Texas 78539 ★ (956) 318-2626 ★ Fax (956) 318-2629

REQUEST FOR BIDS (RFB)

HIDALGO COUNTY-WIC PROGRAM

"LEASE OF OFFICE SPACE- CITY OF ALTON"

RFB NO: 2012-054-05-23-YZV

Acceptance Due Date: **MAY 23, 2012**

Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department

Project Buyer Contact Information:

Yolanda Velasquez, Buyer III
(956) 292-7000 Ext. 4881
yolanda.velasquez@co.hidalgo.tx.us

Form HCPD-03

1. Sealed bids will be received for **"HIDALGO COUNTY-WIC PROGRAM- LEASE OF OFFICE SPACE- CITY OF ALTON"** in accordance with the specifications attached as Exhibit "A" hereto. Bids should address all specifications set forth. Bidders may suggest substitutions of features which they feel would be in the best interest of Hidalgo County ("County"). Strong rationale must be presented for any deviation from the specifications. Hidalgo County reserves the right to reject the deviation and its effect on the overall bid.

2. One (1) original and Three (3) copies of all bids are required with the bidders name and return address clearly typed/printed on upper left hand corner and the proper notation clearly typed/printed on the lower left hand corner of the envelope and/or package: **"BID-2012-054-05-23-YZV- HIDALGO COUNTY–WIC PROGRAM- LEASE OF OFFICE SPACE CITY OF ALTON"** and in County's Purchasing Department, physical address: 2802 S. Business Hwy 281, mailing address 2812 S. Business 281 New Administration Building,, Edinburg, Texas, **on or before 9:30 a.m., WEDNESDAY, MAY 23, 2012.**

   NO FACSIMILES OR LATE ARRIVALS WILL BE ACCEPTED. ANY RFB RECEIVED AFTER THAT TIME WILL NOT BE OPENED AND WILL BE RETURNED. OVERNIGHT MAIL MUST ALSO BE PROPERLY LABELED ON THE OUTSIDE OF EXPRESS ENVELOPE OR PACKAGE WITH REFERENCE TO "REQUEST FOR BIDS -2012-054-05-23-YZV HIDALGO COUNTY-WIC PROGRAM – LEASE OF OFFICE SPACE – CITY OF ALTON". Hidalgo County reserves the right to refuse and reject any/all RFB and to waive any/all formalities or technicalities, or to accept the RFB considered the best and most advantageous to Hidalgo County

3. Hidalgo County reserves the right to: A. separate and accept, or eliminate any item(s) listed under this bid that it deems necessary to accommodate budgetary and/or operational requirements; B. reject any or all bids submitted and further reserves the right to design the evaluation criteria to be used in selecting the lowest and best bid for approval; and C. award the bid to one bidder or to multiple bidders if the County determines it is in its best interest to do so."

4. The Bidder shall not substitute items named in the bid without the express written consent of Hidalgo County. Failure of the delivered item(s) to perform as specified, or failure to meet the stated delivery schedule shall release Hidalgo County from all obligations to the contracting party with regard to the item(s) in question. In such event, County may elect to award the contract to the next-lowest responsible bidder, or to reject all bids and re-advertise.

5. For work to be performed at a County owned or operated location, each bidder shall, in its sole discretion, visit the job site before preparing the bid and thoroughly familiarize himself/herself with existing conditions. Bidder should take field dimensions and note all circumstances which affect the dollar amount of the bid.

6. Descriptive specifications are referenced in this document to indicate the general kind and quality of equipment desired by Hidalgo County. Due to various styles and models

of equipment, bidders are required to include illustrations, specifications, explanation of warranties, and service data with their bid including catalogue numbers and any necessary references.

7. No bid may be withdrawn within thirty (30) days from the scheduled time to open bids.

8. Proposed prices are to remain firm for a minimum of ninety (90) days after bid opening.

9. Any interpretations, amendments, corrections or changes to this bid document must be in a written addendum and signed by the County Judge or his designee. Addenda will be mailed to all who are known to have received a copy of the Request for Bids. Bidders shall acknowledge receipt of all addenda as a part of their bid.

10. County reserves the right to accept or reject any or all bids.

11. Costs are to be net F.O.B., County Prepaid.

12. County is exempt from Federal Excise Tax, State Tax and Local Tax. Do Not include tax in cost figure. If it is determined that tax was included in the cost figures it will not be included in the tabulation of any awards. Tax exemption certificates will be furnished upon request.

13. Funds for this procurement have been provided through the County budget for this fiscal year only. County, on an annual basis, has the right to reconsider a contract during the budget process for ensuing years if financial resources of County are insufficient to meet the liabilities of said contract. The award of a bid or contract hereunder will not be construed to create a debt of the County which is payable out of funds beyond the current fiscal year.

14. Upon award and prior to execution of a contract, Sole Proprietorships are required to submit a copy of their social security cards to the Hidalgo County Auditor's Office in order to establish an account with the County. All awarded vendors must submit a completed W-9 and a copy o their Federal ID Number Certificate.

15. DELIVERY INSTRUCTIONS:

- No deliveries accepted after 3:00 P.M., Monday-Friday.

- At least seventy two (72) hours prior notice of delivery must be given to Martha L. Salazar, Purchasing Agent before delivery will be accepted.

- If you need additional information call the office listed below:

Hidalgo County Purchasing Department
Martha L. Salazar, Purchasing Agent
(956) 318-2626

16. BILLING AND PAYMENT INSTRUCTIONS:

- Invoices must include:
  a) Name and address of successful bidder

b) Name and address of receiving department or official
c) Purchase Order Number (if any)
d) Notation - **BID-2012-054-05-23-YZV- HIDALGO COUNTY–WIC PROGRAM – LEASE OF OFFICE SPACE CITY OF ALTON"**
Descriptive information as to the items or services delivered, including product code, item number, quantity, etc.

. Discount payments will be considered when offered.

. Contact person for Billing and Payment questions:

Hidalgo County WIC Program
Attn: Margarita Gonzalez
3105 W. University Dr.
Edinburg, TX. 78539
(956) – 381-4646

17. Schedule of Events

Bid Opening	**9:30 AM**	**MAY 23, 2012**
Award of Contract		_____, 2012
Commence Work or Deliver Products		_____, 2012

HIDALGO COUNTY APPROVED HOLIDAYS

2012 YEAR	
New Year's Day	12/30/11 and 01/02/12
Martin Luther King Day	01/16/12
President's Day	02/20/12
Good Friday	04/06/12
Easter	04/09/12
Memorial Day	05/28/12
Independence Day	07/04/12
Labor Day	09/03/12
Columbus Day	10/08/12
Veteran's Day	11/12/12
Thanks Giving Day	11/22/12 and 11/23/12
Christmas Day	12/24/12 and 12/25/12

18. Bid or Performance Bond and Debarment Certification; Payment Under Contract:

. If the contract proposed is for the construction of public works or is for a contract for goods & services exceeding $100,000, all bidders shall furnish a good and sufficient bid bond in the amount of five percent of the total contract price. A bid bond must be executed with a surety company authorized to do business in Texas. All bidders are also required to furnish a certification or acknowledgment stating that the contractor or vendor is free from suspension or debarment pursuant to federal regulation 45CFR Part 76.

. Together with the signing of a contract or issuance of a purchase order following the acceptance of a bid, and prior to commencement of the actual work, the bidder shall furnish a performance bond to the County for the full amount of the contract, if that contract exceeds $50,000.

. If the contract is for $50,000 or less, no money will be paid to the contractor until completion and acceptance of the work or the fulfillment of the purchase obligation to the County, and, if applicable, the receipt by County of satisfactory evidence that all subcontractors and material men have been paid.

. If a contract is for the construction, alteration or repair of public buildings or public works, the contractor *shall* provide a payment bond for a contract in excess of Twenty Five Thousand Dollars ($25,000.00), as required by Tex. Govt. Code Ch. 2253.

. For requirements contracts, bond requirements are determined by applying the proposed unit price to the estimated quantities included in the specifications.

19. Ethical Standards:

. It shall be a breach of ethics to offer, give or agree to give any elected official, department head or employee, or former elected official, department head or employee, of the County, or for any elected official, department head or employee or former elected official, department head or employee of the County, to solicit, demand, accept or agree to accept from another person, entity or organization, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore pending before any department or agency of the County.

. It shall be a breach of ethics for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor for any contract for the County, or any person associated therewith, as an inducement for the award of a subcontract or order.

. No public official shall have an interest in a contract awarded hereunder except in accordance with Tex. Loc. Govt. Code Chapter 171.

- NOTICE:
  ALL COMMUNICATIONS BY A VENDOR TO THE COUNTY, ITS OFFICIALS, AND DEPARTMENT HEADS REGARDING THIS PROCUREMENT SHALL BE DONE THROUGH THE HIDALGO COUNTY PURCHASING DEPARTMENT.

  No vendor, its representative, agent, or employee shall engage in private communication with a member of the Hidalgo County Commissioners Court or county department heads

regarding any procurement of goods or services by the County from the date that the bid, RFP, or RFQ is released. No private communication regarding the purchase shall be permitted until the procurement process is complete and a purchase order is granted or a contract is entered into. Members of the commissioners court are required to make a reasonable effort to inform themselves regarding potential procurements and have a duty to inquire of vendors, their representatives or employees, the nature of any private communication being sought prior to engaging in any communication. "Private Communication" means communication with any vendor outside of a posted meeting of the governing body, a regular meeting of a standing or appointed committee, or a negotiation with a vendor which has been specifically authorized by the governing body.

20. Disclosure of Conflict of Interest

. Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor, person, consultant or contractor considering doing business with Hidalgo County ("the County") to disclose in the Conflict of Interest Questionnaire (the "CIQ") attached as Exhibit D, the vendor, person, consultant or contractor's affiliation or business relationship that might cause a conflict of interest with the County. By law, the CIQ must be filed with the Hidalgo County Clerk's Office no later than the seventh business day after the date the person becomes aware of facts that require that statement to be filed. The disclosure requirement applies to a person or business who contracts or seeks to contract with Hidalgo County for the sale or purchase of property, goods or service. Any purchase order or contract resulting from this process shall be considered null and void if the successful bidder fails to comply with Texas Local Government Code Chapter 176. Vendors, consultants, contractors and others who desire to conduct business with Hidalgo County are encouraged to refer to Texas Local Government Code Chapter 176 for the details of this law. An offense under Texas Local Government Code Chapter 176 is a Class C Misdemeanor.

Please Submit completed CIQ forms to the Hidalgo County Clerk's Office located at 100 N. Closner, Edinburg, Texas 78539-Hidalgo County Courthouse **COMPLETION AND SUBMISSION OF FORM CIQ IS THE SOLE RESPONSIBILITY OF THE PROSPECTIVE BIDDER.**

21. If, during the life of any contract or bid awarded, the successful bidder's net prices generally available to other customers for items awarded herein are reduced below the contracted price, it is understood and agreed that the benefits of such reduction shall be extended to County.

22. Bids, and all goods and services provided thereunder, shall comply with all federal, state and local laws concerning this type(s) of goods and/or services

23. Minimum Standards For Responsible Prospective Bidders: A prospective bidder must affirmatively demonstrate bidder's responsibility. A prospective bidder, by submitting a bid, represents to County that it meets the following requirements:

. **Possess and submit a Certificate of Account Status indicating bidder is in "Good Standing" with the Texas Comptroller of Public Accounts if such bidder is incorporated in the State of Texas. If the bidder is not incorporated**

with the Texas, the bidder must submit the appropriate evidence of filing with the Texas Secretary of State stating that the business is authorized to transact business in Texas.

- Possess or is able to obtain adequate financial resources as required to perform under the bid;
- Be able to comply with the required or proposed delivery schedule;
- Have a satisfactory record of performance;
- Have a satisfactory record of integrity and ethics;
- Be otherwise qualified and eligible to receive an award.

24. Successful bidder will pay or cause to be paid, without cost or expenses to County, all FICA, FUTA/SUTA and Federal Income Withholding Taxes of all employees, and all wages and benefits as required by Federal or State law. Successful bidder's officers, agents and/or employees will not be entitled to any benefits of an employee or elected official of County, including, but not limited to, benefits associated with County's civil service system.

25. Any contract award to a successful bidder will be in effect until (a) the contract expires, (b) delivery and acceptance of products, and/or performance of services ordered, or (c) terminated by County with thirty day's written notice prior to cancellation.

26. County reserves the right to enforce performance of any contract awarded hereunder in any manner prescribed by law or deemed to be in the best interest of the County in the event of breach or default by successful bidder; County reserves the right to terminate any contract immediately in the event a successful bidder fails to:

    A. Meet schedules;
    B. Pay any required fees or taxes; or
    C. Otherwise perform in accordance with the specifications.

27. Successful bidder shall defend, indemnify and save harmless County and all its elected officials, officers, agents and employees from all suits, actions, or other claims of any character, name and description brought for or on account of any injuries or damages received or sustained by any person, persons, or property on account of any negligent act or fault of the successful bidder, or of any agent, employee, subcontractor or supplier of successful bidder in the execution of, or performance under, any contract which may result from bid award or which arises from any event or casualty happening on or within County premises themselves or happening upon or in any halls, elevators, entrances, stairways or approaches of or to such County facilities. Successful bidder shall pay any judgment with costs which may be obtained against County growing out of such injury or damages, and shall, upon request, provide a defense to County by counsel reasonably acceptable to County. Successful bidder’s indemnity hereunder shall include, but is not limited to, claims relating to patent, copyright or trademark infringement, and the like, arising out of the goods and services provided by successful bidder.

28. Successful bidder shall warrant that all items/services shall conform with the specifications and/or all warranties provided under the Uniform Commercial Code and be free from all defects in material, workmanship and the like. Items supplied under a contract pursuant to this Request for Bids shall be subject to County's approval. Items found to be defective or not meeting specifications shall be replaced by successful bidder within two business days at no expense to County. Items not picked up within one (1)

week after notification shall be deemed a donation to County and may be used or disposed of at County's discretion and without waiver of any other rights of County as to the item's nonconformity.

29. ***Vendors hereby assigns to purchaser any and all claims for overcharges associated with this contract which arise under the antitrust laws of the United States, 15 USCA, Section 1 et. seq., and which arise under the antitrust laws of the State of Texas, Bus. & Com. Code, Section 15.01, et. seq.***

30. This document and any disputes arising hereunder shall be governed and construed according to the laws of the State of Texas, and will be performable exclusively in Hidalgo County, Texas.

31. The successful bidder shall not assign, sell, transfer or convey its rights under any awarded contract, in whole or in part, without the prior written consent of County.

Bid
for

HIDALGO COUNTY-WIC PROGRAM
"LEASE OF OFFICE SPACE-CITY OF ALTON"

BID No. -2012-054-05-23-YZV

To: Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
2802 S. Bus. Hwy. 281
Edinburg, Texas 78539

In accordance with the Specifications, and subject to all laws and regulations of the United States and state and local laws, the undersigned bidder proposes and commits to furnish all labor, equipment, material, software and services as set forth in the documents hereinbefore mentioned. The undersigned bidder further agrees, upon acceptance of its bid, to execute a contract and/or Purchase Order issued by Hidalgo County for performing and completing the work described in the Specifications within the time stated and for the prices proposed in the documents attached hereto and made a part hereof.

Bidder acknowledges receipt of all of the pages of the documents referenced in the Invitation to Bid Checklist presented in connection with this procurement. Bidder understands that Hidalgo County reserves the right to reject any or all bids and further reserves the right to design the evaluation criteria to be used in selecting the lowest and best bid.

Bidder agrees that this bid shall be good and may not be withdrawn for a period of ninety (90) calendar days after the scheduled closing time for receiving bids, as contained in the Specifications.

Respectfully submitted,

Bidder: _____

Address: _____

By: _____

Printed Name: _____

Title: _____

EXHIBIT "A"
HIDALGO COUNTY-WIC OFFICE
"LEASE OF OFFICE SPACE FOR WIC Clinic - CITY OF ALTON"
RFB NO.: 2012-054-05-23-YZV

SCOPE OF WORK:
Hidalgo County is seeking bidders to establish a contract for "**Lease of Office Space in the City of Alton"** The proposed building should be in good habitable condition and shall consist as follows:

SPECIFICATIONS:

1. Proposed office space should be located within the following Parameter: **Five (5) Mile Line and within one (1) mile radius from La Homa Road in the City of Alton.**

2. Said office space shall have the designated rooms or areas for conducting WIC functions:

   - Waiting Area
   - Nutrition Education Classroom
   - Computer Area
   - Lab Lactation Room
   - File Room
   - Reception Area
   - Counseling Room
   - Screening Room
   - Lounge Area
   - Two (2) Storage Rooms

3. The proposed office building shall consist of a **minimum of 2,800 square feet to a maximum of 4,000 square feet** of available tile floor space to perform WIC services.

4. Building must be well insulated with an ERA rating of minimum of eleven (11).

5. **Bidder shall charge by the square foot for the rental of space on a monthly basis.** The bid should reflect the actual square feet of the building being proposed.

6. The proposed bid premises will comply with all federal, state and local laws, ordinance and codes at the time of occupancy (examples: fire extinguisher, ADA).

7. The building must meet all American with Disabilities Act (ADA) accessibility requirements for all entrances, restrooms (men and women) and shall be fully handicap accessible for all parking areas.

8. Building premises must have handicapped accessible restroom facilities for both men and women and separate restroom facilities for employees.

9. The public parking lot must consist of at least twenty (20) parking spaces should made available with at least two (2) designated handicap parking spaces, with ramp access available from such spaces and 12 parking spaces for staff should be available leading to the building.

10. Bid premises shall have electricity, water, sewer central air and heating of the entire building and includes garbage pickup.

11. Lessor will be responsible for electrical, painting, keeping building free mold at all times and central air and cooling maintenance.

12. Building should have a minimum of three (3) fire extinguishers or amount required by the City Fire code under federal, state, local and building codes and regulations. Floor area exits or exit access doorways must comply with the City Fire Code under federal, state and local building codes and regulations.

13. Building shall be safe from rodents and insects prior to occupancy by Hidalgo County – WIC Program Staff. It will be the Lessor's responsibility for the expense of the pest control services throughout the term of this contract.

14. Lessor must provide documented proof that the building is asbestos free.

15. The complete space will be inspected by WIC Program Director, before lease contract is in place, in order to verify status and kind of business activity within the building.

16. An existing building must be ready for occupancy with all the specifications completed and in compliance with the Americans with Disabilities Act, ninety (90) days from the date of the awarding of the bid.

17. The floor plans of the building will be constructed according to the WIC Director. If present building needs renovations; the renovation work will be made by Lessor and the Lessor's cost and work must be completed ninety (90) days from the date of contract/lease award and execution of the contract/lease or the award will become void/null.

18. Any and all repairs will be done on a timely manner as prioritized by Hidalgo County.

REQUIREMENTS:

The awarded bidder shall adhere to the following insurance requirements.

1. Bidder shall maintain liability insurance on the proposed building. Bidder shall also maintain insurance against fire, accident and natural disaster. Bidder shall maintain liability insurance on the premises as described and listed in Insurance Requirements (Exhibit "C").

2. Property insurance policy shall provide that any proceeds for loss or damage to buildings or to improvements shall be payable solely to Lessor, which sum Lessor shall use to repair and restoration purpose.

3. Certificates of insurance shall be submitted to Hidalgo County Purchasing Department for approval prior to rental services being performed by Lessor hereunder.

4. Each policy of insurance required hereunder shall extend for a period equivalent to or longer than the term of this Lease, and any insurer hereunder shall be required to give at least thirty (30) days written notice to the County prior to cancellation of any such

coverage on the termination date or otherwise the lease shall be automatically suspended upon the cancellation or other termination of required policy of insurance hereunder.

5. Provide the **legal description** of the property along with your bid and include a proposed "Floor Plan Layout" of your facility.

6. Hidalgo County is requesting that all interested vendor(s) submitting bids for this project, **must provide the following:**

    a) Property ID number and/or Geographic ID number
    b) Legal Description as listed in your local Hidalgo County District for proposed property.

TERM AND CONDITIONS:

1. The initial term of the contract/lease shall be for a period of three (3) years with the County's option to renew contract for one (1) additional year under the same rates, terms and conditions. Lease will have a sixty (60) day cancellation clause.

2. Hidalgo County reserves the right to continue this bid for an additional sixty (60) day grace period at the end of the contract term for unforeseen delay in award of new bid for next contract.

3. If a new building is to be constructed, there should be a completion date of approximately one hundred and twenty (120) days from date bid was awarded. If completion date is not met, bid will become void/null.

4. After bid is awarded and successful awarded contractor defaults in meeting the general instructions to bidder(s) and/or in complying with the contract agreement, Hidalgo County reserves the right to seek the services of the next lowest bidder(s). In such event, Hidalgo County shall charge the successful bidder the difference for any additional cost to the County.

5. All cost and expenses associated with the preparation and submission of bids proposals and/or quotes shall be the responsibility of the bidder and no reimbursement for such charges or expenses shall be passed onto Hidalgo County.

6. Hidalgo County reserves the right to hold bids for a period of ninety (90) days without taking any action.

7. Any contract awarded to a successful bidder will be in effect until:
    (a) The contract expires
    (b) Delivery and acceptance of products and/or performance of service ordered, or
    (c) Terminated by County with sixty (60) day written notice prior to cancellation.

8. The successful bidder will indemnify and hold harmless the County, and its officers, officials, and employees, agents and attorneys for any and all claims and expenses arising out of or related to the performance of the contract awarded pursuant hereto.

ADDITIONAL INFORMATION:
Hidalgo County is requesting that any and all questions, inquiries and clarifications regarding quotes, bids, proposals or statements of qualifications be addressed to Martha L. Salazar, CPPB, Purchasing Agent, 2812 South Business Hwy. 281, Edinburg, Texas 78539. **TELEPHONE INQUIRIES WILL NOT BE ACCEPTED.**

ALL WRITTEN INQUIRIES WILL BE ACCEPTED VIA FACSIMILE TO (956) 292-7612 **OR VIA E-MAIL TO** yolanda.velasquez@co.hidalgo.tx.us **BY NO LATER THAN Wednesday, May 16, 2012.** Responses to said inquiries will be sent to applicants via facsimile by no later than, **Friday, May 18, 2012.**

PLEASE PROVIDE THE LEGAL DESCRIPTION OF THE PROPERTY ALONG WITH YOUR BID

EXHIBIT "B"
BID PAGE

HIDALGO COUNTY – WIC PROGRAM
"LEASE OF OFFICE SPACE CITY OF ALTON
BID № 2012-054-05-23

Term:
The initial term of contract/lease is for a period of three (3) years with the County's option to renew for an additional one (1) year term under same rates, terms and conditions.

BID PRICE PER SQ. FT. **$** _____

TOTAL MONTHLY AMOUNT: **$** _____

TOTAL SQ. FT OF PROPOSED BUILDING: _____

LOCATION/ADDRESS OF PROPOSED BUILDING: _____

_____

PROPERTY ID AND/OR GEOGRAPHIC ID _____

LEGAL DESCRIPTION OF PROPERTY _____

_____

BIDDER/COMPANY NAME _____

ADDRESS _____

CITY/STATE/ZIP CODE _____

PHONE № _____ **FAX №** _____

AUTHORIZED SIGNATURE _____

PRINTED NAME _____

TITLE _____

EMAIL: _____

EXHIBIT "C"
Insurance Requirements

The Bidder awarded the contract shall furnish proof of insurance, which will also include any subcontractor that is subcontracted by the bidder in at least the following limits, to be in place prior to providing any services under this Contract and to continue at all times in force in effect during the term of this Contract:

1. A Five Hundred Thousand Dollar ($500,000.00) Comprehensive General Liability insurance policy providing additional coverage to all underlying liabilities of County.

2. Automobile liability insurance policy with limits of at least Three Hundred Thousand Dollars ($300,000.00) per person and Five Hundred Thousand Dollars ($500,000.00) per occurrence. Coverage should include injury to or death of persons and property damage claims with limits up to Five Hundred Thousand ($500,000.00) arising out of the services provided to County hereunder.

3. Uninsured/Underinsured motorist coverage in an amount equal to the bodily injury limits set forth immediately above;

4. Workers compensation insurance in amounts established by Texas law, unless the Bidder is specifically exempted from the Texas Workers Compensation Act, Texas Labor Code Chapter 401, et. seq.

Hidalgo County will only accept certificates of insurance on an Acord form (as attached hereto). Certificates of insurance shall name Hidalgo County as additional insured and must be submitted to County for approval prior to any services being performed by Contractor. Each policy of insurance required hereunder shall extend for a period equivalent to, or longer than the term of the Contract, and any insurer hereunder shall be required to give at least thirty (30) days written notice to the County prior to the cancellation of any such coverage on the termination date, or otherwise. This Contract shall be automatically suspended upon the cancellation, or other termination, of any required policy of insurance hereunder, and such suspension shall continue until evidence adequate replacement coverage is provided to County. If replacement coverage is not provided within thirty (30) days following suspension of the Contract, this Contract shall automatically terminate.

Revised 10/01/08

ACORD CERTIFICATE OF INSURANCE

DATE (MM/DD/YY)

PRODUCER	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
	INSURERS AFFORDING COVERAGE
INSURED	INSURER A:
	INSURER B:
	INSURER C:
	INSURER D:
	INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THER TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	**GENERAL LIABILITY** ☐ COMMERCIAL GENERAL LIABILITY ☐ ☐ CLAIMS MADE OCCUR ☐ OWNER'S & CONT. PROT ☐ OWNER'S PROTECTIVE LIABILITY GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY PROJECT ☐ LOC				EACH OCCURRENCE	$
					FIRE DAMAGE (Any one fire)	$
					MED (Any one person)	$
					PERS & ADV INJURY	$
					AL AGGREGATE	$
					ODUCTS – COMP/OP GG	$
B	**AUTOMOBILE LIABILITY** ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident)	$
					BODILY INJURY (Per person)	$
					BODILY INJURY (Per accident)	$
					PROPERTY DAMAGE (Per accident)	$
	GARAGE LIABILITY ☐ ANY AUTO				AUTO ONLY-EA ACCIDENT	$
					OTHER THAN AUTO ONLY EA ACC	$
					AGG	$
C	**EXCESS LIABILITY** ☐ OCCUR ☐ CLAIMS MADE ☐ DEDUCTIBLE ☐ RETENTION $				EACH OCCURENCE	$
					AGGREGATE	$
						$
						$
						$
D	**WORKERS COMPENSATION AND EMPLOYER'S LIABILIT**				WC STATU-TORY LIMITS ☐ OTHER	
					E.L. EACH ACCIDENT	$
					E.L. DISEASE-EA EMPLOYEE	$
					E.L. DISEASE-POLICY LIMIT	$
	OTHER					

DESCRIPTION OF OPERATIONS / LOCATION / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

County of Hidalgo shall be named as additional insured on all Commercial General Liability policies.

CERTIFICATE HOLDER	ADDITIONAL INSURED; INSURER LETTER: _____ CANCELLATION
Hidalgo County **Attn: Purchasing Department** **2812 S Highway Bus. 281** **Edinburg, Texas 78539**	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BY CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL ***30*** DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE

SAMPLE

Insurance Requirement Acknowledgment

I, _____, authorized representative for_____
Company/Vendor

hereby acknowledge receipt of the County's required insurance limits. Said requirements:

☐ will be acquired within 10 working days after notification from Purchasing Department of bid awarded by the Hidalgo County Commissioners= Court;

☐ will acquire additional amounts required to meet the County's requirements within 10 working days after notification from Purchasing Department of bid award by the Hidalgo County Commissioners= Court; currently carry the following:

Automobile Liability: $_____ General Liability: $_____

☐ have already been met, see attached copy of insurance certificate.

_____ _____
Authorized Representative Date

Notice to Bidder:
A certificate of insurance for the required insurance limits shall be provided to the Purchasing
Department's Contract Managers in order to qualify for award of bid and to execute a contract
between your Company and the County

Failure to provide Certificates of Insurance to the Purchasing Department's Contract Managers will cause the bid award to be rescinded and re-awarded to next lowest bidder. Certificates of Insurance will be monitored and verified on a **quarterly basis** to ensure coverage policy is in place. It is the Company=s obligation to maintain the appropriate insurance coverage throughout the term of the contract.

THIS FORM MUST ACCOMPANY BID PACKET

PROJECT REQUIREMENTS ACKNOWLEDGMENT

This is to certify that I, _____, possess all of the APPLICABLE:

1. Licenses: _____
2. Bonds: _____
3. Certificates: _____
4. Permits: _____
5. Other: _____

necessary to carry out the required project. Furthermore, I am providing copies of the required documentation so that, if my company is awarded this bid, I may be eligible to enter into a contract with Hidalgo County and proceed to complete the project in a timely manner.

* Any licenses, bonds, certificates, permits, etc. which are required must be presented as part of the bid packet in order to expedite the bid evaluation process. Failure to provide said documentation will result in the disqualification of your bid.

_____ _____

Authorized Signature Date

_____

Company

_____

Address

_____

City, State, Zip

EXHIBIT "D"

CONFLICT OF INTEREST QUESTIONNAIRE — FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. *See* Section 176.006, Local Government Code.

A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

OFFICE USE ONLY
Date Received

1 **Name of person who has a business relationship with local governmental entity.**

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3 **Name of local government officer with whom filer has employment or business relationship.**

_____
Name of Officer

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

☐ Yes ☐ No

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

☐ Yes ☐ No

D. Describe each employment or business relationship with the local government officer named in this section.

4

_____ _____
Signature of person doing business with the governmental entity Date

Adopted 06/29/2007

HIDALGO COUNTY
PURCHASING DEPARTMENT
Bidder/Vendor Application

Complete in print or type. Please return this application to the Hidalgo County Purchasing Department
thru Facsimile: (956) 318-2629 or (956) 292-7612
in person or regular mail to:
Mailing/Postal Address: 2812 S. Business Hwy. 281
Physical Address: 2802 S. Business Hwy. 281
Edinburg, Texas 78539
or e-mail: purchasing@co.hidalgo.tx.us

Company Name: **Telephone No. ( )**

dba Name:

Legal Name:

Mailing Address: **Fax No. ( )**

Physical Address:

City, State, Zip **Tax I.D. No.**

Remit to Address : **City, State, Zip**

E-Mail Address:

Representative(s) Name(s) & Title(s)

Type of Organization (check one): _____ **Individual** _____ **Partnership** _____ **Corporation** _____**Non-Profit**
_____ **LLC** _____ **Sole Proprietor** _____ **Other, Specify**
State Identification No._____ **(Please attached completed W-9 form with this application)**
Federal Identification No. or (if individual) SS No.

State of Incorporation: _____ **Date:**_____ **Other:**

Type of Business (check one): _____ **Manufacturer** _____ **Wholesaler** _____ **Retailer** _____ **Broker**
_____ **Distributor** _____ **Service Organization** _____ **Other, Specify**

Name & Title of Person(s) Authorized to Sign Bids, Proposals, and/or Contracts:

Small and/or Disadvantaged Business Information (check application criteria)

Small Business:	**Disadvantaged Business (At Least 51% Ownership)**	
☐ Less than 125,000 annual gross receipt	☐ Black American	☐ Native American
☐ Less than 250,000 annual gross receipt	☐ Hispanic American	☐ Women
☐ Less than 499,000 annual gross receipt	☐ Asian Pacific American	☐ Other
☐ More than 500,000 annual gross receipt		

Have you been certified as a HUB or an MBE/WBE source?: ☐ Yes ☐ No

Indicate Certification No.(s):_____ **or are Certificate(s) attached?:** ☐ Yes ☐ No

What type of product(s) is/are solicited by your company?:

Would you like to be provided with specifications for procurements of such products?: ☐ Yes ☐ No

To Be Completed by the County: Rec'd by (Purchasing):_____ **Date Rec'd by (Purchasing):**

Date Forwarded Information to Auditor's Office:_____**Entry Date:** _____ **Vendor No.:**

HISTORICALLY UNDERUTILIZED BUSINESS (HUB) DECLARATION

The primary objective of the Hidalgo County HUB Program is to ensure Historically Underutilized Businesses receive a fair and equal opportunity for participation in the County's procurement process. This fact holds true for Services (Professional & Non-Professional), Commodities, and Construction contracts and any subcontracts thereto. The program strongly encourages Prime Contractors to provide subcontracting opportunities to Certified Hub Contractors/Vendors. Our goal for HUB contractor/vendor participation, as well as HUB subcontractor participation is 30%. To be considered as a "Certified HUB Contractor/Vendor" the contractor/vendor must have been certified by, and hold a current and valid certification with any of the three agencies listed below.

Have you been Certified as a HUB or an MBE/WBE source?: ☐Yes ☐ No

If yes, by whom?: ☐ Texas Building & Procurement Commission ☐ Other_____

Indicate Certification No(s).:_____ or Are Certificate(s) Attached?: ☐ Yes ☐ No

LIST OF CERTIFIED HUB SUBCONTRACTORS

(Attach additional pages if necessary)

What percentage of the Bid, RFP, or RFQ is to be subcontracted with Certified HUB sources?: _____%
(List HUB Subcontractor information below).

HUB Subcontractor Name: _____ HUB Status:
Certifying Agency (Check all applicable): ☐Texas Building & Procurement Commission ☐ other
Address: _____ City: _____ State: _____ Zip:
Contact Person: _____ Title: _____ Phone No.: ( )
Subcontract Amount: $_____ Description of Work to be Performed:

HUB Subcontractor Name: _____ HUB Status:
Certifying Agency (Check all applicable): ☐Texas Building & Procurement Commission ☐ other
Address: _____ City: _____ State: _____ Zip:
Contact Person: _____ Title: _____ Phone No.: ( )
Subcontract Amount: $_____ Description of Work to be Performed:

HUB Subcontractor Name: _____ HUB Status:
Certifying Agency (Check all applicable): ☐Texas Building & Procurement Commission ☐ other
Address: _____ City: _____ State: _____ Zip:
Contact Person: _____ Title: _____ Phone No.: ( )
Subcontract Amount: $_____ Description of Work to be Performed:

Form **W-9**
(Rev. January 2011)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type See **Specific Instructions** on page 2.

Name (as shown on your income tax return)

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification (required): ☐ Individual/sole proprietor ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶

☐ Other (see instructions) ▶

☐ Exempt payee

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number

			–		–				

Employer identification number

		–							

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here **Signature of U.S. person ▶** **Date ▶**

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,

2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line.

Disregarded entity. Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income will be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a domestic owner, the domestic owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, you must complete an appropriate Form W-8.

Note. Check the appropriate box for the federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the tax classification in the space provided. If you are an LLC that is treated as a partnership for federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/ disregarded entity name" line.

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the "Business name/ disregarded entity name," sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),

2. The United States or any of its agencies or instrumentalities,

3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,

4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or

5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,

7. A foreign central bank of issue,

8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,

9. A futures commission merchant registered with the Commodity Futures Trading Commission,

10. A real estate investment trust,

11. An entity registered at all times during the tax year under the Investment Company Act of 1940,

12. A common trust fund operated by a bank under section 584(a),

13. A financial institution,

14. A middleman known in the investment community as a nominee or custodian, or

15. A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 5 and 7 through 13. Also, C corporations.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over $600 required to be reported and direct sales over $5,000 [1]	Generally, exempt payees 1 through 7 [2]

[1] See Form 1099-MISC, Miscellaneous Income, and its instructions.

[2] However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at *www.ssa.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/businesses* and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: *A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.*

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, below, and items 4 and 5 on page 4 indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt Payee* on page 3.

Signature requirements. Complete the certification as indicated in items 1 through 3, below, and items 4 and 5 on page 4.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account [1]
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor [2]
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee [1]
b. So-called trust account that is not a legal or valid trust under state law	The actual owner [1]
5. Sole proprietorship or disregarded entity owned by an individual	The owner [3]
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	**Give name and EIN of:**
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity [4]
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

[4] List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

***Note.** Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov.* You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: *spam@uce.gov* or contact them at *www.ftc.gov/idtheft* or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

Certification
Regarding Debarment, Suspension and Ineligibility

As is required by the Federal Regulations Implementing Executive Order 12549, Debarment and Suspension, 45 CFR Part 76, Government-wide Debarment and Suspension, the applicant certifies, to the best of his or her knowledge and belief, that both it and its principals:

a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency;

b. Have not within a three-year period preceding this bid proposal and/or application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

c. Are not presently indicted for or otherwise criminally or civilly charged by a government entity with commission of any of the offenses enumerated herein; and

d. Have not within a three-year period preceding this bid proposal and/or application had one or more public transactions terminated for cause or default.

Signature:_____
Print Name:_____
Title:_____
Telephone Number:_____
Date:_____

If the bidder is unable to certify to all of the statements in this Certification, such bidder should attach an explanation to this proposal.

THE STATE OF TEXAS §
§
COUNTY OF HIDALGO §

LEASE
C-12-054-00-00

THIS LEASE is made and entered into by and between **VENDOR'S NAME**, referred to in this Lease as Lessor, and **THE COUNTY OF HIDALGO**, referred to in this Lease as Lessee.

In consideration of the mutual covenants and agreements set forth in this Lease, and other good and valuable consideration, Lessor demises and leases to Lessee, and Lessee leases from Lessor that certain real property described on Exhibit "A " attached hereto. The premises leased hereunder are referred to in this Lease as "the Premises" or "the Leased Premises." And in accordance with specification on the Request for Bid (RFB), A copy of such as Request for Bid (RFB) Procurement packet and Bid Page attached hereto as Exhibtit "B".

DRAFT

ARTICLE 1. TERM

Term of Lease

1.1 Except as otherwise herein provided, the term of this Lease shall be for three (3) years commencing on **July 12, 2012** (as hereinafter defined) and ending on **July 11, 2015** (as hereunder defined) unless sooner terminated or unless renewed and extended in accordance with Paragraph 1.2, hereof. The "Commencement Date" is the date the Premises are available for occupancy by Lessee, which date shall be ten(10) days following the date the Lessor provides Lessee written notice that the Lessor's negotiated remodeling obligation is complete. If the Premises are sold to an unrelated third party (not affiliated by common ownership with Lessor) at a time when

more than six (6) months remains on the unexpired portion of the term of this Lease, then the unexpired portion of this Lease may, at Lessee's option, be shortened to six (6) months from the date of such sale.

Renewal or Termination

1.2. Lessee shall have the right and option to renew and extend the term of this Lease for an additional one (1) year and additional sixty (60) day under the same rates, terms and conditions. If Lessee desires to renew and extend the term of this Lease for a renewal period, Lessee must give Lessor written notice of such renewal at least sixty (60) days prior to the termination of the initial lease term or any extension thereof. Any renewal or extension of this Lease shall be on the terms and conditions as provided herein. This Lease shall terminate and become null and void without further notice on the expiration of the term specified in Article 1.1, unless sooner terminated or renewed and extended in accordance with this Article 1.2; and any holding over by Lessee after the expiration of that term shall not constitute a renewal of the Lease or give Lessee any rights under the Lease in or to the Leased Premises.

Holdover

1.3 If Lessee holds over and continues in possession of the Leased Premises after expiration of the term of this Lease, Lessee will be deemed to be occupying the Premises on the basis of a month to month tenancy, subject to all of the terms and conditions of this Lease. The inclusion of this Article 1.2 shall not be construed as Lessor's consent for Lessee to hold over.

Termination

1.4 Lessee may declare this Lease, and all rights and interest created by it, to be

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terminated without cause upon giving the Lessor ninety (90) days written notice. Upon Lessee's electing to terminate, this Lease shall cease and come to an end as if the day of the termination party's election were the day originally fixed in the Lease for its expiration.

Lessor's Warranty of Quiet Enjoyment

1.5. Lessor covenants and agrees that Lessee on paying the rent and other charges herein provided for and observing and keeping the covenants, conditions, and terms of this Lease on Lessee's part to be kept or performed, shall lawfully and quietly hold, occupy, and enjoy the Leased Premises during the term of this Lease without hindrance or molestation by Lessor or any person claiming under Lessor except such portion of the Leased Premises, if any, as shall be taken under the power of eminent domain.

ARTICLE 2. RENT

Base Rent

2.1 Lessee agrees to pay to Lessor, during the term hereof, a monthly rental equal to _____($_____) per month. In the event the Commencement Date is a day other than the first day of the month, the rent for the period from the commencement date to the last day of the month shall be prorated by dividing the monthly rental by thirty (30) days, and multiplying the result by the number of days remaining in the month that includes the Commencement Date.

Time and Manner of Payment

2.2 All rent due under this article shall be paid by Lessee on a monthly basis and in advance, on the first business day of each month commencing on the Commencement Date. All

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installments of rent shall be paid in lawful money of the United States to the Lessor at _____ _____or such other location or locations as Lessor shall from time to time designate by written notice to Lessee. Any rent due for any partial month at the beginning or the end of the term hereof shall be prorated on the basis of a thirty (30) day month.

Taxes

2.3 Lessor is responsible for rendering and paying all real estate taxes on the Property. Lessee shall be responsible for taxes, if any, on Lessee's personal property located on the Premises.

ARTICLE 3. USE OF PREMISES

Permitted Use

3.1 Lessee may use the premises for office space and for any other lawful purpose.

Waste, Nuisance, or Illegal Use

3.2 Lessee shall not use, or permit the use of, the Premises in any manner that results in waste of the Premises or constitutes a nuisance or violates any statute, ordinance, rule or regulation applicable to the premises or for any illegal purpose.

ARTICLE 4. REPAIRS AND MAINTENANCE

4.1 Lessee shall be responsible for providing general janitorial service. Lessee shall be responsible for all repairs and maintenance in connection with damage to the Premises caused by Lessee's negligent used of Premises, and damage to fixtures and improvements resulting from negligent or willful acts of the Lessee, or the Lessee's employees, agents, licenses or invitees. In addition, Lessee shall repair all injury caused by the installation or removal of furniture, fixtures or property permitted under this Lease to be removed from the Leased Premises. All such repairs shall be made in a good, workmanlike manner using high quality materials.

LESSOR'S AND LESSEE'S DUTIES TO REPAIR

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4.2 Lessor shall maintain the foundation, roof, plumbing, heating, ventilation and air conditioning systems ("HVAC") and structural integrity of the Leased Premises and shall make all such necessary repairs to the foundation, roof plumbing, HVAC and structural integrity of the Leased Premises, except that Lessee shall make those repairs occasioned by Lessee's negligent use of the Leased Premises.

LESSOR'S DUTY

4.3 Lessor shall construct, repair and maintain the Leased Premises so that the Premises will have:

(1) Effective waterproofing and weather protection of the contents of the Leased Premises by watertight roof, exterior walls, windows, and doors.

(2) Plumbing facilities that conform to applicable law, maintained in good working order.

(3) A water supply approved under applicable law that is under the control of Lessee, capable of producing hot and cold running water, or a system that is under the control of Lessor that produces hot and cold running water furnished to Lessee and connected to a sewage disposal system conforming to applicable law.

(4) Heating, ventilation and air conditioning facilities conforming to applicable law which are more than adequate to heat, ventilate and air condition the improvements on the Leased Premises, and are maintained in good-working order.

(5) Electrical lighting, with wiring and electrical equipment that conform to applicable law, maintained in good working order.

(6) Building, grounds, and appurtenances in every part clean, sanitary, and free

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from all accumulations of debris, and all areas under control of Lessor kept in every part clean, sanitary, and free from all accumulations of debris.

(7) Floor, stairways, and railings maintained in good repair.

(8) Landscaping (all greenery, watering, and maintainance).

(9) Parking Lot (including painting, striping, paving, etc.)

Lessee's Right to Repair for Lessor or Vacate

4.4 (a) If after Lessee's notice to Lessor of repairs or maintenance which Lessor has a duty to undertake, Lessor neglects to make such repairs within thirty (30) days following written notice from Lessee, Lessee may make the repairs itself. In such a case, Lessee may deduct the expenses of the repairs from further payment of rent, terminate this Lease Agreement as of the date Lessee vacates the Premises and any rental shall be abated for the unexpired term of this Lease.

(b) For purposes of this Section 4.4, if Lessor make repairs at least fifteen (15) days following the date of Lessee's notice to Lessor, it will be presumed to have act in a reasonable time.

ARTICLE 5. UTILITIES

Utility Charges

5.1 Lessee shall pay all utility charges, including but not limited to, electricity and water, used in and about the Leased Premises during the term of this Lease, all such charges to be paid by Lessee directly to the utility company or municipality furnishing the same, before the same shall become delinquent.

ARTICLE 6. ALTERATIONS, ADDITIONS, AND IMPROVEMENTS

Consent of Lessor

6.1 Lessee shall not make any alterations, additions, or improvements to the Leased

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Premises without the prior written consent of Lessor. Consent for nonstructural alterations, additions, or improvements shall not be unreasonably withheld by Lessor.

Property of Lessor

6.2 All alterations, additions, or improvements made by Lessee shall become the property of Lessor at the termination of this Lease. Lessor may, however, require that Lessee remove any or all alterations, additions, and improvements installed or made by Lessee, and any other property placed on the Premises by Lessee, upon termination of the Lease. In the event that Lessor requires Lessee to remove such alterations, additions, or improvements, Lessee shall repair any damage to the Premises caused by such removal.

ARTICLE 7. SIGNS

Signs

7.1 Subject to the written approval of Lessor, and further subject to applicable laws, ordinances and regulations, Lessee shall have the right to install signs on the Leased Premises. Lessee must remove all signs at the termination of this Lease and repair any damage resulting from the erection or removal of the signs.

ARTICLE 8. MECHANIC'S LIEN

8.1 Lessee will not permit any mechanic's lien or liens to be placed upon the Leased Premises or improvements on the Premises, and if such lien is claimed as a result of the acts of Lessee, Lessee will promptly pay the lien. If default in payment of the lien continues for twenty (20) days after written notice from Lessor, Lessor may, at its option, pay the lien or any portion of it without inquiry as to its validity. Any amounts paid by the Lessor to remove a mechanic's lien caused to be filed against the Premises or improvements on the Premises by Lessee, including expenses and interest,

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shall be due from Lessee to Lessor and shall be repaid to Lessor immediately on rendition of notice, together with interest at ten percent (10%) per annum until repaid.

ARTICLE 9. INSURANCE AND INDEMNITY

Property Insurance

9.1 Lessor shall, at its own expense, during the term of this Lease, keep all buildings and improvements on the Leased Premises insured against loss or damage by fire with extended coverage to include direct loss by windstorm, hail, explosion, riot, or riot attending a strike, civil commotion, aircraft, vehicles, and smoke, in the aggregate amounts of not less than the full fair insurable value of the buildings and improvements. The insurance is to be carried by one or more insurance companies licensed to do business in Texas and approved by Lessee. The policies shall provide that any proceeds for loss or damage to buildings or to improvements shall be payable solely to Lessor, which sum Lessor shall use for repair and restoration purposes as provided herein. Lessee shall maintain all insurance on Lessee's personal property located within the Leased Premises and Lessee covenants and agrees that Lessor shall have no responsibility for damage or destruction of Lessee's personal property located within the Leased Premises.

General Liability Insurance

9.2 **Lessor**. Lessor, at its own expense, shall provide and maintain in force during the term of this Lease, liability insurance with limits of at least Five Hundred Thousand Dollar ($500,000.00), naming Lessee as additional insured. Prior to occupancy of the Premises, Lessor shall provide Lessee with evidence of such insurance satisfying the insurance requirements stated in the RFB, such evidence of insurance is attached hereto as “Exhibit C.”

9.3 **Lessee**. Lessee, at its own expense, shall provide and maintain in force during the term

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of this Lease, liability insurance in the amounts deemed adequate by Lessee.

Remedy for Failure to Provide Insurance

9.4 Lessor shall furnish Lessee with the original of all insurance policies required by this Article. If Lessor does not provide such policies or proof of such insurance within ten (10) days of the execution of this Lease, or if Lessor allows any insurance required under this Article to lapse after receipt of notice of cancellation or of non-renewal, or if Lessor fails to deliver proof of insurance showing coverages to Lessee prior to the effective date of such insurance and the original insurance policy within thirty (30) days thereafter, such failure shall be a default of Lessor under this Lease; or Lessee may, but shall not be required, to take out such insurance and pay the premiums on the necessary insurance to comply with Lessor's obligations under the provisions of this Article. Lessor agrees to reimburse Lessee all amounts spent by Lessor to procure and maintain such insurance within fifteen (15) days after demand from Lessor. Failure to pay such amount when due shall be a default of Lessor under this Lease.

ARTICLE 10. DAMAGE OR DESTRUCTION OF PREMISES

Notice to Lessor

10.1 If the Leased Premises, or any structures or improvements on the Leased Premises, should be damaged or destroyed by fire, tornado, or other casualty, Lessee shall give immediate written notice of the damage or destruction to Lessor, including a description of the damage and, as far as known to Lessee, the cause of the damage.

10.2 If the building on the Leased Premises should be totally destroyed by fire, tornado, or other casualty, or if it should be so damaged that rebuilding is necessary, this Lease Agreement, at the option of the Lessee, shall terminate and rent shall be abated for the unexpired portion of this Lease, effective as of the date of said occurrence.

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10.3 If the Leased Premises should be damaged by fire, tornado, or other casualty, but not to such an extent that rebuilding or repairs can reasonably be completed with thirty (30) working days from the date of the occurrence of the damage, this Lease shall not terminate, but Lessor shall, if the casualty has occurred prior to the final six (6) months of the lease term, at Lessor's sole cost and risk proceed forthwith to rebuild or repair the Leased Premises to substantially the condition in which they existed prior to such damage. If the casualty occurs during the final six (6) months of the lease term, Lessor shall not be required to rebuild or repair such damage. If the Leased Premises are to be rebuilt or repaired and are untenantable in whole or in part following such damage, the rent payable hereunder during the period in which they are untenantable shall be adjusted equitably. In the working days from the date of the occurrence of the damage, Lessee may at its option terminate this Lease by written notification at such time to Lessor, whereon all rights and obligations hereunder shall cease.

ARTICLE 11. CONDEMNATION

Total Condemnation

11.1 If during the term of this Lease all of the Leased Premises should be taken for any public or quasi-public use under any governmental law, ordinance, or regulation, or by right of eminent domain, or should be sold to the condemning authority under threat of condemnation, the Lease shall terminate, and the rent shall be abated during the unexpired portion of this Lease, effective as of the date of the taking of the premises by the condemning authority.

Partial Condemnation

11.2 If less than all, but more than ten percent (10%) of the Leased Premises is taken for any public or quasi-public use under any governmental law, ordinance, or regulation, or by right of

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eminent domain, or should be sold to the condemning authority under threat of condemnation, Lessee may terminate the Lease by giving written notice to Lessor within thirty (30) days after possession of the condemned portion is taken by the entity exercising the power of condemnation.

If the Leased Premises are partially condemned and Lessee fails to exercise the option to terminate the Lease under this section, or if less than ten percent (10%) of the Leased Premises are condemned, this Lease shall not terminate, but Lessor may, at its sole expense, restore and reconstruct the building and other improvements situated on the Leased Premises to make them reasonably tenantable and suitable for the uses for which the Premises are Leased. The rent payable under Sections 2.1 of this Lease shall be decreased equitably during the period of such restoration or reconstruction.

Condemnation Award

11.3 Lessor and Lessee shall each be entitled to receive and retain such separate awards, and portions of lump sum awards, as may be allocated to their respective interest in any condemnation proceedings. The termination of this Lease shall not affect the rights of the respective parties to such awards.

ARTICLE 12. DEFAULT

Default by Lessee

12.1 If Lessee shall allow the rent to be in arrears more than ten (10) days after written notice of such delinquency, or shall remain in default under any other condition of this Lease for a period of fifteen (15) days after written notice from Lessor, Lessor may at its option, without notice to Lessee, terminate this Lease or, in the alternative, Lessor may re-enter and take possession of the Premises and remove all persons and property without being deemed guilty of any manner of trespass and re-let the Premises, or any part of the Premises, for all or any part of the remainder of the Lease

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term, to a party satisfactory to Lessor and at such monthly rental as Lessor may with reasonable diligence be able to secure. Should Lessor be unable to relet after reasonable efforts to do so, or should such monthly rental be less than the rental Lessee was obligated to pay under this Lease, or any renewal of this Lease, plus the expense of reletting, then Lessee shall pay the amount of such deficiency plus reasonable attorney's fees to Lessor.

Default by Lessor

12.2 If Lessor defaults in the performance of any terms, covenants, or conditions required to be performed by it under this Lease, in addition to other remedies afforded Lessee under this Lease or at law, Lessee may elect that: Upon Lessee's notice to Lessor of repairs or maintenance which Lessor has a duty to undertake, Lessor neglects to make such repairs within thirty (30) days following written notice from Lessee, Lessee may vacate the Premises, in which case it shall be discharged from further payment of rent, the performance of all other terms and conditions of this Lease, and this Lease shall terminate as of the date Lessee vacates the Premises and any rental shall be abated for the unexpired term of this Lease.

Cumulative Remedies

12.4 All rights and remedies of Lessor and Lessee under this Article shall be cumulative, and none shall exclude any other right or remedy provided by law or by any other provision of this Lease. All such rights and remedies may be exercised and enforced concurrently and whenever, and as often, as occasion for their exercise arises.

Waiver of Breach

12.5 A waiver by either Lessor or Lessee of a breach of this Lease by the other party does not constitute a continuing waiver or a waiver of any subsequent breach of the Lease.

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ARTICLE 13. ASSIGNMENT AND SUBLETTING

Assignment and Subletting by Lessee

13.1 Lessee may sublet, assign, encumber, or otherwise transfer this Lease, or any right or interest in this Lease or in the Leased Premises or the improvements on the Leased Premises, with the written consent of Lessor. If Lessee sublets, assigns, encumbers, or otherwise transfers its rights or interest in this Lease or in the Leased Premises or the improvements on the Leased Premises, other than as specified herein, without the written consent of Lessor, Lessor may, at its option, declare this Lease terminated and Lessee and Lessor shall have no further obligation to each other under this Lease. In the event Lessor consents in writing to an assignment, sublease or other transfer of all or any of Lessee's rights under this Lease, the assignee or sublessee, must assume all of Lessee's obligations under this Lease, and Lessee shall remain liable for every obligation under the Lease. Lessor's consent under this section will not be arbitrarily or unreasonably withheld.

Assignment by Lessor

13.2 Lessor may assign or transfer any or all of its interests under the terms of this Lease.

ARTICLE 14. MISCELLANEOUS

Notices and Addresses

14.1 All notices required under this Lease will be deemed delivered when deposited in certified or registered mail, addressed to the proper party, at the following addresses:

Lessor:

Lessee:
County of Hidalgo
Attn: County Judge
1615 S. Closner, Suite J
Edinburg, Texas 78539

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Either party may change the address to which notices are to be sent it by giving the other party written notice of the new address in the manner provided in this section.

Parties Bound

14.2 This Lease Agreement shall be binding upon, and inure to the benefit of, the parties to the Lease and their respective heirs, executors, administrators, legal representatives, successors and assigns when permitted by this Lease Agreement.

Texas Law to Apply

14.3 This Lease Agreement shall be construed under, and in accordance with, the laws of the State of Texas, and all obligations of the parties created by this Lease are performable in Hidalgo County, Texas.

Legal Construction

14.4 In case any one or more of the provisions contained in this Lease Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of the Lease Agreement, and this Lease Agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been included in the Lease Agreement.

Prior Agreements Superseded

14.5 This Lease Agreement constitutes the sole and only agreement of the parties and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter of this Lease Agreement.

Amendment

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14.6 No amendment, modification, or alteration of the terms of this Lease Agreement shall be binding unless it is in writing, dated subsequent to the date of this Lease Agreement, and duly executed by the parties to this Lease Agreement.

Rights and Remedies Cumulative

14.7 The rights and remedies provided by this Lease Agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive that party's right to use any or all other remedies. The rights and remedies provided in this Lease are in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

Attorneys' Fees and Costs

14.8 If, as a result of a breach of this Lease Agreement by either party, the other party employs an attorney or attorneys to enforce its rights under this Lease, then the breaching or defaulting party agrees to pay the other party the reasonable attorneys' fees and costs incurred to enforce the Lease.

Force Majeure

14.9 Neither Lessor nor Lessee shall be required to perform any term, condition, or covenant in this Lease so long as such performance is delayed or prevented by force majeure, which shall mean acts of God, strikes, lockouts, material or labor restrictions by any governmental authority, civil riot, floods, and any other cause not reasonably within the control of Lessor or Lessee and which by the exercise of due diligence Lessor or Lessee is unable, wholly or in part, to prevent or overcome.

Real Estate Commission and Finder's Fees

14.10 Neither Lessor nor Lessee has entered into any real estate commission or finder's fee agreements with any broker, agent or finder in respect of this transaction, and Lessor and Lessee each

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agree to indemnify and hold harmless the other from and against any and all claims, losses, damages, costs or expenses of any kind, or arrangement or understanding alleged to have been made by the indemnifying party or on its behalf with any broker, salesman or finder in connection with this Lease or the transactions contemplated hereby.

Estoppel Information

14.11 Lessee shall, at the request of Lessor, provide any and all information with respect to this Lease to any person designated by Lessor.

Time of Essence

14.12 Time is of the essence of this Lease Agreement.

Commitment of Current Revenues Only

14.13 In the event that, during any term hereof, the Commissioners Court does not appropriate sufficient funds to meet the obligations of Lessee under this Agreement, Lessee may terminate this Agreement upon sixty (60) days written notice to Lessor. Lessee 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 Lessee pursuant to the provisions of Tex. Loc. Govt. Code Ann. ' 271.903 (Vernon Supp. 1996).

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THE UNDERSIGNED Lessor and Lessee execute this Lease Agreement on the_____ day of _____, 2011.

HIDALGO COUNTY

_____
Ramon Garcia, County Judge

APPROVED AS TO FORM:
Atlas & Hall, L.L.P.

_____
Stephen L. Crain

VENDOR'S NAME

_____

ATTEST:

_____
Arturo Guajardo Jr., County Clerk

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EXHIBIT "B"
BID PAGE

HIDALGO COUNTY – WIC PROGRAM
"LEASE OF OFFICE SPACE CITY OF ALTON
BID № 2012-054-05-23

Term:
The initial term of contract/lease is for a period of three (3) years with the County's option to renew for an additional one (1) year term under same rates, terms and conditions.

OPENED
9:45
5/23/12
Witnessed

BID PRICE PER SQ. FT. $ 0.90

TOTAL MONTHLY AMOUNT: $ 3,375.00

TOTAL SQ. FT OF PROPOSED BUILDING: 3,750

LOCATION/ADDRESS OF PROPOSED BUILDING: 3519 W. main ave, Mission TX 78574

* optional 900 additional sq. ft. @ .90¢ sq. ft. for a total of 4,650 sq. ft.

PROPERTY ID AND/OR GEOGRAPHIC ID 5 mile line & La Homa

LEGAL DESCRIPTION OF PROPERTY La Homa Groves UT 6 Lot 19

BIDDER/COMPANY NAME Miguel L. Barboza Jr.

ADDRESS 3711 E. main ave

CITY/STATE/ZIP CODE Alton TX 78573

PHONE № 956-585-6167 **FAX №** 956-583-3999

AUTHORIZED SIGNATURE Miguel L. Barboza Jr.

PRINTED NAME Miguel L. Barboza Jr.

TITLE Owner

EMAIL: mapainting service @ att.net

EXHIBIT “C”

CERTIFICATE OF INSURANCE

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 5/8/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME: Cynthia Savage
BSB Ins/FIATx, LLC PO Box 911 Belton TX 76513	PHONE (A/C, No, Ext): (254) 933-1333 FAX (A/C, No): (254) 933-1339 E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: West American Insurance Company	44393
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED
Miguel Barboza

3711 E Main Ave

Alton TX 78573

COVERAGES **CERTIFICATE NUMBER:** Cert ID 4926 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC	Y		BKW53699481	1/1/2012	1/1/2013	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 100,000 $ 10,000 $ 1,000,000 $ 1,000,000 $ 1,000,000
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS HIRED AUTOS SCHEDULED AUTOS NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $
	UMBRELLA LIAB OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION $						EACH OCCURRENCE AGGREGATE	$ $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ $ $
								$ $

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Property located at 3519 W Main Ave, Mission, TX

CERTIFICATE HOLDER

The Hidalgo County WIC Program

2812 South Business Hwy 281

Edinburg TX 78539

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Cynthia K Savage

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From: Yvette Islas
To: yolanda.velasquez@co.hidalgo.tx.us; "Martha Salazar"
Subject: FW: Lease
Date: Tuesday, June 19, 2012 10:44:11 AM
Attachments: ~max0003.PDF
Importance: High

Ms Marty,
This is Ms. Yoli's project, I have forwarded the last 2 messages you sent me.
yvette

Ms. Yoli,
Please see attached, Ms Marty has asked that you make changes and attach so she can move item on.
yvette

From: Martha Salazar [mailto:martha.salazar@co.hidalgo.tx.us]
Sent: Tuesday, June 19, 2012 10:25 AM
To: 'Yvette Islas'
Subject: FW: Lease
Importance: High

Same as before, Mr.Yvette
Marty

From: Stephen L. Crain [mailto:scrain@atlashall.com]
Sent: Tuesday, June 19, 2012 8:16 AM
To: 'Martha Salazar'
Subject: Lease

Good morning Marty,

Attached are pages 2 and 10 of the lease, please make changes.

Stephen L. Crain
ATLAS, HALL & RODRIGUEZ, LLP
818 Pecan Blvd. (78501)
P. O. Box 3725
McAllen, Texas 78502
Direct Dial Number (956) 632-8221
Main Number (956) 682-5501
Fax Number (956) 686-6109
E-mail Address scrain@atlashall.com

Atlas Hall Rodriguez

HIDALGO COUNTY PURCHASING DEPARTMENT
BID TABULATION SHEET

DEPARTMENT NAME: HIDALGO COUNTY WIC PROGRAM

BID OPENING DATE: MAY 23, 2012	**BID OPENING TIME: 9:30 A.M.**

DESCRIPTION OF BID: "LEASE OF OFFICE SPACE-CITY OF EDINBURG"

BID NO: 2012-052-05-23-YZV

	Name of Company		
1	Dr. Ralph H. Jackson McAllen, Texas	Proposed building Square footage: Sq. ft. price: .85	3,000 square feet Total Monthly Fee: $ 2,550.00
2		Proposed building sq. footage: Sq. ft. price: $	 Total Monthly Fee: $
3		Proposed building Square footage: Sq. ft. price $	 Total Monthly Fee: $
4		Proposed building sq. footage: Sq. ft. price: $	 Total Monthly Fee: $
5		Proposed building sq. footage: Sq. ft. price: $	 Total Monthly Fee: $
6		Proposed building sq. footage: Sq. ft. price: $	 Total Monthly Fee: $

HIDALGO COUNTY PURCHASING DEPARTMENT
PARTICIPATING BIDDER'S LOG
SPECIFICATIONS/BID PACKETS
RFB-RFP-RFQ

BID OPENING DATE: MAY 23, 2012 BID OPENING TIME: 9:30 A.M.

DEPARTMENT/BID DESCRIPTION: "HIDALGO COUNTY WIC PROGRAM – LEASE OF OFFICE SPACE-CITY OF EDINBURG" BID NO.: 2012-052-05-23-YZV

NAME OF VENDOR: COMPANY/FIRM	BID REQUEST *VIA	SIGNATURE (IF APPLICABLE) OR INITIALS OF STAFF ADDRESSING MAIL OUT	DATE	ADDRESS & PHONE NO
1.Dr. Ralph Jackson	BLM	Familyoptical105@aol.com YZV	05/08/12	105 Dawson Edinburg, TX 78539 Tel: 956-380-1715
2. RGV Realty Rene Galvan	Email	rene@rgvrealty.com YZV	05/0/9/12	Pending requested contact info.
3. Davis Equity Realty	Email	keithk@davisequity.comYZV	05/09/12	2200 W. Pike Ste 200 Weslaco, TX 78596 Tel: 956-969-8648
4.Bob Gaston	Email	tgaston467@ao.com YZV	05/09/12	Pending requested contact info. Tel: 956-380-1325
5.Abasto Cororation Liza Rincon	Email	liza@abastocorp.com	05/11/12	2101 W. Military Highway McAllen, TX 78503 Tel: 956-686-0880
6.				
7.				
8.				
9.				
10.				
11.				
12.				

***VIA:**
IN PERSON (IP) **TELEPHONE REQUEST (TR)** **FACSIMILE (FAX)**
BIDDER LIST MAIL OUT (BLM) **E-MAIL (EM)**

HIDALGO COUNTY PURCHASING DEPARTMENT
BID TABULATION SHEET

DEPARTMENT NAME: HIDALGO COUNTY WIC PROGRAM

BID OPENING DATE: MAY 23, 2012	**BID OPENING TIME: 9:30 A.M.**

DESCRIPTION OF BID: "LEASE OF OFFICE SPACE-CITY OF ALTON"

BID NO: 2012-054-05-23-YZV

	Name of Company		
1	Miguel L. Barboza Jr. Alton, Texas	Proposed building Square footage: Sq. ft. price: .90	3,750 sq. ft Total Monthly Fee: $ 3,375.00 ✓
2	Miguel L. Barboza Jr. Option – nine hundred (900) additional space	Proposed building sq. footage: Sq. ft. price: .90 $	4,650 sq. ft Total Monthly Fee: $ 4,185.00
3		Proposed building Square footage: Sq. ft. price $	 Total Monthly Fee: $
4		Proposed building sq. footage: Sq. ft. price: $	 Total Monthly Fee: $
5		Proposed building sq. footage: Sq. ft. price: $	 Total Monthly Fee: $
6		Proposed building sq. footage: Sq. ft. price: $	 Total Monthly Fee: $

HIDALGO COUNTY PURCHASING DEPARTMENT
PARTICIPATING BIDDER'S LOG
SPECIFICATIONS/BID PACKETS
RFB-RFP-RFQ

BID OPENING DATE: MAY 23, 2012 BID OPENING TIME: 9:30 A.M.

DEPARTMENT/BID DESCRIPTION: "HIDALGO COUNTY WIC PROGRAM – LEASE OF OFFICE SPACE-CITY OF ALTON" BID NO.: 2012-054-05-23-YZV

NAME OF VENDOR: COMPANY/FIRM	BID REQUEST *VIA	SIGNATURE (IF APPLICABLE) OR INITIALS OF STAFF ADDRESSING MAIL OUT	DATE	ADDRESS & PHONE NO
1.Miguel L. Barboza Jr.	BLM	mapaintingservice@att.net YZV	05/08/12	3711 E. Main Avenue Alton, TX 78573 Tel: 956-585-6167
2.RGV Realty Rene Galvan	Email	rene@rgvrealty.com YZV	05/09/12	Pending requested contact info.
3.Davis Equity Realty Keith	Email	keithk@davisequity.com YZV	05/09/12	2200 W. Pike Ste 200 Weslaco, TX78596 Tel: 956-969-8648
4.Bob Gaston	Email	tgaston467@aol.com YZV	05/09/12	Pending requested contact info. Tel: 956-380-1325
5.Abasto Corporation Liza Rincon	Email	liza@abastocorp.com YZV	05/11/11	2101 W. Military Highway McAllen, TX 78503 Tel: 956-686-0880
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10.				
11.				
12.				

***VIA:**
IN PERSON (IP) **TELEPHONE REQUEST (TR)** **FACSIMILE (FAX)**
BIDDER LIST MAIL OUT (BLM) **E-MAIL (EM)**

AI-32802 **Purchasing Department** **17. F. 1.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Agapito Vargas **Submitted By:** Yvette Islas, PURCHASING DEPT.

Department: PURCHASING DEPT.

Information

CAPTION

Requesting the following for Mid-Valley Subdivision between Hidalgo County and Asago, LLC dba Asago Construction:
a. Approval of final construction contract (CC previously approved to award on 05-01-12) for C-CAP-12-049-05-01 in the amount of $317,767.00;
b. Approval of First Amendment to contract # C-CAP-12-049-05-01 to
(1.) Increase the sum to $327,181.08; &
(2.) Delete the outdated prevailing wage rates-Davis-Bacon; (Decision Number 02/09/2007 TX29) and replace with current prevailing wage rates-Davis-Bacon; (Decision Number TX120008 01-06-2012 TX8) in the Contract.

BACKGROUND

NOTE A. Vargas has authority to make interdepartmental transfers

Fiscal Impact

FISCAL YEAR: 2012 **ACCT. #:** 2-1312-431-00-121-461-0-731/733

FUNDS AVAILABLE Y/N?: Y **MATCHING FUNDS Y/N?:**

BUDGETARY IMPACT:

Obj. 731 "Roads"-Available balance as of 6-22-12 $178,486.78
Obj. 733 "Drainage Ditches"-Available balance as of 6-22-12 $147,157.25

Additional funding pending LIT AI-32833 6/26/12 and pending approval of P.O. cancellation request #670081 & 669494

Attachments

mid valley contract
po cancellation
cost brkdown
steves apprvl to amnd1 to midvalley
amendment 1 to midvalley

Form Review

Inbox	Reviewed By	Date
Purchasing Department	Marty Salazar	06/19/2012 11:26 AM
Budget & Management	Merlen P. Munoz	06/19/2012 01:00 PM
Ivan Cantu	Ivan Cantu	06/21/2012 01:18 PM
Yvette Islas	Yvette Islas	06/21/2012 01:38 PM
Ivan Cantu	Ivan Cantu	06/22/2012 01:01 PM

Auditor's Office Monica Badillo 06/22/2012 04:25 PM

Form Started By: Yvette Islas Started On: 06/13/2012 10:40 AM

Final Approval Date: 06/22/2012

HIDALGO COUNTY



BID PROPOSAL
FOR

C-CAP-12-049-05-01
"ROAD & DRAINAGE CONSTRUCTION FOR MID-VALLEY ESTATES SUBDIVISION"

IN ACCORDANCE WITH BORDER COLONIA ACCESS PROGRAM ROUND III

IN

HIDALGO COUNTY PRECINCT NO. 1



05/21/2012

Prepared by:

TEDSI INFRASTRUCTURE GROUP
Consulting Engineers
1201 East Expressway 83 ♦ Mission, Texas 78572
Tel: (956) 424-7898
Fax: (956) 424-7022

TEDSI
TBPE Firm No. 1640

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C-CAP-12-049-05-01
ROAD & DRAINAGE CONSTRUCTION FOR
MID-VALLEY ESTATES SUBDIVISION

1) Advertisement and Invitation for Bids
2) Hidalgo County Legal Notice
3) Bidder Acknowledgement
4) Information for Bidders
5) Bid Form
6) Bid Bond
7) Contract
8) Non Collusion
9) Payment Bond
10) Performance Bond

11) **Exhibit C**
    a. Insurance

12) General Conditions of the Agreement
13) Title 29 Labor
14) Standard General Condition of Construction Contract
15) Supplemental General Condition

16) **Exhibit A** General Notes & Standard Specifications
    a. Technical Specifications
    b. Hidalgo County Specifications as per 340
    c. Government Specifications & Special Provisions

17) **Exhibit B**
    a. Debarment
    b. W-9
    c. Bidder/Vendor Application
    d. Conflict of Interest Memo
    e. Conflict of Interest Form
    f. Sales Tax and Local Sales Tax Certificate

18) **Exhibit D Border Wage Rates**
    a. Government code Ch 2258
    b. Prevailing Wage Rate
    c. Davis Bacon

19) **Exhibit E**
    a. Checklist
    b. Change Order
    c. Payment of Application
    d. Estimate Quantity Update
    e. Schedule of Values
    f. Contract Time Statement

g. Colonia Testing Requirement
h. List of Suppliers
i. Partial Release of Lien
j. Contractor's Affidavit of Payment of Debts and Claims
k. Prevailing Wage Rates Certificate Statement
l. Certificate of Construction Completion
m. Contractor's Affidavit of Release of Liens

20) Construction Identification Sign

REQUEST FOR BIDS

(Colonia Access Program Project)

TO SUPPLY HIDALGO COUNTY PRECINCT NO. 1 with sealed bids on:
CAP-12-049-02-15-YSI "ROAD & DRAINAGE CONSTRUCTION FOR MID-VALLEY ESTATES SUBDIVISION"

A BIDDER'S BOND from a reliable surety company licensed to operate in the State of Texas or certified Cashier's Check, payable without recourse to the County of Hidalgo, for the amount of not less than **5%** of the total bid shall accompany the bid as guaranty that, if awarded the contract, the bidder will enter into a contract with the County of Hidalgo. Payment and Performance Bonds shall be executed except in the event into a single payment contract with the County of Hidalgo in lieu of a Performance Bond. In the event the total amount bid is $25,000 or less, the successful contract has the option to enter into a single payment contract with the County of Hidalgo in lieu of a Payment and Performance Bond.

Bid Packets may be obtained from the office of **TEDSI INFRASTRUCTURE GROUP, INC. 1201 E. EXPRESSWAY 83, Mission, Texas 78572,** Phone No **(956) 424-7898** for the amount of **$100.00 each.** General and/or Prime Contractors submitting bids and/or proposals to the County of Hidalgo shall be **non-refundable**.

PRE-BID CONFERENCE is scheduled for **WEDNESDAY, FEBRUARY 08, 2012** at **2:00 P.M.** at **HIDALGO COUNTY NEW ADMINISTRATION BUILDING - PURCHASING DEPARTMENT 2812 S Business Hwy 281, EDINBURG, TEXAS 78539**

UPON SUBMITTING SEALED BID, bidders are required to properly identify (handwritten, typed or printed) sealed envelope and/or packet as follows: Bidder's name and address on the upper left hand corner of the sealed envelope and/or package and Bid No.:
CAP-12-049-02-15-YSI "ROAD & DRAINAGE CONSTRUCTION FOR MID-VALLEY ESTATES SUBDIVISION"

on the lower left hand corner of sealed envelope/and or packet. **OVERNIGHT MAIL MUST ALSO BE PROPERLY LABELED ON THE OUTSIDE OF EXPRESS ENVELOPE OR PACKAGE.**

The sealed bid must contain one (1) original and three (3) copies of bid and must be clearly identified and addressed for delivery to:

Martha L. Salazar, CPPB, Hidalgo County Purchasing Agent
Hidalgo County Purchasing Department

US Postal Mail/Courier Address
Hidalgo County New Administration Building
2812 S. Business Hwy 281
Edinburg, Texas 78539

Physical Location:
Hidalgo County New Administration Building
2802 S. Business Hwy. 281
(Southeast of Canton Rd & Business 281)
Edinburg, Texas 78539

Sealed bids will be accepted until **9:30 a.m. on Wednesday, FEBRUARY 15, 2012** at which time they will be opened in the Hidalgo County Purchasing Department Conference Room at **Physical Location: 2802 S. Business Hwy 281, Hidalgo County New Administration Building, Edinburg, Texas 78539**. NO FACSIMILES OR LATE ARRIVALS WILL BE ACCEPTED. ANY BID RECEIVED AFTER THAT TIME WILL NOT BE OPENED AND WILL BE RETURNED

The project is to be funded with Border Colonia Access Program funds through Proposition II Funding from the Texas Department of Transportation (TX D.O.T.) and Urban County Program CDBG funds.

Attention is called to the fact that not less than, the federally determined prevailing (**Davis-Bacon and Related Acts**) wage rate, as issued and contained in the contract documents, must be paid on this project. In addition, the successful bidder must ensure that employees and applicants for employment are not discriminated against because of race, color, religion, sex, age, disability or national origin.

BIDS MAY BE HELD by the County of Hidalgo for a period not to exceed ninety (90) days from the date of the opening of bids for the purpose of reviewing the bids and investigating the qualifications of bidders, prior to awarding of the contract.

THE COUNTY reserves the right to refuse and reject any/all bids and to waive any/all formalities or technicalities, or to accept the bids considered the best and most advantageous to the County.

BY ORDER OF THE COMMISSIONERS COURT OF HIDALGO COUNTY, TEXAS on this the **24TH day** of **JANUARY, 2012.**

MARTHA L. SALAZAR, CPPB
HIDALGO COUNTY PURCHASING AGENT

REPORT ROAD HAZARDS @ 1-866-HCR-SAFE OR 1-866-427-7233

LEGAL NOTICE **BID NO: CAP-12-049-02-15-YSI**

1. Sealed bids will be received for **"HIDALGO COUNTY - ROAD & DRAINAGE CONSTRUCTION FOR MID-VALLEY ESTATES SUBDIVISION"** in accordance with the specifications attached as Exhibit "A" hereto. Bids should address all specifications set forth. Bidders may suggest substitutions of features which they feel would be in the best interest of Hidalgo County ("County"). Strong rationale must be presented for any deviation from the specifications. Hidalgo County reserves the right to reject the deviation and its effect on the overall bid.

2. One (1) original and Three (3) copies of all bids are required with the bidders name and return address clearly typed/printed on upper left hand corner and the proper notation clearly typed/printed on the lower left hand corner of the envelope and/or package: **BID NO: CAP-12-049-02-15-YSI "ROAD & DRAINAGE CONSTRUCTION FOR MID-VALLEY ESTATES SUBDIVISION"** and in County's Purchasing Department, 2802 S. Business Hwy. 281, Hidalgo County New Administration Building, Edinburg, Texas, 78539 **on or before 9:30 a.m., WEDNESDAY, FEBRUARY 15, 2012.** NO FACSIMILES OR LATE ARRIVALS WILL BE ACCEPTED. ANY RFB RECEIVED AFTER THAT TIME WILL NOT BE OPENED AND WILL BE RETURNED. OVERNIGHT MAIL MUST ALSO BE PROPERLY LABELED ON THE OUTSIDE OF EXPRESS ENVELOPE OR PACKAGE WITH REFERENCE TO: **BID NO: CAP-12-049-02-15-YSI "ROAD & DRAINAGE CONSTRUCTION FOR MID-VALLEY ESTATES SUBDIVISION".** Hidalgo County reserves the right to refuse and reject any/all RFB and to waive any/all formalities or technicalities, or to accept the RFB considered the best and most advantageous to Hidalgo County Hidalgo County reserves the right to refuse and reject any/all bids and to waive any/all formalities or technicalities, or to accept the bid considered the best and most advantageous to Hidalgo County

3. Hidalgo County reserves the right to: A. separate and accept, or eliminate any item(s) listed under this bid that it deems necessary to accommodate budgetary and/or operational requirements; B. reject any or all bids submitted and further reserves the right to design the evaluation criteria to be used in selecting the lowest and best bid for approval; and C. award the bid to one bidder or to multiple bidders if the County determines it is in its best interest to do so."

4. The Bidder shall not substitute items named in the bid without the express written consent of Hidalgo County. Failure of the delivered item(s) to perform as specified, or failure to meet the stated delivery schedule shall release Hidalgo County from all obligations to the contracting party with regard to the item(s) in question. In such event, County may elect to award the contract to the next-lowest responsible bidder, or to reject all bids and re-advertise.

5. For work to be performed at a County owned or operated location, each bidder shall, in its sole discretion, visit the job site before preparing the bid and thoroughly familiarize himself/herself with existing conditions. Bidder should take field dimensions and note all circumstances which affect the dollar amount of the bid.

6. Descriptive specifications are referenced in this document to indicate the general kind

and quality of equipment desired by Hidalgo County. Due to various styles and models of equipment, bidders are required to include illustrations, specifications, explanation of warranties, and service data with their bid including catalogue numbers and any necessary references.

7. No bid may be withdrawn within thirty (30) days from the scheduled time to open bids.

8. Proposed prices are to remain firm for a minimum of ninety (90) days after bid opening.

9. Any interpretations, amendments, corrections or changes to this bid document must be in a written addendum and signed by the County Judge or his designee. Addenda will be mailed to all who are known to have received a copy of the Request for Bids. Bidders shall acknowledge receipt of all addenda as a part of their bid.

10. County reserves the right to accept or reject any or all bids.

11. Costs are to be net F.O.B., County Prepaid.

12. County is exempt from Federal Excise Tax, State Tax and Local Tax. Do Not include tax in cost figure. If it is determined that tax was included in the cost figures it will not be included in the tabulation of any awards. Tax exemption certificates will be furnished upon request.

13. Funds for this procurement have been provided through the County budget for this fiscal year only. County, on an annual basis, has the right to reconsider a contract during the budget process for ensuing years if financial resources of County are insufficient to meet the liabilities of said contract. The award of a bid or contract hereunder will not be construed to create a debt of the County which is payable out of funds beyond the current fiscal year.

14. Upon award and prior to execution of a contract, Sole Proprietorships are required to submit a copy of their social security cards to the Hidalgo County Auditor's Office in order to establish an account with the County. All awarded vendors must submit a completed W-9 and a copy o their Federal ID Number Certificate.

15. DELIVERY INSTRUCTIONS:

- No deliveries accepted after 3:00 P.M., Monday-Friday.
- At least seventy two (72) hours prior notice of delivery must be given to Martha L. Salazar, Purchasing Agent before delivery will be accepted.
- If you need additional information call the office listed below:

Hidalgo County Purchasing Department
Martha L. Salazar, Purchasing Agent
(956) 318-2626

16. BILLING AND PAYMENT INSTRUCTIONS:

. Invoices must include:

a) Name and address of successful bidder
b) Name and address of receiving department or official
c) Purchase Order Number (if any)
d) Notation - **"HIDALGO COUNTY - ROAD & DRAINAGE CONSTRUCTION FOR MID-VALLEY ESTATES SUBDIVISION"** Descriptive information as to the items or services delivered, including product code, item number, quantity, etc.

. Discount payments will be considered when offered.

. Contact person for Billing and Payment questions:

Hidalgo County Border Colonia Access Program
301 E. State St
Pharr TX 78577
Attn: Marcie Jackson

17. Schedule of Events

Bid Opening, 9:30 AM	FEBRUARY 15, 2012
Award of Contract	_____, 2012
Commence Work or Deliver Products	_____, 2012

18. Bid or Performance Bond and Debarment Certification; Payment Under Contract:

. If the contract proposed is for the construction of public works or is for a contract for goods & services exceeding $100,000, all bidders shall furnish a good and sufficient bid bond in the amount of five percent of the total contract price. A bid bond must be executed with a surety company authorized to do business in Texas. All bidders are also required to furnish a certification or acknowledgment stating that the contractor or vendor is free from suspension or debarment pursuant to federal regulation 45CFR Part 76.

. Together with the signing of a contract or issuance of a purchase order following the acceptance of a bid, and prior to commencement of the actual work, the bidder shall furnish a performance bond to the County for the full amount of the contract, if that contract exceeds $50,000.

. If the contract is for $50,000 or less, no money will be paid to the contractor until completion and acceptance of the work or the fulfillment of the purchase obligation to the County, and, if applicable, the receipt by County of satisfactory evidence that all subcontractors and material men have been paid.

. If a contract is for the construction, alteration or repair of public buildings or public works, the contractor *shall* provide a payment bond for a contract in excess of Twenty Five Thousand Dollars ($25,000.00), as required by Tex. Govt. Code Ch. 2253.

. For requirements contracts, bond requirements are determined by applying the proposed

unit price to the estimated quantities included in the specifications.

19. Ethical Standards:

. It shall be a breach of ethics to offer, give or agree to give any elected official, department head or employee, or former elected official, department head or employee, of the County, or for any elected official, department head or employee or former elected official, department head or employee of the County, to solicit, demand, accept or agree to accept from another person, entity or organization, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore pending before any department or agency of the County.

. It shall be a breach of ethics for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor for any contract for the County, or any person associated therewith, as an inducement for the award of a subcontract or order.

. No public official shall have an interest in a contract awarded hereunder except in accordance with Tex. Loc. Govt. Code Chapter 171.

20. Disclosure of Conflict of Interest

. Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor, person, consultant or contractor considering doing business with Hidalgo County ("the County") to disclose in the Conflict of Interest Questionnaire (the "CIQ") attached as Exhibit D, the vendor, person, consultant or contractor's affiliation or business relationship that might cause a conflict of interest with the County. By law, the CIQ must be filed with the Hidalgo County Clerk's Office no later than the seventh business day after the date the person becomes aware of facts that require that statement to be filed. The disclosure requirement applies to a person or business who contracts or seeks to contract with Hidalgo County for the sale or purchase of property, goods or service. Any purchase order or contract resulting from this process shall be considered null and void if the successful bidder fails to comply with Texas Local Government Code Chapter 176. Vendors, consultants, contractors and others who desire to conduct business with Hidalgo County are encouraged to refer to Texas Local Government Code Chapter 176 for the details of this law. An offense under Texas Local Government Code Chapter 176 is a Class C Misdemeanor.

Please Submit completed CIQ forms to the Hidalgo County Clerk's Office located at 100 N. Closner, Edinburg, Texas 78539-Hidalgo County Courthouse **COMPLETION AND SUBMISSION OF FORM CIQ IS THE SOLE**

RESPONSIBILITY OF THE PROSPECTIVE BIDDER.

21. If, during the life of any contract or bid awarded, the successful bidder's net prices generally available to other customers for items awarded herein are reduced below the contracted price, it is understood and agreed that the benefits of such reduction shall be extended to County.

22. Bids, and all goods and services provided thereunder, shall comply with all federal, state and local laws concerning this type(s) of goods and/or services.

23. Minimum Standards For Responsible Prospective Bidders: A prospective bidder must affirmatively demonstrate bidder's responsibility. A prospective bidder, by submitting a bid, represents to County that it meets the following requirements:

- Possess or is able to obtain adequate financial resources as required to perform under the bid;
- Be able to comply with the required or proposed delivery schedule;
- Have a satisfactory record of performance;
- Have a satisfactory record of integrity and ethics;
- Be otherwise qualified and eligible to receive an award.

24. Successful bidder will pay or cause to be paid, without cost or expenses to County, all FICA, FUTA/SUTA and Federal Income Withholding Taxes of all employees, and all wages and benefits as required by Federal or State law. Successful bidder's officers, agents and/or employees will not be entitled to any benefits of an employee or elected official of County, including, but not limited to, benefits associated with County's civil service system.

25. Any contract award to a successful bidder will be in effect until (a) the contract expires, (b) delivery and acceptance of products, and/or performance of services ordered, or (c) terminated by County with thirty day's written notice prior to cancellation.

26. County reserves the right to enforce performance of any contract awarded hereunder in any manner prescribed by law or deemed to be in the best interest of the County in the event of breach or default by successful bidder; County reserves the right to terminate any contract immediately in the event a successful bidder fails to:

A. Meet schedules;
B. Pay any required fees or taxes; or
C. Otherwise perform in accordance with the specifications.

27. Successful bidder shall defend, indemnify and save harmless County and all its elected officials, officers, agents and employees from all suits, actions, or other claims of any character, name and description brought for or on account of any injuries or damages received or sustained by any person, persons, or property on account of any negligent act or fault of the successful bidder, or of any agent, employee, subcontractor or supplier of successful bidder in the execution of, or performance under, any contract which may result from bid award or which arises from any event or casualty happening on or within County premises themselves or happening upon or in any halls, elevators, entrances,

stairways or approaches of or to such County facilities. Successful bidder shall pay any judgement with costs which may be obtained against County growing out of such injury or damages, and shall, upon request, provide a defense to County by counsel reasonably acceptable to County. Successful bidder's indemnity hereunder shall include, but is not limited to, claims relating to patent, copyright or trademark infringement, and the like, arising out of the goods and services provided by successful bidder.

28. Successful bidder shall warrant that all items/services shall conform with the specifications and/or all warranties provided under the Uniform Commercial Code and be free from all defects in material, workmanship and the like. Items supplied under a contract pursuant to this Request for Bids shall be subject to County's approval. Items found to be defective or not meeting specifications shall be replaced by successful bidder within two business days at no expense to County. Items not picked up within one (1) week after notification shall be deemed a donation to County and may be used or disposed of at County's discretion and without waiver of any other rights of County as to the item's nonconformity.

29. This document and any disputes arising hereunder shall be governed and construed according to the laws of the State of Texas, and will be performable exclusively in Hidalgo County, Texas.

30. The successful bidder shall not assign, sell, transfer or convey its rights under any awarded contract, in whole or in part, without the prior written consent of County.

BIDDERS ACKNOWLEDGEMENT
Bid for
HIDALGO COUNTY
"ROAD & DRAINAGE CONSTRUCTION FOR MID-VALLEY ESTATES SUBDIVISION"
BID NO.: CAP-12-049-02-15-YSI

To: Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
Hidalgo County New Administration Building
2802 S Business Hwy 281
Edinburg, Texas 78539

US Postal Mail/Courier Address
Hidalgo County New Administration Building
2812 S Business Hwy 281
Edinburg, Texas 78539

Physical Location:
Hidalgo County New Administration Building
2802 S Business Hwy 281
Edinburg, Texas 78539
(Southeast corner of Canton Rd & Business 281)

In accordance with the Specifications, and subject to all laws and regulations of the United States and state and local laws, the undersigned bidder proposes and commits to furnish all labor, equipment, material, software and services as set forth in the documents hereinbefore mentioned. The undersigned bidder further agrees, upon acceptance of its bid, to execute a contract and/or Purchase Order issued by Hidalgo County for performing and completing the work described in the Specifications within the time stated and for the prices proposed in the documents attached hereto and made a part hereof.

Bidder acknowledges receipt of all of the pages of the documents referenced in the Invitation to Bid Checklist presented in connection with this procurement. Bidder understands that Hidalgo County reserves the right to reject any or all bids and further reserves the right to design the evaluation criteria to be used in selecting the lowest and best bid.

Bidder agrees that this bid shall be good and may not be withdrawn for a period of ninety (90) calendar days after the scheduled closing time for receiving bids, as contained in the Specifications.

Respectfully submitted,

Bidder: Asago, LLC dba Asago Construction
Address: 2113 Pecos St. Mission, TX 78572
By: [signature]
Printed Name: Raul Iglesias
Title: Partner, General Manager

INFORMATION FOR BIDDERS

1. Receipt and Opening of Bids

The Hidalgo County (herein called the "Owner"), invites bids on the form attached hereto, all blanks of which must be appropriately filled in. Bids will be received by the Owner a the Hidalgo County Purchasing department until Wednesday **FEBRUARY 15, 2012** at 9:30 a.m. and then at said office publicly open and read aloud. The envelopes containing the bids must be sealed, addressed to Martha L. Salazar, Hidalgo County Purchasing Agent at 2812 S Business 281, Edinburg, Texas 78539 and designated as **BID NO: CAP-12-049-02-15-YSI "ROAD & DRAINAGE CONSTRUCTION FOR MID-VALLEY ESTATES SUBDIVISION"**
The owner may consider informal any bid not prepared and submitted in accordance with provisions hereof and may waive any informalities or reject any and all bids. Any bid may be withdrawn prior to the above scheduled time for the opening of bids or authorized postponement thereof. Any bid received after the time and date specified shall not be considered. No bidder may withdraw a bid within 60 days after the actual date of the opening thereof.

2. Preparation of Bid

Each bid must be submitted on the prescribed from and accompanied by Certification by Bidder Regarding Equal Employment Opportunity, Form, and Certification by Bidder (contractor), concerning Labor Standards and Prevailing Wage Requirements. All blank spaces for bid prices must be filled in, in ink or typewritten, in both words and figures, and the foregoing Certificates must be fully completed and executed when submitted.

Each bid must be submitted in a sealed envelopes bearing on the outside the name of the bidder, his address, and the name of the project for which the bid is submitted. If forwarded by mail, the sealed envelope containing the bid must be enclosed in another enveloped addressed as specified in the bid form.

3. Subcontracts

The bidder is specifically advised that any person, firm, or other party to whom is proposed to ward a subcontract under this contract –

a Must be acceptable to the Owner after verification of the current eligibility status, and,
b Approval of the proposed subcontract award cannot be given by the Owner unless and until the proposed subcontractor has submitted the Certification and/or other evidence showing that it has fully complied with any reporting requirements to which it is or was subject. Although the bidder is not required to attach such Certification by proposed subcontractors to his bid, the bidder is here advised of this requirement so that appropriate action can be taken to prevent subsequent delay in subcontract awards.

4. Telegraphic Modification

Any bidder may modify his bid by telegraphic communication at any time prior to the scheduled closing time for receipt of bids, provided such telegraphic communication is received by the Owner prior to the closing time, and provided further, the Owner is satisfied that a written confirmation of the telegraphic modification over the signature of the bidder was mailed prior to the closing time. The telegraphic communication should not reveal the bid price but should provide the additional or subtraction or other modification so that the final prices or terms will not be known by the Owner until the sealed bid is opened. If written confirmation is not received within two days from the closing time, no consideration will be given to the telegraphic modification.

5. Method of Bidding

The Owner invites the following bid(s): Border Access Colonia Project Round 3
Grant No. _____
Subdivision Name: **Mid-Valley Estates**

6. Qualifications of Bidder

The Owner may make such investigations as he deems necessary to determine the ability of the bidder to perform the work, and the bidder shall furnish to the Owner all such information and data for this purpose as the Owner may request, the Owner reserves the right to reject any bid if the evidence submitted by, or investigation of, such bidder fails to satisfy the Owner that such bidder is properly qualified to carry out the obligations of the contract to complete the work contemplated therein. Conditional bids will not be accepted.

7. Bid Security

Each bid must be accompanied by certified check of the bidder, or a bid bond prepared on the form of bid bond attached hereto, duly executed by the bidder as principal and having as surety thereon a surety company approved by the Owner, in the amount of 5% of the bid. Such checks or bid bonds will be returned to all except the three lowest bidders within three days after the opening of bids, and the remaining checks, or bid bonds will be returned promptly after the Owner and the accepted bidder have executed the contract, or if no award has be made within 60 days after the date of the opening of bids, upon demand of the bidder at any time thereafter, so long as he has not been notified of the acceptance of his bid.

8. Liquidated Damages for Failure to enter into Contract

The successful bidder, upon his failure or refusal to execute and deliver the contract and bonds required within 10 days after he has received notice of the acceptance of his bid, shall forfeit to the Owner, as liquidated damages for such failure or refusal, the security deposited with his bid.

9. Time of Completion and Liquidated Damages

Bidder must agree to commence on or before a date to be specified in a Written "Notice to Proceed" of the Owner and to fully complete the project within **210** consecutive calendar days thereafter.

210 calendar days breakdown as follows:

- 120 days for substantial completion (all work except vegetative watering)
- 90 days for vegetative watering.

Note: Should contractor not achieve substantial completion within 120 days, liquidated damages will be assessed for every late until substantial completion is achieved. Should contractor exceed 210 days prior to completion of vegetative watering, liquidated damages will be assessed for every day late until vegetative watering is completed.

Bidder must agree also to pay as liquidated damages, the sum of $200.00 for each consecutive calendar day thereafter as hereinafter provided in the General Conditions.

10. Condition of Work

Each bidder must inform himself fully of the conditions relating to the construction of the project and the employment of labor thereon. Failure to do so will not relieve a successful bidder of his obligation to furnish all material and labor necessary to carry out the provisions of his contract. Insofar as possible the contractor, in carrying out his work, must employ such methods or means as will not cause any interruption of or interference with work of any other contractor.

11. Addenda and Interpretations

No interpretation of the meaning of the plans, specifications or other pre-bid documents will be made to any bidder orally.

Every request for such interpretation should be in writing addressed to **TEDSI Infrastructure Group 1201 E. Expressway 83, Mission TX 78572. Attn Jose A. Sanchez, P.E.** and to be given consideration must be received at least five days prior to the date fixed for the opening of bids. Any all such interpretations and any supplemental instructions will be in the form of written addenda to the specifications which, if issued, will mailed by certified mail with return receipt requested to all prospective bidders (at the respective addresses furnished for such purposes), not later than three days prior to the date fixed for the opening of bids. Failure of any bidder to receive any such addendum or interpretation shall not relieve such bidder from any obligation under his bid as submitted. All addenda so issued shall become part of the contract documents.

12. Security for Faithful Performance

Simultaneously with his delivery of the executed contract; the contractor shall furnish a surety bond or bonds as security for faithful performance of this contract and for the payment of all persons performing labor on the project under this contract and furnishing materials in connection with this contract, as

specified in the General Conditions included herein. The surety on such bond or bonds shall be a duly authorized surety company satisfactory to the Owner.

13. Power of Attorney

Attorney-in-fact who sign bonds or contract bonds must file with each bond a certified and effectively dated copy of their power of attorney.

14. Notice of Special Conditions

Attention is particularly called to those parts of the contract documents and specification which deal with the following;

a Inspection and testing of materials
b Insurance requirements
c Wage rates
d States allowances

15. Laws and Regulations

The bidder's attention is directed to the fact that all applicable State laws, municipal ordinances, and the rules and regulations of all authorities having jurisdiction of the project shall apply to the contract throughout, and they will be deemed to be included in the contract the same as though herein written out in full.

16. Method of Award – Lowest Qualified Bidder

If at the time this contract is to be awarded, the lowest base bid submitted by a responsible bidder does not exceed the amount of funds then estimated by the Owner as available to finance the contract the contract will be awarded on the base bid only. If such bid exceeds such amount, the Owner may reject all bids or may award the contract on the base bid combined with such deductible alternates applied in numerical order in which they are listed in the form of Bid, as produces a net amount which is within the available funds.

17. Obligation of Bidder

At the time of the opening of bids each bidder will be presumed to have inspected the site and to have read and to be thoroughly familiar with the plans and contract documents (including all addenda). The failure or omission of any bidder to examine any form, instrument or document shall in no way relieve any bidder from any obligation in respect of his bid.

Supplement to Form HUD-4238-B®
INFORMATION FOR BIDDERS

18. SAFETY STANDARDS AND ACCIDENTS PREVENTION

With respect to all work performed under this contract, the contractor shall:

1 Comply with the safety standards provision of applicable laws, building and construction codes and the "Manual of Accident Prevention in Construction" published by the Associates General Contractors or America, the requirements of the Occupational Safety and Health Act of 1970 (Public Laws 91-596), and the requirements of Title 29 of the Code of Federal Regulations, Section 1518 as published in the "Federal Register", Volume 36, No 75, Saturday, April 17, 1971.

2 Exercise every precaution at all times for the prevention of accidents and the protection of persons (including employees) and property.

3 Maintain at his office or other well known place at the job site, all articles necessary for giving first aid to the injured, and shall make standing arrangements for the immediate removal to a hospital or a doctor's care of persons (including employee), whom may be injured on the job site. In no case shall employee be permitted to work at a job site before the employer has made a standing arrangement for removal of injured person to a hospital or a doctor's care.

SPECIAL PROVISIONS

1. The County of Hidalgo reserves the right to partially award the contract in order to meet the budget.

2. It shall be the Contractor's responsibility to locate underground utilities, whether shown or not shown on the drawings, sufficiently in advance of operations to preclude damage to same.

3. Water, sewer, or other utility serves shall not be interrupted. Any damages to existing utilities will be Contractor's responsibility.

4. In the event of damage to underground facilities, whether shown or not shown in the drawings, the Contractor shall make the necessary repairs to place the facilities back in service at no increase in the Contractors price and all such repairs shall conform to the requirements of the company or agency servicing the facility

5. The Contractor shall exercise extra care to prevent damage to all other structures in the area including, fence, roads, pipelines, utilities, etc., whether publicly or privately owned.

6. Until acceptance by the Engineer of any part or all of the construction, as provided for in the plans and these specifications, it shall be under the charge and care of the contractor, and he shall take every necessary precaution against injury or damage to any part of the work. The Contractor shall rebuild, repair, restore and make good, at his own expense, all injuries or damage to any portion of the work before its completion and acceptance.

7. In case the Contractor deems extra compensation is due him for proposed work not covered in the contract, the Contractor shall notify the Engineer in writing of his claim for such extra compensation before he begins the work. Failure on the part of the Contractor to give such notification shall constitute a waiver of claim for such extra compensation. The Contractor shall not proceed until a written Change Order is approved by the Owner, Engineer, and Contractor.

8. Prospective bidders should make a careful examination of the projects sites.

9. Contractor shall review his overall method and schedule of construction with the County Prior to construction for proper coordination of inspection.

10. No open trenches or excavation shall be left open overnight.

BID FORM

HIDALGO COUNTY PRECINCT NO 1

BORDER COLONIA ACCESS PROJECT

CAP-12-049-02-15-YSI "ROAD AND DRAINAGE CONSTRUCTION FOR MID-VALLEY ESTATES SUBDIVISION"

ROADWAY IMPROVEMENTS

ITEM	TOTAL	UNIT	DESCRIPTION	UNIT PRICE (In Words)		UNIT PRICE (In Figures)	TOTAL (In Figures)
0100	21.37	STA	PREPARING ROW	Five Hundred	Dollars Cents	$ 500.00	$ 10,685.00
0110	1405	CY	EXCAVATION (ROADWAY)	Eight	Dollars Cents	$ 8.00	$ 11,240.00
0132	56	CY	EMBANKMENT (FINAL)(ORD COMP)(TY C)	Ten	Dollars Cents	$ 10.00	$ 560.00
0164	6376	SY	CELL FBR MLCH SEED(PERM)(URBAN)(CLAY)	Fifty	Dollars Cents	$ 0.50	$ 3,188.00
0168	321	MG	VEGETATIVE WATERING	Three	Dollars Cents	$ 3.00	$ 963.00
0247	6885	SY	FL BS (CMP IN PLC)(TY E GR 4)(FNAL POS)	Eight	Dollars Cents	$ 8.00	$ 55,080.00
0251	5354	SY	REWORK BS MTL (TY D)(8")(DENS CONT)	Two	Dollars Cents	$ 2.00	$ 10,708.00
0260	1652	SY	LIME TRT(EXST MATL)(6") - SUBGRADE	Two	Dollars Cents	$ 2.00	$ 3,304.00
0260	51.8	TON	LIME(HYD,COM OR QK)(SLRY)OR QK(DRY) - FLEXBASE	Two Hundred	Dollars Cents	$ 200.00	$ 10,360.00
0260	12.3	TON	LIME(HYD,COM OR QK)(SLRY)OR QK(DRY) - SUBGRADE	Two Hundred	Dollars Cents	$ 200.00	$ 2,460.00
0260	1531	SY	LIME TRT(NEW BASE)(8") - FLEXBASE	Two	Dollars Cents	$ 2.00	$ 3,062.00
0260	5354	SY	LIME TRT(MIX EXST MATL&NEW BASE)(8") - REWORK	Two	Dollars Cents	$ 2.00	$ 10,708.00
0310	1379	GAL	PRIME COAT (MC-30)	Seven	Dollars Cents	$ 7.00	$ 9,653.00
0340	5831	SY	D-GR HMA(METH) TY-D SAC-B PG64-22	Six	Dollars Cents	$ 6.00	$ 34,986.00
0500	1	LS	MOBILIZATION	Two Thousand	Dollars Cents	$ 2,000.00	$ 2,000.00
0502	5	MO	BARRICADES, SIGNS AND TRAFFIC HANDLING	Two Thousand	Dollars Cents	$ 200.00	$ 1,000.00
0666	3950	LF	REFL PAV MRK TY I (W) 4" (SLD)(100MIL)	Seventy-five	Dollars Cents	$ 0.75	$ 2,962.50
0666	54	LF	REFL PAV MRK TY I (W) 24"(SLD)(100MIL)	Seven	Dollars Cents	$ 7.00	$ 378.00
0666	430	LF	REFL PAV MRK TY I (Y) 4" (BRK)(100MIL)	Seventy-five	Dollars Cents	$ 0.75	$ 322.50
0666	772	LF	REFL PAV MRK TY I (Y) 4" (SLD)(100MIL)	Seventy-five	Dollars Cents	$ 0.75	$ 579.00
				ROADWAY TOTAL		$	174,199.00

OPENED 9:35 2-15-12 Witnessed

BID FORM

HIDALGO COUNTY PRECINCT NO 1

BORDER COLONIA ACCESS PROJECT

CAP-12-049-02-15-YSI "ROAD AND DRAINAGE CONSTRUCTION FOR MID-VALLEY ESTATES SUBDIVISION"

DRAINAGE IMPROVEMENTS

ITEM	TOTAL	UNIT	DESCRIPTION	UNIT PRICE (In Words)		UNIT PRICE (In Figures)	TOTAL (In Figures)
0402	1019	LF	TRENCH EXCAVATION PROTECTION	One	Dollars	$ 1.00	$ 1,019.00
					Cents		
0464	76	LF	RC PIPE (CL III)(18 IN)	Thirty-five	Dollars	$ 35.00	$ 2,660.00
					Cents		
0464	418	LF	RC PIPE (CL III)(24 IN)	Forty-five	Dollars	$ 45.00	$ 18,810.00
					Cents		
0464	561	LF	RC PIPE (CL III)(30 IN)	Sixty	Dollars	$ 60.00	$ 33,660.00
					Cents		
0465	4	EA	INLET (COMPL)(TY H)	Four Thousand	Dollars	$ 4,000.00	$ 16,000.00
					Cents		
0465	1	EA	MANH (COMPL)(TY M)	Four Thousand	Dollars	$ 4,000.00	$ 4,000.00
					Cents		
0465	3	EA	MANH (COMPL)(TY A)	Three Thousand	Dollars	$ 3,000.00	$ 9,000.00
					Cents		
0506	169	LF	TEMPORARY SEDIMENT CONTROL FENCE	One	Dollars	$ 1.00	$ 169.00
					Cents		
0530	124	SY	DRIVEWAY (CONC)	Thirty	Dollars	$ 30.00	$ 3,720.00
					Cents		
0530	1395	SY	DRIVEWAY (ACP)	Nineteen	Dollars	$ 19.00	$ 26,505.00
					Cents		
0556	1475	LF	15" ADS CORRUGATED PIPE	Nineteen	Dollars	$ 19.00	$ 28,025.00
					Cents		
				DRAINAGE TOTAL		$ 143,568.00	

Bid Total	$ 317,767.00

OPENED 9:35 2-15-12 Witnessed

BIDDER/COMPANY NAME: Asago, LLC dba Asago Construction

AUTHORIZED SIGNATURE: [signature]

PRINTED NAME: Raul Iglesias

TITLE: Partner, General Manager

CONTINUATION OF BID PAGE

The undersigned **Bidder** agrees to commence work after written notice to commence work and to substantially complete the work on which he has bid **210** calendar days as provided in Article 18 of the General Conditions of the Agreement.

Enclosed with this Proposal is a Cashier's check or Certified Check for _____ _____ Dollars (_____) or a Bid Bond in the Sum of _____ _____ Dollars (_____), which is agreed shall be collected and retained by the **Owner** under the conditions hereof within ten (10) days after the date this proposals is accepted; then otherwise the said bond or check shall be returned to the undersigned upon demand.

Receipts of the following Addenda on these dates shown is acknowledged:

	DATE	ACKNOWLEDGE		DATE	ACKNOWLEDGE
#1	_____	_____	#2	_____	_____
#3	_____	_____	#4	_____	_____

Respectfully submitted,

Asago, LLC dba Asago Construction
Name of Firm

By: [signature] 2/15/2012
Signature Date

Partner, General Manager
Title

THIS PROPOSAL MUST BE SIGNED BY AN OFFICER OF REPRESENTATIVE DULY AUTHORIZED BY THE BIDDER.

2113 Pecos St.
Address

Mission, TX 78572

956-607-0741
Telephone Number

(Seal, if Bid is by a Corporation)

Attest: [signature]

SUR6018635

THE AMERICAN INSTITUTE OF ARCHITECTS

AIA Document A310

Bid Bond

KNOW ALL MEN BY THESE PRESENTS, that we

Asago, LLC dba Asago Construction
2113 Pecos
Mission TX 78572

as Principal, hereinafter called the Principal, and State Automobile Mutual Insurance Company
518 East Broad Street Columbus OH 43215

a corporation duly organized under the laws of the State of OH
as Surety, hereinafter called the Surety, are held and firmly bound unto

Hidalgo County

as Obligee, hereinafter called the Obligee, in the sum of 5.00 % of the bid, not to exceed Nineteen thousand two hundred fifty Dollars ($ 19,250.00),
for the payment of which sum well and truly to be made, the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a bid for
Hidalgo County Pct#1 Road & Drainage Construction for Mid Valley Estates Subd.

NOW, THEREFORE, if the Obligee shall accept the bid of the Principal and the Principal shall enter into a Contract with the Obligee in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or Contract Documents with good and sufficient surety for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof, or in the event of the failure of the Principal to enter such Contract and give such bond or bonds, if the Principal shall pay to the Obligee the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the Obligee may in good faith contract with another party to perform the Work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect.

Signed and sealed this 15 day of February, 2012.

Asago, LLC dba Asago Construction

(Witness)

(Principal) (Seal)

Principal Signature and Title

(Witness)

State Automobile Mutual Insurance Company

(Surety) (Seal)

Andres Alvarez Attorney-In-Fact

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY
COLUMBUS, OHIO

CERTIFIED COPY

THIS POWER OF ATTORNEY IS SPECIFIC TO:

Bond No. SUR6018635

Bond Amount. 19,250.00

POWER OF ATTORNEY

Know All Men By These Presents, That STATE AUTOMOBILE MUTUAL INSURANCE COMPANY, a corporation, duly organized and existing under the laws of the State of Ohio, and having its principal offices in the City of Columbus, Ohio, does hereby by these presents make, constitute and appoint Andres Alvarez

of San Juan and State of TX

its true and lawful Attorney(s)-in- Fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver the bond described above, subject to the limitation that the penalty of the bond shall not exceed Nineteen thousand tw o hundred fifty ($ 19,250.00)

and to bind the Company thereby as fully and to the same extent as if the bond was signed by the duly authorized officers of the Company, hereby ratifying and confirming all that the said Attorney(s)-in-Fact may do in the premises. This Power of Attorney is made and executed pursuant to and by authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 8th day of May 1970:

BE IT RESOLVED, by the Board of Directors of State Automobile Mutual Insurance Company, that any two (2) of the following officers of the Company, viz: the President any Vice President any Assistant Vice President, Secretary, any Assistant Secretary, Treasurer, and any assistant Treasurer, shall have the power and authority to appoint agents and attorneys-In-fact and to authorize them to execute on behalf of the Company, and attach the sea[of the Company thereto, bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof; and any such bond, undertaking, recognizance, consent of surety or written obligation in the nature thereof shall be valid and binding upon the Company when duly executed and sealed, if a seal is required, by such attorney-in-fact or agent pursuant to and within the limits of the authority granted by his power of attorney.

BE IT FURTHER RESOLVED, that any two (2) officers may remove any such Attorney-In-Fact or Agent and revoke the power and authority given to him.

BE IT FURTHER RESOLVED, that any two (2) of the following officers of the Company, viz: the President any Vice President any Assistant Vice President, Secretary, any Assistant Secretary, Treasurer, and any assistant Treasurer, shall have the power and authority to execute on behalf of the Company, and attach the seal of the Company thereto, bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof; which the business of the Company may require, and any such bond, undertaking recognizance consent of surety or written obligation in the nature thereof "I be valid and binding upon the Company when duly executed and sealed, if a seal is required.

This Power of Attorney is signed and sealed by facsimile under the authority of the following Resolution adopted by the Board of Directors of State Automobile Mutual Insurance Company at a meeting called and held on the 8th day of May, 1970:

BE IT RESOLVED, that the signature of the President any Vice President any Assistant Vice President, Secretary, any Assistant Secretary, Treasurer, and any assistant Treasurer and the Company seal may be affixed by facsimile to any power of attorney or special power of attorney or certification of either given for the execution of any bond, undertaking, recognizance, consent of surety or written obligation in the nature thereof; such signature and seal, when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

In Witness Whereof, the Company has caused these presents to be signed by its proper officers and its corporate seal to be hereunto affixed this 1st day of April, 2010

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY

By: _____
Paul E. Nordman, Vice President/Director of Business Insurance

By: _____
Larry D. Williams, Vice President/Director of Middle Market Operations

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY Seal

Form 18-C Cert.

STATE OF OHIO
COUNTY OF FRANKLIN, } ss:

On this 1st day of April, A.D., 2010, before me personally came

Paul E. Nordman and Larry D. Williams, to me known, who being

duly sworn, did depose and say that they are Assistant Vice Presidents

respectively of STATE AUTOMOBILE MUTUAL INSURANCE COMPANY, the Company described in and which executed the above instrument; that they know the seal of said Company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company and that they signed their names, respectively, by like order.

Notary Public

NOTARIAL SEAL STATE OF OHIO

HAL D. THOMPSON
Attorney At Law
Notary Public, State of Ohio
My commission has no expiration date
Sec.147.03 R.C.

CERTIFICATE

1, the undersigned, Assistant Secretary of State Automobile Mutual Insurance Company, an Ohio Corporation, do hereby certify that the foregoing power of attorney is in full force and has not been revoked; and furthermore, that The Resolutions of the Board of Directors set forth in the power of attorney are now in force.

Signed and sealed at Columbus, Ohio, this 15 day of February 2012

Assistant Secretary
John A. Couger

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY
Seal

THE STATE OF TEXAS §
§
COUNTY OF HIDALGO §

CONSTRUCTION CONTRACT
C-CAP-12-049-05-01

This Agreement, entered into this **1st** day of **May, 2012** by and between Hidalgo County (hereinafter called the "OWNER," and, **Asago, LLC dba Asago Construction** (a Texas corporation), of County of Hidalgo, and State of Texas, hereinafter called "CONTRACTOR".

WITNESSETH

That for and in consideration of the payments and agreement hereinafter mentioned, to be made and performed by the OWNER, the CONTRACTOR hereby agrees with the OWNER to commence and complete the construction described as follows:

ROAD & DRAINAGE CONSTRUCTION FOR MID-VALLEY ESTATES SUBDIVISION

Hereinafter called the project, for the sum of **Three hundred seventeen thousand seven-hundred sixty seven dollars and zero cents ($317,767.00)** and all extra work in connection therewith, under the terms and stated in the General and Special Conditions of the Contract; and at his (its or their) own proper cost and expense to furnish all the materials, supplies, machinery, equipment, tools, superintendence, labor, insurance, and other accessories and services necessary to complete the said project in accordance with the conditions and prices stated in the Proposal, the General Conditions and Special Conditions printed or written explanatory matter thereof, the specifications and contract documents therefore as prepared by **TEDSI Infrastructure Group**, entitled the Architect/Engineer, and as enumerated in Paragraph 1.01.A.12 of the General Conditions, all of which are made a part hereof and collectively evidence and constitute the contract.

The CONTRACTOR hereby agrees to commence work under this contract on or after a date to be specified in written "Notice to Proceed" of the OWNER and to fully complete the project within **210** consecutive calendar days thereafter. The CONTRACTOR further agrees to pay, as liquidated damages, the sum of **$200.00** for each consecutive calendar day thereafter.

The OWNER agrees to pay the CONTRACTOR in current funds for the performance of the contract, subject to additions and deductions, as provided in the General Conditions of the contract, and to make payments on account thereof as provided in Paragraphs 14.02.C and 14.07.C of the General Conditions.

IN WITNESS WHREOF, the parties to these present have executed this contract in six (6) counterparts, each of which shall be deemed an original, in year and day first above mentioned.

APPROVED BY COMMISIONERS COURT ON **May 1, 2012.**

CONTRACTOR:	Asago, LLC dba Asago Construction
Print Name & Title:	Raul Iglesias, Member
Name of Firm:	Asago, LLC dba Asago Construction
Address:	2113 Pecos Mission TX 78572
Fed I.D. #/SS #:	74-282-1087

STATE OF TEXAS

COUNTY OF HIDALGO

This instrument was acknowledged before me on this the 15th day of May, 2012, by Raul Iglesias, Member Of and on behalf of Asago, LLC dba Asago Construction
(Title) (A corporation)

Notary Public-Signature

JAIME JAIMEZ, JR
Notary Public, State of Texas
My Commission Expires
December 16, 2015

APPROVED AS TO FORM:
Hidalgo County Dept of County Affairs
100 N Closner, Room 303
Edinburg, Texas 78539

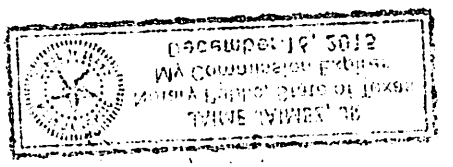
BY: _____
Assistant District Attorney

ATTEST:

Arturo Guajardo, Jr., County Clerk

COUNTY OF HIDALGO:

Ramon Garcia, County Judge



NON-COLLUSION AFFIDAVIT OF PRIME BIDDER

State of Texas)

County of Hidalgo)

Raul Iglesias, being first duly sworn, deposes and says that:

(1) He is President, of Asago, LLC, the Bidder that has submitted the attached Bid;

(2) He is fully informed respecting the preparation and contents of this attached bid and of all pertinent circumstances respecting such bid;

(3) Such bid is genuine and is not a collusive or sham Bid;

(4) Neither the said Bidder nor any of its officers, partners, owners, agents, representative:, employees or parties in interest, including this affiant, has in any way colluded, conspired a collusive or sham Bid in connection with the Contract for which the attaché Bid has been submitted or to refrain from bidding in connection with such Contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication of conference with any other Bidder, firm or person to fix the price or prices in the attached Bid or of any other Bidder, or to fix any overhead, profit or cost element of the Bid price or the Bid price of any other Bidder, or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against the Owner or any person interested in the proposed Contract; and

(5) The price or prices quoted in the attached Bid are fair and proper and are not tainted by any collusion, conspiracy, connivance, connivance or unlawful agreement on the part of the Bidder or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

(Signed) _____

President
(Title)

Subscribed and sworn to before me on this 14th

Day of February, 2012

_____

Notary Public

Title

MARTIN JIMENEZ JR
My Commission Expires
November 21, 2015

SUR6018635

THE AMERICAN INSTITUTE OF ARCHITECTS

AIA Document A312

Payment Bond

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address):
Asago, LLC dba Asago Construction

2113 Pecos
Mission TX 78572

SURETY (Name and Principal Place of Business):
State Automobile Mutual Insurance Company
518 East Broad Street
Columbus OH 43215

OWNER (Name and Address):
Hidalgo County
100 N. Closner
Edinburg TX 78539

CONSTRUCTION CONTRACT
Date: 05/01/2012
Amount: 317,767.00
Description (Name and Location): Hidalgo County Pct#1 Road & Drainage Construction for Mid Valley Estates Subd.

BOND
Date (Not earlier than Construction Contract Date): 05/01/2012
Amount: 317,767
Modifications to this Bond: ☐ None ☐ See Page 6

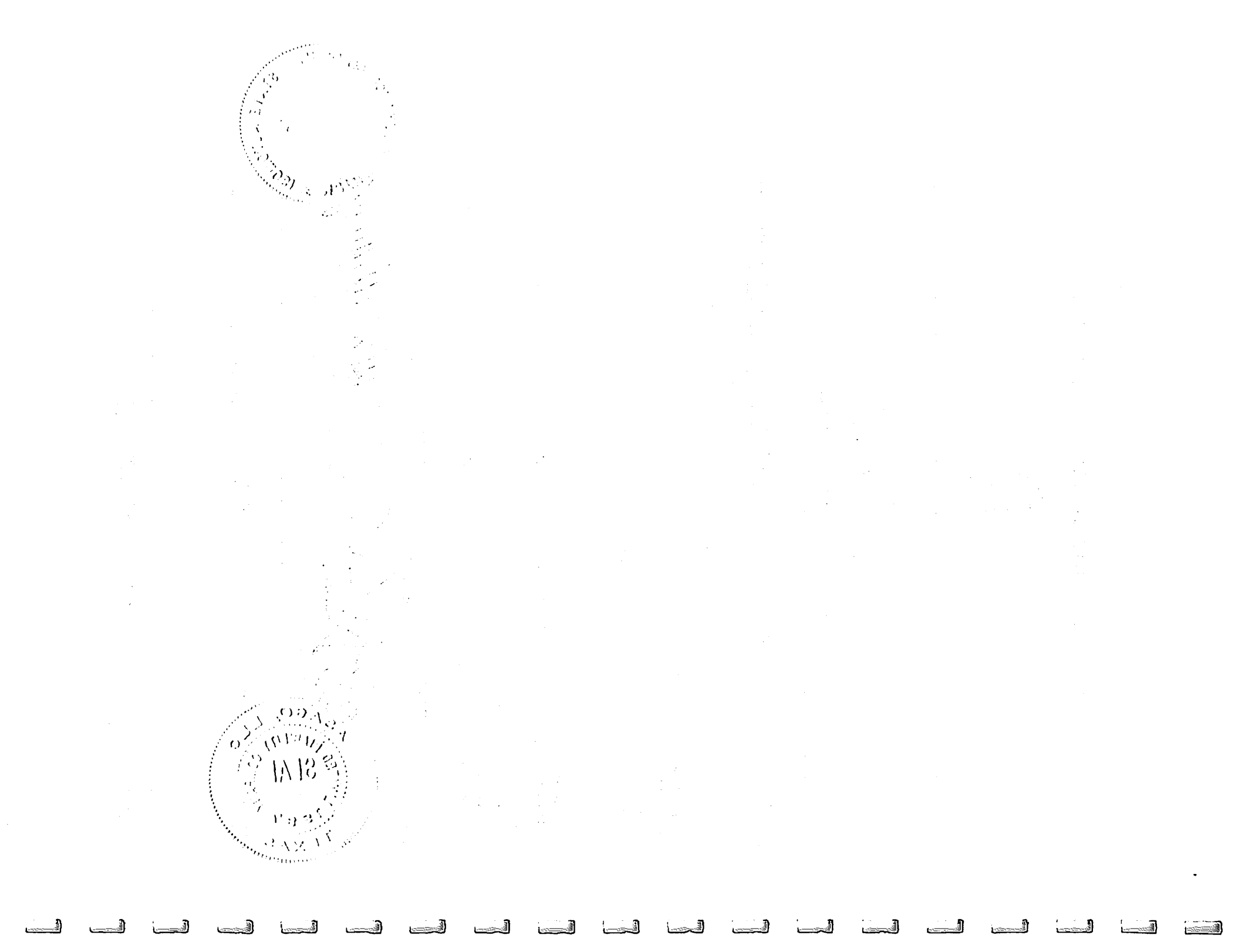
CONTRACTOR AS PRINCIPAL
Company: (Corporate Seal)
Asago, LLC dba Asago Construction
Signature:
Name and Title: Raul Iglesias, Member

SURETY
Company: (Corporate Seal)
State Automobile Mutual Insurance Company
Signature:
Name and Title: Andres Alvarez
Attorney-In-Fact

(Any additional signatures appear on page 6)

(FOR INFORMATION ONLY - Name, Address and Telephone)
AGENT or BROKER:

OWNER'S REPRESENTATIVE (Architect, Engineer or other party):



1 The Contractor and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner to pay for labor, materials and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference.

2 With respect to the Owner, this obligation shall be null and void if the Contractor:

2.1 Promptly makes payment, directly or indirectly, for all sums due Claimants, and

2.2 Defends, indemnifies and holds harmless the Owner from claims, demands, liens or suits by any person or entity whose claim, demand, lien or suit is for the payment for labor, materials or equipment furnished for use in the performance of the Construction Contract, provided the Owner has promptly notified the Contractor and the Surety (at the address described in Paragraph 12) of any claims, demands, liens or suits and tendered defense of such claims, demands, liens or suits to the Contractor and the Surety, and provided there is no Owner Default.

3 With respect to Claimants, this obligation shall be null and void if the Contractor promptly makes payment, directly or indirectly, for all sums due.

4. **Modified (Modifications are bolded)** The Surety shall have no obligation to Claimants under this Bond until:

4.1 Claimants who are employed by or have a direct contract with the Contractor have given notice to the Surety (at the address described in Paragraph 12) and sent a copy, or notice thereof, to the Owner, stating that a claim is being made under this Bond and, with substantial accuracy, the amount of the claim, and **furnished to Surety an explanation of the claim and copies of documents on which the Claimant relies to support the claim.**

4.2 Claimants who do not have a direct contract with the Contractor:

.1 Have furnished written notice to the Contractor and sent a copy, or notice thereof, to the Owner, within 90 days after having last performed labor or last furnished materials or equipment included in the claim stating, with substantial accuracy, the amount of the claim and the name of the party to whom the materials were furnished or supplied or for whom the labor was done or performed; and

.2 Have either received a rejection in whole or in part from the Contractor, or not received within 30 days of furnishing the above notice any communication from the Contractor by which the Contractor has indicated the claim will be paid directly or indirectly; and

.3 Not having been paid within the above 30 days, have sent a written notice to the Surety (at the address described in Paragraph 12) and sent a copy, or notice thereof, to the Owner, stating that a claim is being made under this Bond and enclosing a copy of the previous written notice furnished to the Contractor **and furnished to Surety an explanation of the claim and copies of documents on which the Claimant relies to support the claim.**

5 **Modified (Modifications are bolded and lined)** If a notice required by Paragraph 4 is given by the Owner to the Contractor ~~or~~ **and** to the Surety, that is sufficient compliance.

6 **Modified (Modifications are bolded and lined)** When the Claimant has satisfied the conditions of Paragraph 4 ~~, the Surety shall promptly and at the Surety's expense take the following actions~~ **and has submitted any additional supporting documentation, and any sworn statement of claim, requested by the Surety, the Surety shall at the Surety's expense take the following actions:**

~~6.1 Send an answer to the Claimant, with a copy to the Owner, within 45 days after receipt of the claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed.~~ **After receiving all of the information requested from the Claimant, the Surety shall, within a reasonable period of time based on the complexity of the case, which shall not be less than 90 days, send an answer to the Claimant, with a copy to the Owner, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed.**

6.2 Pay or arrange for payment of any undisputed amounts, **including, but not limited to, the execution of an appropriate release and/or assignment.**

6.3 The Surety's failure to fully and/or timely discharge its obligations under this Section 6 or to dispute or identify any specific defense to all or part of a claim, shall not be deemed as an admission of liability by the Surety or otherwise constitute a waiver of any rights or defenses the Contractor and/or Surety may have or acquire as to such claim, including, without limitation, any right to dispute such claim. In no event shall the Surety's liability to any Claimant under this Bond exceed the properly documented amount due and owing and shall not include interest or consequential damages.

7 The Surety's total obligation shall not exceed the amount of this Bond, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.

8 Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any Construction Performance Bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and the Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.

9 The Surety shall not be liable to the Owner, Claimants or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligations to make payments to, give notices on behalf of, or otherwise have obligations to Claimants under this Bond.

10 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

11 No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the location in which the work or part of the work is located or after the expiration of one year from the date (1) on which the Claimant gave the notice required by Subparagraph 4.1 or Clause 4.2.3, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

12 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page. Actual receipt of notice by Surety, the Owner or the Contractor, however accomplished, shall be sufficient compliance as of the date received at the address shown on the signature page.

13 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirements shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deeme incorporated herein. The intent is that this Bond shall b construed as a statutory bond and not as a common la bond.

14 Upon request by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor shall promptly furnish a copy of this Bond or shall permit a copy to be made.

15 DEFINITIONS

15.1 Claimant: An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials or equipment for use in the performance of the Contract. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment used in the Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials or equipment were furnished.

15.2 Construction Contract: The agreement between the Owner and the Contractor identified on the signature page, including all Contract Documents and changes thereto.

15.3 Owner Default: Failure of the Owner, which has neither been remedied nor waived, to pay the Contractor as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

MODIFICATIONS TO THIS BOND ARE AS FOLLOWS:

Sections 4.1, 4.2.3, 5, 6, 6.1 and 6.2 were modified as shown in bold letters and deleted words.
Section 6.3 was added and is designated in bold letters.

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL		SURETY	
Company:	(Corporate Seal)	Company:	(Corporate Seal)
Signature: _____		Signature: _____	
Name and Title:		Name and Title:	
Address:		Address:	

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY
COLUMBUS, OHIO

CERTIFIED COPY

THIS POWER OF ATTORNEY IS SPECIFIC TO:

Bond No. SUR6018635

Bond Amount. 317,767.00

POWER OF ATTORNEY

Know All Men By These Presents, That STATE AUTOMOBILE MUTUAL INSURANCE COMPANY, a corporation, duly organized and existing under the laws of the State of Ohio, and having its principal offices in the City of Columbus, Ohio, does hereby by these presents make, constitute and appoint Andres Alvarez

of San Juan and State of TX

its true and lawful Attorney(s)-in- Fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver the bond described above, subject to the limitation that the penalty of the bond shall not exceed Three hundred seventeen thousand seven hundred sixty-seven ($ 317,767.00)

and to bind the Company thereby as fully and to the same extent as if the bond was signed by the duly authorized officers of the Company, hereby ratifying and confirming all that the said Attorney(s)-in-Fact may do in the premises. This Power of Attorney is made and executed pursuant to and by authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 8th day of May 1970:

BE IT RESOLVED, by the Board of Directors of State Automobile Mutual Insurance Company, that any two (2) of the following officers of the Company, viz: the President any Vice President any Assistant Vice President, Secretary, any Assistant Secretary, Treasurer, and any assistant Treasurer, shall have the power and authority to appoint agents and attorneys-in-fact and to authorize them to execute on behalf of the Company, and attach the sea[of the Company thereto, bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof; and any such bond, undertaking, recognizance, consent of surety or written obligation in the nature thereof shall be valid and binding upon the Company when duly executed and sealed, if a seal is required, by such attorney-in-fact or agent pursuant to and within the limits of the authority granted by his power of attorney.

BE IT FURTHER RESOLVED, that any two (2) officers may remove any such Attorney-in-Fact or Agent and revoke the power and authority given to him.

BE IT FURTHER RESOLVED, that any two (2) of the following officers of the Company, viz: the President any Vice President any Assistant Vice President, Secretary, any Assistant Secretary, Treasurer, and any assistant Treasurer, shall have the power and authority to execute on behalf of the Company, and attach the seal of the Company thereto, bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof; which the business of the Company may require, and any such bond, undertaking recognizance consent of surety or written obligation in the nature thereof "I be valid and binding upon the Company when duly executed and sealed, if a seal is required.

This Power of Attorney is signed and sealed by facsimile under the authority of the following Resolution adopted by the Board of Directors of State Automobile Mutual Insurance Company at a meeting called and held on the 8th day of May, 1970:

BE IT RESOLVED, that the signature of the President any Vice President any Assistant Vice President, Secretary, any Assistant Secretary, Treasurer, and any assistant Treasurer and the Company seal may be affixed by facsimile to any power of attorney or special power of attorney or certification of either given for the execution of any bond, undertaking, recognizance, consent of surety or written obligation in the nature thereof; such signature and seal, when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

In Witness Whereof, the Company has caused these presents to be signed by its proper officers and its corporate seal to be hereunto affixed this 1st day of April, 2010

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY

By: _____
Paul E. Nordman, Vice President/Director of Business Insurance

By: _____
Larry D. Williams, Vice President/Director of Middle Market Operations

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY Seal

Form 18-C Cert.

STATE OF OHIO
COUNTY OF FRANKLIN, } ss:

On this 1st day of April, A.D., 2010, before me personally came Paul E. Nordman and Larry D. Williams, to me known, who being duly sworn, did depose and say that they are Assistant Vice Presidents respectively of STATE AUTOMOBILE MUTUAL INSURANCE COMPANY, the Company described in and which executed the above instrument; that they know the seal of said Company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company and that they signed their names, respectively, by like order.

Notary Public

NOTARIAL SEAL STATE OF OHIO

HAL D. THOMPSON
Attorney At Law
Notary Public, State of Ohio
My commission has no expiration date
Sec.147.03 R.C.

CERTIFICATE

1, the undersigned, Assistant Secretary of State Automobile Mutual Insurance Company, an Ohio Corporation, do hereby certify that the foregoing power of attorney is in full force and has not been revoked; and furthermore, that The Resolutions of the Board of Directors set forth in the power of attorney are now in force.

Signed and sealed at Columbus, Ohio, this 01 day of May 2012

Assistant Secretary
John A. Couger

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY Seal

SUR6018635

THE AMERICAN INSTITUTE OF ARCHITECTS

AIA Document A312

Performance Bond

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address):
Asago, LLC dba Asago Construction

2113 Pecos
Mission TX 78572

SURETY (Name and Principal Place of Business):
State Automobile Mutual Insurance Company
518 East Broad Street
Columbus OH 43215

OWNER (Name and Address):
Hidalgo County
100 N. Closner
Edinburg TX 78539

CONSTRUCTION CONTRACT
Date: 05/01/2012
Amount: 317,767.00
Description (Name and Location): Hidalgo County Pct#1 Road & Drainage Construction for Mid Valley Estates Subd.

BOND
Date (Not earlier than Construction Contract Date): 05/01/2012
Amount: 317,767.00
Modifications to this Bond: ☐ None ☐ See Page 3

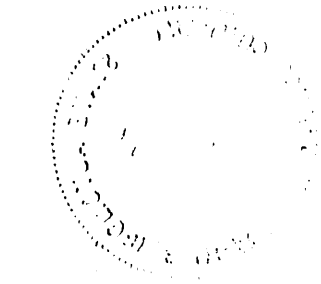
CONTRACTOR AS PRINCIPAL
Company: (Corporate Seal)
Asago, LLC dba Asago Construction
Signature:
Name and Title: Raul Iglesias, Member

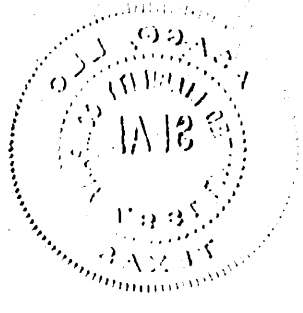
SURETY
Company: (Corporate Seal)
State Automobile Mutual Insurance Company
Signature:
Name and Title: Andres Alvarez
Attorney-In-Fact

(Any additional signatures appear on page 3)

(FOR INFORMATION ONLY - Name, Address and Telephone)
AGENT or BROKER:

OWNER'S REPRESENTATIVE (Architect, Engineer or other party):





1 The Contractor and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.

2 If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except to participate in conferences as provided in Subparagraph 3.1.

3 If there is no Owner Default, the Surety's obligation under this Bond shall arise after:

3.1 The Owner has notified the Contractor and the Surety at its address described in Paragraph 10 below that the Owner is considering declaring a Contractor Default and has requested and attempted to arrange a conference with the Contractor and the Surety to be held not later than fifteen days after receipt of such notice to discuss methods of performing the Construction Contract. If the Owner, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement shall not waive the Owner's right, if any, subsequently to declare a Contractor Default; and

3.2 The Owner has declared a Contractor Default and formally terminated the Contractor's right to complete the contract. Such Contractor Default shall not be declared earlier than twenty days after the Contractor and the Surety have received notice as provided in Subparagraph 3.1; and

3.3 The Owner has agreed to pay the Balance of the Contract Price to the Surety in accordance with the terms of the Construction Contract or to a contractor selected to perform the Construction Contract in accordance with the terms of the contract with the Owner.

4 When the Owner has satisfied the conditions of Paragraph 3, the Surety shall promptly and at the Surety's expense take one of the following actions:

4.1 Arrange for the Contractor, with consent of the Owner, to perform and complete the Construction Contract; or

4.2 Undertake to perform and complete the Construction Contract itself, through its agents or through independent contractors; or

4.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and the contractor selected with the Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Paragraph 6 in excess of the Balance of the Contract Price incurred by the Owner resulting from the Contractor's default; or

4.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances:

.1 After investigation, determine the amount for which it may be liable to the Owner and, as soon as practicable after the amount is determined, tender payment therefor to the Owner; or

.2 Deny liability in whole or in part and notify the Owner citing reasons therefor.

5 If the Surety does not proceed as provided in Paragraph 4 with reasonable promptness, the Surety shall be deemed to be in default on this Bond fifteen days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the surety proceeds as provided in Subparagraph 4.4, and the Owner refuses the payment tendered or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.

6 After the Owner has terminated the Contractor's right to complete the Construction Contract, and if the Surety elects to act under Subparagraph 4.1, 4.2, or 4.3 above, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Construction Contract. To the limit of the amount of this Bond, but subject to commitment by the Owner of the Balance of the Contract Price to mitigation of costs and damages on the Construction Contract, the Surety is obligated without duplication for:

6.1 The responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;

6.2 Additional legal, design professional and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Paragraph 4; and

6.3 Liquidated damages, or if not liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.

7 The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Construction Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators or successors.

8 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

9 Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

10 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page.

11 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

12 DEFINITIONS

12.1 Balance of the Contract Price: The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made, including allowance to the Contractor of any amounts received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Construction Contract.

12.2 Construction Contract: The agreement betwen the Owner and the Contractor identified on the signature page, including all Contract Documents and changes thereto.

12.3 Contractor Default: Failure of the Contractor, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Construction Contract.

12.4 Owner Default: Failure of the Owner, which has neither been remedied nor waived, to pay the Contractor as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

MODIFICATIONS TO THIS BOND ARE AS FOLLOWS:

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL		SURETY	
Company:	(Corporate Seal)	Company:	(Corporate Seal)
Signature: _____		Signature: _____	
Name and Title:		Name and Title:	
Address:		Address:	

EXHIBIT "C"
Insurance Requirements

The Bidder awarded the contract shall furnish proof of insurance, which will also include any subcontractor that is subcontracted by the bidder in at least the following limits, to be in place prior to providing any services under this Contract and to continue at all times in force in effect during the term of this Contract:

1. A Five Hundred Thousand Dollar ($500,000.00) Comprehensive General Liability insurance policy providing additional coverage to all underlying liabilities of County.

2. Automobile liability insurance policy with limits of at least Three Hundred Thousand Dollars ($300,000.00) per person and Five Hundred Thousand Dollars ($500,000.00) per occurrence. Coverage should include injury to or death of persons and property damage claims with limits up to Five Hundred Thousand ($500,000.00) arising out of the services provided to County hereunder.

3. Uninsured/Underinsured motorist coverage in an amount equal to the bodily injury limits set forth immediately above;

4. Workers compensation insurance in amounts established by Texas law, unless the Bidder is specifically exempted from the Texas Workers Compensation Act, Texas Labor Code Chapter 401, et. seq.

Certificates of insurance naming County as an additional insured shall be submitted to County for approval prior to any services being performed by Contractor. Each policy of insurance required hereunder shall extend for a period equivalent to, or longer than the term of the Contract, and any insurer hereunder shall be required to give at least thirty (30) days written notice to the County prior to the cancellation of any such coverage on the termination date, or otherwise. This Contract shall be automatically suspended upon the cancellation, or other termination, of any required policy of insurance hereunder, and such suspension shall continue until evidence adequate replacement coverage is provided to County. If replacement coverage is not provided within thirty (30) days following suspension of the Contract, this Contract shall automatically terminate.

Insurance Requirement Acknowledgment

I, Raul Iglesias, authorized representative for Asago Construction,
Company/Vendor

hereby acknowledge receipt of the County's required insurance limits. Said requirements:

☐ will be acquired within 10 working days after notification from Purchasing Department of bid awarded by the Hidalgo County Commissioners' Court;

☐ will acquire additional amounts required to meet the County's requirements within 10 working days after notification from Purchasing Department of bid award by the Hidalgo County Commissioners' Court; currently carry the following:

Automobile Liability: $_____ General Liability: $

☑ have already been met, see attached copy of insurance certificate.

Authorized Representative

2/15/2012
Date

Notice to Bidder:
A certificate of insurance for the required insurance limits shall be provided to the Purchasing Department's Contract Managers in order to qualify for award of bid and to execute a contract between your Company and the County

Failure to provide Certificates of Insurance to the Purchasing Department's Contract Managers will cause the bid award to be rescinded and re-awarded to next lowest bidder. Certificates of Insurance will be monitored and verified on a **quarterly basis** to ensure coverage policy is in place. It is the Company's obligation to maintain the appropriate insurance coverage throughout the term of the contract.

THIS FORM MUST ACCOMPANY BID PACKET

PROJECT REQUIREMENTS ACKNOWLEDGMENT

This is to certify that I, Raul Iglesias, possess all of the APPLICABLE:

1. Licenses: _____.
2. Bonds: _____.
3. Certificates: _____.
4. Permits: _____.
5. Other: _____.

necessary to carry out the required project. Furthermore, I am providing copies of the required documentation so that, if my company is awarded this bid, I may be eligible to enter into a contract with Hidalgo County and proceed to complete the project in a timely manner.

* Any licenses, bonds, certificates, permits, etc. which are required must be presented as part of the bid packet in order to expedite the bid evaluation process. Failure to provide said documentation will result in the disqualification of your bid.

Authorized Signature

2/15/2012.
Date

Asago Construction.
Company

2113 Pecos St.
Address

Mission, TX 78572
City, State, Zip

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 05/14/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER VALLEY INSURANCE PROVIDERS &/OR PO BOX 3783 McAllen TX 78502-378	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS:
INSURED ASAGO, LLC DBA: ASAGO CONSTRUCTION 2113 PECOS Mission TX 78572	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A : FIRST MERCURY INSURANCE COMPANY — 10657 INSURER B : INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY [X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [X] PRO-JECT [ ] LOC			TX-CGL-0000010928-01	05/10/2012	05/10/2013	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG [ ]	$ 1,000,000 $ 50,000 $ EXCLUDED $ 1,000,000 $ 2,000,000 $ 2,000,000 $
	AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] ALL OWNED AUTOS [ ] SCHEDULED AUTOS [ ] HIRED AUTOS [ ] NON-OWNED AUTOS [ ]						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) [ ]	$ $ $ $ $
	[ ] UMBRELLA LIAB [ ] OCCUR [ ] EXCESS LIAB [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $						EACH OCCURRENCE AGGREGATE [ ]	$ $ $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [ ] N/A (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						[ ] WC STATU-TORY LIMITS [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ $ $

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

"Road & Drainage Construction for Mid-Valley Estates Subdivision"

Additional Insured status, Waiver of Subrogation, and Primary & Non-contributory wording is added when required by written contract

CERTIFICATE HOLDER

HIDALGO COUNTY
2812 S. HIGHWAY BUS. 281

EDINBURG TX 78539

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 05/31/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER: San Juan Insurance Agency, Inc. DBA Valley Ins Providers OR Truckers Ins PO Drawer 3783 McAllen TX 78502	CONTACT NAME: Sylvia de la Paz PHONE (A/C, No, Ext): (956) 781-6663 FAX (A/C, No): (956) 702-7556 E-MAIL ADDRESS: sdelapaz@vip-ins.net (cert's)
INSURED: ASAGO, LLC. DBA ASAGO CONSTRUCTION 2113 Pecos Mission TX 78572-	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A: America First Insurance INSURER B: Rockhill Insurance Company INSURER C: Specialty Insurance Manag INSURER D: Texas Mutual Insurance Co INSURER E: INSURER F:

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY						EACH OCCURRENCE	$
	[ ] COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
	[ ] CLAIMS-MADE [ ] OCCUR						MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
							GENERAL AGGREGATE	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG	$
	[ ] POLICY [ ] PRO-JECT [ ] LOC							$
A	AUTOMOBILE LIABILITY			BA4981240	11/22/2011	11/22/2012	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
	[ ] ANY AUTO						BODILY INJURY (Per person)	$
	[ ] ALL OWNED AUTOS [X] SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	[ ] HIRED AUTOS [ ] NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
B	[ ] UMBRELLA LIAB [X] OCCUR			RXSLRU000560-01	12/17/2011	12/17/2012	EACH OCCURRENCE	$ 1,000,000
	[X] EXCESS LIAB [ ] CLAIMS-MADE						AGGREGATE	$ 1,000,000
	[ ] DED [ ] RETENTION $							$
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N			TSF0001134832	08/13/2011	08/13/2012	[X] WC STATU-TORY LIMITS [ ] OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [ ] N/A						E.L. EACH ACCIDENT	$ 1,000,000
	(Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000
C				IMD24402-0	12/17/2011	12/17/2012	TIV- $307,219 THEFT DED- $5,000	DED- $2,500

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
ROAD & DRAINAGE CONSTRUCTION FOR MID VALLEY ESTATES SUBDIVISION

CERTIFICATE HOLDER

COUNTY OF HIDALGO
2812 S. BUS. HWY 281
EDINBURG TX 78539-

Fax: (956)292-7612

CANCELLATION

AI 006050

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE D Young

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dba

SUMMARY OF INSURANCE: VEHICLE INFORMATION

DATE 05/18/2012

PRODUCER

San Juan Insurance Agency, Inc.
DBA Valley Ins Providers OR Truckers Ins
PO Drawer 3783
McAllen TX 78502
(956) 781-6663

APPLICANT NAME AND MAILING ADDRESS

ASAGO LLC
2113 Pecos
Mission TX 78572-
(956)607-0741

CLIENT ID 7040

POLICY BA4981240 11/22/2011 to 11/22/2012

YEAR	MAKE AND MODEL		VEHICLE IDENTIFICATION NUMBER	CLASS	ACTUAL CASH VALUE
2008	NISSAN	TITAN	1N6BA07D88N327160		
2005	FORD	F750	3FRXF75A85V215442		
2006	FORD	F250	1FTNF20506EC55965		
2004	MACK	CX600	1M1AE06Y94N018752		
1985	LUFKIN	TRAILER	1L01C3526F1069352		
2000	INTERNATIONAL		DW544JZ598268		
1996	FORD		1FDYU90SXTVA03388		
2011	CHEVROLET		1GCNCPEA9BZ279454		
2011	CHEVROLET		1GCRCPEX0BZ342916		
2011	CHEVROLET	SILVERADO EXT CAB	1GCRCPEX6BZ291678		
1999	LAND ROVER		SALPV1245XA411509		
1993	FORD	L9000	1FDZY90L2PVA31922		
1982	MACK	TRUCK	1M2K127C3CM005039		

THIS DOCUMENT OUTLINES THE GENERAL COVERAGES PRESENTED AND IN NO WAY CHANGES OR AFFECTS THE INSURANCE UNDER ANY POLICY ACTUALLY ISSUED. ALL PROTECTION IS SUBJECT TO ACTUAL POLICY CONDITIONS AND EXCLUSIONS.

GENERAL CONDITIONS OF THE AGREEMENT

1. GENERAL

It is the intent of these instructions, plans and specifications to provide guidance for the construction of this project.

2. REGULATIONS AND DISCREPANCIES

All applicable laws, ordinances, policy, rules, regulations and other directives of all authorities having jurisdiction over the projects shall apply to the contract throughout and will be deemed to be included in the contract the same as those written out in full. Discrepancies between regulations or conflicting parts of the Specifications shall be brought to the attention of an clarified by the Engineer before proceeding with any work. Proceeding with affected work without instructions from the Engineer can result in the Contractor being responsible for taking the necessary steps to insure the work conforms to the governing regulation.

3. ENGINEER

Whenever the work "ENGINEER" is used in this contract with reference to the preparation of plans, specifications, and contract documents, it shall be understood as referring to the firm **TEDSI Infrastructure Group**.

4. INTERPRETATION OF PHRASES

Whenever the words "Directed", "Required", "Permitted", "Designated", "Considered Necessary", "Prescribed", or words of like importance are used, it shall be understood that the direction, requirements, permission, order, designation or prescription, of the ENGINEER is intended and similarly, the words "Approval", "Acceptable", "Satisfactory", or words of like importance shall mean approved by or acceptable of satisfactory to the ENGINEER. The preceeding to the contrary notwithstanding, Engineer's approval or acceptance of the work shall by advisory to OWNER, and shall not bind the OWNER to accept or approve the same.

Whenever, in the specifications or drawings accompanying this agreement, the terms or description of various qualities relative to finish, workmanship, or other qualities of similar kind which cannot,, from their nature, be specifically and clearly described and specified, but are necessarily described in general terms, then, in all such cases, any question of the fulfillment of said specifications shall be decided by the ENGINEER, and said work shall be done in accordance with his interpretations of the meaning of the words, terms, or clauses defining the character of the work.

Title 29 - LABOR

Subtitle A - Office of the Secretary of Labor

PART 3 - CONTRACTORS AND SUBCONTRACTORS ON PUBLIC BUILDING OR PUBLIC WORK FINANCED IN WHOLE OR IN PART BY LOANS OR GRANTS FROM THE UNITED STATES

Sec.

3.1 Purpose and scope
3.2 Definitions
3.3 Weekly statement with respect to payment of wages
3.4 Submission of weekly statements and the preservation and inspection of weekly payroll records.
3.5 Payroll deductions permissible without application to or approval of the Secretary of Labor.
3.6 Payroll deductions permissible with the approval of the Secretary of Labor.
3.7 Applications for the approval of the Secretary of Labor
3.8 Action by the Secretary of Labor upon applications.
3.9 Prohibited payroll deductions.
3.10 Methods of payment of wages.
3.11 Regulations part of contract.

AUTHORITY: The provisions of this Part 3 issued under R.S. 16 1, sec. 2, 48 Stat. §48; Reorg. Plan No. 14 of 1950, 64 Stat. 1267, 5 U.S.C. Appendix; 5 U.S.C. 301; 40 U.S.C. 276c.

SOURCE: The provisions of this Part 3 appear at 29 F.R. 97, Jan. 4, 1964, unless otherwise noted.

Section 3.1 Purpose and Scope.

This part prescribes "anti-kickback" regulations under section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c), popularly known as the Copeland Act. This part applies to any contract which is subject to Federal wage standards and which is for the construction, prosecution, completion, or repair of public buildings, public works or buildings or works financed in whole or in part by loans or grants from the United States. The part is intended to aid in the enforcement of the minimum wage provisions of the Davis-Bacon Act and the various statutes dealing with Federally assisted construction that contain similar minimum wage provisions, including those provisions which are not subject to Reorganization Plan No. 14 (e.g., the College Housing Act of 1950, the Federal Water Pollution Control Act, and the Housing Act of 1959), and in the enforcement of the overtime provisions of the Contract Work Hours Standards Act whenever they are applicable to construction work. The part details the obligation of contractors and subcontractors relative to the weekly submission of statements regarding the wages paid on work covered thereby; sets forth the circumstances and procedures governing the making of payroll deductions from the wages of those employed on such work; and delineates the methods of payment permissible on such work.

Section 3.2 Definitions.

As used in the regulations in this part:

(a) The terms "building" or "work" generally include construction activity as distinguished from manufacturing, furnishing of materials, or servicing and maintenance work. The terms include, without limitation, buildings, structures, and improvements of all @s, such as bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, powerlines, pumping stations, railways, airports, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, and canals; dredging, shoring, scaffolding, drilling, blasting, excavating, clearing, and landscaping. Unless conducted in connection with and at the site of such a building or work as is described in the foregoing sentence, the manufacture or furnishing of materials, articles, supplies, or equipment (whether or not a Federal or State agency acquires title to such materials,

articles, supplies, or equipment during the course of the manufacture or furnishing, or owns the materials from which they are manufactured or furnished) is not a "building" or "work" within the meaning of the regulations in this part.

(b) The terms construction," 4; prosecution," @'completion," or repair" mean all types of work done on a particular building or work at the site thereof, including, without limitation, altering, remodeling, painting and decorating, the transporting of materials and supplies to or from the building or work by the employees of the construction contractor or construction subcontractor, and the manufacturing or furnishing of materials, articles, supplies, or equipment on the site of the building or work, by persons employed at the site by the contractor or subcontractor.

(c) The terms "public building" or "public work" include building or work for whose construction, prosecution, completion, or repair, as defined above, a Federal agency is a contracting party, regardless of whether title thereof is in a Federal agency.

(d) The term "building or work financed in whole or in part by loans or grants from the Unites States" includes building or work for whose construction, prosecution, completion, or repair, as defined above, payment or part payment is made directive or indirectly from funds provided by loans or grants by a Federal agency. The term includes building or work for which the Federal assistance granted is in the form of loan guarantees or insurance.

(e) Every person paid by a contractor or subcontractor in any manner for his labor in the construction, prosecution, completion, or repair of a public building or public work or building or work financed in whole or in part by loans or grants from the United States is "employed" and receiving 44 wages," regardless of any contractual relationship alleged to exist between him and the real employer.

(f) The term "any affiliated person" includes a spouse, child, parent, or other close relative of the contractor or subcontractor; a partner or officer of the contractor or subcontractor; a corporation closely connected with the contractor or subcontractor as parent, subsidiary or otherwise, and an officer or agent of such corporation.

(g) The term "Federal agency" means the United States, the District of Columbia, and all executive departments, independent establishments, administrative agencies, and instrumentality's of the United States and of the District of Columbia, including corporations. all or substantially all of the stock of which is beneficially owned by the United States, by the District of Columbia, or any of the foregoing departments, establishments, agencies, and

(a) Each weekly statement required under §3.3 shall be delivered by the contractor or subcontractor, within seven days after the regular payment date of the payroll period, to a representative of a Federal or

instrumentality's.
(29 **FR** 97, **Jan. 4, 1964, as amended at** 33 **FR** 32575, **Nov.** 27, 1973)

Section 3.3 Weekly statement with respect to payment of wages.

(a) As used in this section, the term "employee" shall not apply to persons in classifications higher than that of laborer or mechanic and those who are the immediate supervisors of such employees.

(b) Each contractor or subcontractor engaged in the construction, prosecution, completion, or repair of any public building or public work, or building or work financed in whole or in part by loans or grants from the United States, shall furnish each week a statement with respect to the wages paid each of its employees engaged on work covered by 29 CFR Parts 3 and 5 during the preceding weekly payroll period. This statement shall be executed by the contractor or subcontractor or by an authorized officer of employee of the contractor or subcontractor who supervises the payment of wages, and shall be on form @ 348, "Statement of Compliance," or on an identical form on the back of @ 347, "Payroll (For Contractors Optional Use)" or on any form with identical wording. Sample copies of @ 347 and @ 348 may be obtained from the Government contracting or sponsoring agency, and copies of these forms may be purchased at the Government Printing Office.

(c) The requirements of this section shall not apply to any contract of $2,000 or less.

(d) Upon a written finding by the head of a Federal agency, the Secretary of Labor may provide reasonable limitations, variations, tolerances, and exemptions from the requirements of this section subject to such conditions as the Secretary of Labor may specify.
(29 F.R. 95, Jan. 4, 19(A, as ==tied at 33 F.R. 10186, July 17,1968)

Copeland Act Regulations

Section 3.4 Submission of weekly statements and the preservation and inspection of weekly payroll records.

State agency in charge at the site of the building or work, or if there is no representative of a Federal or State agency at the site of the building or work, the statement shall be mailed by the contractor or

subcontractor, within such time, to a Federal or State agency contracting for or financing the building or work. After such examination and check as may be made, such statement, or a copy thereof, shall be kept available, or shall be transmitted together with a report of any violation, in accordance with applicable procedures prescribed by the United States Department of Labor.

(b) Each contractor or subcontractor shall preserve his weekly payroll records for a period of three years from date of completion of the contract. The payroll records shall set out accurately and completely the name and address of each taborer and mechanic, his correct classification, rate of pay, daily and weekly number of hours worked, deductions made, and actual wages paid. Such payroll records shall be made available at all times for inspection by the contracting officer or his authorized representative, and by authorized representatives of the Department of Labor.

Section 3.5 Payroll deductions permissible without application to or approval of the Secretary of Labor.

Deductions made under the circumstances or in the situations described in the paragraphs of this section may be made without application to and approval of the Secretary of Labor:

(a) Any deduction made in compliance with the requirements of Federal, State, or local law, such as Federal or State withholding income taxes and Federal social security taxes.

(b) Any deduction of sums previously paid to the employee as a bona fide prepayment of wages when such prepayment is made without discount or interest. A "bona fide prepayment of wages" is considered to have been made only when cash or its equivalent has been advanced to the person employed in such manner as to give him complete freedom of disposition of the advanced funds.

(c) Any deduction of amounts required by court process to be paid to another, unless, the deduction is in favor of the contractor, subcontractor or any affiliated person, or when collusion or collaboration exists.

(d) Any deduction constituting a contribution on behalf of the person employed to funds established by the employer or representatives of employees, or both, for the purpose of providing either from principal or income, or both, medical or hospital care, pensions, or annuities on retirement, death benefits, compensation for injuries, illness, accidents, sickness,

(k) Any deduction for the cost of safety equipment of nominal value purchased by the employee as his own prope@ for his personal protection in his work, such as safety shoes, safety

or disability, or for insurance to provide any of the foregoing, or unemployment benefits, vacation pay, savings accounts, or similar payments for the benefit of employees, their families and dependents: Provided, however, That the following standards are met: (1) The deduction is not otherwise prohibited by law; (2) it is either: (i) Voluntarily consented to by the employee in writing and in advance of the period in which the work is to be done and such consent is not a condition either for the obtaining of or for the continuation of employment, or (ii) provided for in a bona fide collective bargaining agreement between the contractor or subcontractor and representatives of its employees; (3) no profit or other benefit is otherwise obtained, directly or indirectly, by the contractor or subcontractor or any affiliated person in the form of commission, dividend, or otherwise; and (4) the deductions shall serve the convenience and interest of the employee. (e) Any deduction contributing toward the purchase of United States Defense Stamps and Bonds when voluntarily authorized by the employee.

(f) Any deduction requested by the employee to enable him to repay loans to or to purchase shares in credit unions organized and operated in accordance with Federal and State credit union statutes.

(g) Any deduction voluntarily authorized by the employee for the making of contributions to

governmental or quasi-governmental agencies, such as the American Red Cross.

(h) Any deduction voluntarily authorized by the employee for the making of contributions to Community Chests, United Givers Funds, and similar charitable organizations.

(i) Any deductions to pay regular union initiation fees and membership dues, not including fines or special assessments: Provided, however, That a collective bargaining agreement between the contractor or subcontractor and representatives of its employees provides for such deductions and the deductions are not otherwise prohibited by law.

0) Any deduction not more than for the "reasonable cost" of board, lodging, or other facilities meeting the requirements of section 3(m) of the Fair Labor Standards Act of 1938, as amended, and Part 531 of this title. When such a deduction is made the additional records required under §516.27(a) of this title shall be kept.

glasses, safety gloves, and hard hats, if such equipment is not required by law to be furnish by the employer, if such deduction is not violative of the Fair Labor Standards Act or prohibited by other law, if the cost on which the deduction is based does not exceed the actual cost to the employer where the equipment is purchased from him and does not include any direct or indirect monetary return to the employer where the equipment is purchased from a third person, and if the deduction is either (1) voluntarily consented to be the employee in writing and in advance of the period in which the work is to be done and such consent is not a condition either for the obtaining of employment or its continuance; or (2) provided for in a bona fide collective bargaining agreement between the contractor or subcontractor and representatives of its employees.
(36 F.R. 9770, May 28,1971.)

Section 3.6 Payroll deductions permissible with the approval of the Secretary of Labor.

Any contractor or subcontractor may apply to the Secretary of Labor for permission to make any

deduction not permitted under §3.5. The Secretary may grant permission whenever he finds that:

(a) The contractor, subcontractor, or any affiliated person does not make a profit or benefit

directly or indirectly from the deduction either in the form of a commission, dividend, or otherwise;

(b) The deduction is not otherwise prohibited by law;

(c) The deduction is either (1) voluntarily consented to by the employee in writing and in advance of the period in which the work is to be done and such consent is not a condition either for the obtaining of employment or its continuance, or (2) provided for in a bona fide collective bargaining agreement between the contractor or subcontractor and representatives of its employees; and

(d) The deduction serves the convenience and interest of the employee.

Section 3.7 Applications for the approval of the Secretary of Labor.

Any application for the making of payroll deductions under §3.6 shall comply with the requirements prescribed in the following paragraphs of this section:

(a) The application shall be in writing and shall be addressed to the Secretary of Labor.

(b) The application need not identify the contract or contracts under which the work in question is to be performed. Permission will be given for deductions on all current and future contracts of the applicant for a period of I year. A renewal of permission to make such payroll deduction will be granted upon the submission of an application which makes reference to the original application, recites the date of the Secretary of Labor's approval of such deductions, states affirmatively that there is continued compliance with the standards set forth in the provisions of §3.6, and specifies any conditions which have changed in regard to the payroll deductions.
(36 F.IL 9770, May 29, 1971.)

(c) The application shall state affirmatively that there is compliance with the standards set forth in the provisions of §3.6. The affirmation shall be accompanied by a full statement of the facts indicating such compliance.

(d) The application shall include a description of the proposed deduction, the purpose to be served there by, and the classes of laborers or mechanics from whose wages the proposed deduction would be made.

(e) The application shall state the name and business of any third person to whom any funds obtained from the proposed deductions are to be transmitted and the affiliation of such person, if any, with the applicant. -

Section 3.8 Action by the Secretary of Labor upon applications.

The Secretary of Labor shall decide whether or not the requested deduction is permissible under provisions of §3.6; and shall notify the applicant in writing of his decision.

Section 3.9 Prohibited payroll deductions.

Deductions not elsewhere provided for by this part and which **are** not found to be permissible under §3.6 are prohibited.

Section 3.10 Methods of payment of wages.

The payment of wages shall be by cash, negotiable instruments pkvable on demand, or the additional forms of compensation for which deductions are permissible under this part. No other methods of payment shall be recognized on work subject to the Copeland Act.

Section 3.11 Regulations part of contact.

All contracts made with respect to the construction, prosecution, completion, or repair of any public building or public work or building or work financed in whole or in part by loans or grants from the United States covered by the regulations in this part shall expressly bind the contractor or subcontractor to comply with such of the regulations in this part as may be applicable. In this regard, see §5.5(a) of this subtitle.

STANDARD GENERAL CONDITIONS OF THE CONSTRUCTION CONTRACT

Prepared by

ENGINEERS JOINT CONTRACT DOCUMENTS COMMITTEE

and

Issued and Published Jointly By

PROFESSIONAL ENGINEERS IN PRIVATE PRACTICE
a practice division of the
NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS

AMERICAN CONSULTING ENGINEERS COUNCIL

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The Associated General Contractors of America

Construction Specifications Institute

EJCDC No. 1910-8 (1996 Edition)

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GENERAL CONDITIONS

ARTICLE 1 - DEFINITIONS AND TERMINOLOGY

1.01 *Defined Terms*

A. Wherever used in the Contract Documents and printed with initial or all capital letters, the terms listed below will have the meanings indicated which are applicable to both the singular and plural thereof.

1. *Addenda*–Written or graphic instruments issued prior to the opening of Bids which clarify, correct, or change the Bidding Requirements or the Contract Documents.

2. *Agreement*–The written instrument which is evidence of the agreement between OWNER and CONTRACTOR covering the Work.

3. *Application for Payment*–The form acceptable to ENGINEER which is to be used by CONTRACTOR during the course of the Work in requesting progress or final payments and which is to be accompanied by such supporting documentation as is required by the Contract Documents.

4. *Asbestos*–Any material that contains more than one percent asbestos and is friable or is releasing asbestos fibers into the air above current action levels established by the United States Occupational Safety and Health Administration.

5. *Bid*–The offer or proposal of a bidder submitted on the prescribed form setting forth the prices for the Work to be performed.

6. *Bidding Documents*–The Bidding Requirements and the proposed Contract Documents (including all Addenda issued prior to receipt of Bids).

7. *Bidding Requirements*–The Advertisement or Invitation to Bid, Instructions to Bidders, Bid security form, if any, and the Bid form with any supplements.

8. *Bonds*–Performance and payment bonds and other instruments of security.

9. *Change Order*–A document recommended by ENGINEER which is signed by CONTRACTOR and OWNER and authorizes an addition, deletion, or revision in the Work or an adjustment in the Contract Price or the Contract Times, issued on or after the Effective Date of the Agreement.

10. *Claim*–A demand or assertion by OWNER or CONTRACTOR seeking an adjustment of Contract Price or Contract Times, or both, or other relief with respect to the terms of the Contract. A demand for money or services by a third party is not a Claim.

11. *Contract*–The entire and integrated written agreement between the OWNER and CONTRACTOR concerning the Work. The Contract supersedes prior negotiations, representations, or agreements, whether written or oral.

12. *Contract Documents*–The Contract Documents establish the rights and obligations of the parties and include the Agreement, Addenda (which pertain to the Contract Documents), CONTRACTOR's Bid (including documentation accompanying the Bid and any post Bid documentation submitted prior to the Notice of Award) when attached as an exhibit to the Agreement, the Notice to Proceed, the Bonds, these General Conditions, the Supplementary Conditions, the Specifications and the Drawings as the same are more specifically identified in the Agreement, together with all Written Amendments, Change Orders, Work Change Directives, Field Orders, and ENGINEER's written interpretations and clarifications issued on or after the Effective Date of the Agreement. Approved Shop Drawings and the reports and drawings of subsurface and physical conditions are not Contract Documents. Only printed or hard copies of the items listed in this paragraph are Contract Documents. Files in electronic media format of text, data, graphics, and the like that may be furnished by OWNER to CONTRACTOR are not Contract Documents.

13. *Contract Price*–The moneys payable by OWNER to CONTRACTOR for completion of the Work in accordance with the Contract Documents as stated in the Agreement (subject to the provisions of paragraph 11.03 in the case of Unit Price Work).

14. *Contract Times*–The number of days or the dates stated in the Agreement to: (i) achieve Substantial Completion; and (ii) complete the Work so that it is ready for final payment as evidenced by ENGINEER's written recommendation of final payment.

15. *CONTRACTOR*–The individual or entity with whom OWNER has entered into the Agreement.

16. *Cost of the Work*--See paragraph 11.01.A for definition.

17. *Drawings*--That part of the Contract Documents prepared or approved by ENGINEER which graphically shows the scope, extent, and character of the Work to be performed by CONTRACTOR. Shop Drawings and other CONTRACTOR submittals are not Drawings as so defined.

18. *Effective Date of the Agreement*--The date indicated in the Agreement on which it becomes effective, but if no such date is indicated, it means the date on which the Agreement is signed and delivered by the last of the two parties to sign and deliver.

19. *ENGINEER*--The individual or entity named as such in the Agreement.

20. *ENGINEER's Consultant*--An individual or entity having a contract with ENGINEER to furnish services as ENGINEER's independent professional associate or consultant with respect to the Project and who is identified as such in the Supplementary Conditions.

21. *Field Order*--A written order issued by ENGINEER which requires minor changes in the Work but which does not involve a change in the Contract Price or the Contract Times.

22. *General Requirements*--Sections of Division 1 of the Specifications. The General Requirements pertain to all sections of the Specifications.

23. *Hazardous Environmental Condition*--The presence at the Site of Asbestos, PCBs, Petroleum, Hazardous Waste, or Radioactive Material in such quantities or circumstances that may present a substantial danger to persons or property exposed thereto in connection with the Work.

24. *Hazardous Waste*--The term Hazardous Waste shall have the meaning provided in Section 1004 of the Solid Waste Disposal Act (42 USC Section 6903) as amended from time to time.

25. *Laws and Regulations; Laws or Regulations*--Any and all applicable laws, rules, regulations, ordinances, codes, and orders of any and all governmental bodies, agencies, authorities, and courts having jurisdiction.

26. *Liens*--Charges, security interests, or encumbrances upon Project funds, real property, or personal property.

27. *Milestone*--A principal event specified in the Contract Documents relating to an intermediate completion date or time prior to Substantial Completion of all the Work.

28. *Notice of Award*--The written notice by OWNER to the apparent successful bidder stating that upon timely compliance by the apparent successful bidder with the conditions precedent listed therein, OWNER will sign and deliver the Agreement.

29. *Notice to Proceed*--A written notice given by OWNER to CONTRACTOR fixing the date on which the Contract Times will commence to run and on which CONTRACTOR shall start to perform the Work under the Contract Documents.

30. *OWNER*--The individual, entity, public body, or authority with whom CONTRACTOR has entered into the Agreement and for whom the Work is to be performed.

31. *Partial Utilization*--Use by OWNER of a substantially completed part of the Work for the purpose for which it is intended (or a related purpose) prior to Substantial Completion of all the Work.

32. *PCBs*--Polychlorinated biphenyls.

33. *Petroleum*--Petroleum, including crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute), such as oil, petroleum, fuel oil, oil sludge, oil refuse, gasoline, kerosene, and oil mixed with other non-Hazardous Waste and crude oils.

34. *Project*--The total construction of which the Work to be performed under the Contract Documents may be the whole, or a part as may be indicated elsewhere in the Contract Documents.

35. *Project Manual*--The bound documentary information prepared for bidding and constructing the Work. A listing of the contents of the Project Manual, which may be bound in one or more volumes, is contained in the table(s) of contents.

36. *Radioactive Material*--Source, special nuclear, or byproduct material as defined by the Atomic Energy Act of 1954 (42 USC Section 2011 et seq.) as amended from time to time.

37. *Resident Project Representative*--The authorized representative of ENGINEER who may be assigned to the Site or any part thereof.

38. *Samples*--Physical examples of materials, equipment, or workmanship that are representative of some portion of the Work and which establish the standards by which such portion of the Work will be judged.

39. *Shop Drawings*--All drawings, diagrams, illustrations, schedules, and other data or information which are specifically prepared or assembled by or for CONTRACTOR and submitted by CONTRACTOR to illustrate some portion of the Work.

40. *Site*--Lands or areas indicated in the Contract Documents as being furnished by OWNER upon which the Work is to be performed, including rights-of-way and easements for access thereto, and such other lands furnished by OWNER which are designated for the use of CONTRACTOR.

41. *Specifications*--That part of the Contract Documents consisting of written technical descriptions of materials, equipment, systems, standards, and workmanship as applied to the Work and certain administrative details applicable thereto.

42. *Subcontractor*--An individual or entity having a direct contract with CONTRACTOR or with any other Subcontractor for the performance of a part of the Work at the Site.

43. *Substantial Completion*--The time at which the Work (or a specified part thereof) has progressed to the point where, in the opinion of ENGINEER, the Work (or a specified part thereof) is sufficiently complete, in accordance with the Contract Documents, so that the Work (or a specified part thereof) can be utilized for the purposes for which it is intended. The terms "substantially complete" and "substantially completed" as applied to all or part of the Work refer to Substantial Completion thereof.

44. *Supplementary Conditions*--That part of the Contract Documents which amends or supplements these General Conditions.

45. *Supplier*--A manufacturer, fabricator, supplier, distributor, materialman, or vendor having a direct contract with CONTRACTOR or with any Subcontractor to furnish materials or equipment to be incorporated in the Work by CONTRACTOR or any Subcontractor.

46. *Underground Facilities*--All underground pipelines, conduits, ducts, cables, wires, manholes, vaults, tanks, tunnels, or other such facilities or attachments, and any encasements containing such facilities, including those that convey electricity, gases, steam, liquid petroleum products, telephone or other communications, cable television, water, wastewater, storm water, other liquids or chemicals, or traffic or other control systems.

47. *Unit Price Work*--Work to be paid for on the basis of unit prices.

48. *Work*--The entire completed construction or the various separately identifiable parts thereof required to be provided under the Contract Documents. Work includes and is the result of performing or providing all labor, services, and documentation necessary to produce such construction, and furnishing, installing, and incorporating all materials and equipment into such construction, all as required by the Contract Documents.

49. *Work Change Directive*--A written statement to CONTRACTOR issued on or after the Effective Date of the Agreement and signed by OWNER and recommended by ENGINEER ordering an addition, deletion, or revision in the Work, or responding to differing or unforeseen subsurface or physical conditions under which the Work is to be performed or to emergencies. A Work Change Directive will not change the Contract Price or the Contract Times but is evidence that the parties expect that the change ordered or documented by a Work Change Directive will be incorporated in a subsequently issued Change Order following negotiations by the parties as to its effect, if any, on the Contract Price or Contract Times.

50. *Written Amendment*--A written statement modifying the Contract Documents, signed by OWNER and CONTRACTOR on or after the Effective Date of the Agreement and normally dealing with the nonengineering or nontechnical rather than strictly construction-related aspects of the Contract Documents.

1.02 *Terminology*

A. *Intent of Certain Terms or Adjectives*

1. Whenever in the Contract Documents the terms "as allowed," "as approved," or terms of like effect or import are used, or the adjectives "reasonable," "suitable," "acceptable," "proper," "satisfactory," or adjectives of like effect or import are used to describe an action or determination of ENGINEER as to the Work, it is intended that such action or determination will be solely to evaluate, in general, the completed Work for compliance with the requirements of and information in the Contract Documents and conformance with the design concept of the completed Project as a functioning whole as shown or indicated in the Contract Documents (unless there is a specific statement indicating otherwise). The use of any such term or adjective shall not be effective to assign to ENGINEER any duty or authority to supervise or direct the performance of the Work or any duty or authority to undertake responsibility contrary to the provisions of paragraph 9.10 or any other provision of the Contract Documents.

B. *Day*

1. The word "day" shall constitute a calendar day of 24 hours measured from midnight to the next midnight.

C. *Defective*

1. The word "defective," when modifying the word "Work," refers to Work that is unsatisfactory, faulty, or deficient in that it does not conform to the Contract Documents or does not meet the requirements of any inspection, reference standard, test, or approval referred to in the Contract Documents, or has been damaged prior to ENGINEER's recommendation of final payment (unless responsibility for the protection thereof has been assumed by OWNER at Substantial Completion in accordance with paragraph 14.04 or 14.05).

D. *Furnish, Install, Perform, Provide*

1. The word "furnish," when used in connection with services, materials, or equipment, shall mean to supply and deliver said services, materials, or equipment to the Site (or some other specified location) ready for use or installation and in usable or operable condition.

2. The word "install," when used in connection with services, materials, or equipment, shall mean to put into use or place in final position said services, materials, or equipment complete and ready for intended use.

3. The words "perform" or "provide," when used in connection with services, materials, or equipment, shall mean to furnish and install said services, materials, or equipment complete and ready for intended use.

4. When "furnish," "install," "perform," or "provide" is not used in connection with services, materials, or equipment in a context clearly requiring an obligation of CONTRACTOR, "provide" is implied.

E. Unless stated otherwise in the Contract Documents, words or phrases which have a well-known technical or construction industry or trade meaning are used in the Contract Documents in accordance with such recognized meaning.

ARTICLE 2 - PRELIMINARY MATTERS

2.01 *Delivery of Bonds*

A. When CONTRACTOR delivers the executed Agreements to OWNER, CONTRACTOR shall also deliver to OWNER such Bonds as CONTRACTOR may be required to furnish.

2.02* *Copies of Documents*

A. OWNER shall furnish to CONTRACTOR up to ten copies of the Contract Documents. Additional copies will be furnished upon request at the cost of reproduction.

2.03 *Commencement of Contract Times; Notice to Proceed*

A. The Contract Times will commence to run on the thirtieth day after the Effective Date of the Agreement or, if a Notice to Proceed is given, on the day indicated in the Notice to Proceed. A Notice to Proceed may be given at any time within 30 days after the Effective Date of the Agreement. In no event will the Contract Times com-

mence to run later than the sixtieth day after the day of Bid opening or the thirtieth day after the Effective Date of the Agreement, whichever date is earlier.

2.04 *Starting the Work*

A. CONTRACTOR shall start to perform the Work on the date when the Contract Times commence to run. No Work shall be done at the Site prior to the date on which the Contract Times commence to run.

*See Supplementary Conditions

2.05* *Before Starting Construction*

A. *CONTRACTOR's Review of Contract Documents:* Before undertaking each part of the Work, CONTRACTOR shall carefully study and compare the Contract Documents and check and verify pertinent figures therein and all applicable field measurements. CONTRACTOR shall promptly report in writing to ENGINEER any conflict, error, ambiguity, or discrepancy which CONTRACTOR may discover and shall obtain a written interpretation or clarification from ENGINEER before proceeding with any Work affected thereby; however, CONTRACTOR shall not be liable to OWNER or ENGINEER for failure to report any conflict, error, ambiguity, or discrepancy in the Contract Documents unless CONTRACTOR knew or reasonably should have known thereof.

B. *Preliminary Schedules:* Within ten days after the Effective Date of the Agreement (unless otherwise specified in the General Requirements), CONTRACTOR shall submit to ENGINEER for its timely review:

1. a preliminary progress schedule indicating the times (numbers of days or dates) for starting and completing the various stages of the Work, including any Milestones specified in the Contract Documents;

2. a preliminary schedule of Shop Drawing and Sample submittals which will list each required submittal and the times for submitting, reviewing, and processing such submittal; and

3. a preliminary schedule of values for all of the Work which includes quantities and prices of
items which when added together equal the Contract Price and subdivides the Work into component parts in sufficient detail to serve as the basis for progress payments during performance of the Work. Such prices will include an appropriate amount of overhead and profit applicable to each item of Work.

* C. *Evidence of Insurance:* Before any Work at the Site is started, CONTRACTOR and OWNER shall each deliver to the other, with copies to each additional insured identified in the Supplementary Conditions, certificates of insurance (and other evidence of insurance which either of them or any additional insured may reasonably request) which CONTRACTOR and OWNER respectively are required to purchase and maintain in accordance with Article 5.

2.06 *Preconstruction Conference*

A. Within 20 days after the Contract Times start to run, but before any Work at the Site is started, a conference attended by CONTRACTOR, ENGINEER, and others as appropriate will be held to establish a working understanding among the parties as to the Work and to discuss the schedules referred to in paragraph 2.05.B, procedures for handling Shop Drawings and other submittals, processing Applications for Payment, and maintaining required records.

2.07 *Initial Acceptance of Schedules*

A. Unless otherwise provided in the Contract Documents, at least ten days before submission of the first Application for Payment a conference attended by CONTRACTOR, ENGINEER, and others as appropriate will be held to review for acceptability to ENGINEER as provided below the schedules submitted in accordance with paragraph 2.05.B. CONTRACTOR shall have an additional ten days to make corrections and adjustments and to complete and resubmit the schedules. No progress payment shall be made to CONTRACTOR until acceptable schedules are submitted to ENGINEER.

1. The progress schedule will be acceptable to ENGINEER if it provides an orderly progression of the Work to completion within any specified Milestones and the Contract Times. Such acceptance will not impose on ENGINEER responsibility for the progress schedule, for sequencing, scheduling, or progress of the Work nor interfere with or relieve CONTRACTOR from CONTRACTOR's full responsibility therefor.

2. CONTRACTOR's schedule of Shop Drawing and Sample submittals will be acceptable to ENGINEER if it provides a workable arrangement for reviewing and processing the required submittals.

3. CONTRACTOR's schedule of values will be acceptable to ENGINEER as to form and substance if it provides a reasonable allocation of the Contract Price to component parts of the Work.

*See Supplementary Conditions

ARTICLE 3 - CONTRACT DOCUMENTS: INTENT, AMENDING, REUSE

3.01* *Intent*

A. The Contract Documents are complementary; what is called for by one is as binding as if called for by all.

B. It is the intent of the Contract Documents to describe a functionally complete Project (or part thereof) to be constructed in accordance with the Contract Documents. Any labor, documentation, services, materials, or equipment that may reasonably be inferred from the Contract Documents or from prevailing custom or trade usage as being required to produce the intended result will be provided whether or not specifically called for at no additional cost to OWNER.

C. Clarifications and interpretations of the Contract Documents shall be issued by ENGINEER as provided in Article 9.

3.02 *Reference Standards*

A. *Standards, Specifications, Codes, Laws, and Regulations*

1. Reference to standards, specifications, manuals, or codes of any technical society, organization, or association, or to Laws or Regulations, whether such reference be specific or by implication, shall mean the standard, specification, manual, code, or Laws or Regulations in effect at the time of opening of Bids (or on the Effective Date of the Agreement if there were no Bids), except as may be otherwise specifically stated in the Contract Documents.

2. No provision of any such standard, specification, manual or code, or any instruction of a Supplier shall be effective to change the duties or responsibilities of OWNER, CONTRACTOR, or ENGINEER, or any of their subcontractors, consultants, agents, or employees from those set forth in the Contract Documents, nor shall any such provision or instruction be effective to assign to OWNER, ENGINEER, or any of ENGINEER's Consultants, agents, or employees any duty or authority to supervise or direct the performance of the Work or any duty or authority to undertake responsibility inconsistent with the provisions of the Contract Documents.

3.03 *Reporting and Resolving Discrepancies*

A. *Reporting Discrepancies*

1. If, during the performance of the Work, CONTRACTOR discovers any conflict, error, ambiguity, or discrepancy within the Contract Documents or between the Contract Documents and any provision of any Law or Regulation applicable to the performance of the Work or of any standard, specification, manual or code, or of any instruction of any Supplier, CONTRACTOR shall report it to ENGINEER in writing at once. CONTRACTOR shall not proceed with the Work affected thereby (except in an emergency as required by paragraph 6.16.A) until an amendment or supplement to the Contract Documents has been issued by one of the methods indicated in paragraph 3.04; provided, however, that CONTRACTOR shall not be liable to OWNER or ENGINEER for failure to report any such conflict, error, ambiguity, or discrepancy unless CONTRACTOR knew or reasonably should have known thereof.

B. *Resolving Discrepancies*

1. Except as may be otherwise specifically stated in the Contract Documents, the provisions of the Contract Documents shall take precedence in resolving any conflict, error, ambiguity, or discrepancy between the provisions of the Contract Documents and:

a. the provisions of any standard, specification, manual, code, or instruction (whether or not specifically incorporated by reference in the Contract Documents); or

b. the provisions of any Laws or Regulations applicable to the performance of the Work (unless such an interpretation of the provisions of the Contract Documents would result in violation of such Law or Regulation).

3.04 *Amending and Supplementing Contract Documents*

A. The Contract Documents may be amended to provide for additions, deletions, and revisions in the Work or to modify the terms and conditions thereof in one or

*See Supplementary Conditions

B. The requirements of the Contract Documents may be supplemented, and minor variations and deviations in the Work may be authorized, by one or more of the following ways: (i) a Field Order; (ii) ENGINEER's approval of a Shop Drawing or Sample; or (iii) ENGINEER's written interpretation or clarification.

3.05 *Reuse of Documents*

A. CONTRACTOR and any Subcontractor or Supplier or other individual or entity performing or furnishing any of the Work under a direct or indirect contract with OWNER: (i) shall not have or acquire any title to or ownership rights in any of the Drawings, Specifications, or other documents (or copies of any thereof) prepared by or bearing the seal of ENGINEER or ENGINEER's Consultant, including electronic media editions; and (ii) shall not reuse any of such Drawings, Specifications, other documents, or copies thereof on extensions of the Project or any other project without written consent of OWNER and ENGINEER and specific written verification or adaption by ENGINEER. This prohibition will survive final payment, completion, and acceptance of the Work, or termination or completion of the Contract. Nothing herein shall preclude CONTRACTOR from retaining copies of the Contract Documents for record purposes.

ARTICLE 4 - AVAILABILITY OF LANDS; SUBSURFACE AND PHYSICAL CONDITIONS; REFERENCE POINTS

4.01 *Availability of Lands*

A. OWNER shall furnish the Site. OWNER shall notify CONTRACTOR of any encumbrances or restrictions not of general application but specifically related to use of the Site with which CONTRACTOR must comply in performing the Work. OWNER will obtain in a timely manner and pay for easements for permanent structures or permanent changes in existing facilities. If CONTRACTOR and OWNER are unable to agree on entitlement to or on the amount or extent, if any, of any adjustment in the Contract Price or Contract Times, or both, as a result of any delay in OWNER's furnishing the Site, CONTRACTOR may make a Claim therefor as provided in paragraph 10.05.

B. Upon reasonable written request, OWNER shall furnish CONTRACTOR with a current statement of record legal title and legal description of the lands upon which the Work is to be performed and OWNER's interest therein as necessary for giving notice of or filing a mechanic's or construction lien against such lands in accordance with applicable Laws and Regulations.

C. CONTRACTOR shall provide for all additional lands and access thereto that may be required for temporary construction facilities or storage of materials and equipment.

4.02* *Subsurface and Physical Conditions*

A.* *Reports and Drawings:* The Supplementary Conditions identify:

1. those reports of explorations and tests of subsurface conditions at or contiguous to the Site that ENGINEER has used in preparing the Contract Documents; and

2. those drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site (except Underground Facilities) that ENGINEER has used in preparing the Contract Documents.

B. *Limited Reliance by CONTRACTOR on Technical Data Authorized:* CONTRACTOR may rely upon the general accuracy of the "technical data" contained in such reports and drawings, but such reports and drawings are not Contract Documents. Such "technical data" is identified in the Supplementary Conditions. Except for such reliance on such "technical data," CONTRACTOR may not rely upon or make any Claim against OWNER, ENGINEER, or any of ENGINEER's Consultants with respect to:

1. the completeness of such reports and drawings for CONTRACTOR's purposes, includ-

ing, but not limited to, any aspects of the means, methods, techniques, sequences, and procedures of construction to be employed by CONTRACTOR, and safety precautions and programs incident thereto; or

2. other data, interpretations, opinions, and information contained in such reports or shown or indicated in such drawings; or

3. any CONTRACTOR interpretation of or conclusion drawn from any "technical data" or any such other data, interpretations, opinions, or information.

*See Supplementary Conditions

4.03 *Differing Subsurface or Physical Conditions*

A. *Notice:* If CONTRACTOR believes that any subsurface or physical condition at or contiguous to the Site that is uncovered or revealed either:

1. is of such a nature as to establish that any "technical data" on which CONTRACTOR is entitled to rely as provided in paragraph 4.02 is materially inaccurate; or

2. is of such a nature as to require a change in the Contract Documents; or

3. differs materially from that shown or indicated in the Contract Documents; or

4. is of an unusual nature, and differs materially from conditions ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents; then CONTRACTOR shall, promptly after becoming aware thereof and before further disturbing the subsurface or physical conditions or performing any Work in connection therewith (except in an emergency as required by paragraph 6.16.A), notify OWNER and ENGINEER in writing about such condition. CONTRACTOR shall not further disturb such condition or perform any Work in connection therewith (except as aforesaid) until receipt of written order to do so.

B. *ENGINEER's Review:* After receipt of written notice as required by paragraph 4.03.A, ENGINEER will promptly review the pertinent condition, determine the necessity of OWNER's obtaining additional exploration or tests with respect thereto, and advise OWNER in writing (with a copy to CONTRACTOR) of ENGINEER's findings and conclusions.

C. *Possible Price and Times Adjustments*

1. The Contract Price or the Contract Times, or both, will be equitably adjusted to the extent that the existence of such differing subsurface or physical condition causes an increase or decrease in CONTRACTOR's cost of, or time required for, performance of the Work; subject, however, to the following:

a. such condition must meet any one or more of the categories described in paragraph 4.03.A; and

b. with respect to Work that is paid for on a Unit Price Basis, any adjustment in Contract Price will be subject to the provisions of paragraphs 9.08 and 11.03.

2. CONTRACTOR shall not be entitled to any adjustment in the Contract Price or Contract Times if:

a. CONTRACTOR knew of the existence of such conditions at the time CONTRACTOR made a final commitment to OWNER in respect of Contract Price and Contract Times by the submission of a Bid or becoming bound under a negotiated contract; or

b. the existence of such condition could reasonably have been discovered or revealed as a result of any examination, investigation, exploration, test, or study of the Site and contiguous areas required by the Bidding Requirements or Contract Documents to be conducted by or for CONTRACTOR prior to CONTRACTOR's making such final commitment; or

c. CONTRACTOR failed to give the written notice within the time and as required by paragraph 4.03.A.

3. If OWNER and CONTRACTOR are unable to agree on entitlement to or on the amount or extent, if any, of any adjustment in the Contract Price or Contract Times, or both, a Claim may be

made therefor as provided in paragraph 10.05. However, OWNER, ENGINEER, and ENGINEER's Consultants shall not be liable to CONTRACTOR for any claims, costs, losses, or damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) sustained by CONTRACTOR on or in connection with any other project or anticipated project.

4.04 *Underground Facilities*

A. *Shown or Indicated:* The information and data shown or indicated in the Contract Documents with respect to existing Underground Facilities at or contiguous to the Site is based on information and data furnished to OWNER or ENGINEER by the owners of such Underground Facilities, including OWNER, or by others. Unless it is otherwise expressly provided in the Supplementary Conditions:

1. OWNER and ENGINEER shall not be responsible for the accuracy or completeness of any such information or data; and

2. the cost of all of the following will be included in the Contract Price, and CONTRACTOR shall have full responsibility for:

a. reviewing and checking all such information and data,

b. locating all Underground Facilities shown or indicated in the Contract Documents,

c. coordination of the Work with the owners of such Underground Facilities, including OWNER, during construction, and

d. the safety and protection of all such Underground Facilities and repairing any damage thereto resulting from the Work.

B. *Not Shown or Indicated*

1. If an Underground Facility is uncovered or revealed at or contiguous to the Site which was not shown or indicated, or not shown or indicated with reasonable accuracy in the Contract Documents, CONTRACTOR shall, promptly after becoming aware thereof and before further disturbing conditions affected thereby or performing any Work in connection therewith (except in an emergency as required by paragraph 6.16.A), identify the owner of such Underground Facility and give written notice to that owner and to OWNER and ENGINEER. ENGINEER will promptly review the Underground Facility and determine the extent, if any, to which a change is required in the Contract Documents to reflect and document the consequences of the existence or location of the Underground Facility. During such time, CONTRACTOR shall be responsible for the safety and protection of such Underground Facility.

2. If ENGINEER concludes that a change in the Contract Documents is required, a Work Change Directive or a Change Order will be issued to reflect and document such consequences. An equitable adjustment shall be made in the Contract Price of Contract Times, or both, to the extent that they are attributable to the existence or location of any Underground Facility that was not shown or indicated or not shown or indicated with reasonable accuracy in the Contract Documents and that CONTRACTOR did not know of and could not reasonably have been expected to be aware of or to have anticipated. If OWNER and CONTRACTOR are unable to agree on entitlement to or on the amount or extent, if any, of any such adjustment in Contract Price or Contract Times, OWNER or CONTRACTOR may make a Claim therefor as provided in paragraph 10.05.

4.05* *Reference Points*

A. OWNER shall provide engineering surveys to establish reference points for construction which in ENGINEER's judgment are necessary to enable CONTRACTOR to proceed with the Work. CONTRACTOR shall be responsible for laying out the Work, shall protect and preserve the established reference points and property monuments, and shall make no changes or relocations without the prior written approval of OWNER. CONTRACTOR shall report to ENGINEER whenever any reference point or property monument is lost or destroyed or requires relocation because of necessary changes in grades or locations, and shall be responsible for the accurate replacement or relocation of such reference points or property monuments by professionally qualified personnel.

4.06 *Hazardous Environmental Condition at Site*

A. *Reports and Drawings:* Reference is made to the Supplementary Conditions for the identification of those reports and drawings relating to a Hazardous Environmental Condition identified at the Site, if any, that have been utilized by the ENGINEER in the preparation of the Contract Documents.

B. *Limited Reliance by CONTRACTOR on Technical Data Authorized:* CONTRACTOR may rely upon the general accuracy of the "technical data" contained in such reports and drawings, but such reports and drawings are not Contract Documents. Such "technical data" is identified in the Supplementary Conditions. Except for such reliance on such "technical data," CONTRACTOR may not rely upon or make any Claim against OWNER, ENGINEER or any of ENGINEER's Consultants with respect to:

1. the completeness of such reports and drawings for CONTRACTOR's purposes, including, but not limited to, any aspects of the means, methods, techniques, sequences and procedures of construction to be employed by CONTRACTOR and safety precautions and programs incident thereto; or

*See Supplementary Conditions

2. other data, interpretations, opinions and information contained in such reports or shown or indicated in such drawings; or

3. any CONTRACTOR interpretation of or conclusion drawn from any "technical data" or any such other data, interpretations, opinions or information.

C. CONTRACTOR shall not be responsible for any Hazardous Environmental Condition uncovered or revealed at the Site which was not shown or indicated in Drawings or Specifications or identified in the Contract Documents to be within the scope of the Work. CONTRACTOR shall be responsible for a Hazardous Environmental Condition created with any materials brought to the Site by CONTRACTOR, Subcontractors, Suppliers, or anyone else for whom CONTRACTOR is responsible.

D. If CONTRACTOR encounters a Hazardous Environmental Condition or if CONTRACTOR or anyone for whom CONTRACTOR is responsible creates a Hazardous Environmental Condition, CONTRACTOR shall immediately: (i) secure or otherwise isolate such condition; (ii) stop all Work in connection with such condition and in any area affected thereby (except in an emergency as required by paragraph 6.16); and (iii) notify OWNER and ENGINEER (and promptly thereafter confirm such notice in writing). OWNER shall promptly consult with ENGINEER concerning the necessity for OWNER to retain a qualified expert to evaluate such condition or take corrective action, if any.

E. CONTRACTOR shall not be required to resume Work in connection with such condition or in any affected area until after OWNER has obtained any required permits related thereto and delivered to CONTRACTOR written notice: (i) specifying that such condition and any affected area is or has been rendered safe for the resumption of Work; or (ii) specifying any special conditions under which such Work may be resumed safely. If OWNER and CONTRACTOR cannot agree as to entitlement to or on the amount or extent, if any, of any adjustment in Contract Price or Contract Times, or both, as a result of such Work stoppage or such special conditions under which Work is agreed to be resumed by CONTRACTOR, either party may make a Claim therefor as provided in paragraph 10.05.

F. If after receipt of such written notice CONTRACTOR does not agree to resume such Work based on a reasonable belief it is unsafe, or does not agree to resume such Work under such special conditions, then OWNER may order the portion of the Work that is in the area affected by such condition to be deleted from the Work. If OWNER and CONTRACTOR cannot agree as to entitlement to or on the amount or extent, if any, of an adjustment in Contract Price or Contract Times as a result of deleting such portion of the Work, then either party may make a Claim therefor as provided in paragraph 10.05. OWNER may have such deleted portion of the Work performed by OWNER's own forces or others in accordance with Article 7.

G. To the fullest extent permitted by Laws and Regulations, OWNER shall indemnify and hold harmless CONTRACTOR, Subcontractors, ENGINEER, ENGINEER's Consultants and the officers, directors, partners, employees, agents, other consultants, and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to a Hazardous Environmental Condition, provided that such Hazardous Environmental Condition: (i) was not shown or indicated in the Drawings or

Specifications or identified in the Contract Documents to be included within the scope of the Work, and (ii) was not created by CONTRACTOR or by anyone for whom CONTRACTOR is responsible. Nothing in this paragraph 4.06.E shall obligate OWNER to indemnify any individual or entity from and against the consequences of that individual's or entity's own negligence.

H. To the fullest extent permitted by Laws and Regulations, CONTRACTOR shall indemnify and hold harmless OWNER, ENGINEER, ENGINEER's Consultants, and the officers, directors, partners, employees, agents, other consultants, and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to a Hazardous Environmental Condition created by CONTRACTOR or by anyone for whom CONTRACTOR is responsible. Nothing in this paragraph 4.06.F shall obligate CONTRACTOR to indemnify any individual or entity from and against the consequences of that individual's or entity's own negligence.

I. The provisions of paragraphs 4.02, 4.03, and 4.04 are not intended to apply to a Hazardous Environmental Condition uncovered or revealed at the Site.

*See Supplementary Conditions

ARTICLE 5 - BONDS AND INSURANCE

5.01* *Performance, Payment, and Other Bonds*

A. CONTRACTOR shall furnish performance and payment Bonds, each in an amount at least equal to the Contract Price as security for the faithful performance and payment of all CONTRACTOR's obligations under the Contract Documents. These Bonds shall remain in effect at least until one year after the date when final payment becomes due, except as provided otherwise by Laws or Regulations or by the Contract Documents. CONTRACTOR shall also furnish such other Bonds as are required by the Contract Documents.

B.* All Bonds shall be in the form prescribed by the Contract Documents except as provided otherwise by Laws or Regulations, and shall be executed by such sureties as are named in the current list of "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies" as published in Circular 570 (amended) by the Financial Management Service, Surety Bond Branch, U.S. Department of the Treasury. All Bonds signed by an agent must be accompanied by a certified copy of such agent's authority to act.

C. If the surety on any Bond furnished by CONTRACTOR is declared bankrupt or becomes insolvent or its right to do business is terminated in any state where any part of the Project is located or it ceases to meet the requirements of paragraph 5.01.B, CONTRACTOR shall within 20 days thereafter substitute another Bond and surety, both of which shall comply with the requirements of paragraphs 5.01.B and 5.02.

5.02 *Licensed Sureties and Insurers*

A. All Bonds and insurance required by the Contract Documents to be purchased and maintained by OWNER or CONTRACTOR shall be obtained from surety or insurance companies that are duly licensed or authorized in the jurisdiction in which the Project is located to issue Bonds or insurance policies for the limits and coverages so required. Such surety and insurance companies shall also meet such additional requirements and qualifications as may be provided in the Supplementary Conditions.

5.03 *Certificates of Insurance*

A. CONTRACTOR shall deliver to OWNER, with copies to each additional insured identified in the Supplementary Conditions, certificates of insurance (and other evidence of insurance requested by OWNER or any other additional insured) which CONTRACTOR is required to purchase and maintain. OWNER shall deliver to CONTRACTOR, with copies to each additional insured identified in the Supplementary Conditions, certificates of insurance (and other evidence of insurance requested by CONTRACTOR or any other additional insured) which OWNER is required to purchase and maintain.

5.04* *CONTRACTOR's Liability Insurance*

A. CONTRACTOR shall purchase and maintain such liability and other insurance as is appropriate for the Work being performed and as will provide protection from claims set forth below which may arise out of or result from CONTRACTOR's performance of the Work and CONTRACTOR's other obligations under the Contract Documents, whether it is to be performed by CONTRACTOR, any Subcontractor or Supplier, or by anyone directly or indirectly employed by any of them to

perform any of the Work, or by anyone for whose acts any of them may be liable:

1. claims under workers' compensation, disability benefits, and other similar employee benefit acts;

2. claims for damages because of bodily injury, occupational sickness or disease, or death of CONTRACTOR's employees;

3. claims for damages because of bodily injury, sickness or disease, or death of any person other than CONTRACTOR's employees;

4. claims for damages insured by reasonably available personal injury liability coverage which are sustained: (i) by any person as a result of an offense directly or indirectly related to the employment of such person by CONTRACTOR, or (ii) by any other person for any other reason;

5. claims for damages, other than to the Work itself, because of injury to or destruction of tangible property wherever located, including loss of use resulting therefrom; and

6. claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicle.

B. The policies of insurance so required by this paragraph 5.04 to be purchased and maintained shall:

*See Supplementary Conditions

1. with respect to insurance required by paragraphs 5.04.A.3 through 5.04.A.6 inclusive, include as additional insureds (subject to any customary exclusion in respect of professional liability) OWNER, ENGINEER, ENGINEER's Consultants, and any other individuals or entities identified in the Supplementary Conditions, all of whom shall be listed as additional insureds, and include coverage for the respective officers, directors, partners, employees, agents, and other consultants and subcontractors of each and any of all such additional insureds, and the insurance afforded to these additional insureds shall provide primary coverage for all claims covered thereby;

2. include at least the specific coverages and be written for not less than the limits of liability provided in the Supplementary Conditions or required by Laws or Regulations, whichever is greater;

3. include completed operations insurance;

4. include contractual liability insurance covering CONTRACTOR's indemnity obligations under paragraphs 6.07, 6.11, and 6.20;

5. contain a provision or endorsement that the coverage afforded will not be canceled, materially changed or renewal refused until at least thirty days prior written notice has been given to OWNER and CONTRACTOR and to each other additional insured identified in the Supplementary Conditions to whom a certificate of insurance has been issued (and the certificates of insurance furnished by the CONTRACTOR pursuant to paragraph 5.03 will so provide);

6. remain in effect at least until final payment and at all times thereafter when CONTRACTOR may be correcting, removing, or replacing defective Work in accordance with paragraph 13.07; and

7. with respect to completed operations insurance, and any insurance coverage written on a claims-made basis, remain in effect for at least two years after final payment (and CONTRACTOR shall furnish OWNER and each other additional insured identified in the Supplementary Conditions, to whom a certificate of insurance has been issued, evidence satisfactory to OWNER and any such additional insured of continuation of such insurance at final payment and one year thereafter).

5.05 *OWNER's Liability Insurance*

A.* In addition to the insurance required to be provided by CONTRACTOR under paragraph 5.04, OWNER, at OWNER's option, may purchase and maintain at OWNER's expense OWNER's own liability insurance as will protect OWNER against claims which may arise from operations under the Contract Documents.

5.06* *Property Insurance*

A. Unless otherwise provided in the Supplementary Conditions, OWNER shall purchase and maintain property

insurance upon the Work at the Site in the amount of the full replacement cost thereof (subject to such deductible amounts as may be provided in the Supplementary Conditions or required by Laws and Regulations). This insurance shall:

1. include the interests of OWNER, CONTRACTOR, Subcontractors, ENGINEER, ENGINEER's Consultants, and any other individuals or entities identified in the Supplementary Conditions, and the officers, directors, partners, employees, agents, and other consultants and subcontractors of each and any of them, each of whom is deemed to have an insurable interest and shall be listed as an additional insured;

2. be written on a Builder's Risk "all-risk" or open peril or special causes of loss policy form that shall at least include insurance for physical loss or damage to the Work, temporary buildings, false work, and materials and equipment in transit, and shall insure against at least the following perils or causes of loss: fire, lightning, extended coverage, theft, vandalism and malicious mischief, earthquake, collapse, debris removal, demolition occasioned by enforcement of Laws and Regulations, water damage, and such other perils or causes of loss as may be specifically required by the Supplementary Conditions;

3. include expenses incurred in the repair or replacement of any insured property (including but not limited to fees and charges of engineers and architects);

*See Supplementary Conditions

4. cover materials and equipment stored at the Site or at another location that was agreed to in writing by OWNER prior to being incorporated in the Work, provided that such materials and equipment have been included in an Application for Payment recommended by ENGINEER;

5. allow for partial utilization of the Work by OWNER;

6. include testing and startup; and

7. be maintained in effect until final payment is made unless otherwise agreed to in writing by OWNER, CONTRACTOR, and ENGINEER with 30 days written notice to each other additional insured to whom a certificate of insurance has been issued.

B.* OWNER shall purchase and maintain such boiler and machinery insurance or additional property insurance as may be required by the Supplementary Conditions or Laws and Regulations which will include the interests of OWNER, CONTRACTOR, Subcontractors, ENGINEER, ENGINEER's Consultants, and any other individuals or entities identified in the Supplementary Conditions, each of whom is deemed to have an insurable interest and shall be listed as an insured or additional insured.

C.* All the policies of insurance (and the certificates or other evidence thereof) required to be purchased and maintained in accordance with paragraph 5.06 will contain a provision or endorsement that the coverage afforded will not be canceled or materially changed or renewal refused until at least 30 days prior written notice has been given to OWNER and CONTRACTOR and to each other additional insured to whom a certificate of insurance has been issued and will contain waiver provisions in accordance with paragraph 5.07.

D.* OWNER shall not be responsible for purchasing and maintaining any property insurance specified in this paragraph 5.06 to protect the interests of CONTRACTOR, Subcontractors, or others in the Work to the extent of any deductible amounts that are identified in the Supplementary Conditions. The risk of loss within such identified deductible amount will be borne by CONTRACTOR, Subcontractors, or others suffering any such loss, and if any of them wishes property insurance coverage within the limits of such amounts, each may purchase and maintain it at the purchaser's own expense.

E.* If CONTRACTOR requests in writing that other special insurance be included in the property insurance policies provided under paragraph 5.06, OWNER shall, if possible, include such insurance, and the cost thereof will be charged to CONTRACTOR by appropriate Change Order or Written Amendment. Prior to commencement of the Work at the Site, OWNER shall in writing advise CONTRACTOR whether or not such other insurance has been procured by OWNER.

5.07 *Waiver of Rights*

A.* OWNER and CONTRACTOR intend that all policies purchased in accordance with paragraph 5.06 will protect OWNER, CONTRACTOR, Subcontractors, ENGINEER, ENGINEER's Consultants, and all other

individuals or entities identified in the Supplementary Conditions to be listed as insureds or additional insureds (and the officers, directors, partners, employees, agents, and other consultants and subcontractors of each and any of them) in such policies and will provide primary coverage for all losses and damages caused by the perils or causes of loss covered thereby. All such policies shall contain provisions to the effect that in the event of payment of any loss or damage the insurers will have no rights of recovery against any of the insureds or additional insureds thereunder. OWNER and CONTRACTOR waive all rights against each other and their respective officers, directors, partners, employees, agents, and other consultants and subcontractors of each and any of them for all losses and damages caused by, arising out of or resulting from any of the perils or causes of loss covered by such policies and any other property insurance applicable to the Work; and, in addition, waive all such rights against Subcontractors, ENGINEER, ENGINEER's Consultants, and all other individuals or entities identified in the Supplementary Conditions to be listed as insureds or additional insureds (and the officers, directors, partners, employees, agents, and other consultants and subcontractors of each and any of them) under such policies for losses and damages so caused.

None of the above waivers shall extend to the rights that any party making such waiver may have to the proceeds of insurance held by OWNER as trustee or otherwise payable under any policy so issued.

B. OWNER waives all rights against CONTRACTOR, Subcontractors, ENGINEER, ENGINEER's Consultants, and the officers, directors, partners, employees, agents, and other consultants and subcontractors of each and any of them for:

*See Supplementary Conditions

1. loss due to business interruption, loss of use, or other consequential loss extending beyond direct physical loss or damage to OWNER's property or the Work caused by, arising out of, or resulting from fire or other peril whether or not insured by OWNER; and

2. loss or damage to the completed Project or part thereof caused by, arising out of, or resulting from fire or other insured peril or cause of loss covered by any property insurance maintained on the completed Project or part thereof by OWNER during partial utilization pursuant to paragraph 14.05, after Substantial Completion pursuant to paragraph 14.04, or after final payment pursuant to paragraph 14.07.

C. Any insurance policy maintained by OWNER covering any loss, damage or consequential loss referred to in paragraph 5.07.B shall contain provisions to the effect that in the event of payment of any such loss, damage, or consequential loss, the insurers will have no rights of recovery against CONTRACTOR, Subcontractors, ENGINEER, or ENGINEER's Consultants and the officers, directors, partners, employees, agents, and other consultants and subcontractors of each and any of them.

5.08* *Receipt and Application of Insurance Proceeds*

A.* Any insured loss under the policies of insurance required by paragraph 5.06 will be adjusted with OWNER and made payable to OWNER as fiduciary for the insureds, as their interests may appear, subject to the requirements of any applicable mortgage clause and of paragraph 5.08.B. OWNER shall deposit in a separate account any money so received and shall distribute it in accordance with such agreement as the parties in interest may reach. If no other special agreement is reached, the damaged Work shall be repaired or replaced, the moneys so received applied on account thereof, and the Work and the cost thereof covered by an appropriate Change Order or Written Amendment.

B.* OWNER as fiduciary shall have power to adjust and settle any loss with the insurers unless one of the parties in interest shall object in writing within 15 days after the occurrence of loss to OWNER's exercise of this power. If such objection be made, OWNER as fiduciary shall make settlement with the insurers in accordance with such agreement as the parties in interest may reach. If no such agreement among the parties in interest is reached, OWNER as fiduciary shall adjust and settle the loss with the insurers and, if required in writing by any party in interest, OWNER as fiduciary shall give bond for the proper performance of such duties.

5.09* *Acceptance of Bonds and Insurance; Option to Replace*

A.* If either OWNER or CONTRACTOR has any objection to the coverage afforded by or other provisions of the Bonds or insurance required to be purchased and maintained by the other party in accordance with Article 5 on the basis of non-conformance with the Contract Documents, the objecting party shall so notify the other party in writing within 10 days after receipt of the

certificates (or other evidence requested) required by paragraph 2.05.C. OWNER and CONTRACTOR shall each provide to the other such additional information in respect of insurance provided as the other may reasonably request. If either party does not purchase or maintain all of the Bonds and insurance required of such party by the Contract Documents, such party shall notify the other party in writing of such failure to purchase prior to the start of the Work, or of such failure to maintain prior to any change in the required coverage. Without prejudice to any other right or remedy, the other party may elect to obtain equivalent Bonds or insurance to protect such other party's interests at the expense of the party who was required to provide such coverage, and a Change Order shall be issued to adjust the Contract Price accordingly.

5.10 *Partial Utilization, Acknowledgment of Property Insurer*

A. If OWNER finds it necessary to occupy or use a portion or portions of the Work prior to Substantial Completion of all the Work as provided in paragraph 14.05, no such use or occupancy shall commence before the insurers providing the property insurance pursuant to paragraph 5.06 have acknowledged notice thereof and in writing effected any changes in coverage necessitated thereby. The insurers providing the property insurance shall consent by endorsement on the policy or policies, but the property insurance shall not be canceled or permitted to lapse on account of any such partial use or occupancy.

ARTICLE 6 - CONTRACTOR'S RESPONSIBILITIES

6.01 *Supervision and Superintendence*

A. CONTRACTOR shall supervise, inspect, and direct the Work competently and efficiently, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the Work in accordance with

*See Supplementary Conditions

the Contract Documents. CONTRACTOR shall be solely responsible for the means, methods, techniques, sequences,
and procedures of construction, but CONTRACTOR shall not be responsible for the negligence of OWNER or ENGINEER in the design or specification of a specific means, method, technique, sequence, or procedure of construction which is shown or indicated in and expressly required by the Contract Documents. CONTRACTOR shall be responsible to see that the completed Work complies accurately with the Contract Documents.

B. At all times during the progress of the Work, CONTRACTOR shall assign a competent resident superintendent thereto who shall not be replaced without written notice to OWNER and ENGINEER except under extraordinary circumstances. The superintendent will be CONTRACTOR's representative at the Site and shall have authority to act on behalf of CONTRACTOR. All communications given to or received from the superintendent shall be binding on CONTRACTOR.

6.02 *Labor; Working Hours*

A. CONTRACTOR shall provide competent, suitably qualified personnel to survey, lay out, and construct the

Work as required by the Contract Documents. CONTRACTOR shall at all times maintain good discipline and order at the Site.

B. Except as otherwise required for the safety or protection of persons or the Work or property at the Site or adjacent thereto, and except as otherwise stated in the Contract Documents, all Work at the Site shall be performed during regular working hours, and CONTRACTOR will not permit overtime work or the performance of Work on Saturday, Sunday, or any legal holiday without OWNER's written consent (which will not be unreasonably withheld) given after prior written notice to ENGINEER.

6.03 *Services, Materials, and Equipment*

A. Unless otherwise specified in the General Requirements, CONTRACTOR shall provide and assume full responsibility for all services, materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water, sanitary facilities, temporary facilities, and all other facilities and incidentals necessary for the performance, testing, start-up, and completion of the Work.

B. All materials and equipment incorporated into the Work shall be as specified or, if not specified, shall be of good quality and new, except as otherwise provided in the Contract Documents. All warranties and guarantees specifically called for by the Specifications shall expressly

run to the benefit of OWNER. If required by ENGINEER, CONTRACTOR shall furnish satisfactory evidence (including reports of required tests) as to the source, kind, and quality of materials and equipment. All materials and equipment shall be stored, applied, installed, connected, erected, protected, used, cleaned, and conditioned in accordance with instructions of the applicable Supplier, except as otherwise may be provided in the Contract Documents.

6.04 *Progress Schedule*

A. CONTRACTOR shall adhere to the progress schedule established in accordance with paragraph 2.07 as it may be adjusted from time to time as provided below.

1. CONTRACTOR shall submit to ENGINEER for acceptance (to the extent indicated in paragraph 2.07) proposed adjustments in the progress schedule that will not result in changing the Contract Times (or Milestones). Such adjustments will conform generally to the progress schedule then in effect and additionally will comply with any provisions of the General Requirements applicable thereto.

2. Proposed adjustments in the progress schedule that will change the Contract Times (or Milestones) shall be submitted in accordance with the requirements of Article 12. Such adjustments may only be made by a Change Order or Written Amendment in accordance with Article 12.

6.05 *Substitutes and "Or-Equals"*

A. Whenever an item of material or equipment is specified or described in the Contract Documents by using the name of a proprietary item or the name of a particular Supplier, the specification or description is intended to establish the type, function, appearance, and quality required. Unless the specification or description contains or is followed by words reading that no like, equivalent, or "or-equal" item or no substitution is permitted, other items of material or equipment or material or equipment of other Suppliers may be submitted to ENGINEER for review under the circumstances described below.

1. *"Or-Equal" Items:* If in ENGINEER's sole discretion an item of material or equipment proposed by CONTRACTOR is functionally equal to that named and sufficiently similar so that no change in related Work will be required, it may be considered by ENGINEER as an "or-equal" item, in which case review and approval of the proposed item may, in ENGINEER's sole discretion, be accomplished without compliance with some or all of the requirements for approval of proposed substitute items. For the purposes of this paragraph 6.05.A.1, a proposed item of material or equipment will be considered functionally equal to an item so named if:

a. in the exercise of reasonable judgment ENGINEER determines that: (i) it is at least equal in quality, durability, appearance, strength, and design characteristics; (ii) it will reliably perform at least equally well the function imposed by the design concept of the completed Project as a functioning whole, and;

b. CONTRACTOR certifies that: (i) there is no increase in cost to the OWNER; and (ii) it will conform substantially, even with deviations, to the detailed requirements of the item named in the Contract Documents.

2. Substitute Items

a. If in ENGINEER's sole discretion an item of material or equipment proposed by CONTRACTOR does not qualify as an "or-equal" item under paragraph 6.05.A.1, it will be considered a proposed substitute item.

b. CONTRACTOR shall submit sufficient information as provided below to allow ENGINEER to determine that the item of material or equipment proposed is essentially equivalent to that named and an acceptable substitute therefor. Requests for review of proposed substitute items of material or equipment will not be accepted by ENGINEER from anyone other than CONTRACTOR.

c. The procedure for review by ENGINEER will be as set forth in paragraph 6.05.A.2.d, as supplemented in the General Requirements and as ENGINEER may decide is appropriate under the circumstances.

d. CONTRACTOR shall first make written application to ENGINEER for review of a proposed substitute item of material or equipment that CONTRACTOR seeks to furnish or use. The application shall certify

that the proposed substitute item will perform adequately the functions and achieve the results called for by the general design, be similar in substance to that specified, and be suited to the same use as that specified. The application will state the extent, if any, to which the use of the proposed substitute item will prejudice CONTRACTOR's achievement of Substantial Completion on time, whether or not use of the proposed substitute item in the Work will require a change in any of the Contract Documents (or in the provisions of any other direct contract with OWNER for work on the Project) to adapt the design to the proposed substitute item and whether or not incorporation or use of the proposed substitute item in connection with the Work is subject to payment of any license fee or royalty. All variations of the proposed substitute item from that specified will be identified in the application, and available engineering, sales, maintenance, repair, and replacement services will be indicated. The application will also contain an itemized estimate of all costs or credits that will result directly or indirectly from use of such substitute item, including costs of redesign and claims of other contractors affected by any resulting change, all of which will be considered by ENGINEER in evaluating the proposed substitute item. ENGINEER may require CONTRACTOR to furnish additional data about the proposed substitute item.

B. *Substitute Construction Methods or Procedures:* If a specific means, method, technique, sequence, or procedure of construction is shown or indicated in and expressly required by the Contract Documents, CONTRACTOR may furnish or utilize a substitute means, method, technique, sequence, or procedure of construction approved by ENGINEER. CONTRACTOR shall submit sufficient information to allow ENGINEER, in ENGINEER's sole discretion, to determine that the substitute proposed is equivalent to that expressly called for by the Contract Documents. The procedure for review by ENGINEER will be similar to that provided in subparagraph 6.05.A.2.

C. *Engineer's Evaluation:* ENGINEER will be allowed a reasonable time within which to evaluate each proposal or submittal made pursuant to paragraphs 6.05.A and 6.05.B. ENGINEER will be the sole judge of acceptability. No "or-equal" or substitute will be ordered, installed or utilized until ENGINEER's review is complete, which will be evidenced by either a Change Order for a substitute or an approved Shop Drawing for an "or equal." ENGINEER will advise CONTRACTOR in writing of any negative determination.

D. *Special Guarantee:* OWNER may require CONTRACTOR to furnish at CONTRACTOR's expense a special performance guarantee or other surety with respect to any substitute.

E. *ENGINEER's Cost Reimbursement:* ENGINEER will record time required by ENGINEER and ENGINEER's Consultants in evaluating substitute proposed or submitted by CONTRACTOR pursuant to paragraphs 6.05.A.2 and 6.05.B and in making changes in the Contract Documents (or in the provisions of any other direct contract with OWNER for work on the Project) occasioned thereby. Whether or not ENGINEER approves a substitute item so proposed or submitted by CONTRACTOR, CONTRACTOR shall reimburse OWNER for the charges of ENGINEER and ENGINEER's Consultants for evaluating each such proposed substitute.

F. *CONTRACTOR's Expense:* CONTRACTOR shall provide all data in support of any proposed substitute or "or-equal" at CONTRACTOR's expense.

6.06 *Concerning Subcontractors, Suppliers, and Others*

A. CONTRACTOR shall not employ any Subcontractor, Supplier, or other individual or entity (including those acceptable to OWNER as indicated in paragraph 6.06.B), whether initially or as a replacement, against whom OWNER may have reasonable objection. CONTRACTOR shall not be required to employ any Subcontractor, Supplier, or other individual or entity to furnish or perform any of the Work against whom CONTRACTOR has reasonable objection.

B. If the Supplementary Conditions require the identity of certain Subcontractors, Suppliers, or other individuals or entities to be submitted to OWNER in advance for acceptance by OWNER by a specified date prior to the Effective Date of the Agreement, and if CONTRACTOR has submitted a list thereof in accordance with the Supplementary Conditions, OWNER's acceptance (either in writing or by failing to make written objection thereto by the date indicated for acceptance or objection in the Bidding Documents or the Contract Documents) of any such Subcontractor, Supplier, or other individual or entity so identified may be revoked on the basis of reasonable objection after due investigation. CONTRACTOR shall submit an acceptable replacement

for the rejected Subcontractor, Supplier, or other individual or entity, and the Contract Price will be adjusted by the difference in the cost occasioned by such replacement, and an appropriate Change Order will be issued or Written Amendment signed. No acceptance by OWNER of any such Subcontractor, Supplier, or other individual or entity, whether initially or as a replacement, shall constitute a waiver of any right of OWNER or ENGINEER to reject defective Work.

C. CONTRACTOR shall be fully responsible to OWNER and ENGINEER for all acts and omissions of the Subcontractors, Suppliers, and other individuals or entities performing or furnishing any of the Work just as CONTRACTOR is responsible for CONTRACTOR's own acts and omissions. Nothing in the Contract Documents shall create for the benefit of any such Subcontractor, Supplier, or other individual or entity any contractual relationship between OWNER or ENGINEER and any such Subcontractor, Supplier or other individual or entity, nor shall it create any obligation on the part of OWNER or ENGINEER to pay or to see to the payment of any moneys due any such Subcontractor, Supplier, or other individual or entity except as may otherwise be required by Laws and Regulations.

D. CONTRACTOR shall be solely responsible for scheduling and coordinating the Work of Subcontractors, Suppliers, and other individuals or entities performing or furnishing any of the Work under a direct or indirect contract with CONTRACTOR.

E. CONTRACTOR shall require all Subcontractors, Suppliers, and such other individuals or entities performing or furnishing any of the Work to communicate with ENGINEER through CONTRACTOR.

F. The divisions and sections of the Specifications and the identifications of any Drawings shall not control CONTRACTOR in dividing the Work among Subcontractors or Suppliers or delineating the Work to be performed by any specific trade.

G. All Work performed for CONTRACTOR by a Subcontractor or Supplier will be pursuant to an appropriate agreement between CONTRACTOR and the Subcontractor or Supplier which specifically binds the Subcontractor or Supplier to the applicable terms and conditions of the Contract Documents for the benefit of OWNER and ENGINEER. Whenever any such agreement is with a Subcontractor or Supplier who is listed as an additional insured on the property insurance provided in paragraph 5.06, the agreement between the CONTRACTOR and the Subcontractor or Supplier will contain provisions whereby the Subcontractor or Supplier waives all rights against OWNER, CONTRACTOR, ENGINEER, ENGINEER's Consultants, and all other individuals or entities identified in the Supplementary Conditions to be listed as insureds or additional insureds (and the officers, directors, partners, employees, agents, and other consultants and subcontractors of each and any of them) for all losses and damages caused by, arising out of, relating to, or resulting from any of the perils or causes of loss covered by such policies and any other property insurance applicable to the Work. If the insurers on any such policies require separate waiver forms to be signed by any Subcontractor or Supplier, CONTRACTOR will obtain the same.

6.07 *Patent Fees and Royalties*

A. CONTRACTOR shall pay all license fees and royalties and assume all costs incident to the use in the performance of the Work or the incorporation in the Work of any invention, design, process, product, or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, product, or device is specified in the Contract Documents for use in the performance of the Work and if to the actual knowledge of OWNER or ENGINEER its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by OWNER in the Contract Documents. To the fullest extent permitted by Laws and Regulations, CONTRACTOR shall indemnify and hold harmless OWNER, ENGINEER, ENGINEER's Consultants, and the officers, directors, partners, employees or agents, and other consultants of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to any infringement of patent rights or copyrights incident to the use in the performance of the Work or resulting from the incorporation in the Work of any invention, design, process, product, or device not specified in the Contract Documents.

6.08 *Permits*

A. Unless otherwise provided in the Supplementary Conditions, CONTRACTOR shall obtain and pay for all construction permits and licenses. OWNER shall assist CONTRACTOR, when necessary, in obtaining such permits and licenses. CONTRACTOR shall pay all governmental charges and inspection fees necessary for

the prosecution of the Work which are applicable at the time of opening of Bids, or, if there are no Bids, on the Effective Date of the Agreement. CONTRACTOR shall pay all charges of utility owners for connections to the Work, and OWNER shall pay all charges of such utility owners for capital costs related thereto, such as plant investment fees.

6.09 *Laws and Regulations*

A. CONTRACTOR shall give all notices and comply with all Laws and Regulations applicable to the performance of the Work. Except where otherwise expressly required by applicable Laws and Regulations, neither OWNER nor ENGINEER shall be responsible for monitoring CONTRACTOR's compliance with any Laws or Regulations.

B. If CONTRACTOR performs any Work knowing or having reason to know that it is contrary to Laws or Regulations, CONTRACTOR shall bear all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such Work; however, it shall not be CONTRACTOR's primary responsibility to make certain that the Specifications and Drawings are in accordance with Laws and Regulations, but this shall not relieve CONTRACTOR of CONTRACTOR's obligations under paragraph 3.03.

C. Changes in Laws or Regulations not known at the time of opening of Bids (or, on the Effective Date of the Agreement if there were no Bids) having an effect on the cost or time of performance of the Work may be the subject of an adjustment in Contract Price or Contract Times. If OWNER and CONTRACTOR are unable to agree on entitlement to or on the amount or extent, if any, of any such adjustment, a Claim may be made therefor as provided in paragraph 10.05.

6.10* *Taxes*

A. CONTRACTOR shall pay all sales, consumer, use, and other similar taxes required to be paid by CONTRACTOR in accordance with the Laws and Regulations of the place of the Project which are applicable during the performance of the Work.

6.11* *Use of Site and Other Areas*

A.* *Limitation on Use of Site and Other Areas*

1. CONTRACTOR shall confine construction equipment, the storage of materials and equipment, and the operations of workers to the Site and other areas permitted by Laws and Regulations,

*See Supplementary Conditions

and shall not unreasonably encumber the Site and other areas with construction equipment or other materials or equipment. CONTRACTOR shall assume full responsibility for any damage to any such land or area, or to the owner or occupant thereof, or of any adjacent land or areas resulting from the performance of the Work.

2. Should any claim be made by any such owner or occupant because of the performance of the Work, CONTRACTOR shall promptly settle with such other party by negotiation or otherwise resolve the claim by arbitration or other dispute resolution proceeding or at law.

3. To the fullest extent permitted by Laws and Regulations, CONTRACTOR shall indemnify and hold harmless OWNER, ENGINEER, ENGINEER's Consultant, and the officers, directors, partners, employees, agents, and other consultants of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to any claim or action, legal or equitable, brought by any such owner or occupant against OWNER, ENGINEER, or any other party indemnified hereunder to the extent caused by or based upon CONTRACTOR's performance of the Work.

B. *Removal of Debris During Performance of the Work:* During the progress of the Work CONTRACTOR shall keep the Site and other areas free from accumulations of waste materials, rubbish, and other debris. Removal and disposal of such waste materials, rubbish, and other debris shall conform to applicable Laws and Regulations.

C. *Cleaning:* Prior to Substantial Completion of the Work CONTRACTOR shall clean the Site and make it ready for utilization by OWNER. At the completion of the Work CONTRACTOR shall remove from the Site all tools, appliances, construction equipment and machinery, and surplus materials and shall restore to original condition all property not designated for alteration by the Contract Documents.

D. *Loading Structures:* CONTRACTOR shall not load nor permit any part of any structure to be loaded in any manner that will endanger the structure, nor shall CONTRACTOR subject any part of the Work or adjacent property to stresses or pressures that will endanger it.

6.12 *Record Documents*

A. CONTRACTOR shall maintain in a safe place at the Site one record copy of all Drawings, Specifications, Addenda, Written Amendments, Change Orders, Work Change Directives, Field Orders, and written interpretations and clarifications in good order and annotated to show changes made during construction. These record documents together with all approved Samples and a counterpart of all approved Shop Drawings will be available to ENGINEER for reference. Upon completion of the Work, these record documents, Samples, and Shop Drawings will be delivered to ENGINEER for OWNER.

6.13 *Safety and Protection*

A. CONTRACTOR shall be solely responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Work. CONTRACTOR shall take all necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury or loss to:

1. all persons on the Site or who may be affected by the Work;

2. all the Work and materials and equipment to be incorporated therein, whether in storage on or off the Site; and

3. other property at the Site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures, utilities, and Underground Facilities not designated for removal, relocation, or replacement in the course of construction.

B. CONTRACTOR shall comply with all applicable Laws and Regulations relating to the safety of persons or property, or to the protection of persons or property from damage, injury, or loss; and shall erect and maintain all necessary safeguards for such safety and protection. CONTRACTOR shall notify owners of adjacent property and of Underground Facilities and other utility owners when prosecution of the Work may affect them, and shall cooperate with them in the protection, removal, relocation, and replacement of their property. All damage, injury, or loss to any property referred to in paragraph 6.13.A.2 or 6.13.A.3 caused, directly or indirectly, in whole or in part, by CONTRACTOR, any Subcontractor, Supplier, or any other individual or entity directly or indirectly employed by any of them to perform any of the Work, or anyone for whose acts any of them may be liable, shall be remedied by CONTRACTOR (except damage or loss attributable to the fault of Drawings or Specifications or to the acts or omissions of OWNER or ENGINEER or ENGINEER's Consultant, or anyone employed by any of them, or anyone for whose acts any of them may be liable, and not attributable, directly or indirectly, in whole or in part, to the fault or negligence of CONTRACTOR or any Subcontractor, Supplier, or other individual or entity directly or indirectly employed by any of them). CONTRACTOR's duties and responsibilities for safety and for protection of the Work shall continue until such time as all the Work is completed and ENGINEER has issued a notice to OWNER and CONTRACTOR in accordance with paragraph 14.07.B that the Work is acceptable (except as otherwise expressly provided in connection with Substantial Completion).

6.14 *Safety Representative*

A. CONTRACTOR shall designate a qualified and experienced safety representative at the Site whose duties and responsibilities shall be the prevention of accidents and the maintaining and supervising of safety precautions and programs.

6.15 *Hazard Communication Programs*

A. CONTRACTOR shall be responsible for coordinating any exchange of material safety data sheets or other hazard communication information required to be made available to or exchanged between or among employers at the Site in accordance with Laws or Regulations.

6.16 *Emergencies*

A. In emergencies affecting the safety or protection of persons or the Work or property at the Site or adjacent thereto, CONTRACTOR is obligated to act to prevent threatened damage, injury, or loss. CONTRACTOR shall give ENGINEER prompt written notice if CONTRACTOR believes that any significant changes in the Work or variations from the Contract Documents have been caused thereby or are required as a result thereof. If ENGINEER determines that a change in the Contract Documents is required because of the action taken by CONTRACTOR in response to such an emergency, a Work Change Directive or Change Order will be issued.

6.17* *Shop Drawings and Samples*

A.* CONTRACTOR shall submit Shop Drawings to ENGINEER for review and approval in accordance with the acceptable schedule of Shop Drawings and Sample submittals. All submittals will be identified as ENGINEER may require and in the number of copies specified in the General Requirements. The data shown on the Shop Drawings will be complete with respect to quantities, dimensions, specified perfomance and design criteria, materials, and similar data to show ENGINEER the services, materials, and equipment CONTRACTOR proposes to provide and to enable ENGINEER to review the information for the limited purposes required by paragraph 6.17.E.

B.* CONTRACTOR shall also submit six (6) Samples to ENGINEER for review and approval in accordance with the acceptable schedule of Shop Drawings and Sample submittals. Each Sample will be identified clearly as to material, Supplier, pertinent data such as catalog numbers, and the use for which intended and otherwise as ENGINEER may require to enable ENGINEER to review the submittal for the limited purposes required by paragraph 6.17.E. The numbers of each Sample to be submitted will be as specified in the Specifications.

C. Where a Shop Drawing or Sample is required by the Contract Documents or the schedule of Shop Drawings and Sample submittals acceptable to ENGINEER as required by paragraph 2.07, any related Work performed prior to ENGINEER's review and approval of the pertinent submittal will be at the sole expense and responsibility of CONTRACTOR.

D. *Submittal Procedures*

1. Before submitting each Shop Drawing or Sample, CONTRACTOR shall have determined and verified:

a. all field measurements, quantities, dimensions, specified perfomance criteria, installation requirements, materials, catalog numbers, and similar information with respect thereto;

b. all materials with respect to intended use, fabrication, shipping, handling, storage, assembly, and installation pertaining to the perfomance of the Work;

c. all information relative to means, methods, techniques, sequences, and procedures of construction and safety precautions and programs incident thereto; and

d. CONTRACTOR shall also have reviewed and coordinated each Shop Drawing or

*See Supplementary Conditions

Sample with other Shop Drawings and Samples and with the requirements of the Work and the Contract Documents.

2. Each submittal shall bear a stamp or specific written indication that CONTRACTOR has satisfied CONTRACTOR's obligations under the Contract Documents with respect to CONTRACTOR's review and approval of that submittal.

3. At the time of each submittal, CONTRACTOR shall give ENGINEER specific written notice of such variations, if any, that the Shop Drawing or Sample submitted may have from the requirements of the Contract Documents, such notice to be in a written communication separate from the submittal; and, in addition, shall cause a specific notation to be made on each Shop Drawing and Sample submitted to ENGINEER for review and approval of each such variation.

E. *ENGINEER's Review*

1. ENGINEER will timely review and approve Shop Drawings and Samples in accordance with the schedule of Shop Drawings and Sample submittals acceptable to ENGINEER. ENGINEER's review and approval will be only to determine if the items covered by the submittals

will, after installation or incorporation in the Work, conform to the information given in the Contract Documents and be compatible with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents.

2. ENGINEER's review and approval will not extend to means, methods, techniques, sequences, or procedures of construction (except where a particular means, method, technique, sequence, or procedure of construction is specifically and expressly called for by the Contract Documents) or to safety precautions or programs incident thereto. The review and approval of a separate item as such will not indicate approval of the assembly in which the item functions.

3. ENGINEER's review and approval of Shop Drawings or Samples shall not relieve CONTRACTOR from responsibility for any variation from the requirements of the Contract Documents unless CONTRACTOR has in writing called ENGINEER's attention to each such variation at the time of each submittal as required by paragraph 6.17.D.3 and ENGINEER has given written approval of each such variation by specific written notation thereof incorporated in or accompanying the Shop Drawing or Sample approval; nor will any approval by ENGINEER relieve CONTRACTOR from responsibility for complying with the requirements of paragraph 6.17.D.1.

F. *Resubmittal Procedures*

1. CONTRACTOR shall make corrections required by ENGINEER and shall return the required number of corrected copies of Shop Drawings and submit as required new Samples for review and approval. CONTRACTOR shall direct specific attention in writing to revisions other than the corrections called for by ENGINEER on previous submittals.

6.18 *Continuing the Work*

A. CONTRACTOR shall carry on the Work and adhere to the progress schedule during all disputes or disagreements with OWNER. No Work shall be delayed or postponed pending resolution of any disputes or disagreements, except as permitted by paragraph 15.04 or as OWNER and CONTRACTOR may otherwise agree in writing.

6.19 *CONTRACTOR's General Warranty and Guarantee*

A. CONTRACTOR warrants and guarantees to OWNER, ENGINEER, and ENGINEER's Consultants that all Work will be in accordance with the Contract Documents and will not be defective. CONTRACTOR's warranty and guarantee hereunder excludes defects or damage caused by:

1. abuse, modification, or improper maintenance or operation by persons other than CONTRACTOR, Subcontractors, Suppliers, or any other individual or entity for whom CONTRACTOR is responsible; or

2. normal wear and tear under normal usage.

B. CONTRACTOR's obligation to perform and complete the Work in accordance with the Contract Documents shall be absolute. None of the following will constitute an acceptance of Work that is not in accordance with the Contract Documents or a release of CONTRACTOR's obligation to perform the Work in accordance with the Contract Documents:

1. observations by ENGINEER;

2. recommendation by ENGINEER or payment by OWNER of any progress or final payment;

3. the issuance of a certificate of Substantial Completion by ENGINEER or any payment related thereto by OWNER;

4. use or occupancy of the Work or any part thereof by OWNER;

5. any acceptance by OWNER or any failure to do so;

6. any review and approval of a Shop Drawing or Sample submittal or the issuance of a notice of acceptability by ENGINEER;

7. any inspection, test, or approval by others; or

8. any correction of defective Work by OWNER.

6.20 *Indemnification*

A. To the fullest extent permitted by Laws and Regulations, CONTRACTOR shall indemnify and hold harmless OWNER, ENGINEER, ENGINEER's Consultants, and the officers, directors, partners, employees, agents, and other consultants and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to the performance of the Work, provided that any such claim, cost, loss, or damage:

1. is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property (other than the Work itself), including the loss of use resulting therefrom; and

2. is caused in whole or in part by any negligent act or omission of CONTRACTOR, any Subcontractor, any Supplier, or any individual or entity directly or indirectly employed by any of them to perform any of the Work or anyone for whose acts any of them may be liable, regardless of whether or not caused in part by any negligence or omission of an individual or entity indemnified hereunder or whether liability is imposed upon such indemnified party by Laws and Regulations regardless of the negligence of any such individual or entity.

B. In any and all claims against OWNER or ENGINEER or any of their respective consultants, agents, officers, directors, partners, or employees by any employee (or the survivor or personal representative of such employee) of CONTRACTOR, any Subcontractor, any Supplier, or any individual or entity directly or indirectly employed by any of them to perform any of the Work, or anyone for whose acts any of them may be liable, the indemnification obligation under paragraph 6.20.A shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for CONTRACTOR or any such Subcontractor, Supplier, or other individual or entity under workers' compensation acts, disability benefit acts, or other employee benefit acts.

C. The indemnification obligations of CONTRACTOR under paragraph 6.20.A shall not extend to the liability of ENGINEER and ENGINEER's Consultants or to the officers, directors, partners, employees, agents, and other consultants and subcontractors of each and any of them arising out of:

1. the preparation or approval of, or the failure to prepare or approve, maps, Drawings, opinions, reports, surveys, Change Orders, designs, or Specifications; or

2. giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage.

ARTICLE 7 - OTHER WORK

7.01 *Related Work at Site*

A. OWNER may perform other work related to the Project at the Site by OWNER's employees, or let other direct contracts therefor, or have other work performed by utility owners. If such other work is not noted in the Contract Documents, then:

1. written notice thereof will be given to CONTRACTOR prior to starting any such other work; and

2. if OWNER and CONTRACTOR are unable to agree on entitlement to or on the amount or extent, if any, of any adjustment in the Contract Price or Contract Times that should be allowed as a result of such other work, a Claim may be made therefor as provided in paragraph 10.05.

B. CONTRACTOR shall afford each other contractor who is a party to such a direct contract and each utility owner (and OWNER, if OWNER is performing the other work with OWNER's employees) proper and safe access to the Site and a reasonable opportunity for the introduction and storage of materials and equipment and the execution of such other work and shall properly coordinate the Work with theirs. Unless otherwise provided in the Contract Documents, CONTRACTOR shall do all cutting, fitting, and patching of the Work that may be required to properly connect or otherwise make its several parts come together and properly integrate with such other work. CONTRACTOR shall not endanger any work of others by cutting, excavating, or otherwise altering their work and will only cut or alter their work with the written consent of ENGINEER and the others whose work will be affected. The duties and responsibilities of CONTRACTOR under this paragraph are for the benefit of

such utility owners and other contractors to the extent that there are comparable provisions for the benefit of CONTRACTOR in said direct contracts between OWNER and such utility owners and other contractors.

C. If the proper execution or results of any part of CONTRACTOR's Work depends upon work performed by others under this Article 7, CONTRACTOR shall inspect such other work and promptly report to ENGINEER in writing any delays, defects, or deficiencies in such other work that render it unavailable or unsuitable for the proper execution and results of CONTRACTOR's Work. CONTRACTOR's failure to so report will constitute an acceptance of such other work as fit and proper for integration with CONTRACTOR's Work except for latent defects and deficiencies in such other work.

7.02 *Coordination*

A. If OWNER intends to contract with others for the performance of other work on the Project at the Site, the following will be set forth in Supplementary Conditions:

1. the individual or entity who will have authority and responsibility for coordination of the activities among the various contractors will be identified;

2. the specific matters to be covered by such authority and responsibility will be itemized; and

3. the extent of such authority and responsibilities will be provided.

B. Unless otherwise provided in the Supplementary Conditions, OWNER shall have sole authority and responsibility for such coordination.

ARTICLE 8 - OWNER'S RESPONSIBILITIES

8.01 *Communications to Contractor*

A. Except as otherwise provided in these General Conditions, OWNER shall issue all communications to CONTRACTOR through ENGINEER.

8.02 *Replacement of ENGINEER*

A. In case of termination of the employment of ENGINEER, OWNER shall appoint an engineer to whom CONTRACTOR makes no reasonable objection, whose status under the Contract Documents shall be that of the former ENGINEER.

8.03 *Furnish Data*

A. OWNER shall promptly furnish the data required of OWNER under the Contract Documents.

8.04 *Pay Promptly When Due*

A. OWNER shall make payments to CONTRACTOR promptly when they are due as provided in paragraphs 14.02.C and 14.07.C.

8.05 *Lands and Easements; Reports and Tests*

A. OWNER's duties in respect of providing lands and easements and providing engineering surveys to establish reference points are set forth in paragraphs 4.01 and 4.05. Paragraph 4.02 refers to OWNER's identifying and making available to CONTRACTOR copies of reports of explorations and tests of subsurface conditions and drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site that have been utilized by ENGINEER in preparing the Contract Documents.

*See Supplementary Conditions

8.06* *Insurance*

A.* OWNER's responsibilities, if any, in respect to purchasing and maintaining liability and property insurance are set forth in Article 5.

8.07 *Change Orders*

A. OWNER is obligated to execute Change Orders as indicated in paragraph 10.03.

8.08 *Inspections, Tests, and Approvals*

A. OWNER's responsibility in respect to certain inspections, tests, and approvals is set forth in paragraph 13.03.B.

8.09 *Limitations on OWNER's Responsibilities*

A. The OWNER shall not supervise, direct, or have control or authority over, nor be responsible for, CONTRACTOR's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of CONTRACTOR to comply with Laws and Regulations applicable to the perfomance of the Work. OWNER will not be responsible for CONTRACTOR's failure to perform the Work in accordance with the Contract Documents.

8.10 *Undisclosed Hazardous Environmental Condition*

A. OWNER's responsibility in respect to an undisclosed Hazardous Environmental Condition is set forth in paragraph 4.06.

8.11 *Evidence of Financial Arrangements*

A. If and to the extent OWNER has agreed to furnish CONTRACTOR reasonable evidence that financial arrangements have been made to satisfy OWNER's obligations under the Contract Documents, OWNER's responsibility in respect thereof will be as set forth in the Supplementary Conditions.

ARTICLE 9 - ENGINEER'S STATUS DURING CONSTRUCTION

9.01 *OWNER'S Representative*

A. ENGINEER will be OWNER's representative during the construction period. The duties and responsibilities and the limitations of authority of ENGINEER as OWNER's representative during construction are set forth in the Contract Documents and will not be changed without written consent of OWNER and ENGINEER.

9.02 *Visits to Site*

A. ENGINEER will make visits to the Site at intervals appropriate to the various stages of construction as ENGINEER deems necessary in order to observe as an experienced and qualified design professional the progress that has been made and the quality of the various aspects of CONTRACTOR's executed Work. Based on information obtained during such visits and observations, ENGINEER, for the benefit of OWNER, will determine, in general, if the Work is proceeding in accordance with the Contract Documents. ENGINEER will not be required to make exhaustive or continuous inspections on the Site to check the quality or quantity of the Work. ENGINEER's efforts will be directed toward providing for OWNER a greater degree of confidence that the completed Work will conform generally to the Contract Documents. On the basis of such visits and observations, ENGINEER will keep OWNER informed of the progress of the Work and will endeavor to guard OWNER against defective Work.

B. ENGINEER's visits and observations are subject to all the limitations on ENGINEER's authority and responsibility set forth in paragraph 9.10, and particularly, but without limitation, during or as a result of ENGINEER's visits or observations of CONTRACTOR's Work ENGINEER will not supervise, direct, control, or have authority over or be responsible for CONTRACTOR's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of CONTRACTOR to comply with Laws and Regulations applicable to the performance of the Work.

9.03* *Project Representative*

A. If OWNER and ENGINEER agree, ENGINEER will furnish a Resident Project Representative to assist ENGINEER in providing more extensive observation of the Work. The responsibilities and authority and limitations thereon of any such Resident Project Representative and assistants will be as provided in paragraph 9.10 and in the Supplementary Conditions. If OWNER designates another representative or agent to represent OWNER at the Site who is not ENGINEER's Consultant, agent or employee,

*See Supplementary Conditions

the responsibilities and authority and limitations thereon of such other individual or entity will be as provided in the Supplementary Conditions.

9.04 *Clarifications and Interpretations*

A. ENGINEER will issue with reasonable promptness such written clarifications or interpretations of the requirements of the Contract Documents as ENGINEER may determine necessary, which shall be consistent with the intent of and reasonably inferable from the Contract Docu-

ments. Such written clarifications and interpretations will be binding on OWNER and CONTRACTOR. If OWNER and CONTRACTOR are unable to agree on entitlement to or on the amount or extent, if any, of any adjustment in the Contract Price or Contract Times, or both, that should be allowed as a result of a written clarification or interpretation, a Claim may be made therefor as provided in paragraph 10.05.

9.05 *Authorized Variations in Work*

A. ENGINEER may authorize minor variations in the Work from the requirements of the Contract Documents which do not involve an adjustment in the Contract Price or the Contract Times and are compatible with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. These may be accomplished by a Field Order and will be binding on OWNER and also on CONTRACTOR, who shall perform the Work involved promptly. If OWNER and CONTRACTOR are unable to agree on entitlement to or on the amount or extent, if any, of any adjustment in the Contract Price or Contract Times, or both, as a result of a Field Order, a Claim may be made therefor as provided in paragraph 10.05.

9.06 *Rejecting Defective Work*

A. ENGINEER will have authority to disapprove or reject Work which ENGINEER believes to be defective, or that ENGINEER believes will not produce a completed Project that conforms to the Contract Documents or that will prejudice the integrity of the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. ENGINEER will also have authority to require special inspection or testing of the Work as provided in paragraph 13.04, whether or not the Work is fabricated, installed, or completed.

9.07 *Shop Drawings, Change Orders and Payments*

A. In connection with ENGINEER's authority as to Shop Drawings and Samples, see paragraph 6.17.

B. In connection with ENGINEER's authority as to Change Orders, see Articles 10, 11, and 12.

C. In connection with ENGINEER's authority as to Applications for Payment, see Article 14.

9.08 *Determinations for Unit Price Work*

A. ENGINEER will determine the actual quantities and classifications of Unit Price Work performed by CONTRACTOR. ENGINEER will review with CONTRACTOR the ENGINEER's preliminary determinations on such matters before rendering a written decision thereon (by recommendation of an Application for Payment or otherwise). ENGINEER's written decision thereon will be final and binding (except as modified by ENGINEER to reflect changed factual conditions or more accurate data) upon OWNER and CONTRACTOR, subject to the provisions of paragraph 10.05.

9.09 *Decisions on Requirements of Contract Documents and Acceptability of Work*

A. ENGINEER will be the initial interpreter of the requirements of the Contract Documents and judge of the acceptability of the Work thereunder. Claims, disputes and other matters relating to the acceptability of the Work, the quantities and classifications of Unit Price Work, the interpretation of the requirements of the Contract Documents pertaining to the performance of the Work, and Claims seeking changes in the Contract Price or Contract Times will be referred initially to ENGINEER in writing, in accordance with the provisions of paragraph 10.05, with a request for a formal decision.

B. When functioning as interpreter and judge under this paragraph 9.09, ENGINEER will not show partiality to OWNER or CONTRACTOR and will not be liable in connection with any interpretation or decision rendered in good faith in such capacity. The rendering of a decision by ENGINEER pursuant to this paragraph 9.09 with respect to any such Claim, dispute, or other matter (except any which have been waived by the making or acceptance of final payment as provided in paragraph 14.07) will be a condition precedent to any exercise by OWNER or CONTRACTOR of such rights or remedies as either may otherwise have under the Contract Documents or by Laws or Regulations in respect of any such Claim, dispute, or other matter.

*See Supplementary Conditions

9.10 *Limitations on ENGINEER's Authority and Responsibilities*

A. Neither ENGINEER's authority or responsibility under this Article 9 or under any other provision of the Contract Documents nor any decision made by ENGINEER in good faith either to exercise or not exercise such

authority or responsibility or the undertaking, exercise, or performance of any authority or responsibility by ENGINEER shall create, impose, or give rise to any duty in contract, tort, or otherwise owed by ENGINEER to CONTRACTOR, any Subcontractor, any Supplier, any other individual or entity, or to any surety for or employee or agent of any of them.

B. ENGINEER will not supervise, direct, control, or have authority over or be responsible for CONTRACTOR's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of CONTRACTOR to comply with Laws and Regulations applicable to the performance of the Work. ENGINEER will not be responsible for CONTRACTOR's failure to perform the Work in accordance with the Contract Documents.

C. ENGINEER will not be responsible for the acts or omissions of CONTRACTOR or of any Subcontractor, any Supplier, or of any other individual or entity performing any of the Work.

D. ENGINEER's review of the final Application for Payment and accompanying documentation and all maintenance and operating instructions, schedules, guarantees, Bonds, certificates of inspection, tests and approvals, and other documentation required to be delivered by paragraph 14.07.A will only be to determine generally that their content complies with the requirements of, and in the case of certificates of inspections, tests, and approvals that the results certified indicate compliance with, the Contract Documents.

E. The limitations upon authority and responsibility set forth in this paragraph 9.10 shall also apply to ENGINEER's Consultants, Resident Project Representative, and assistants. See Article 18.

ARTICLE 10 - CHANGES IN THE WORK; CLAIMS

10.01 *Authorized Changes in the Work*

A. Without invalidating the Agreement and without notice to any surety, OWNER may, at any time or from time to time, order additions, deletions, or revisions in the Work by a Written Amendment, a Change Order, or a Work Change Directive. Upon receipt of any such document, CONTRACTOR shall promptly proceed with the Work involved which will be performed under the applicable conditions of the Contract Documents (except as otherwise specifically provided).

B. If OWNER and CONTRACTOR are unable to agree on entitlement to, or on the amount or extent, if any, of an adjustment in the Contract Price or Contract Times, or both, that should be allowed as a result of a Work Change Directive, a Claim may be made therefor as provided in paragraph 10.05.

10.02 *Unauthorized Changes in the Work*

A. CONTRACTOR shall not be entitled to an increase in the Contract Price or an extension of the Contract Times with respect to any work performed that is not required by the Contract Documents as amended, modified, or supplemented as provided in paragraph 3.04, except in the case of an emergency as provided in paragraph 6.16 or in the case of uncovering Work as provided in paragraph 13.04.B.

10.03 *Execution of Change Orders*

A. OWNER and CONTRACTOR shall execute appropriate Change Orders recommended by ENGINEER (or Written Amendments) covering:

1. changes in the Work which are: (i) ordered by OWNER pursuant to paragraph 10.01.A, (ii) required because of acceptance of defective Work under paragraph 13.08.A or OWNER's correction of defective Work under paragraph 13.09, or (iii) agreed to by the parties;

2. changes in the Contract Price or Contract Times which are agreed to by the parties, including any undisputed sum or amount of time for Work actually performed in accordance with a Work Change Directive; and

3. changes in the Contract Price or Contract Times which embody the substance of any written decision rendered by ENGINEER pursuant to paragraph 10.05; provided that, in lieu of executing any such Change Order, an appeal may be taken from any such decision in accordance with the provisions of the Contract Documents and applicable Laws and Regulations, but during any such appeal, CONTRACTOR shall carry on the Work and adhere to the progress schedule as provided in paragraph 6.18.A.

10.04 *Notification to Surety*

A. If notice of any change affecting the general scope of the Work or the provisions of the Contract Documents (including, but not limited to, Contract Price or Contract Times) is required by the provisions of any Bond to be given to a surety, the giving of any such notice will be CONTRACTOR's responsibility. The amount of each applicable Bond will be adjusted to reflect the effect of any such change.

10.05 *Claims and Disputes*

A. *Notice:* Written notice stating the general nature of each Claim, dispute, or other matter shall be delivered by the claimant to ENGINEER and the other party to the Contract promptly (but in no event later than 30 days) after the start of the event giving rise thereto. Notice of the amount or extent of the Claim, dispute, or other matter with supporting data shall be delivered to the ENGINEER and the other party to the Contract within 60 days after the start of such event (unless ENGINEER allows additional time for claimant to submit additional or more accurate data in support of such Claim, dispute, or other matter). A Claim for an adjustment in Contract Price shall be prepared in accordance with the provisions of paragraph 12.01.B. A Claim for an adjustment in Contract Time shall be prepared in accordance with the provisions of paragraph 12.02.B. Each Claim shall be accompanied by claimant's written statement that the adjustment claimed is the entire adjustment to which the claimant believes it is entitled as a result of said event. The opposing party shall submit any response to ENGINEER and the claimant within 30 days after receipt of the claimant's last submittal (unless ENGINEER allows additional time).

B. *ENGINEER's Decision:* ENGINEER will render a formal decision in writing within 30 days after receipt of the last submittal of the claimant or the last submittal of the opposing party, if any. ENGINEER's written decision on such Claim, dispute, or other matter will be final and binding upon OWNER and CONTRACTOR unless:

1. an appeal from ENGINEER's decision is taken within the time limits and in accordance with the dispute resolution procedures set forth in Article 16; or

2. if no such dispute resolution procedures have been set forth in Article 16, a written notice of intention to appeal from ENGINEER's written decision is delivered by OWNER or CONTRACTOR to the other and to ENGINEER within 30 days after the date of such decision, and a formal proceeding is instituted by the appealing party in a forum of competent jurisdiction within 60 days after the date of such decision or within 60 days after Substantial Completion, whichever is later (unless otherwise agreed in writing by OWNER and CONTRACTOR), to exercise such rights or remedies as the appealing party may have with respect to such Claim, dispute, or other matter in accordance with applicable Laws and Regulations.

C. If ENGINEER does not render a formal decision in writing within the time stated in paragraph 10.05.B, a decision denying the Claim in its entirety shall be deemed to have been issued 31 days after receipt of the last submittal of the claimant or the last submittal of the opposing party, if any.

D. No Claim for an adjustment in Contract Price or Contract Times (or Milestones) will be valid if not submitted in accordance with this paragraph 10.05.

ARTICLE 11 - COST OF THE WORK; CASH ALLOWANCES; UNIT PRICE WORK

11.01 *Cost of the Work*

A. *Costs Included:* The term Cost of the Work means the sum of all costs necessarily incurred and paid by CONTRACTOR in the proper performance of the Work. When the value of any Work covered by a Change Order or when a Claim for an adjustment in Contract Price is determined on the basis of Cost of the Work, the costs to be reimbursed to CONTRACTOR will be only those additional or incremental costs required because of the change in the Work or because of the event giving rise to the Claim. Except as otherwise may be agreed to in writing by OWNER, such costs shall be in amounts no higher than those prevailing in the locality of the Project, shall include only the following items, and shall not include any of the costs itemized in paragraph 11.01.B.

1. Payroll costs for employees in the direct employ of CONTRACTOR in the perfomance of the Work under schedules of job classifications agreed upon by OWNER and CONTRACTOR. Such employees shall include without limitation superintendents, foremen, and other personnel employed full time at the Site. Payroll costs for employees not employed full time on the Work

shall be apportioned on the basis of their time spent on the Work. Payroll costs shall include, but not be limited to, salaries and wages plus the cost of fringe benefits, which shall include social security contributions, unemployment, excise, and payroll taxes, workers' compensation, health and retirement benefits, bonuses, sick leave, vacation and holiday pay applicable thereto. The expenses of performing Work outside of regular working hours, on Saturday, Sunday, or legal holidays, shall be included in the above to the extent authorized by OWNER.

2. Cost of all materials and equipment furnished and incorporated in the Work, including costs of transportation and storage thereof, and Suppliers' field services required in connection therewith. All cash discounts shall accrue to CONTRACTOR unless OWNER deposits funds with CONTRACTOR with which to make payments, in which case the cash discounts shall accrue to OWNER. All trade discounts, rebates and refunds and returns from sale of surplus materials and equipment shall accrue to OWNER, and CONTRACTOR shall make provisions so that they may be obtained.

3. Payments made by CONTRACTOR to Subcontractors for Work performed by Subcontractors. If required by OWNER, CONTRACTOR shall obtain competitive bids from subcontractors acceptable to OWNER and CONTRACTOR and shall deliver such bids to OWNER, who will then determine, with the advice of ENGINEER, which bids, if any, will be acceptable. If any subcontract provides that the Subcontractor is to be paid on the basis of Cost of the Work plus a fee, the Subcontractor's Cost of the Work and fee shall be determined in the same manner as CONTRACTOR's Cost of the Work and fee as provided in this paragraph 11.01.

4. Costs of special consultants (including but not limited to engineers, architects, testing laboratories, surveyors, attorneys, and accountants) employed for services specifically related to the Work.

5. Supplemental costs including the following:

a. The proportion of necessary transportation, travel, and subsistence expenses of CONTRACTOR's employees incurred in discharge of duties connected with the Work.

b. Cost, including transportation and maintenance, of all materials, supplies, equipment, machinery, appliances, office, and temporary facilities at the Site, and hand tools not owned by the workers, which are consumed in the performance of the Work, and cost, less market value, of such items used but not consumed which remain the property of CONTRACTOR.

c. Rentals of all construction equipment and machinery, and the parts thereof whether rented from CONTRACTOR or others in accordance with rental agreements approved by OWNER with the advice of ENGINEER, and the costs of transportation, loading, unloading, assembly, dismantling, and removal thereof. All such costs shall be in accordance with the terms of said rental agreements. The rental of any such equipment, machinery, or parts shall cease when the use thereof is no longer necessary for the Work.

d. Sales, consumer, use, and other similar taxes related to the Work, and for which CONTRACTOR is liable, imposed by Laws and Regulations.

e. Deposits lost for causes other than negligence of CONTRACTOR, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, and royalty payments and fees for permits and licenses.

f. Losses and damages (and related expenses) caused by damage to the Work, not compensated by insurance or otherwise, sustained by CONTRACTOR in connection with the performance of the Work (except losses and damages within the deductible amounts of property insurance established in accordance with paragraph 5.06.D), provided such losses and damages have resulted from causes other than the negligence of CONTRACTOR, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable. Such losses shall include settlements made with the written consent and approval of OWNER. No such losses, damages, and expenses shall be included in the Cost of the Work for the purpose of determining CONTRACTOR's fee.

g. The cost of utilities, fuel, and sanitary facilities at the Site.

h. Minor expenses such as telegrams, long distance telephone calls, telephone service at the Site, expressage, and similar petty cash items in connection with the Work.

i. When the Cost of the Work is used to determine the value of a Change Order or of a Claim, the cost of premiums for additional Bonds and insurance required because of the changes in the Work or caused by the event giving rise to the Claim.

j. When all the Work is performed on the basis of cost-plus, the costs of premiums for all Bonds and insurance CONTRACTOR is required by the Contract Documents to purchase and maintain.

B. *Costs Excluded:* The term Cost of the Work shall not include any of the following items:

1. Payroll costs and other compensation of CONTRACTOR's officers, executives, principals (of partnerships and sole proprietorships), general managers, engineers, architects, estimators, attorneys, auditors, accountants, purchasing and contracting agents, expediters, timekeepers, clerks, and other personnel employed by CONTRACTOR, whether at the Site or in CONTRACTOR's principal or branch office for general administration of the Work and not specifically included in the agreed upon schedule of job classifications referred to in paragraph 11.01.A.1 or specifically covered by paragraph 11.01.A.4, all of which are to be considered administrative costs covered by the CONTRACTOR's fee.

2. Expenses of CONTRACTOR's principal and branch offices other than CONTRACTOR's office at the Site.

3. Any part of CONTRACTOR's capital expenses, including interest on CONTRACTOR's capital employed for the Work and charges against CONTRACTOR for delinquent payments.

4. Costs due to the negligence of CONTRACTOR, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, including but not limited to, the correction of defective Work, disposal of materials or equipment wrongly supplied, and making good any damage to property.

5. Other overhead or general expense costs of any kind and the costs of any item not specifically and expressly included in paragraphs 11.01.A and 11.01.B.

C. *CONTRACTOR's Fee:* When all the Work is performed on the basis of cost-plus, CONTRACTOR's fee shall be determined as set forth in the Agreement. When the value of any Work covered by a Change Order or when a Claim for an adjustment in Contract Price is determined on the basis of Cost of the Work, CONTRACTOR's fee shall be determined as set forth in paragraph 12.01.C.

D. *Documentation:* Whenever the Cost of the Work for any purpose is to be determined pursuant to paragraphs 11.01.A and 11.01.B, CONTRACTOR will establish and maintain records thereof in accordance with generally accepted accounting practices and submit in a form acceptable to ENGINEER an itemized cost breakdown together with supporting data.

11.02 *Cash Allowances*

A. It is understood that CONTRACTOR has included in the Contract Price all allowances so named in the Contract Documents and shall cause the Work so covered to be performed for such sums as may be acceptable to OWNER and ENGINEER. CONTRACTOR agrees that:

1. the allowances include the cost to CONTRACTOR (less any applicable trade discounts) of materials and equipment required by the allowances to be delivered at the Site, and all applicable taxes; and

2. CONTRACTOR's costs for unloading and handling on the Site, labor, installation costs, overhead, profit, and other expenses contemplated for the allowances have been included in the Contract Price and not in the allowances, and no demand for additional payment on account of any of the foregoing will be valid.

B. Prior to final payment, an appropriate Change Order will be issued as recommended by ENGINEER to reflect actual amounts due CONTRACTOR on account of

Work covered by allowances, and the Contract Price shall be correspondingly adjusted.

11.03 *Unit Price Work*

A. Where the Contract Documents provide that all or part of the Work is to be Unit Price Work, initially the Contract Price will be deemed to include for all Unit Price Work an amount equal to the sum of the unit price for each separately identified item of Unit Price Work times the estimated quantity of each item as indicated in the Agreement. The estimated quantities of items of Unit Price Work are not guaranteed and are solely for the purpose of comparison of Bids and determining an initial Contract Price. Determinations of the actual quantities and classifications of Unit Price Work performed by CONTRACTOR will be made by ENGINEER subject to the provisions of paragraph 9.08.

B. Each unit price will be deemed to include an amount considered by CONTRACTOR to be adequate to cover CONTRACTOR's overhead and profit for each separately identified item.

C. OWNER or CONTRACTOR may make a Claim for an adjustment in the Contract Price in accordance with paragraph 10.05 if:

1. the quantity of any item of Unit Price Work performed by CONTRACTOR differs materially and significantly from the estimated quantity of such item indicated in the Agreement; and

2. there is no corresponding adjustment with respect any other item of Work; and

3. if CONTRACTOR believes that CONTRACTOR is entitled to an increase in Contract Price as a result of having incurred additional expense or OWNER believes that OWNER is entitled to a decrease in Contract Price and the parties are unable to agree as to the amount of any such increase or decrease.

ARTICLE 12 - CHANGE OF CONTRACT PRICE; CHANGE OF CONTRACT TIMES

12.01* *Change of Contract Price*

A. The Contract Price may only be changed by a Change Order or by a Written Amendment. Any Claim for an adjustment in the Contract Price shall be based on written notice submitted by the party making the Claim to the ENGINEER and the other party to the Contract in accordance with the provisions of paragraph 10.05.

B.* The value of any Work covered by a Change Order or of any Claim for an adjustment in the Contract Price will be determined as follows:

1. where the Work involved is covered by unit prices contained in the Contract Documents, by application of such unit prices to the quantities of the items involved (subject to the provisions of paragraph 11.03); or

2. where the Work involved is not covered by unit prices contained in the Contract Documents, by a mutually agreed lump sum (which may include an allowance for overhead and profit not necessarily in accordance with paragraph 12.01.C.2); or

3. where the Work involved is not covered by unit prices contained in the Contract Documents and agreement to a lump sum is not reached under paragraph 12.01.B.2, on the basis of the Cost of the Work (determined as provided in paragraph 11.01) plus a CONTRACTOR's fee for overhead and profit (determined as provided in paragraph 12.01.C).

C. *CONTRACTOR's Fee:* The CONTRACTOR's fee for overhead and profit shall be determined as follows:

1. a mutually acceptable fixed fee; or

2. if a fixed fee is not agreed upon, then a fee based on the following percentages of the various portions of the Cost of the Work:

a. for costs incurred under paragraphs 11.01.A.1 and 11.01.A.2, the CONTRACTOR's fee shall be 15 percent;

b. for costs incurred under paragraph 11.01.A.3, the CONTRACTOR's fee shall be five percent;

c. where one or more tiers of subcontracts are on the basis of Cost of the Work plus a fee and no fixed fee is agreed upon, the intent of paragraph 12.01.C.2.a is that the Subcontractor who actually performs the Work, at whatever tier, will be paid a fee of 15 percent of the costs incurred by such Subcontractor under paragraphs 11.01.A.1 and 11.01.A.2 and that any higher tier Subcontractor and CONTRACTOR will each be paid a fee of five percent of the amount paid to the next lower tier Subcontractor;

*See Supplementary Conditions

d. no fee shall be payable on the basis of costs itemized under paragraphs 11.01.A.4, 11.01.A.5, and 11.01.B;

e. the amount of credit to be allowed by CONTRACTOR to OWNER for any change which results in a net decrease in cost will be the amount of the actual net decrease in cost plus a deduction in CONTRACTOR's fee by an amount equal to five percent of such net decrease; and

f. when both additions and credits are involved in any one change, the adjustment in CONTRACTOR's fee shall be computed on the basis of the net change in accordance with paragraphs 12.01.C.2.a through 12.01.C.2.e, inclusive.

12.02 *Change of Contract Times*

A. The Contract Times (or Milestones) may only be changed by a Change Order or by a Written Amendment. Any Claim for an adjustment in the Contract Times (or Milestones) shall be based on written notice submitted by the party making the claim to the ENGINEER and the other party to the Contract in accordance with the provisions of paragraph 10.05.

B. Any adjustment of the Contract Times (or Milestones) covered by a Change Order or of any Claim for an adjustment in the Contract Times (or Milestones) will be determined in accordance with the provisions of this Article 12.

12.03 *Delays Beyond CONTRACTOR's Control*

A. Where CONTRACTOR is prevented from completing any part of the Work within the Contract Times (or Milestones) due to delay beyond the control of CONTRACTOR, the Contract Times (or Milestones) will be extended in an amount equal to the time lost due to such delay if a Claim is made therefor as provided in paragraph 12.02.A. Delays beyond the control of CONTRACTOR shall include, but not be limited to, acts or neglect by OWNER, acts or neglect of utility owners or other contractors performing other work as contemplated by Article 7, fires, floods, epidemics, abnormal weather conditions, or acts of God.

12.04 *Delays Within CONTRACTOR's Control*

A. The Contract Times (or Milestones) will not be extended due to delays within the control of CONTRACTOR. Delays attributable to and within the control of a Subcontractor or Supplier shall be deemed to be delays within the control of CONTRACTOR.

12.05 *Delays Beyond OWNER's and CONTRACTOR's Control*

A. Where CONTRACTOR is prevented from completing any part of the Work within the Contract Times (or Milestones) due to delay beyond the control of both OWNER and CONTRACTOR, an extension of the Contract Times (or Milestones) in an amount equal to the time lost due to such delay shall be CONTRACTOR's sole and exclusive remedy for such delay.

12.06 *Delay Damages*

A. In no event shall OWNER or ENGINEER be liable to CONTRACTOR, any Subcontractor, any Supplier, or any other person or organization, or to any surety for or employee or agent of any of them, for damages arising out of or resulting from:

1. delays caused by or within the control of CONTRACTOR; or

2. delays beyond the control of both OWNER and CONTRACTOR including but not limited to fires, floods, epidemics, abnormal weather conditions, acts of God, or acts or neglect by utility

owners or other contractors performing other work as contemplated by Article 7.

B. Nothing in this paragraph 12.06 bars a change in Contract Price pursuant to this Article 12 to compensate CONTRACTOR due to delay, interference, or disruption directly attributable to actions or inactions of OWNER or anyone for whom OWNER is responsible.

ARTICLE 13 - TESTS AND INSPECTIONS; CORRECTION, REMOVAL OR ACCEPTANCE OF DEFECTIVE WORK

13.01 *Notice of Defects*

A. Prompt notice of all defective Work of which OWNER or ENGINEER has actual knowledge will be given to CONTRACTOR. All defective Work may be rejected, corrected, or accepted as provided in this Article 13.

13.02* *Access to Work*

A. OWNER, ENGINEER, ENGINEER's Consultants, other representatives and personnel of OWNER, independent testing laboratories, and governmental agencies with jurisdictional interests will have access to the Site and the Work at reasonable times for their observation, inspecting, and testing. CONTRACTOR shall provide them proper and safe conditions for such access and advise them of CONTRACTOR's Site safety procedures and programs so that they may comply therewith as applicable.

13.03* *Tests and Inspections*

A. CONTRACTOR shall give ENGINEER timely notice of readiness of the Work for all required inspections, tests, or approvals and shall cooperate with inspection and testing personnel to facilitate required inspections or tests.

B.* OWNER shall employ and pay for the services of an independent testing laboratory to perform all inspections, tests, or approvals required by the Contract Documents except:

1. for inspections, tests, or approvals covered by paragraphs 13.03.C and 13.03.D below;

2. that costs incurred in connection with tests or inspections conducted pursuant to paragraph 13.04.B shall be paid as provided in said paragraph 13.04.B; and

3. as otherwise specifically provided in the Contract Documents.

C. If Laws or Regulations of any public body having jurisdiction require any Work (or part thereof) specifically to be inspected, tested, or approved by an employee or other representative of such public body, CONTRACTOR shall assume full responsibility for arranging and obtaining such inspections, tests, or approvals, pay all costs in connection therewith, and furnish ENGINEER the required certificates of inspection or approval.

D. CONTRACTOR shall be responsible for arranging and obtaining and shall pay all costs in connection with any inspections, tests, or approvals required for OWNER's and ENGINEER's acceptance of materials or equipment to be incorporated in the Work; or acceptance of materials, mix designs, or equipment submitted for approval prior to CONTRACTOR's purchase thereof for incorporation in the Work. Such inspections, tests, or approvals shall be performed by organizations acceptable to OWNER and ENGINEER.

E. If any Work (or the work of others) that is to be inspected, tested, or approved is covered by CONTRACTOR without written concurrence of ENGINEER, it must, if requested by ENGINEER, be uncovered for observation.

F. Uncovering Work as provided in paragraph 13.03.E shall be at CONTRACTOR's expense unless CONTRACTOR has given ENGINEER timely notice of CONTRACTOR's intention to cover the same and ENGINEER has not acted with reasonable promptness in response to such notice.

13.04 *Uncovering Work*

A. If any Work is covered contrary to the written request of ENGINEER, it must, if requested by ENGINEER, be uncovered for ENGINEER's observation and replaced at CONTRACTOR's expense.

B. If ENGINEER considers it necessary or advisable that covered Work be observed by ENGINEER or inspected or tested by others, CONTRACTOR, at ENGINEER's request, shall uncover, expose, or otherwise make available for observation, inspection, or testing as ENGINEER may require, that portion of the Work in

question, furnishing all necessary labor, material, and equipment. If it is found that such Work is defective, CONTRACTOR shall pay all Claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such uncovering, exposure, observation, inspection, and testing, and of satisfactory replacement or reconstruction (including but not limited to all costs of repair or replacement of work of others); and OWNER shall be entitled to an appropriate decrease in the Contract Price. If the parties are unable to agree as to the amount thereof, OWNER may make a Claim therefor as provided in paragraph 10.05. If, however, such Work is not found to be defective, CONTRACTOR shall be allowed an increase in the Contract Price or an extension of the Contract Times (or Milestones), or both, directly attributable to such uncovering, exposure, observation, inspection, testing, replacement, and reconstruction. If the parties are unable to agree as to the amount or extent thereof, CONTRACTOR may make a Claim therefor as provided in paragraph 10.05.

*See Supplementary Conditions

13.05 *OWNER May Stop the Work*

A. If the Work is defective, or CONTRACTOR fails to supply sufficient skilled workers or suitable materials or equipment, or fails to perform the Work in such a way that the completed Work will conform to the Contract Documents, OWNER may order CONTRACTOR to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, this right of OWNER to stop the Work shall not give rise to any duty on the part of OWNER to exercise this right for the benefit of CONTRACTOR, any Subcontractor, any Supplier, any other individual or entity, or any surety for, or employee or agent of any of them.

13.06 *Correction or Removal of Defective Work*

A. CONTRACTOR shall correct all defective Work, whether or not fabricated, installed, or completed, or, if the Work has been rejected by ENGINEER, remove it from the Project and replace it with Work that is not defective. CONTRACTOR shall pay all Claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such correction or removal (including but not limited to all costs of repair or replacement of work of others).

13.07 *Correction Period*

A. If within one year after the date of Substantial Completion or such longer period of time as may be prescribed by Laws or Regulations or by the terms of any applicable special guarantee required by the Contract Documents or by any specific provision of the Contract Documents, any Work is found to be defective, or if the repair of any damages to the land or areas made available for CONTRACTOR's use by OWNER or permitted by Laws and Regulations as contemplated in paragraph 6.11.A is found to be defective, CONTRACTOR shall promptly, without cost to OWNER and in accordance with OWNER's written instructions: (i) repair such defective land or areas, or (ii) correct such defective Work or, if the defective Work has been rejected by OWNER, remove it from the Project and replace it with Work that is not defective, and (iii) satisfactorily correct or repair or remove and replace any damage to other Work, to the work of others or other land or areas resulting therefrom. If CONTRACTOR does not promptly comply with the terms of such instructions, or in an emergency where delay would cause serious risk of loss or damage, OWNER may have the defective Work corrected or repaired or may have the rejected Work removed and replaced, and all Claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such correction or repair or such removal and replacement (including but not limited to all costs of repair or replacement of work of others) will be paid by CONTRACTOR.

B. In special circumstances where a particular item of equipment is placed in continuous service before Substantial Completion of all the Work, the correction period for that item may start to run from an earlier date if so provided in the Specifications or by Written Amendment.

C. Where defective Work (and damage to other Work resulting therefrom) has been corrected or removed and replaced under this paragraph 13.07, the correction period hereunder with respect to such Work will be extended for an additional period of one year after such correction or removal and replacement has been satisfactorily completed.

D. CONTRACTOR's obligations under this paragraph 13.07 are in addition to any other obligation or warranty. The provisions of this paragraph 13.07 shall not be construed as a substitute for or a waiver of the provisions of any applicable statute of limitation or repose.

13.08 *Acceptance of Defective Work*

A. If, instead of requiring correction or removal and replacement of defective Work, OWNER (and, prior to ENGINEER's recommendation of final payment, ENGINEER) prefers to accept it, OWNER may do so. CONTRACTOR shall pay all Claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) attributable to OWNER's evaluation of and determination to accept such defective Work (such costs to be approved by ENGINEER as to reasonableness) and the diminished value of the Work to the extent not otherwise paid by CONTRACTOR pursuant to this sentence. If any such acceptance occurs prior to ENGINEER's recommendation of final payment, a Change Order will be issued incorporating the necessary revisions in the Contract Documents with respect to the Work, and OWNER shall be entitled to an appropriate decrease in the Contract Price, reflecting the diminished value of Work so accepted. If the parties are unable to agree as to the amount thereof, OWNER may make a Claim therefor as provided in paragraph 10.05. If the acceptance occurs after such recommendation, an appropriate amount will be paid by CONTRACTOR to OWNER.

13.09 *OWNER May Correct Defective Work*

A. If CONTRACTOR fails within a reasonable time after written notice from ENGINEER to correct defective Work or to remove and replace rejected Work as required by ENGINEER in accordance with paragraph 13.06.A, or if CONTRACTOR fails to perform the Work in accordance with the Contract Documents, or if CONTRACTOR fails to comply with any other provision of the Contract Documents, OWNER may, after seven days written notice to CONTRACTOR, correct and remedy any such deficiency.

B. In exercising the rights and remedies under this paragraph, OWNER shall proceed expeditiously. In connection with such corrective and remedial action, OWNER may exclude CONTRACTOR from all or part of the Site, take possession of all or part of the Work and suspend CONTRACTOR's services related thereto, take possession of CONTRACTOR's tools, appliances, construction equipment and machinery at the Site, and incorporate in the Work all materials and equipment stored at the Site or for which OWNER has paid CONTRACTOR but which are stored elsewhere. CONTRACTOR shall allow OWNER, OWNER's representatives, agents and employees, OWNER's other contractors, and ENGINEER and ENGINEER's Consultants access to the Site to enable OWNER to exercise the rights and remedies under this paragraph.

C. All Claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) incurred or sustained by OWNER in exercising the rights and remedies under this paragraph 13.09 will be charged against CONTRACTOR, and a Change Order will be issued incorporating the necessary revisions in the Contract Documents with respect to the Work; and OWNER shall be entitled to an appropriate decrease in the Contract Price. If the parties are unable to agree as to the amount of the adjustment, OWNER may make a Claim therefor as provided in paragraph 10.05. Such claims, costs, losses and damages will include but not be limited to all costs of repair, or replacement of work of others destroyed or damaged by correction, removal, or replacement of CONTRACTOR's defective Work.

D. CONTRACTOR shall not be allowed an extension of the Contract Times (or Milestones) because of any delay in the performance of the Work attributable to the exercise by OWNER of OWNER's rights and remedies under this paragraph 13.09.

ARTICLE 14 - PAYMENTS TO CONTRACTOR AND COMPLETION

14.01 *Schedule of Values*

A. The schedule of values established as provided in paragraph 2.07.A will serve as the basis for progress payments and will be incorporated into a form of Application for Payment acceptable to ENGINEER. Progress payments on account of Unit Price Work will be based on the number of units completed.

14.02 *Progress Payments*

A.* *Applications for Payments*

1. At least 20 days before the date established for each progress payment (but not more often than once a month), CONTRACTOR shall submit to ENGINEER for review an Application for Payment filled out and signed by CONTRACTOR covering the Work completed as of the date of the Application and accompanied by such supporting documentation as is required by the Contract Documents. If payment is requested on the basis of materials and equipment not incorporated in the Work but delivered and suitably stored at the Site or at another location agreed to in writing, the Application for Payment shall also be accompanied by a bill of sale, invoice, or other documentation warranting that OWNER has received the materials and equipment free and clear of all Liens and evidence that the materials and equipment are covered by appropriate property insurance or other arrangements to protect OWNER's interest therein, all of which must be satisfactory to OWNER.

2. Beginning with the second Application for Payment, each Application shall include an affidavit of CONTRACTOR stating that all previous progress payments received on account of the Work have been applied on account to discharge CONTRACTOR's legitimate obligations associated with prior Applications for Payment.

3. The amount of retainage with respect to pro-gress payments will be as stipulated in the Agreement.

*See Supplementary Conditions

B. *Review of Applications*

1. ENGINEER will, within 10 days after receipt of each Application for Payment, either indicate in writing a recommendation of payment and present the Application to OWNER or return the Application to CONTRACTOR indicating in writing ENGINEER's reasons for refusing to recommend payment. In the latter case, CONTRACTOR may make the necessary corrections and resubmit the Application.

2. ENGINEER's recommendation of any payment requested in an Application for Payment will constitute a representation by ENGINEER to OWNER, based on ENGINEER's observations on the Site of the executed Work as an experienced and qualified design professional and on ENGINEER's review of the Application for Payment and the accompanying data and schedules, that to the best of ENGINEER's knowledge, information and belief:

a. the Work has progressed to the point indicated;

b. the quality of the Work is generally in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Comple tion, to the results of any subsequent tests called for in the Contract Documents, to a final determination of quantities and classifications for Unit Price Work under paragraph 9.08, and to any other qualifications stated in the recommendation); and

c. the conditions precedent to CONTRACTOR's being entitled to such payment appear to have been fulfilled in so far as it is ENGINEER's responsibility to observe the Work.

3. By recommending any such payment ENGINEER will not thereby be deemed to have represented that: (i) inspections made to check the quality or the quantity of the Work as it has been performed have been exhaustive, extended to every aspect of the Work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to ENGINEER in the Contract Documents; or (ii) that there may not be other matters or issues between the parties

that might entitle CONTRACTOR to be paid additionally by OWNER or entitle OWNER to withhold payment to CONTRACTOR.

4. Neither ENGINEER's review of CONTRACTOR's Work for the purposes of recommending payments nor ENGINEER's recommendation of any payment, including final payment, will impose responsibility on ENGINEER to supervise, direct, or control the Work or for the means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for CONTRACTOR's failure to comply with Laws and Regulations applicable to CONTRACTOR's performance of the Work. Additionally, said review or recommendation will not impose responsibility on ENGINEER to make any examination to ascertain how or for what purposes CONTRACTOR has used the moneys paid on account of the Contract Price, or to determine that title to any of the Work, materials, or equipment has passed to OWNER free and clear of any Liens.

5. ENGINEER may refuse to recommend the whole or any part of any payment if, in ENGINEER's opinion, it would be incorrect to make the representations to OWNER referred to in paragraph 14.02.B.2. ENGINEER may also refuse to recommend any such payment or, because of subsequently discovered evidence or the results of subsequent inspections or tests, revise or revoke any such payment recommendation previously made, to such extent as may be necessary in ENGINEER's opinion to protect OWNER from loss because:

a. the Work is defective, or completed Work has been damaged, requiring correction or replacement;

b. the Contract Price has been reduced by Written Amendment or Change Orders;

c. OWNER has been required to correct defective Work or complete Work in accordance with paragraph 13.09; or

d. ENGINEER has actual knowledge of the occurrence of any of the events enumerated in paragraph 15.02.A.

C. *Payment Becomes Due*

1. Ten days after presentation of the Application for Payment to OWNER with ENGINEER's recommendation, the amount recommended will (subject to the provisions of paragraph 14.02.D) become due, and when due will be paid by OWNER to CONTRACTOR.

D. *Reduction in Payment*

1. OWNER may refuse to make payment of the full amount recommended by ENGINEER because:

a. claims have been made against OWNER on account of CONTRACTOR's perfomance or furnishing of the Work;

b. Liens have been filed in connection with the Work, except where CONTRACTOR has delivered a specific Bond satisfactory to OWNER to secure the satisfaction and discharge of such Liens;

c. there are other items entitling OWNER to a set-off against the amount recommended; or

d. OWNER has actual knowledge of the occurrence of any of the events enumerated in paragraphs 14.02.B.5.a through 14.02.B.5.c or paragraph 15.02.A.

2. If OWNER refuses to make payment of the full amount recommended by ENGINEER, OWNER must give CONTRACTOR immediate written notice (with a copy to ENGINEER) stating the reasons for such action and promptly pay CONTRACTOR any amount remaining after deduction of the amount so withheld. OWNER shall promptly pay CONTRACTOR the amount so withheld, or any adjustment thereto agreed to by OWNER and CONTRACTOR, when CONTRACTOR corrects to OWNER's satisfaction the reasons for such action.

3. If it is subsequently determined that OWNER's refusal of payment was not justified, the amount wrongfully withheld shall be treated as an amount due as determined by paragraph 14.02.C.1.

14.03 *CONTRACTOR's Warranty of Title*

A. CONTRACTOR warrants and guarantees that title to all Work, materials, and equipment covered by any Application for Payment, whether incorporated in the Project or not, will pass to OWNER no later than the time of payment free and clear of all Liens.

14.04 *Substantial Completion*

A. When CONTRACTOR considers the entire Work ready for its intended use CONTRACTOR shall notify OWNER and ENGINEER in writing that the entire Work is substantially complete (except for items specifically listed by CONTRACTOR as incomplete) and request that ENGINEER issue a certificate of Substantial Completion. Promptly thereafter, OWNER, CONTRACTOR, and ENGINEER shall make an inspection of the Work to determine the status of completion. If ENGINEER does not consider the Work substantially complete, ENGINEER will notify CONTRACTOR in writing giving the reasons therefor. If ENGINEER considers the Work substantially complete, ENGINEER will prepare and deliver to OWNER a tentative certificate of Substantial Completion which shall fix the date of Substantial Completion. There shall be attached to the certificate a tentative list of items to be completed or corrected before final payment. OWNER shall have seven days after receipt of the tentative certificate during which to make written objection to ENGINEER as to any provisions of the certificate or attached list. If, after considering such objections, ENGINEER concludes that the Work is not substantially complete, ENGINEER will within 14 days after submission of the tentative certificate to OWNER notify CONTRACTOR in writing, stating the reasons therefor. If, after consideration of OWNER's objections, ENGINEER considers the Work substantially complete, ENGINEER will within said 14 days execute and deliver to OWNER and CONTRACTOR a definitive certificate of Substantial Completion (with a revised tentative list of items to be completed or corrected) reflecting such changes from the tentative certificate as ENGINEER believes justified after consideration of any objections from OWNER. At the time of delivery of the tentative certificate of Substantial Completion ENGINEER will deliver to OWNER and CONTRACTOR a written recommendation as to division of responsibilities pending final payment between OWNER and CONTRACTOR with respect to security, operation, safety, and protection of the Work, maintenance, heat, utilities, insurance, and warranties and guarantees. Unless OWNER and CONTRACTOR agree otherwise in writing and so inform ENGINEER in writing prior to ENGINEER's issuing the definitive certificate of Substantial Completion, ENGINEER's aforesaid recommendation will be binding on OWNER and CONTRACTOR until final payment.

B. OWNER shall have the right to exclude CONTRACTOR from the Site after the date of Substantial Completion, but OWNER shall allow CONTRACTOR reasonable access to complete or correct items on the tentative list.

14.05 *Partial Utilization*

A. Use by OWNER at OWNER's option of any substantially completed part of the Work which has specifically been identified in the Contract Documents, or which OWNER, ENGINEER, and CONTRACTOR agree constitutes a separately functioning and usable part of the Work that can be used by OWNER for its intended purpose without significant interference with CONTRACTOR's performance of the remainder of the Work, may be accomplished prior to Substantial Completion of all the Work subject to the following conditions.

1. OWNER at any time may request CONTRACTOR in writing to permit OWNER to use any such part of the Work which OWNER believes to be ready for its intended use and substantially complete. If CONTRACTOR agrees that such part of the Work is substantially complete, CONTRACTOR will certify to OWNER and ENGINEER that such part of the Work is substantially complete and request ENGINEER to issue a certificate of Substantial Completion for that part of the Work. CONTRACTOR at any time may notify OWNER and ENGINEER in writing that CONTRACTOR considers any such part of the Work ready for its intended use and substantially complete and request ENGINEER to issue a certificate of Substantial Completion for that part of the Work. Within a reasonable time after either such request, OWNER, CONTRACTOR, and ENGINEER shall make an inspection of that part of the Work to determine its status of completion. If ENGINEER does not consider that part of the Work to be substantially complete, ENGINEER will notify OWNER and CONTRACTOR in writing giving the reasons therefor. If ENGINEER considers that part of the Work to be substantially complete, the provisions of paragraph 14.04 will apply with respect to certification of Substantial Completion of that part of the Work and the division of responsibility in respect thereof and access thereto.

2. No occupancy or separate operation of part of the Work may occur prior to compliance with the requirements of paragraph 5.10 regarding property insurance.

14.06 *Final Inspection*

A. Upon written notice from CONTRACTOR that the entire Work or an agreed portion thereof is complete, ENGINEER will promptly make a final inspection with OWNER and CONTRACTOR and will notify CONTRACTOR in writing of all particulars in which this inspection reveals that the Work is incomplete or defective. CONTRACTOR shall immediately take such measures as are necessary to complete such Work or remedy such deficiencies.

14.07 *Final Payment*

A. *Application for Payment*

1. After CONTRACTOR has, in the opinion of ENGINEER, satisfactorily completed all corrections identified during the final inspection and has delivered, in accordance with the Contract Documents, all maintenance and operating instructions, schedules, guarantees, Bonds, certificates or other evidence of insurance certificates of inspection, marked-up record documents (as provided in paragraph 6.12), and other documents, CONTRACTOR may make application for final payment following the procedure for progress payments.

2. The final Application for Payment shall be accompanied (except as previously delivered) by: (i) all documentation called for in the Contract Documents, including but not limited to the evidence of insurance required by subparagraph 5.04.B.7; (ii) consent of the surety, if any, to final payment; and (iii) complete and legally effective releases or waivers (satisfactory to OWNER) of all Lien rights arising out of or Liens filed in connection with the Work.

3. In lieu of the releases or waivers of Liens specified in paragraph 14.07.A.2 and as approved by OWNER, CONTRACTOR may furnish receipts or releases in full and an affidavit of CONTRACTOR that: (i) the releases and receipts include all labor, services, material, and equipment for which a Lien could be filed; and (ii) all payrolls, material and equipment bills, and other indebtedness connected with the Work for which OWNER or OWNER's property might in any way be responsible have been paid or otherwise satisfied. If any Subcontractor or Supplier fails to furnish such a release or receipt in full, CONTRACTOR may furnish a Bond or other collateral satisfactory to OWNER to indemnify OWNER against any Lien.

B. *Review of Application and Acceptance*

1. If, on the basis of ENGINEER's observation of the Work during construction and final inspection, and ENGINEER's review of the final Application for Payment and accompanying documentation as required by the Contract Documents, ENGINEER is satisfied that the Work has been completed and CONTRACTOR's other obligations under the Contract Documents have been fulfilled, ENGINEER will, within ten days after receipt of the final Application for Payment, indicate in writing ENGINEER's recommendation of payment and present the Application for Payment to OWNER for payment. At the same time ENGINEER will also give written notice to OWNER and CONTRACTOR that the Work is acceptable subject to the provisions of paragraph 14.09. Otherwise, ENGINEER will return the Application for Payment to CONTRACTOR, indicating in writing the reasons for refusing to recommend final payment, in which case CONTRACTOR shall make the necessary corrections and resubmit the Application for Payment.

C. *Payment Becomes Due*

1. Thirty days after the presentation to OWNER of the Application for Payment and accompanying documentation, the amount recommended by ENGINEER will become due and, when due, will be paid by OWNER to CONTRACTOR.

14.08 *Final Completion Delayed*

A. If, through no fault of CONTRACTOR, final completion of the Work is significantly delayed, and if ENGINEER so confirms, OWNER shall, upon receipt of CONTRACTOR's final Application for Payment and recommendation of ENGINEER, and without terminating the Agreement, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance to be held by OWNER for Work not

fully completed or corrected is less than the retainage stipulated in the Agreement, and if Bonds have been furnished as required in paragraph 5.01, the written consent of the surety to the payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by CONTRACTOR to ENGINEER with the Application for such payment. Such payment shall be made under the terms and conditions governing final payment, except that it shall not constitute a waiver of Claims.

14.09 *Waiver of Claims*

A. The making and acceptance of final payment will constitute:

1. a waiver of all Claims by OWNER against CONTRACTOR, except Claims arising from unsettled Liens, from defective Work appearing after final inspection pursuant to paragraph 14.06, from failure to comply with the Contract Documents or the terms of any special guarantees specified therein, or from CONTRACTOR's continuing obligations under the Contract Documents; and

2. a waiver of all Claims by CONTRACTOR against OWNER other than those previously made in writing which are still unsettled.

ARTICLE 15 - SUSPENSION OF WORK AND TERMINATION

15.01 OWNER May Suspend Work

A. At any time and without cause, OWNER may suspend the Work or any portion thereof for a period of not more than 90 consecutive days by notice in writing to CONTRACTOR and ENGINEER which will fix the date on which Work will be resumed. CONTRACTOR shall resume the Work on the date so fixed. CONTRACTOR shall be allowed an adjustment in the Contract Price or an extension of the Contract Times, or both, directly attributable to any such suspension if CONTRACTOR makes a Claim therefor as provided in paragraph 10.05.

15.02 *OWNER May Terminate for Cause*

A. The occurrence of any one or more of the following events will justify termination for cause:

1. CONTRACTOR's persistent failure to perform the Work in accordance with the Contract Documents (including, but not limited to, failure to supply sufficient skilled workers or suitable materials or equipment or failure to adhere to the progress schedule established under paragraph 2.07 as adjusted from time to time pursuant to paragraph 6.04);

2. CONTRACTOR's disregard of Laws or Regulations of any public body having jurisdiction;

3. CONTRACTOR's disregard of the authority of ENGINEER; or

4. CONTRACTOR's violation in any substantial way of any provisions of the Contract Documents.

B. If one or more of the events identified in paragraph 15.02.A occur, OWNER may, after giving CONTRACTOR (and the surety, if any) seven days written notice, terminate the services of CONTRACTOR, exclude CONTRACTOR from the Site, and take possession of the Work and of all CONTRACTOR's tools, appliances, construction equipment, and machinery at the Site, and use the same to the full extent they could be used by CONTRACTOR (without liability to CONTRACTOR for trespass or conversion), incorporate in the Work all materials and equipment stored at the Site or for which OWNER has paid CONTRACTOR but which are stored elsewhere, and finish the Work as OWNER may deem expedient. In such case, CONTRACTOR shall not be entitled to receive any further payment until the Work is finished. If the unpaid balance of the Contract Price exceeds all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) sustained by OWNER arising out of or relating to completing the Work, such excess will be paid to CONTRACTOR. If such claims, costs, losses, and damages exceed such unpaid balance, CONTRACTOR shall pay the difference to OWNER. Such claims, costs, losses, and damages incurred by OWNER will be reviewed by ENGINEER as to their reasonableness and, when so approved by ENGINEER, incorporated in a Change Order. When exercising any rights or remedies under this paragraph OWNER shall not be required to obtain the lowest price for the Work performed.

C. Where CONTRACTOR's services have been so terminated by OWNER, the termination will not affect any rights or remedies of OWNER against CONTRACTOR then existing or which may thereafter accrue. Any retention or payment of moneys due CONTRACTOR by OWNER will not release CONTRACTOR from liability.

15.03 *OWNER May Terminate For Convenience*

A. Upon seven days written notice to CONTRACTOR and ENGINEER, OWNER may, without cause and without prejudice to any other right or remedy of OWNER, elect to terminate the Contract. In such case, CONTRACTOR shall be paid (without duplication of any items):

1. for completed and acceptable Work executed in accordance with the Contract Documents prior to the effective date of termination, including fair and reasonable sums for overhead and profit on such Work;

2. for expenses sustained prior to the effective date of termination in performing services and furnishing labor, materials, or equipment as required by the Contract Documents in connection with uncompleted Work, plus fair and reasonable sums for overhead and profit on such expenses;

3. for all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) incurred in settlement of terminated contracts with Subcontractors, Suppliers, and others; and

4. for reasonable expenses directly attributable to termination.

B. CONTRACTOR shall not be paid on account of loss of anticipated profits or revenue or other economic loss arising out of or resulting from such termination.

15.04 *CONTRACTOR May Stop Work or Terminate*

A. If, through no act or fault of CONTRACTOR, the Work is suspended for more than 90 consecutive days by OWNER or under an order of court or other public authority, or ENGINEER fails to act on any Application for Payment within 30 days after it is submitted, or OWNER fails for 30 days to pay CONTRACTOR any sum finally determined to be due, then CONTRACTOR may, upon seven days written notice to OWNER and ENGINEER, and provided OWNER or ENGINEER do not remedy such suspension or failure within that time, terminate the Contract and recover from OWNER payment on the same terms as provided in paragraph 15.03. In lieu of terminating the Contract and without prejudice to any other right or remedy, if ENGINEER has failed to act on an Application for Payment within 30 days after it is submitted, or OWNER has failed for 30 days to pay CONTRACTOR any sum finally determined to be due, CONTRACTOR may, seven days after written notice to OWNER and ENGINEER, stop the Work until payment is made of all such amounts due CONTRACTOR, including interest thereon. The provisions of this paragraph 15.04 are not intended to preclude CONTRACTOR from making a Claim under paragraph 10.05 for an adjustment in Contract Price or Contract Times or otherwise for expenses or damage directly attributable to CONTRACTOR's stopping the Work as permitted by this paragraph.

ARTICLE 16 - DISPUTE RESOLUTION*

16.01 *Methods and Procedures*

A. Dispute resolution methods and procedures, if any, shall be as set forth in the Supplementary Conditions. If no method and procedure has been set forth, and subject to the provisions of paragraphs 9.09 and 10.05, OWNER and CONTRACTOR may exercise such rights or remedies as either may otherwise have under the Contract Documents or by Laws or Regulations in respect of any dispute.

ARTICLE 17 - MISCELLANEOUS*

17.01 *Giving Notice*

A. Whenever any provision of the Contract Documents requires the giving of written notice, it will be deemed to have been validly given if delivered in person to the individual or to a member of the firm or to an officer of the corporation for whom it is intended, or if delivered at or sent by registered or certified mail, postage prepaid, to the last business address known to the giver of the notice.

17.02 *Computation of Times*

A. When any period of time is referred to in the Contract Documents by days, it will be computed to

exclude the first and include the last day of such period. If the last day of any such period falls on a Saturday or Sunday or on a day made a legal holiday by the law of the applicable jurisdiction, such day will be omitted from the computation.

17.03 *Cumulative Remedies*

A. The duties and obligations imposed by these General Conditions and the rights and remedies available hereunder to the parties hereto are in addition to, and are not to be construed in any way as a limitation of, any rights and remedies available to any or all of them which are otherwise imposed or available by Laws or Regulations, by special warranty or guarantee, or by other provisions of the Contract Documents, and the provisions of this paragraph will be as effective as if repeated specifically in the Contract Documents in connection with each particular duty, obligation, right, and remedy to which they apply.

17.04 *Survival of Obligations*

A. All representations, indemnifications, warranties, and guarantees made in, required by, or given in accordance with the Contract Documents, as well as all continuing obligations indicated in the Contract Documents, will survive final payment, completion, and acceptance of the Work or termination or completion of the Agreement.

17.05 *Controlling Law*

A. This Contract is to be governed by the law of the state in which the Project is located.

SUPPLEMENTAL GENERAL CONDITIONS

These Supplementary Conditions amend or supplement the Standard General Conditions of the Construction Contract (No. 1910-8, 1996 Edition) and other provisions of the Contract Documents as indicated below. All provisions, which are not so amended or supplemental, remain in full force and effect.

The terms used in these Supplementary Conditions will have the meanings indicated in the General Conditions. Additional terms used in these Supplementary Conditions have the meanings indicated below, which are applicable to both the singular and plural thereof.

SC-6.10 Delete paragraph 6.10 in its entirely and insert the following in its place:

The owner qualifies for the state and local tax exemption in the purchase of certain materials and equipment the Contractor shall utilize the form provided herewith in exhibit "D".

SC-11.01 Delete paragraph 11.01 in its entirety.

SC-11.02 Delete paragraph 11.02 in its entirety.

SC-12.01B.25 & B.3. Delete paragraph 12.01B.2 & B.3 in its entirety.

SC-12.01.C.2 Delete paragraph 12.01.C.2 in its entirety.

SC Article 14.02 C.1 Replace **"Ten days"** with **"Thirty days"** to read as follows: Thirty days after presentation of the Application for Payment to OWNER with ENGINEER'S recommendation, the amount recommended will (subject to the provisions of paragraph 14.02.D) become due, and when due will be paid by OWNER TO CONTRACTOR.

SC Article 16 Add the following language at the end of the paragraph of Article 16:

There are no dispute resolution methods and procedures set forth in the Supplemental Conditions:

GENERAL PREVAILING WAGE LEGAL REQUIREMENTS

The Contractor's attention is called to Texas Government Code Chapter 2258, which must be complied with attached herewith as Exhibit "C"

GENERAL NOTES AND STANDARD SPECIFICATIONS

For all pits or quarries, comply with the "Texas Aggregate Quarry and Pit Safety Act."

Provide on a weekly basis a list of equipment, including idle equipment, utilized on the project that week.

The 1-800 call services for utility locations do not include TxDOT facilities.

ITEM 3. Scope of Work

This Contract includes non-site specific work. Multiple work orders will be used to procure work of the type identified in the contract at locations that have not yet been determined.

ITEM 5. Control of the Work

Prior to contract letting, bidders may obtain a free computer diskette or a computerized transfer of files (from the Engineer's office) that contains the earthwork information. If copies of the actual cross-sections in additional to, or instead of, the diskette are requested, they will be available at the Engineers office for borrowing by copying companies for the purpose of making copies for the bidder at the bidders expense.

ITEM 8. Prosecution and Progress

Where road closures or detours around structures are necessary to accomplish proposed work, the removal of existing structures and/or cutting of existing pavement will not be permitted until all pre-cast members for the proposed structure have been cast, tested and approved for use.

Working days will be computed and charged in accordance with Article 8.3.A.6 defined as follows:

Upon issuance of written authorization to begin work, all of Item 100, "Preparing Right of Way" will commence. Item 100 work shall be completed before work begins on other items, unless otherwise authorized by the project engineer.

Work and time charges will continue until completion of Item 100. Upon completion of Item 100, work and time charges will stop for a maximum period of 120 days for utility work to be completed. Time charges in accordance with Article 8.3.A.1 will resume at the end of the 120 day utility work period or earlier if mutually agreed in writing by the engineer and contractor.

ITEM 100. Preparing Right of Way

Clearing & grubbing shall be executed in accordance with the District Clearing and Grubbing detail sheets.

ITEMS 134. Backfilling Pavement Edges

Areas to be backfilled shall extend approximately 3-ft out from the edges of the proposed overlay. Final slopes shall be uniform and smooth. The 100-foot station payment includes Backfilling of both sides.

Backfill Ty A shall not contain particles more than two inches in size and shall have a minimum PI of 10 and a maximum PI of 20.

Any additional backfill material necessary due to pre-existing edge conditions or to replace existing fill removed during blading operations will not be paid for directly. It will be considered subsidiary to this bid item.

ITEM 164. Seeding for Erosion Control

During drill seeding operations, application methods shall be in accordance with the method shown in the Standard Specification Book.

Cool Season or Warm Season Grasses shall be included as part of Item 164 (See Table 3 and/or Table 4 in the Standard Specification Manual for dates and seed type).

Seed mixture

Seed mixture shall be as specified under Item 164.

ITEM 166. Fertilizer

Fertilizer rate is based on a rate of 100 Lbs. of Nitrogen per acre. The Nitrogen-Phosphorous-Potassium (NPK) ratio shall include a minimum of 5 percent phosphorous and 5 percent Potassium. Fertilizer shall be homogenized.

ITEM 216. Proof Rolling

Work shall be done in accordance to Item 216, except for measurement and payment. This work will not be paid for directly, but shall be considered subsidiary to the various bid items.

ITEM 247. Flexible Base

Flexible Base Type E will be composed of caliche (argillaceous Limestone, calcareous or calcareous clay particles) and may contain stone, conglomerate, gravel, sand or granular materials when these materials are in situ with the caliche.

Blended material for Flexible Base TY E GR 4

The Contractor may blend base material with another caliche source or with crushed concrete, meeting the requirements for TY "D" materials, provided a minimum of 50% caliche is used. The crushed concrete may contain sand or granular materials. Stabilizing additives will not be allowed in the raw crushed concrete base. Acceptance will be under the following conditions:

Condition One (1): When both components of the blend in their individual stockpiles meet all the physical requirements of this Item, then field blending will be allowed.

Condition Two (2): When only one component of the blend passes the physical requirements of this Item, the materials shall be blended through a plant for stockpile testing and approval.

Flexible Base (TY E GR 4) shall conform to the following requirements:

BEFORE LIME IS ADDED

Retained on Sq. Sieve	Percent Retained
2"	0
½"	20-60
No. 4	40-75
No. 40	70-90
Max. PI:	15
Max. Wet Ball PI:	15
Wet Ball Mill Max Amount:	50
Min. Comp. Strength PSI:	150 at 15 PSI lateral pressure
Triaxial Test	Tex-117-E

The Wet Ball Test (Tex-116-E) shall be run and the Plasticity Index of the material passing the No. 40 sieve shall be determined (Wet Ball PI).

After 1% lime (laboratory) is added to unlimed material

Max PI	12
Min. Comp. Strength PSI:	180 at 15 PSI Lateral Pressure
Triaxial Test (Lime Treated)	Tex-121-E

Two (2) percent lime (by weight) will be incorporated into the Flexible Base in the field at the Owner's expense in accordance with the provisions of Items 260.

The percent of density as determined by Compaction Ratio (Tex-113-E) for the new Flexible Base shall be a minimum of 98%.

The Contractor's attention is called to the fact that certain existing and/or proposed structures may be within the limits of the Flexible Base. It shall be the Contractor's responsibility to perform construction operations without damage to these structures.

For water added under Item 247, the sulfate content will not exceed 3000-ppm and the chloride content will not exceed 3000-ppm.

Perform base ride quality testing for all base with only one lift of ACP or a seal coat as the final surface in accordance with the Pharr District Special Provision for flexbase ride testing. Perform base ride quality testing before placing the ACP or seal coat.

ITEM 251. Reworking Base Material

Quantities of Flexible Base to be salvaged, shown on the typical sections, are for estimating purposes only. All acceptable base material encountered in existing base is to be salvaged as directed by the Engineer regardless of the quantities involved.

Salvaged base shall be used in the bottom course on any of the proposed roadway and/or turnout sections.

Salvaged base may be used on any of the proposed driveway sections.

ITEM 260. Lime Treatment (Road Mixed)

The Contractor's attention is called to the fact that certain existing and/or proposed structures are within the limits of the lime-treated Subgrade. Unless otherwise directed by the Engineer, these structures shall be installed before the final rolling of this Subgrade. It shall be the Contractor's responsibility to perform the proper lime treating operation without damage to these structures.

The slurry method of applying lime will be required, except when the lime is to be added to naturally wet materials as directed by the Engineer.

For this project, the Engineer will direct a random number of lime trucks to be check weighed.

The percent of density as determined by Tex-121-E for the new and salvage Flexible Base shall be a minimum of 98% for all courses.

ITEM 300. Asphalt's, Oils and Emulsions

Temporary ramps/detours and driveways may use performance grade binder 64-22.

ITEM 301. Asphalt Antistripping Agents

Lime TY A or B shall be added as an Antistripping additive between the rates of 1 % minimum 2.0% maximum by weight for item 341. If the Hamburg wheel test cannot be met within these limits, Liquid Antistripping agents as approved by the Engineer may be used in conjunction with lime for item 341.

ITEM 310. Prime Coat (Cutback Asphaltic Material)

The Contractor shall exercise diligence in the application of asphalt by the use of flagging and rolling procedures to keep from spraying or splattering the traveling public with asphaltic material.

All existing Flexible Base, which may become exposed by the milling operation, shall be primed at the rate of 0.2 Gal/SY.

Do not apply subsequent courses over the initial prime coat any earlier than the day after the prime coat was applied, unless otherwise authorized or directed by the Engineer.

ITEM 314. Emulsified Asphalt Treatment

The Contractor shall exercise diligence in the application of emulsified asphalt by the use of flagging to keep from spraying or splattering the traveling public with asphaltic material.

ITEM 400. Excavation and Backfill for Structures

If the Contractor elects to cut pavement (existing/detour) for structural work beyond that required by the construction phasing shown in the plans and approved by the Engineer, it shall be restored at his expense and backfilled to its original condition or better in accordance with Item 400.

Unless shown otherwise in the plans, use a 1-ft depth for Item 400 Structural Excavation (Special) for gravel bedding needed below drainage structures with unstable material.

ITEM 420. Concrete Structures

Use membrane curing, Type 2, for concrete curb, gutter and combined curb and gutter, concrete medians, directional islands and sidewalks.

Pay bent concrete as plan quantity.

ITEM 421. Portland cement Concrete

Provide Sulfate Resistant Concrete for all concrete piling and drilled shafts.

Provide equipment at the batch plant for determining the free moisture and/or absorption of aggregates in accordance with applicable TXDOT Test.

Provide the following items for concrete batch inspection in accordance with specifications outlined in DMS-10101, "Computer Equipment":

(1) One Desktop Microcomputer or One Laptop Microcomputer
(2) One Integrated Printer/Scanner/Copier/Fax Unit
(3) Contractor-Furnished Software
(4) Hardware

Air entrain all concrete used in Drilled Shafts.

ITEM 432. Riprap

Provide Class "A" concrete minimum for riprap aprons placed around all box culvert and pipe safety end treatments.

ITEM 462. Concrete Box Culverts and Strom Drains

Provide joints in pre-cast concrete box culverts using any of the methods specified in Item 464, except mortar joints.

Provide pre-cast concrete boxes to expedite traffic handling unless otherwise shown on the plans.

Provide the Area Engineer with the casting schedule of all pre-cast concrete boxes prior to beginning any fabrication.

ITEM 464. Reinforced Concrete Pipe

Use tongue and groove pipe where the RCP extends into the lime treated subgrade. The 4-foot depth restriction for heavy equipment passage over pipe structures is voided. The Contractor will be responsible for any construction damage to these facilities.

Do not use mortar joints.

All reinforced concrete pipe shall include rubber gaskets unless shown otherwise on the plans or directed by the engineer.

ITEM 466. Headwalls and Wingwalls

Do not use pre-cast headwalls/wingwalls.

ITEM 467. Safety End Treatment

All Type II SET's shall have riprap, Class "A" minimum, aprons as shown on the plans. The contractor may submit an alternate precast SET design for approval by the Engineer.

ITEM 471. Frames, Grates, Rings and Covers

All grates will be tack welded to the frames in a manner satisfactory to the Engineer.

ITEM 496. Removing Old Structures

Store the following items to be salvaged at a location designated by the Engineer:

ITEM 502. Barricades, Signs and Traffic Handling

Shadow vehicles equipped with Truck-Mounted Attenuators are required.

A pilot car and radio equipped flaggers shall be required for all undivided roadway locations as directed by the Engineer. The pilot car with necessary flaggers and/or radio equipped flaggers and all signs, equipment, labor and incidentals required for this method of traffic control will not be paid for directly, but shall be considered subsidiary to Item 502.

Replace/relocate all regulatory signs removed due to construction operations with a same sign on fixed support(s) immediately upon its removal. First obtain project Engineer approval before removing any regulatory roadway sign. Required flaggers are to be available to direct traffic during sign intermediate down time.

Relocate any Directional Sign Assemblies removed during construction operations immediately upon their removal.

These signs shall be relocated to a location in accordance with the Latest Version of the "Texas Manual on Uniform Traffic Control Devices". In no case will a sign be removed without a replacement sign and support(s) being readily available and a location established. Removal and relocation of these signs required for traffic control will not be paid for directly, but shall be considered subsidiary to Item 502.

ITEM 504. Field Office and Laboratory

For this project a field office will not be required at the project site.

ITEM 506. Temporary Erosion, Sedimentation, and Environmental Controls

Due to the nature of this project, it is unlikely a significant amount of soil will be disturbed. However, if for unforeseen reasons a sediment control fence is needed; it shall be placed as directed by the Engineer.

ITEM 508. Constructing Detours

Flexible Base, prime coat, and Asphaltic Concrete Pavement used for detours shall meet the requirements of Items 247, 310, and 341 respectively, except for measurement and payment.

ITEM 529. Concrete Curb, Gutter and Combined Curb and Gutter

Before final acceptance of the project, remove discoloration caused by tire marks, mud, asphalt, paint or other similar material by any method satisfactory to the Engineer to achieve a uniform color and texture of the finished surface exposed to view.

ITEM 530. Public & Private Driveways

Prime coat shall meet the requirements of Item 310.

Daily testing requirements for Hot Mix Asphaltic Concrete Pavements for drives, commercial entrances and/or turnouts may be waived by the Engineer.

ITEM 531. Sidewalks

Construct ¼-inch thick score joints at a maximum 6-foot spacing and expansion joints at a maximum 30-foot spacing. Construct a joint in the center of the sidewalk if it is over 15-feet

wide. For steel reinforcement, use 6x6-inch spacing with #3 bars or 6x6 – D6 welded wire fabric.

ITEM 538. Right of Way Markers

Right of Way markers will be set under the supervision of a registered public land surveyor.

Existing Right of Way monuments to be reset with proposed Right of Way markers will be referenced to a minimum of three reference points set under the supervision of a registered public land surveyor.

he Contractor will inform the Engineer when all reference points have been installed and allow the TXDOT survey crew to survey the reference points before installing the proposed Right of Way markers.

ITEM 540. Metal Beam Guard Fence

The optional terminal anchor post with the terminal connector will be required as shown on the Metal Beam Guard Fence Standard.

ITEM 542. Removing Metal Beam Guard Fence

Dispose all metal beam guard fence materials unless shown otherwise in the plans.

ITEM 544. Guardrail End Treatments

Label "end treatment type" on backside of unit at time of installation.

ITEM 552. Wire Fence

Contractor is to repair any wire fence that is damaged by the contractor to insure the retention of livestock, if any, in their respective pastures along the project.

ITEM 585. Ride Quality for Pavement Surfaces

Use Surface Test Type "B" for service roads and ramps.

Quality control results shall be submitted to TxDOT the next working day after each day's paving.

Pavement areas with public turnout intersections that carry major traffic volumes will not be subjected to inertial profiler testing. These areas shall be evaluated using the 10-ft. Straightedge.

Diamond grinding shall be used to remove localized roughness.

ITEMS 662 AND 666, Work Zone Pavement Markings and Reflectorized Pavement Markings

All permanent pavement markings and work zone pavement markings for this project under these Items shall be 0.100 inches (100 mil) thick thermoplastic.

Any permanent pavement markings or non-removal work zone pavement markings lacking reflectivity in accordance with test method Tex 828-B, will not be paid for, as per district policy. The roadway will be re-striped at no additional compensation.

Pavement surface preparation for markings and markers will not be paid for directly, but shall be considered subsidiary to Item 666.

Prior to any striping operations, an on-site coordination meeting between all the parties involved will be required to review striping details and requirements to ensure quality work.

The beads used on this project shall meet the requirements of Departmental Materials Specification DMS-8290, Glass Traffic Beads Texas Type II & III. Use a 50% Type II/ 50% Type III mix utilizing a double drop system with Type II beads dropped first.

ITEM 677, Eliminating Existing Pavement Markings and Markers

Asphalt and aggregate types and grades shall be as approved in writing when a surface treatment is used to eliminate existing pavement markings.

GOVERNING SPECIFICATIONS AND SPECIAL PROVISIONS

All specifications and special provisions applicable to this project are identified as follows:

STANDARD SPECIFICATIONS: Adopted by the Texas Department of Transportation, June 1, 2004. Standard Specifications are incorporated into the contract by reference.

- ITEM 100 PREPARING RIGHT OF WAY
- ITEM 104 REMOVING CONCRETE
- ITEM 132 EMBANKMENT
- ITEM 164 SEEDING FOR EROSION CONTROL
- ITEM 166 FERTILIZER
- ITEM 168 VEGETATIVE WATER
- ITEM 216 PROOF ROLLING
- ITEM 247 FLEXIBLE BASE
- ITEM 251 REWORKING BASE COURSES
- ITEM 260 LIME TREATMENT (ROAD MIXED)
- ITEM 300 ASPHALTS, OILS AND EMULSIONS
- ITEM 310 PRIME COAT
- ITEM 340 DENSE GRADED HOT MIX APSHALT (METHOD)
- ITEM 354 PLANING AND TEXTURING PAVEMENT
- ITEM 464 REINFORCED CONCRETE PIPE
- ITEM 465 MANHOLES AND INLETS
- ITEM 496 REMOVING STRUCTURES
- ITEM 500 MOBILIZATION'
- ITEM 502 BARRICADES, SIGNS AND TRAFFIC HANDLING
- ITEM 506 TEMPORARY EROSION, SEDIMENTATIONS AND ENVIRONMENTAL CONTROLS
- ITEM 529 CONCRETE CURB, GUTTER AND COMBINED CURB-GUTTER
- ITEM 530 INTERSECTIONS, DRIVEWAYS AND TURNOUTS
- ITEM 556 PIPE UNDERDRAINS
- ITEM 585 RIDE QUALITY FOR PAVEMENT STRUCTURES
- ITEM 666 REFLECTORIZED PAVEMENT MARKINGS
- ITEM 760 CLEANING AND RESHAPING DITCHES
- ITEM 2500 EN-1 ROADBOND

SPECIAL SPECIFICATIONS: Adopted by the Texas Department of Transportation, June 1, 2004 are incorporated into the contract by reference.

SS 3035 BLADE LEVEL-UP

SPECIAL PROVISIONS: Special Provisions will govern and take precedence over the Specifications enumerated hereon wherever in conflict therewith. (Enclosed herewith)

- PREPARING RIGHT OF WAY: SP 100-002
- SEEDING FOR EROSION CONTROL: SP 164-002 & 004
- FERTILIZER: SP 166-001
- FLEXIBLE BASE: SP 247-033,036,038,039,040 & 041
- LIME TREATMENT (ROAD MIXED): SP 260-001
- ASPHALTS, OILS AND EMULSIONS: SP 300-008, 016, 020 & 025

- DENSE GRADED HOT MIX APSHALT (METHOD): SP 340-001 & 003
- REINFORCED CONCRETE PIPE: SP 464-003
- MANHOLES AND INLETS: SP 465-001
- MOBILIZATION: SP 500
- BARRICADES, SIGNS AND TRAFFIC HANDLING: SP 502-006 & 033
- TEMPORARY EROSION, SEDIMENTATIONS AND ENVIRONMENTAL CONTROLS: SP 506-010,011,012&013
- REFLECTORIZED PAVEMENT MARKINGS: SP 666-001, 008 & 014

General: The above listed specifications items are those under which payment is to be made. These, together with such other pertinent items, if any, as may be referred to in the above-listed specification items, and including the special provisions listed above, constitute the complete specifications for this project.

All item numbers noted in these plans are the same as those referenced in the Texas Department of Transportation 2004 Standard Specifications for Construction and Maintenance of Highways, Streets, and Bridges book (June 1, 2004) and Texas Department of Transportation Website.

Certification
Regarding Debarment, Suspension and Ineligibility

As is required by the Federal Regulations Implementing Executive Order 12549, Debarment and Suspension, 45 CFR Part 76, Government-wide Debarment and Suspension, the applicant certifies, to the best of his or her knowledge and belief, that both it and its principals:

a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency;

b. Have not within a three-year period preceding this bid proposal and/or application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

c. Are not presently indicted for or otherwise criminally or civilly charged by a government entity with commission of any of the offenses enumerated herein; and

d. Have not within a three-year period preceding this bid proposal and/or application had one or more public transactions terminated for cause or default.

Signature: _____
Print Name: Raul Iglesias
Title: Member
Telephone Number: 956-607-0741
Date: 5/17/2012

If the bidder is unable to certify to all of the statements in this Certification, such bidder should attach an explanation to this proposal.

Form **W-9**
(Rev. November 2005)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type See Specific Instructions on page 2.

Name (as shown on your income tax return) Asago, LLC

Business name, if different from above Asago Construction

Check appropriate box: ☐ Individual/ Sole proprietor ☐ Corporation ☐ Partnership ☑ Other ▶ LLC ☐ Exempt from backup withholding

Address (number, street, and apt. or suite no.) 2113 Pecos St.

Requester's name and address (optional)

City, state, and ZIP code Mission, TX 78572

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number

or

Employer identification number 74-2821087

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here Signature of U.S. person ▶ [signature] Date ▶ 5/17/2012

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

In 3 above, if applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

For federal tax purposes, you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or
- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

HIDALGO COUNTY
PURCHASING DEPARTMENT
Bidder/Vendor Application

Complete in print or type. Please return this application to the Hidalgo County Purchasing Department
thru Facsimile: (956) 318-2629 or (956) 292-7612
in person or regular mail to: 2812 S. Business Hwy. 281 , Edinburg, Texas 78539
or e-mail: purchasing@co.hidalgo.tx.us

Company Name: Asago, LLC Telephone No. (956) 607-0741

dba Name: Asago Construction

Legal Name: Asago, LLC

Mailing Address : 2113 Peros St. Fax No. (956) 585-7040

Physical Address: same

City, State, Zip Mission, TX 78572 Tax I.D. No. 74-2821087

Remit to Address : same City, State, Zip

E-Mail Address: asago@rgv.rr.com

Representative(s) Name(s) & Title(s) Raul Iglesias, Member

Type of Organization (check one): ____ Individual ____ Partnership ____ Corporation ____ Non-Profit
✓ LLC ____ Sole Proprietor ____ Other, Specify

State Identification No.____ (Please attached completed W-9 form with this application)

Federal Identification No. or (if individual) SS No. 74-2821087

State of Incorporation: ____ Date:____ Other:

Type of Business (check one): ____ Manufacturer ____ Wholesaler ____ Retailer ____ Broker
____ Distributor ✓ Service Organization ____ Other, Specify

Name & Title of Person(s) Authorized to Sign Bids, Proposals, and/or Contracts:
Raul Iglesias, Member

Small and/or Disadvantaged Business Information (check application criteria)

Small Business:	Disadvantaged Business (At Least 51% Ownership)	
☐ Less than 125,000 annual gross receipt	☐ Black American	☐ Native American
☐ Less than 250,000 annual gross receipt	☐ Hispanic American	☐ Women
☐ Less than 499,000 annual gross receipt	☐ Asian Pacific American	☐ Other
☑ More than 500,000 annual gross receipt		

Have you been certified as a HUB or an MBE/WBE source?: ☐ Yes ☑ No

Indicate Certification No.(s):____ or are Certificate(s) attached?: ☐ Yes ☐ No

What type of product(s) is/are solicited by your company?: Construction

Would you like to be provided with specifications for procurements of such products?: ☑ Yes ☐ No

To Be Completed by the County: Rec'd by (Purchasing):____ Date Rec'd by (Purchasing):

Date Forwarded Information to Auditor's Office:____Entry Date: ____ Vendor No.:

Revised12/14/06

HISTORICALLY UNDERUTILIZED BUSINESS (HUB) DECLARATION

The primary objective of the Hidalgo County HUB Program is to ensure Historically Underutilized Businesses receive a fair and equal opportunity for participation in the County's procurement process. This fact holds true for Services (Professional & Non-Professional), Commodities, and Construction contracts and any subcontracts thereto. The program strongly encourages Prime Contractors to provide subcontracting opportunities to Certified Hub Contractors/Vendors. Our goal for HUB contractor/vendor participation, as well as HUB subcontractor participation is 30%. To be considered as a "Certified HUB Contractor/Vendor" the contractor/vendor must have been certified by, and hold a current and valid certification with any of the three agencies listed below.

Have you been Certified as a HUB or an MBE/WBE source?: ☐Yes ☑No

If yes, by whom?: ☐ Texas Building & Procurement Commission ☐ Other_____

Indicate Certification No(s).:_____ or Are Certificate(s) Attached?: ☐ Yes ☐ No

LIST OF CERTIFIED HUB SUBCONTRACTORS

(Attach additional pages if necessary)

What percentage of the Bid, RFP,or RFQ is to be subcontracted with Certified HUB sources?: _____%
(List HUB Subcontractor information below).

HUB Subcontractor Name: _____ HUB Status:
Certifying Agency (Check all applicable): ☐Texas Building & Procurement Commission ☐ Other
Address: _____ City: _____ State: _____ Zip:
Contact Person: _____ Title: _____ Phone No.: ( )
Subcontract Amount: $_____ Description of Work to be Performed:

HUB Subcontractor Name: _____ HUB Status:
Certifying Agency (Check all applicable): ☐Texas Building & Procurement Commission ☐ Other
Address: _____ City: _____ State: _____ Zip:
Contact Person: _____ Title: _____ Phone No.: ( )
Subcontract Amount: $_____ Description of Work to be Performed:

HUB Subcontractor Name: _____ HUB Status:
Certifying Agency (Check all applicable): ☐Texas Building & Procurement Commission ☐ Other
Address: _____ City: _____ State: _____ Zip:
Contact Person: _____ Title: _____ Phone No.: ( )
Subcontract Amount: $_____ Description of Work to be Performed:

DISCLOSURE OF CONFLICT OF INTEREST

Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor, person, consultant or contractor considering doing business with Hidalgo County ("the County") to disclose in the Conflict of Interest Questionnaire (the "CIQ") attached as Exhibit D, the vendor, person, consultant or contractor's affiliation or business relationship that might cause a conflict of interest with the County. By law, the CIQ must be filed with the Hidalgo County Clerk's Office no later than the seventh business day after the date the person becomes aware of facts that require that statement to be filed. The disclosure requirement applies to a person or business who contracts or seeks to contract with Hidalgo County for the sale or purchase of property, goods or service. Any purchase order or contract resulting from this process shall be considered null and void if the successful bidder fails to comply with Texas Local Government Code Chapter 176. Vendors, consultants, contractors and others who desire to conduct business with Hidalgo County are encouraged to refer to Texas Local Government Code Chapter 176 for the details of this law. An offense under Texas Local Government Code Chapter 176 is a Class C Misdemeanor.

Please Submit completed forms to the Hidalgo County Clerk's Office located at 100 N. Closner, Edinburg, Texas 78539-Hidalgo County Courthouse

COMPLETION AND SUBMISSION OF FORM CIQ IS THE SOLE RESPONSIBILITY OF THE PROSPECTIVE BIDDER.

EXHIBIT "D"

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. *See* Section 176.006, Local Government Code.

A person commits an offense if the person knowingly violates Section 176.006. Local Government Code. An offense under this section is a Class C misdemeanor.

OFFICE USE ONLY

Date Received

2271522

1 **Name of person who has a business relationship with local governmental entity.**

Raul Iglesias

2 ☑ **Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3 **Name of local government officer with whom filer has employment or business relationship.**

None

Name of Officer

This section (item 3 including subparts A. B. C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

☐ Yes ☐ No

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

C Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

☐ Yes ☐ No

D. Describe each employment or business relationship with the local government officer named in this section.

4

Signature of person doing business with the governmental entity

1/11/2012

Date

Adopted 06/29/2007

Hidalgo County
Arturo Guajardo Jr.
County Clerk
Edinburg,TX 78540

70 2012 02271522

Instrument Number: 2012-2271522

As

Recorded On: January 11, 2012 **Recording**

Parties:

To

Billable Pages: 1

Number of Pages: 2

Comment: CONFLICT OF INTEREST

**** Examined and Charged as Follows: ****

ecording	16.00
Total Recording:	**16.00**

********** THIS PAGE IS PART OF THE INSTRUMENT **********

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 2012-2271522
Receipt Number: 1247504
Recorded Date/Time: January 11, 2012 01:25P

User / Station: E Castillo - Cash Station 17

Record and Return To:

ASAJO CONSTRUCTION
2113 PECOS STREET
MISSION TX 78572

STATE OF TEXAS
COUNTY OF HIDALGO

I hereby certify that this instrument was FILED in the File Number sequence on the date/time printed heron, and was duly RECORDED in the Official Records of Hidalgo County, Texas

Arturo Guajardo Jr.
County Clerk
Hidalgo County, TX

SALES TAX AND LOCAL SALES TAX
EXEMPTION CERTIFICATE FOR CONTRACTORS

This Contract is to be performed for an exempt organization as defined by Article 20.04 (H) (4) of the Texas Limited Sales, Excise, and Use Tax Act and the undersigned hereby claims an exemption from payment of taxes under Chapter 20, title 122A, revised hereby claims an exemption from payment of taxes under Chapter 20, title 122A, revised civil statues of Texas, and Article 1066 ©, entitle Local Sales and Use Tax, revised civil statues of Texas.

The Contractor performing this Contract may purchase, rent, or lease all materials, supplies, equipment used for consumed in the performance of this Contract by issuing to his retailer an exemption certificate in lieu of the tax, said exemption certificate complying with State Comptroller's Ruling No 95-9.07. Any such exemption certificate issue by the Contractor in lieu of the tax shall be subject to the provisions of the State Comptroller's Ruling No. 95.0.09 as amended to be effective October 2, 1968.

EXECUTED this the 1 day of May, 20 12.

Asago, LLC dba Asago Construction

Contractor

GOVERNMENT CODE

CHAPTER 2258. PREVAILING WAGE RATES

SUBCHAPTER A. GENERAL PROVISIONS

§Sec. 2258.001. DEFINITIONS. In this chapter:

(1) "Locality in which the work is performed" means:

(A) for a contract for a public work awarded by the state, the political subdivision of the state in which the public work is located:

(i) which may include a county, municipality, county and municipality, or district, except as provided by Subparagraph (ii); and

(ii) which, in a municipality with a population of 500,000 or more, may only include the geographic limits of the municipality; or

(B) for a contract for a public work awarded by a political subdivision of the state, the geographical limits of the political subdivision.

(2) "Public body" means a public body awarding a contract for a public work on behalf of the state or a political subdivision of the state.

(3) "Worker" includes a laborer or mechanic.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.49(a), eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 1422, Sec. 14.04, eff. Sept. 1, 2001.

§Sec. 2258.002. APPLICABILITY OF CHAPTER TO PUBLIC WORKS. (a) This chapter applies only to the construction of a public work, including a building, highway, road, excavation, and repair work or other project development or improvement, paid for in whole or in part from public funds, without regard to whether the work is done under public supervision or direction.

(b) This chapter does not apply to work done directly by a public utility company under an order of a public authority.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.49(a), eff. Sept. 1, 1995.

§Sec. 2258.003. LIABILITY. An officer, agent, or employee of a public body is not liable in a civil action for any act or omission implementing or enforcing this chapter unless the action was made in bad faith.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.49(a), eff. Sept. 1, 1995.

SUBCHAPTER B. PAYMENT OF PREVAILING WAGE RATES

§Sec. 2258.021. RIGHT TO BE PAID PREVAILING WAGE RATES. (a) A worker employed on a public work by or on behalf of the state or a political subdivision of the state shall be paid:

(1) not less than the general prevailing rate of per diem wages for work of a similar

character in the locality in which the work is performed; and

(2) not less than the general prevailing rate of per diem wages for legal holiday and overtime work.

(b) Subsection (a) does not apply to maintenance work.

(c) A worker is employed on a public work for the purposes of this section if the worker is employed by a contractor or subcontractor in the execution of a contract for the public work with the state, a political subdivision of the state, or any officer or public body of the state or a political subdivision of the state.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.49(a), eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, Sec. 18.01, eff. Sept. 1, 1997.

§Sec. 2258.022. DETERMINATION OF PREVAILING WAGE RATES.

(a) For a contract for a public work awarded by a political subdivision of the state, the public body shall determine the general prevailing rate of per diem wages in the locality in which the public work is to be performed for each craft or type of worker needed to execute the contract and the prevailing rate for legal holiday and overtime work by:

(1) conducting a survey of the wages received by classes of workers employed on projects of a character similar to the contract work in the political subdivision of the state in which the public work is to be performed; or

(2) using the prevailing wage rate as determined by the United States Department of Labor in accordance with the Davis-Bacon Act (40 U.S.C. Section 276a et seq.), and its subsequent amendments.

(b) This subsection applies only to a public work located in a county bordering the United Mexican States or in a county adjacent to a county bordering the United Mexican States. For a contract for a public work awarded by the state, the public body shall determine the general prevailing rate of per diem wages in the locality in which the public work is to be performed for each craft or type of worker needed to execute the contract and the prevailing rate for legal holiday and overtime work as follows. The public body shall conduct a survey of the wages received by classes of workers employed on projects of a character similar to the contract work both statewide and in the political subdivision of the state in which the public work is to be performed. The public body shall also consider the prevailing wage rate as determined by the United States Department of Labor in accordance with the Davis-Bacon Act (40 U.S.C. Section 276a et seq.), and its subsequent amendments, but only if the survey used to determine that rate was conducted within a three-year period preceding the date the public body calls for bids for the public work. The public body shall determine the general prevailing rate of per diem wages in the locality based on the higher of:

(1) the rate determined from the survey conducted in the political subdivision;

(2) the arithmetic mean between the rate determined from the survey conducted in the political subdivision and the rate determined from the statewide survey; and

(3) if applicable, the arithmetic mean between the rate determined from the survey conducted in the political subdivision and the rate determined by the United States Department of Labor.

(c) The public body shall determine the general prevailing rate of per diem wages as a sum certain, expressed in dollars and cents.

(d) A public body shall specify in the call for bids for the contract and in the contract itself the wage rates determined under this section.

(e) The public body's determination of the general prevailing rate of per diem wages is final.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.49(a), eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, Sec. 18.02, eff. Sept. 1, 1997; Acts 2001, 77th Leg., ch. 1422, Sec. 14.05, eff. Sept. 1, 2001.
Amended by: Acts 2007, 80th Leg., R.S., Ch. 728, Sec. 1, eff. September 1, 2007.

§Sec. 2258.023. PREVAILING WAGE RATES TO BE PAID BY CONTRACTOR AND SUBCONTRACTOR; PENALTY.

(a) The contractor who is awarded a contract by a public body or a subcontractor of the contractor shall pay not less than the rates determined under Section 2258.022 to a worker employed by it in the execution of the contract.

(b) A contractor or subcontractor who violates this section shall pay to the state or a political subdivision of the state on whose behalf the contract is made, $60 for each worker employed for each calendar day or part of the day that the worker is paid less than the wage rates stipulated in the contract. A public body awarding a contract shall specify this penalty in the contract.

(c) A contractor or subcontractor does not violate this section if a public body awarding a contract does not determine the prevailing wage rates and specify the rates in the contract as provided by Section 2258.022.

(d) The public body shall use any money collected under this section to offset the costs incurred in the administration of this chapter.

(e) A municipality is entitled to collect a penalty under this section only if the municipality has a population of more than 10,000.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.49(a), eff. Sept. 1, 1995.

§Sec. 2258.024. RECORDS.

(a) A contractor and subcontractor shall keep a record showing:

(1) the name and occupation of each worker employed by the contractor or subcontractor in the construction of the public work; and

(2) the actual per diem wages paid to each worker.

(b) The record shall be open at all reasonable hours to inspection by the officers and agents of the public body.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.49(a), eff. Sept. 1, 1995.

§Sec. 2258.025. PAYMENT GREATER THAN PREVAILING RATE NOT PROHIBITED. This chapter does not prohibit the payment to a worker employed on a public work an amount greater than the general prevailing rate of per diem wages.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.49(a), eff. Sept. 1, 1995.

§Sec. 2258.026. RELIANCE ON CERTIFICATE OF SUBCONTRACTOR. A contractor is entitled to rely on a certificate by a subcontractor regarding the payment of all sums due those working for the subcontractor until the contrary has been determined.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.49(a), eff. Sept. 1, 1995.

SUBCHAPTER C. ENFORCEMENT; CIVIL AND CRIMINAL PENALTIES

§Sec. 2258.051. DUTY OF PUBLIC BODY TO HEAR COMPLAINTS AND WITHHOLD PAYMENT. A public body awarding a contract, and an agent or officer of the public body, shall:

(1) take cognizance of complaints of all violations of this chapter committed in the execution of the contract; and

(2) withhold money forfeited or required to be withheld under this chapter from the payments to the contractor under the contract, except that the public body may not withhold money from other than the final payment without a determination by the public body that there is good cause to believe that the contractor has violated this chapter.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.49(a), eff. Sept. 1, 1995.

§Sec. 2258.052. COMPLAINT; INITIAL DETERMINATION.

(a) On receipt of information, including a complaint by a worker, concerning an alleged violation of Section 2258.023 by a contractor or subcontractor, a public body shall make an initial determination as to whether good cause exists to believe that the violation occurred.

(b) A public body must make its determination under Subsection (a) before the 31st day after the date the public body receives the information.

(c) A public body shall notify in writing the contractor or subcontractor and any affected worker of its initial determination.

(d) A public body shall retain any amount due under the contract pending a final determination of the violation.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.49(a), eff. Sept. 1, 1995.

§Sec. 2258.053. ARBITRATION REQUIRED FOR UNRESOLVED ISSUE.

(a) An issue relating to an alleged violation of Section 2258.023, including a penalty owed to a public body or an affected worker, shall be submitted to binding arbitration in accordance with the Texas General Arbitration Act (Article 224 et seq., Revised Statutes) if the contractor or subcontractor and any affected worker do not resolve the issue by agreement before the 15th day after the date the public body makes its initial determination under Section 2258.052.

(b) If the persons required to arbitrate under this section do not agree on an arbitrator before the 11th day after the date that arbitration is required under Subsection (a), a district court shall appoint an arbitrator on the petition of any of the persons.

(c) A public body is not a party in the arbitration.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.49(a), eff. Sept. 1, 1995.

§Sec. 2258.054. ARBITRATION AWARD; COSTS. (a) If an arbitrator determines that Section 2258.023 has been violated, the arbitrator shall assess and award against the contractor or subcontractor:

(1) penalties as provided by Section 2258.023 and this section; and

(2) all amounts owed to the affected worker.

(b) An arbitrator shall assess and award all reasonable costs, including the arbitrator's fee, against the party who does not prevail. Costs may be assessed against the worker only if the arbitrator finds that the claim is frivolous. If the arbitrator does not find that the claim is frivolous and does not make an award to the worker, costs are shared equally by the parties.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.49(a), eff. Sept. 1, 1995.

§Sec. 2258.055. ARBITRATION DECISION AND AWARD FINAL. The decision and award of the arbitrator is final and binding on all parties and may be enforced in any court of competent jurisdiction.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.49(a), eff. Sept. 1, 1995.

§Sec. 2258.056. PAYMENT BY PUBLIC BODY TO WORKER; ACTION TO RECOVER PAYMENT.

(a) A public body shall use any amounts retained under this chapter to pay the worker the difference between the amount the worker received in wages for labor on the public work at the rate paid by the contractor or subcontractor and the amount the worker would have received at the general prevailing wage rate as provided in the arbitrator's award.

(b) The public body may adopt rules, orders, or ordinances relating to the manner in which a reimbursement is made.

(c) If the amounts retained by a public body under this chapter are not sufficient for the public body to pay the worker the full amount owed, the worker has a right of action against the contractor or subcontractor and the surety of the contractor or subcontractor to recover the amount owed, reasonable attorney's fees, and court costs.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.49(a), eff. Sept. 1, 1995.

§Sec. 2258.057. WITHHOLDING BY CONTRACTOR.

(a) A contractor may withhold from a subcontractor sufficient money to cover an amount withheld from the contractor by a public body because the subcontractor violated this chapter.

(b) If the contractor has made a payment to the subcontractor, the contractor may withhold money from any future payments owed to the subcontractor or sue the subcontractor or the subcontractor's surety for the amount withheld from the contractor by a public body because of the subcontractor's violation.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.49(a), eff. Sept. 1, 1995.

§Sec. 2258.058. CRIMINAL OFFENSE.

(a) An officer, agent, or representative of the state or of a political subdivision of the state commits an offense if the person wilfully violates or does not comply with a provision of this chapter.

(b) A contractor or subcontractor of a public work under this chapter, or an agent or representative of the contractor or subcontractor, commits an offense if the person violates Section 2258.024.

(c) An offense under this section is punishable by:

(1) a fine not to exceed $500;

(2) confinement in jail for a term not to exceed six months; or

(3) both a fine and confinement.

Added by Acts 1995, 74th Leg., ch. 76, Sec. 5.49(a), eff. Sept. 1, 1995.

Prevailing Wage Rates
Certification Statement

Date _____

Project Name _____ **CSJ#** _____

Contractor _____ **Application#** _____

I, _____ **do hereby state:**
(Name of Project Director)

1. That a payroll (form WH-347 or similar form) was submitted for contract work Performed for the period covered by the attached application.
2. That a statement of compliance(form WH-347 or similar form) was submitted with the payroll.
3. The certified payroll complies with the classifications and minimum wage rates Stipulated in the contract.
4. That a minimum of one interview was conducted with laborers using Form HUD-11 or similar.

_____
Signature

U.S. Department of Labor
Employment Standards Administration
Wage and Hour Division

PAYROLL

(For Contractor's Optional Use; See Instructions, Form WH-347 Inst.)

Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number

NAME OF CONTRACTOR ☐ OR SUBCONTRACTOR ☐ ADDRESS

OMB No.: 1215-0149
Expires: 03/31/2006

PAYROLL NO. FOR WEEK ENDING PROJECT AND LOCATION PROJECT OR CONTRACT NO.

(1) NAME, ADDRESS, AND SOCIAL SECURITY NUMBER OF EMPLOYEE	(2) NO. OF WITHHOLDING EXEMPTIONS	(3) WORK CLASSIFICATION	OT OR ST	(4) DAY AND DATE — HOURS WORKED EACH DAY	(5) TOTAL HOURS	(6) RATE OF PAY	(7) GROSS AMOUNT EARNED	(8) DEDUCTIONS: FICA	WITHHOLDING TAX			OTHER	TOTAL DEDUCTIONS	(9) NET WAGES PAID FOR WEEK
			O											
			S											
			O											
			S											
			O											
			S											
			O											
			S											
			O											
			S											
			O											
			S											

We estimate that it will take an average of 56 minutes to complete this collection of information, including time for reviewing instructions searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have any comments regarding these estimates or any other aspect of this collection of information, including suggestions for reducing this burden, send them to the Administrator, Wage and Hour Division, ESA, U. S. Department of Labor, Room S3502, 200 Constitution Avenue, N. W., Washington, D. C. 20210.

FORM WH-347, Revised Nov. 1998 - FORMERLY SOL 184 - *PURCHASE THIS FORM DIRECTLY FROM THE SUPT. OF DOCUMENTS*

Exhibit E-L

Date _____

_____ _____
(Name of Signatory Party) (Title)

do hereby state

(1) That I pay or supervise the payment of the persons employed by

_____ on the
(Contractor or Subcontractor)

_____ that during the payroll period commencing on the
(Building or Work)

_____ day of _____, _____, and ending the _____ day of _____, _____

all persons employed on said project have been paid the full weekly wages earned, that no rebates have been or will be made either directly or indirectly to or on behalf of said

_____ from the full
(Contractor or Subcontractor)

weekly wages earned by any person and that no deductions have been made either directly or indirectly from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 CFR Subtitle A) issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 967, 76 Stat. 357, 40 U.S.C. 276c), and described below

_____

_____

_____

_____

(2) That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for laborers or mechanics contained therein are not less than the applicable wage rates contained in any wage determination incorporated into the contract; that the classifications set forth therein for each laborer or mechanic conform with the work he performed

(3) That any apprentices employed in the above period are duly registered in a bona fide apprenticeship program registered with a State apprenticeship agency recognized by the Bureau of Apprenticeship and Training, United States Department of Labor, or if no such recognized agency exists in a State, are registered with the Bureau of Apprenticeship and Training, United States Department of Labor.

(4) That

(a) WHERE FRINGE BENEFITS ARE PAID TO APPROVED PLANS, FUNDS, OR PROGRAMS

☐ – In addition to the basic hourly wage rates paid to each laborer or mechanic listed in the above referenced payroll, payments of fringe benefits as listed in the contract have been or will be made to appropriate programs for the benefit of such employees, except as noted in Section 4(c) below

(b) WHERE FRINGE BENEFITS ARE PAID IN CASH

☐ – Each laborer or mechanic listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the sum of the applicable basic hourly wage rate plus the amount of the required fringe benefits as listed in the contract, except as noted in Section 4(c) below

(c) EXCEPTIONS

EXCEPTION (CRAFT)	EXPLANATION

REMARKS

NAME AND TITLE	SIGNATURE

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. SEE SECTION 1001 OF TITLE 18 AND SECTION 231 OF TITLE 31 OF THE UNITED STATES CODE

Contract Time Statement

Form 252 (Rev. 12/82)
Page 1 of 1
(GSD-EPC Word 97)

ESTIMATE NO. 0 CONTRACTOR _____

PROJECT NO. _____ COUNTY _____ DATE WORK BEGAN _____

TIME COMPUTED FROM _____ DATE WORK COMPLETED _____

MONTH	DATE OR DAYS	WORKING DAYS CHARGED	DAYS CREDITED AND REASONS THEREFORE	

General Decision Number: TX120008 01/06/2012 TX8

Superseded General Decision Number: TX20100009

State: Texas

Construction Types: Heavy and Highway

Counties: Cameron, Hidalgo and Webb Counties in Texas.

HEAVY & HIGHWAY CONSTRUCTION PROJECTS

Modification Number	Publication Date
0	01/06/2012

* SUTX2011-003 08/02/2011

	Rates	Fringes
CEMENT MASON/CONCRETE FINISHER (Paving & Structures)	$ 12.46	
FORM BUILDER/FORM SETTER (Structures)	$ 12.30	
FORM SETTER (Paving & Curb)	$ 12.16	
LABORER		
Asphalt Raker	$ 10.61	
Flagger	$ 9.10	
Laborer, Common	$ 9.86	
Laborer, Utility	$ 11.53	
Pipelayer	$ 11.87	
Work Zone Barricade Servicer	$ 12.88	
POWER EQUIPMENT OPERATOR:		
Asphalt Distributor	$ 13.48	
Asphalt Paving Machine	$ 12.25	
Broom or Sweeper	$ 10.33	
Crane, Lattice Boom 80 Tons or Less	$ 14.39	
Crawler Tractor	$ 16.63	
Excavator, 50,000 lbs or less	$ 12.56	
Excavator, over 50,000 lbs	$ 15.23	
Foundation Drill, Truck Mounted	$ 16.86	
Front End Loader Operator, Over 3 CY	$ 13.69	
Front End Loader, 3 CY or less	$ 13.49	
Loader/Backhoe	$ 12.77	
Mechanic	$ 15.47	
Milling Machine	$ 14.64	
Motor Grader Operator, Rough	$ 14.62	
Motor Grader, Fine Grade	$ 16.52	
Scraper	$ 11.07	

Servicer.....$ 12.34

Steel Worker (Reinforcing).....$ 14.07

TRUCK DRIVER
Lowboy-Float.....$ 13.63
Single Axle.....$ 10.82
Single or Tandem Axle Dump..$ 14.53
Tandem Axle Tractor with
Semi Trailer.....$ 12.12

WELDER.....$ 14.02

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of "identifiers" that indicate whether the particular rate is union or non-union.

Union Identifiers

An identifier enclosed in dotted lines beginning with characters other than "SU" denotes that the union classification and rate have found to be prevailing for that classification. Example: PLUM0198-005 07/01/2011. The first four letters , PLUM, indicate the international union and the four-digit number, 0198, that follows indicates the local union number or district council number where applicable , i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. The date, 07/01/2011, following these characters is the effective date of the most current negotiated rate/collective bargaining agreement which would be July 1, 2011 in the above example.

Union prevailing wage rates will be updated to reflect any changes in the collective bargaining agreements governing the rate.

Non-Union Identifiers

Classifications listed under an "SU" identifier were derived from survey data by computing average rates and are not union

rates; however, the data used in computing these rates may include both union and non-union data. Example: SULA2004-007 5/13/2010. SU indicates the rates are not union rates, LA indicates the State of Louisiana; 2004 is the year of the survey; and 007 is an internal number used in producing the wage determination. A 1993 or later date, 5/13/2010, indicates the classifications and rates under that identifier were issued as a General Wage Determination on that date.

Survey wage rates will remain in effect and will not change until a new survey is conducted.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

* an existing published wage determination
* a survey underlying a wage determination
* a Wage and Hour Division letter setting forth a position on a wage determination matter
* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an

interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION

Border Colonia Access Program
Checklist for Documentation Required for Road Construction

Contractor: _____

Contract Amount: _____

Project/Precinct: _____

Owner's Contract No.: _____

Item	Required Documents	Submitted & Reviewed	Approved	Comments:
	INITIATION OF PROJECT:			
1	Approval to Bid (Purchasing)			
2	Contract - Signed and Excuted			
3	Gen. Liability Insurance - (Expiration Date)			
4	Automobile Liab. Insurance - (Expiration Date)			
5	Worker's Comp. & Empl. Liab. (Expiration Date)			
6	Notice to Proceed			
7	Material Sample & Testing Table Sent to Auditor's Office			
	PAYMENT REQUESTS, INCLUDING FINAL:			
8	Application and Cerification of Payment (A)			
9	Schedule of Values a/k/a 1257/1258			
10	Estimate Quantity Update Worksheet			
11	List of Suppliers and Sub-contractors			
12	Partial Waiver of Liens (Sub-contractors/suppliers)			
13	TxDot Form 252 Contract Time Statement			
14	Payroll Report w/signed Wage Form			
15	Change Order (Requires TxDot Concurrence			
	RETAINAGE PAYMENT: - Final request and request for retainage must be billed separately and approved by C.C.			
16	Punch List			
17	Certificate of Construction Completion			
18	Approval by Commissoner's Court			
19	Contractor's Affidavit of Release (Waiver) of Liens (with power of attorney)(B)			
20	Affidavit of Payment of Debts & Claims-lien bond & indemnity bonds(w/power of attorney)(B)			
21	Consent of Surety to Final Payment(with power of attorney)(B)			
22	Final Blue Prints			

CHANGE ORDER NUMBER ONE(1)

Project: _____

DATE OF ISSUANCE: _____ EFFECTIVE DATE: _____

OWNER: _____
OWNER'S CONTRACT NO: _____

CONTRACTOR: _____ ENGINEER: _____

_____ _____

_____ _____

You ar directed to make the following changes in the Contract Documents.

Description:
1.
2.
3.
4.
5.
6.

Reason for Change Order:
1.
2.
3.
4.
5.
6.

Attachments:

CHANGE IN CONTRACT PRICE:		CHANGE IN CONTRACT TIME:
Original Contract Price $ 0.00		Original Contract Time for Substantial Completion: 0 calendar days or dates
Net Changes from previous Change Order $ 0.00		Net Change from previous Change Orders 0 calendar days
Contract Price prior to this Change Order $ 0.00		Contract Time prior to this Change Order Substantial Completion: 0 calendar days or dates
Net Increase(decrease) of this Change Order $ 0.00		Net Increase(decrease) of this Change Order 0 calendar days
Contract Price with all approved Change Orders $ 0.00	Net % increase(decrease)from original contract price. #DIV/0! %	Contract Time with all approved Change Orders Substantial Completion: 0 calendar days or dates

RECOMMENDED:

By: _____
Enigineer (Authorized Signature)

Date: _____

APPROVED:

By: _____
Owner (Authorized Signature)

Date: _____

ACCEPTED:

By: _____
Contractor (Authorized Signature)

Date: _____

Exhibit E-B

APPLICATION FOR PAYMENT NO.

To: _____ (OWNER)
From: _____ (CONTRACTOR)
Contract: _____
Project: _____
Owner's Contract No. _____ Engineer's Project No. _____
For Work accomplished through the date of: _____

1. Original Contract Price:	_____
2. Net change by Change Order and Written Agreements(+or-):	_____
3. Current Contract Price (1 plus 2):	_____
4. Total completed and stored to date:	_____
5. Retainage (per Agreement):	
___10%___ of completed Work: _____	
_____ of stored material _____	
Total Retainage:	_____
6. Total completed and stored to date less retainage (4 minus 5)	_____
7. Less previous Application for Payments:	_____
8. AMOUNT DUE THIS APPLICATION (6 MINUS 7)	_____

Accompanying Documentation:

CONTRACTOR'S Certification:
The undersigned CONTRACTOR certifies that (1) all previous progress payments received from OWNER on account of Work done under the Contract referred to above have been applied on account to discharge CONTRACTOR'S legitimate obligations incurred in connection with Work covered by prior Applications for Payment numbered 1 through __2__ inclusive: (2) title of all Work, materials and equipment incorporated in said Work or otherwise listed in or covered by this Application for Payment will pass to OWNER at time of payment free and clear of all Liens, security interests and encumbrances (except such as are covered by a Bond acceptable to OWNER indemnifying OWNER against any such Lien, security interest or encumbrance); and (3) all Work covered by this Application for Payments is in accordance with the Contract Documents and not defective.

Date _____

_____
CONTRACTOR

State of _____
County of _____
Subscribed and sworn to before me this _____
day of _____

By: _____

_____
Notary Public
My Commission expires: _____

Payment of the above AMOUNT DUE THIS APPLICATION is recommended.

Date _____

_____
ENGINEER

By: _____

Exhibit E-C

Estimate Quantity Update Worksheet

Date:

Colonia:
Roadway:
Control:
Project No:
County:
Est. No: 1

Contractor:
Contract Price:
Work Done this Mo.:
% Complete: #DIV/0!

Date Began: ?
Contract Time: 120
Time Charged: 90
% Time Used: 75.00%

Work Type: Paving & Drainage
Limits:
From:
To:

						FIRST MONTH			SECOND MONTH			THIRD MONTH		
ITEM NO.	DESCRIPTION	UNIT	PROJECT QTY	Unit Price	Project Amount	MONTHLY QUANTITY	QTY to Date	Item Cost (Monthly)	MONTHLY QUANTITY	QTY to Date	Item Cost (Monthly)	MONTHLY QUANTITY	QTY to Date	Item Cost (Monthly)
	(901)ADMINISTRATIVE													
	(902) PRELIMINARY ENGINEERING													
	(903) CONSTRUCTION ENGINEERING													
	(904) RIGHT-OF-WAY													
	(905) ROADWAY CONSTRUCTION													
100	PREP ROW	Sta.	1.100	$1,800.00	$1,980.00	1.000	1.000	$0.00		0	$0.00		0	0.00
110	BACKFILL (TY A)	Sta.	1.000	$600.00	$600.00	0.000	0	$0.00		0	$0.00		0	0.00
247	FLEX BASE (RDWY DEL)(TY D GR 6 CL 4)	CY	76.000	$28.00	$2,128.00	0.000	0	$0.00		0	$0.00		0	0.00
260	LIME (TY A SLURRY) OR (TY B)	TON	1036.000	$2.00	$2,072.00	0.000	0	$0.00		0	$0.00		0	0.00
260	LIME TREAT SUBGR (DC)(12")	SY	0.000	$6,000.00	$0.00	0.000	0	$0.00		0	$0.00		0	0.00
262	LIME (TY A SLURRY) OR (TY B)	TON	7.800	$3,000.00	$23,400.00	0.000	0	$0.00		0	$0.00		0	0.00
262	LME TRT FOR BS CRS (NEW/EXT BS)(DC)(6")	SY	1277.800	$6.00	$7,666.80	0.000	0	$0.00		0	$0.00		0	0.00
310	ASPH MATRL (MC-30)	GAL	246.7	$6.00	$1,480.20	0.000	0	$0.00		0	$0.00		0	0.00
500	MOBILIZATION	LS	1.000	$3,000.00	$3,000.00	0.000	0	$0.00		0	$0.00		0	0.00
502	BARRICADES, SIGNS, AND TRAF HANDLE	MO	1.000	$1,000.00	$1,000.00	0.000	0	$0.00		0	$0.00		0	0.00
529	CONC CURB AND GUTTER (TY A)(BARRIER)	LF	600.000	$7.50	$4,500.00	0.000	0	$0.00		0	$0.00		0	0.00
644	SMALL RDSD SGN ASSM (TY A)	EA	2.000	$300.00	$600.00	0.000	0	$0.00		0	$0.00		0	0.00
644	SMALL RDSD SGN ASSM (TY F)	EA	2.000	$500.00	$1,000.00	0.000	0	$0.00		0	$0.00		0	0.00
658	DEL ASM TY A (D-SY)	EA	4.000	$100.00	$400.00	0.000	0	$0.00		0	$0.00		0	0.00
666	REFL PAV MRK TY I (Y)(SLD)(4")	LF	400.000	$0.25	$100.00	0.000	0	$0.00		0	$0.00		0	0.00
666	REFL PAV MRK TY I (Y)(BRK)(4")	LF	140.000	$0.25	$35.00	0.000	0	$0.00		0	$0.00		0	0.00
672	RAIS PAV MRKR CL B (REFL)(TY II-A-A)	EA	24.000	$3.50	$84.00	0.000	0	$0.00		0	$0.00		0	0.00
3146	HOT MIX (TY D)	TON	105.5	$34.00	$3,587.00	0.000	0	$0.00		0	$0.00		0	0.00
5249	TEMP SEDMT CONT FENCE	LF	70.000	$3.00	$210.00	0.000	0	$0.00		0	$0.00		0	0.00
							0			0	$0.00		0	0.00
	(906) DRAINAGE													
464	RC PIPE (CL III)(18")	LF	404.000	$25.00	$10,100.00	0.000	0	$0.00		0	$0.00		0	0.00
464	RC PIPE (CL III)(24")	LF	120.000	$30.00	$3,600.00	0.000	0	$0.00		0	$0.00		0	0.00
465	INLET (COMPL)(TY A)	EA	2.000	$2,000.00	$4,000.00	0.000	0	$0.00		0	$0.00		0	0.00
465	INLET (COMPL)(TY C)	EA	2.000	$1,500.00	$3,000.00	0.000	0	$0.00		0	$0.00		0	0.00
465	MANH (COMPL)(TYM)	EA	1.000	$2,000.00	$2,000.00	0.000	0	$0.00		0	$0.00		0	0.00
465	INLET EXT.	EA	2.000	$700.00	$1,400.00	0.000	0	$0.00		0	$0.00		0	0.00
467	SET (TY II)(18")(RCP)(1:6)	EA	4.000	$550.00	$2,200.00	0.000	0	$0.00		0	$0.00		0	0.00
467	SET (TY II)(24")(RCP)(1:6)	EA	1.000	$650.00	$650.00	0.000	0	$0.00		0	$0.00		0	0.00

Monthly Totals:	$0.00	$0.00	0.00
ADMINISTRATIVE (901)			
PRELIMINARY ENGINEERING (902)			
CONSTRUCTION ENGINEERING (903)			
RIGHT-OF-WAY (904)			
Roadway (905):	$0.00	$0.00	0.00
Drainage (906):	$0.00	$0.00	0.00

Total to Date

Roadway (905):	$0.00
Drainage (906):	$0.00
Total	$0.00

Prepared and Checked By:

Signature: _____ Date: _____

Printed Name:

_____ Contractor Name
_____ Starting Date
_____ Project Ending Date
_____ Retainage Percent

Application No.: _____
Application Date: _____
Period To: _____
Engineer Firm: _____

Summary												
CSJ#	PROJECT NAME	Original Schedule Value	Revised Schedule Value	Payment Application No 1	Payment Application No 2	Payment Application No 3	Total To Date	Balance To Finish	Retainage	Net	Payment To Date	Payment Due
		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Texas Department of Transportation

Form 252 (Rev. 12/82)
Page 1 of 1
(GSD-EPC Word 97)

Contract Time Statement

ESTIMATE NO. 0 CONTRACTOR _____

PROJECT NO. _____ COUNTY _____ DATE WORK BEGAN _____

TIME COMPUTED FROM _____ DATE WORK COMPLETED _____

MONTH	DATE OR DAYS	WORKING DAYS CHARGED		DAYS CREDITED AND REASONS THEREFORE
TOTALS		0	0	

NO. OF CONTRACT WORKING DAYS _____ NO. WORKING DAYS CHARGED TO DATE 0

ASSESSED LIQUIDATED DAMAGES: NO. _____ PER DAY $ _____ TOTAL $ 0.00

CERTIFIED AS CORRECT (ONE COPY HAS BEEN GIVEN TO THE _____

RESIDENT ENGINEER

INSTRUCTIONS: PROJECT IDENTIFICATION SHOULD COVER CONTRACT. TIME CREDITED AND REASONS THEREFORE MUST CONFORM TO PROVISIONS OF CONTRACT. NO HOLIDAY CREDIT ALLOWED FOR DAYS PRECEDING OR FOLLOWING LEGAL HOLIDAYS. TIME SUSPENDED AND RESUMED MUST BE SUPPORTED BY COPY EACH OF LETTERS TO CONTRACTOR DATED ON OR BEFORE EFFECTIVE DATES. TIME EXTENSION MUST BE INDICATED AND REFERENCED TO RELATED PROVISION OF CONTRACT. SEE BOOKLET OF INSTRUCTIONS, CONSTRUCTION ESTIMATES DATED SEPTEMBER 1, 1956

Test Report Table

					Contractor Name				
					CSJ#	CSJ#	CSJ#	CSJ#	CSJ#
Material	**Test**	**Description**	**Required**	**Remarks**					
Subgrade	Tex-101-E Part III	Pulverization							
	Tex-113	Moist. Density Curve							
	Tex-115-E	In-place Density							
		Thickness							
		Proof Roll							
Flex Base	Tex-101-E	Preparing Soils and Flex Bases							
	Tex-104-E	Determining Liquid Limit of Soils							
	Tex-105-E	Determining Plastic Limit of Soils							
	Tex-106-E	Calculating the Plasticity Index							
	Tex-107-E	Linear Shrinkage							
	Tex-110-E	Particle Size Analysis							
	Tex-113-E	Moisture Density Relationship of Base Materials(includes Limed)							
	Tex-116-E	Wet Ball Mill Method Tex							
	Tex-117-E	Triaxial Compression for Base Material (includes Limed)							
	Tex-115-E	In-place Density							
		Thickness							
En-1	IAW ASTM 4609								
	Tex-103-E								
	Tex-114-E								
	TexDOT 121 E								
	ASTM D 4546								
	ASTM D 1587								
	Tex115-E								
Hot Mix	Tex-207-F	Determining Density of Compacted Bituminous Mixtures							
	Tex-208-F	Test for Stabilometer Value of Bituminous Mixtures							
	Tex-210-F	Determining Asphalt Content of Bituminous Mixtures by Extraction							
	Tex-228-F	Determining Asphalt Content of Bituminous Mixtures by the Nuclear Method							
	Tex-229-F	Combined HMAC Cold Belt Sampling and Testing Procedure							
	Tex-236-F	Determining Asphalt Content from Asphalt Paving Mixtures By the Ignition Method							
	Tex-207-E	Determining Density of Compacted Bituminous Mixtures							
	Tex-212-E	Determining Moisture Content of Bituminous Mixtures							
	Tex-213-E	Determining Hydrocarbon-Volatile Content of Bituminous Mixtures							
In-Place Density	Texas SDHPT Bullentin C-14								
	ASTM D-2950.76								
	AASHTO T-166								
Lime	Tex-600-J	Lime Testing Procedure		Waive testing if less than 50 Tons from a Pre-Approved Source					
Rcp		Three Edge Bearing Test		1 pipe for each 100 pipe					

Exhibit E-G

ASAGO CONSTRUCTION
"QUALITY AND SERVICE"

RAUL IGLESIAS
Manager

ASAGO, LLC
2113 Pecos
Mission, TX 78572
(956)607-0741 office
(956)585-7040 fax
iglesias@hiline.net

October 1, 2008

Mr. Javier Hinojosa, P.E.
Javier Hinojosa Engineering
4126 E. Dove Ave.
Mcallen, TX 78504

RE: Hidalgo County Colonia Access Program
Drainage and Paving Construction at El Sol Subdivision Unit # 1 & 2
Contract No.: C-CAP-08-021-7-01

Mr. Hinojosa:

The following is the list of suppliers used in the above mentioned projects as per the County's request:

Rio Valley Pipe	7301 W. Exp. 83 Mission, TX 78572	(956)-584-5770

If you have any questions, please call me at (956) 607-0741

Best regards,
Raul Iglesias
Raul Iglesias, Manager

DRAFT

Exhibit E-H

PARTIAL/FINAL WAIVER OF LEIN

THE STATE OF TEXAS

COUNTY OF_____

The undersigned contracted with _____
_____to furnish_____
in connection with certain improvements to real property located in_____
County, Texas, and owned by_____
Which improvements are described as follows:

_____
_____
_____

In consideration of Pay Estimate No _____in the amount of_____
_____DOLLAR($_____)and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, the undersigned does hereby waive and release any mechanic's lien or materialmen's lien or claims of lien that the undersigned has or hereafter has on the above mentioned real property on account of any labor performed or materials furnished or to be furnished or labor performed and materials furnished by the undersigned pursuant to the above-mentioned contract or any constitutional lien that the undersigned may have.

Undersigned hereby guarantees that all bids for labor performed and/or materials furnished in the erection and construction of such improvements on the Property have been fully paid and satisfied and Undersigned does further guarantee that if for any reason a lien or liens are filed for material or labor against said Property arising out of any bills for material or labor in connection with the erection or construction of said improvements thereon, Undersigned will obtain a settlement of such lien or liens and a proper release thereof shall be obtained.

_____
CONTRACTOR

BY:_____
TITLE

SWORN TO AND SUBSCRIBED BEFORE ME, on this the_____day of_____,20__to certify which witness my hand and seal of office.

_____
NOTARY PUBLIC in and for the State of Texas

My Commission Expires: _____

Exhibit E-I

CONTRACTOR'S AFFIDAVIT OF PAYMENTS OF DEBTS AND CLAIMS

PROJECT: **PROJECT NO.**
OWNER:
CONTRACTOR:
ENGINEER:

The Contactor in accordance with the Contract Documents, hereby certifies that, except as listed below, all obligations for all materials and equipment furnished, for all work labor, and services performed, and for all known indebtedness and claims against the Contractor for damages arising in any manner in connection with the performance of the Contract referenced above for which the Owner or his property might in any way be held responsible have been paid in full or have otherwisse been satisfied in full.

EXCEPTIONS: (If none, write "NONE". The Contractor shall furnish a bond acceptable to the Owner for each exception.)

CONTRACTOR

By

Title

Subscribed and sworn to before me this day of

Notary Public:

My Commission Expires:

Prevailing Wage Rates
Certification Statement

Date _____

Project Name _____ **CSJ#** _____

Contractor _____ **Application#** _____

I, _____ **do hereby state:**
(Name of Project Director)

1. That a payroll (form WH-347 or similar form) was submitted for contract work Performed for the period covered by the attached application.
2. That a statement of compliance(form WH-347 or similar form) was submitted with the payroll.
3. The certified payroll complies with the classifications and minimum wage rates Stipulated in the contract.
4. That a minimum of one interview was conducted with laborers using Form HUD-11 or similar.

_____
Signature

Exhibit E-L

CERTIFICATE OF CONSTRUCTION COMPLETION

THIS IS TO CERTIFY THAT ON _____ DAY OF _____A FINAL INSPECTION was made of the project herein described.

CONTRACT

CONTRACT DATE: _____
OWNER: _____
CONSTRUCTION CONTRACTOR: _____
OF THE CITY OF _____ STATE OF _____

PROJECT DESCRIPTION

CONSTRUCTION OF _____

CONTRACT NO: _____
Located in or near the City/Precinct Of _____

THIS IS TO CERTIFY"

1. That the work has been completed in accordance with the plans and specifications and all addenda, change orders, supplemental agreements thereto, and with the following exceptions:

   _____

2. That the sum of _____, deducted from the final payment of the Contractor is a fair and equitable settlement for the foregoing except work.

3. That the contractor has presented a "Certificate of Release" starting under oath, that all claims arising out of the performance of work have been fulfilled, and the Owner is released from all claims arising under or by virtue of said contract.

4. That the CONTRACTOR has presented in behalf of itself and its sureties, satisfactory evidence that it is bound to repair, replace, and make good any faulty workmanship and/or materials discovered in the work within a period of one year from this date, as provided in said contract.

5. Amount of Original Contract _____
   Present Amount of Contract _____
   Total Amount of earned to Date _____
   Less: previous payments _____
   Balance _____
   Authorized deductions _____
   AMOUNTY OF FINAL PAYMENT _____

6. That the final payment in the amount of _____ _____ is now due and payable.

_____
Engineer's Signature

CONCURRED BY:

_____
Contractor's Name

By:_____

Title: _____

CONCURRED BY:

_____
Hidalgo County Judge

Exhibit E-M

CONTRACTOR'S AFFIDAVIT OF RELEASE OF LIENS

PROJECT: **PROJECT NO.**
OWNER:
CONTRACTOR:
ENGINEER:

The Contractor, in accordance with the Contract Documents, and in consideration for the full and final payment to the Contractor for all services in connection with the project, does hereby waive and release any and all liens, or any and all claims to liens which the Contractor may have on or affecting the project as a result of its contract(s) for the Project or for performing labor and/or furnishing materials in any way connected with the construction of any aspect of the project. The Contractor further certifies and warrants that all subcontractors of labor and/or materials for the Project, except as listed below, have been paid in full for all labor and/or materials supplied to, for through or at the direct or indirect request of the Contractor prior to, through and including the date of this affidavit.

EXCEPTIONS: (If none, write "NONE". The Contractor shall furnish a bond acceptable to the Owner for each exception.)

CONTRACTOR

By

Title

Subscribed and sworn to before me this day of

Notary Public:

My Commission Expires:

Form L

CONSTRUCTION IDENTIFICATION SIGN:

Size, 4' – 0" X 8' – 0"
Letters to be brown with beige background

Construction Identification Signs To Be Erected Prior To Beginning of Actual Construction

Wood for Signs Shall Be ¾" Waterproofing Resin Bonded Exterior Grade Plywood (Douglas Fir Plywood Association of Equal)

Payment for Furnishing, Erecting, Maintenance and Removing Construction Identification Signs Will Not Be made Directly. Such Costs Shall be Included in the Overall Bid Submitted.

To Be Erected as Indicated on title Sheet.

Your Tax Dollars at Work
Hidalgo County Pct 1

Joel Quintanilla, Commissioner
Border Colonia Access Program

In Partnership with Texas Department of Transportation

Mid-Valley Estates Subdivision Paving Project

Hidalgo County Commissioner's Court

Ramon Garcia	-	County Judge
Joel Quintanilla	-	Commissioner Pct #1
Hector "Tito" Palacios	-	Commissioner Pct #2
Joe M. Flores	-	Commissioner Pct #3
Joseph Palacios	-	Commissioner Pct #4

Contractor: Asago Construction

Engineer: TEDSI Infrastructure Group

PURCHASE ORDER CANCELLATION REQUEST

DATE: June 13, 2012

TO: PURCHASING DEPARTMENT

FROM: PRECINCT NO.1 CAP

PLEASE BE ADVISED THAT I AM REQUESTING THE FOLLOWING PURCHASE ORDER(S) BE LIQUIDATED AS IF (THEY) IS (ARE) NO LONER OUTSTANDING:

PURCHASE ORDER NO.	NIGP#	VENDOR NAME	AMOUNT OF ORIGINAL P.O.	LESS PREVIOUS INVOICE(S) SUBMITTED FOR PAYMENT	AMOUNT OUT-STANDING	OUT-STANDING AMOUNT TO BE LIQUIDATED
670081	75077	UPPER VALLEY MATERIALS	$5,292.00	$1,460.00	$3,832.00	$3,832.00
669494	75077	UPPER VALLEY MATERIALS	$2,131.50	$2,085.39	$46.11	$46.11

REASON (BRIEFLY EXPLAIN):

PROJECT TESTING IS COMPLETED.

APPROVED BY: _____ DEPARTMENT HEAD — 06/14/2012 DATE

APPROVED BY: _____ PURCHASING DEPARTMENT — _____ DATE

APPROVED BY: _____ COUNTY AUDITOR — _____ DATE

REF: _____

Mid Valley
CSJ: 3C1080461
Precinct 1
Hidalgo County

			Original Contract Amounts				Change Order 1		
Item No.	Bid Item No.	Item Description	Unit	Original Quantities	Original Rates	Amount Bid	Revised Rates	Revised Quantities	Amount Increase/Decrease
		ROADWAY							
1	100	Preparing ROW	STA	21.37	$500.00	$10,685.00	$ 540.00	21.37	$ 11,539.80
2	110	Excavation (Roadway)	CY	1405	$8.00	$11,240.00	$ 9.00	1405	$ 12,645.00
3	132	Embankment (Rdwy) (Dens. Cont.) (Ty C)	CY	56	$10.00	$560.00	$ 10.00	56	$ 560.00
4	164	Cell Fiber Seeding (Temp) (Warm) (Seeding for Erosion)	SY	6376	$0.50	$3,188.00	$ 0.50	6376	$ 3,188.00
5	168	Vegetative Watering	MG	321	$3.00	$963.00	$ 3.00	321	$ 963.00
6	247	Flex Base (RD DEL) TY "E" GR4	CY	6885	$8.00	$55,080.00	$ 8.00	6885	$ 55,080.00
7	251	Reworking Fase Material (DC) (TY D CLII)	SY	5354	$2.00	$10,708.00	$ 2.00	5354	$ 10,708.00
8	260	Lime Treatment (Exist Mtrl) (6") (Subgr)	SY	1652	$2.00	$3,304.00	$ 3.00	1652	$ 4,956.00
9	260	Lime (HYD, COM OR QK) (Slurry) OR QK (DRY)-FLEXBASE	TON	51.8	$200.00	$10,360.00	$ 200.00	51.8	$ 10,360.00
10	260	Lime)HYD, COM OR QK)(SLRY) OR QK (DRY)-SUBGRADE	TON	12.3	$200.00	$2,460.00	$ 200.00	12.3	$ 2,460.00
11	260	Lime Trt(New Base)(8") - Flexbase	SY	1531	$2.00	$3,062.00	$ 2.00	1531	$ 3,062.00
12	262	Lime Treatment (Mis Exst Matl & New Base)(8") - Flexbase	SY	5354	$2.00	$10,708.00	$ 2.00	5354	$ 10,708.00
13	310	Prime Coat (MC-30)	GAL	1379	$7.00	$9,653.00	$ 7.00	1379	$ 9,653.00
14	340	D-GR HMA (METH) TY-D SAC-B PG76-22	SY	5831	$6.00	$34,986.00	$ 6.00	5831	$ 34,986.00
15	500	Mobilization	LS	1	$2,000.00	$2,000.00	$ 2,027.28	1	$ 2,027.28
16	502	Barricades, Signs and Traffic Handling	MO	5	$200.00	$1,000.00	$ 200.00	5	$ 1,000.00
17	666	REFL PAV MRK TY I (W) 4" (SLD)(100MIL)	LF	3950	$0.75	$2,962.50	$ 0.75	3950	$ 2,962.50
18	666	REFL PAV MRK TY I (W) 24" (SLD)(100MIL)	LF	54	$7.00	$378.00	$ 7.00	54	$ 378.00
19	666	REFL PAV MRK TY I (Y) 4" (BRK)(100MIL)	LF	430	$0.75	$322.50	$ 0.75	430	$ 322.50
20	666	REFL PAV MRK TY 1 (Y) 4" (SLD) (100 MIL)	LF	772	$0.75	$579.00	$ 0.75	772	$ 579.00
		SubTotal Base Bid	→			**$174,199.00**			**$ 178,138.08**
		DRAINAGE							
1	402	Trench Excavation Protection	LF	1019	$ 1.00	$1,019.00	$ 1.00	1019	$ 1,019.00
2	464	RCP (CL III) (18")	LF	76	$35.00	$2,660.00	$ 35.00	76	$ 2,660.00
3	464	RCP (CL III) (24")	LF	418	$45.00	$18,810.00	$ 45.00	418	$ 18,810.00
4	464	RCP (CL III) (30")	LF	561	$60.00	$33,660.00	$ 60.00	561	$ 33,660.00
5	465	Inlet (Comp) (Ty H)	EA	4	$4,000.00	$16,000.00	$ 4,500.00	4	$ 18,000.00

Mid Valley
CSJ: 3C1080461
Precinct 1
Hidalgo County

6	465	Manh (Compl)(type M)	EA	1	$4,000.00	$4,000.00	$	4,500.00	1	$ 4,500.00
7	465	Manh (Compl)(Type A)	EA	3	$3,000.00	$9,000.00	$	3,500.00	3	$ 10,500.00
8	506	Temp Sedmt Cont Fence	LF	169	$1.00	$169.00	$	1.00	169	$ 169.00
9	530	Driveways (Concrete)	SY	124	$30.00	$3,720.00	$	30.00	124	$ 3,720.00
10	530	Turnouts (Asphalt Concrete Pavement) (PBS-2)	SY	1395	$19.00	$26,505.00	$	19.00	1395	$ 26,505.00
11	556	15" ADS Corrugate Pipe	LF	1475	$19.00	$28,025.00	$	20.00	1475	$ 29,500.00
			SubTotal Drainage →			**$143,568.00**				**$ 149,043.00**
			GrandTotal Roadwork Base Bid and Drainage →			**$317,767.00**				**$ 327,181.08**

Project Length: (LF)	2750
Cost Per Linear Feet @ $500K/mile:	$ 94.70
Tot. Proj. Allowable (Cost per LF @$500K/mi X Proj. Lngth):	**$ 260,425.00**
Roadwork Allocation (Eng, Road Const and Contingency):	**$ 213,250.95**
Allowed Increase:	**$ 47,174.05**

Amt Inc.: **$ 53,312.74**

Road Construction Allocation:	$149,324.98
Possible 25% Transfer In Other Projects:	$ -
Contingency Transfer In:	$ 30,011.80
Total Allocation, 25% Transfer and Contingency Transfer	$ 179,336.78
Low Base Bid Roadwork	$174,199.00
Overrun/Underrun	**$5,137.78**

Change Order

Road Construction Allocation:	$149,324.98
Transfer In:	$ 30,011.80
Total Allocation, 25% Transfer and Contingency Transfer	$ 179,336.78
Low Base Bid Roadwork After Change Order	$ 178,138.08
Overrun/Underrun	$ 1,198.70

Drainage Allocation:	$ 48,902.10
Transfer In: Other Projects	
Total Allocation and Transfer	$48,902.10
Drainage Cos	$143,568.00
Overrun/Underrun	-$94,665.90

Change Order

Drainage Allocation:	$ 143,279.14
Transfer In: Other Projects	
Total Allocation and Transfer	$143,279.14
Drainage Cos	$ 149,043.00
Overrun/Underrun	-$5,763.86

From:	Martha Salazar
To:	"Yvette Islas"
Subject:	FW: 1st amendment to asago
Date:	Tuesday, June 19, 2012 10:22:55 AM
Attachments:	~max0003.PDF
Importance:	High

Please process and then attach so I can move item on.
Marty

From: Stephen L. Crain [mailto:scrain@atlashall.com]
Sent: Tuesday, June 19, 2012 8:26 AM
To: 'Martha Salazar'
Subject: 1st amendment to asago

Attached is page 1 of the amendment please make changes.

Stephen L. Crain
ATLAS, HALL & RODRIGUEZ, LLP
818 Pecan Blvd. (78501)
P. O. Box 3725
McAllen, Texas 78502
Direct Dial Number (956) 632-8221
Main Number (956) 682-5501
Fax Number (956) 686-6109
E-mail Address scrain@atlashall.com



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STATE OF TEXAS §

§

COUNTY OF HIDALGO §

FIRST AMENDMENT TO THE CONTRACT

BETWEEN HIDALGO COUNTY, TEXAS AND

ASAGO, LLC, dba ASAGO CONSTRUCTION

This AMENDMENT to the CONSTRUCTION CONTRACT (C-CAP-12-049-06-26) by and between **HIDALGO COUNTY, TEXAS** ("Owner") and **ASAGO, LLC dba ASAGO CONSTRUCTION** ("Contractor") is entered into between the parties effective this **26th** day of **June, 2012.**

WHEREAS, Vendor and Owner entered into a Contract effective **June 26, 2012** in which Vendor agreed to provide construction services for "Road & Drainage Construction for Mid-Valley Estates Subdivision" for Hidalgo County;

WHEREAS, the Contract now requires amendment in order to replace the outdated prevailing wage rates-Davis-Bacon with the current prevailing wage rates-Davis-Bacon in the Contract resulting in an increase in the sum for a total of $327,181.08.

WHEREAS, the parties desire to amend the Contract as herein provided;

NOW THEREFORE, for and in consideration of the terms and provisions set forth herein, for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and Contractor agree to the following amendments to the Contract:

1. Delete the outdated prevailing wage rates-Davis-Bacon; (Decision Number 02/09/2007 TX29) and replace with the current prevailing wage rates-Davis-Bacon; (Decision Number TX120008 01-06-2012 TX8) attached hereto as Exhibit A in lieu thereof to the Contract;

2. Except as modified herein, all terms and conditions of the Contract, as amended, remain in full force and effect and County and Vendor ratify and confirm the terms and provisions of the Contract, as amended.

EXECUTED IN DUPLICATE ORIGINALS and effective as of the day and year first written above.

ASAGO LLC, dba ASAGO CONSTRUCTION

_____

By: _____

Its_____

HIDALGO COUNTY, TEXAS

_____

Ramon Garcia, County Judge

ATTEST:

_____

Arturo Guajardo, Jr., County Clerk

APPROVED AS TO FORM:
ATLAS & HALL, L.L.P.

By: _____

Stephen L. Crain

Exhibit A

General Decision Number: TX120008 01/06/2012 TX8

Superseded General Decision Number: TX20100009

State: Texas

Construction Types: Heavy and Highway

Counties: Cameron, Hidalgo and Webb Counties in Texas.

HEAVY & HIGHWAY CONSTRUCTION PROJECTS

Modification Number	Publication Date
0	01/06/2012

* SUTX2011-003 08/02/2011

	Rates	Fringes
CEMENT MASON/CONCRETE FINISHER (Paving & Structures)	$ 12.46	
FORM BUILDER/FORM SETTER (Structures)	$ 12.30	
FORM SETTER (Paving & Curb)	$ 12.16	
LABORER		
Asphalt Raker	$ 10.61	
Flagger	$ 9.10	
Laborer, Common	$ 9.86	
Laborer, Utility	$ 11.53	
Pipelayer	$ 11.87	
Work Zone Barricade Servicer	$ 12.88	
POWER EQUIPMENT OPERATOR:		
Asphalt Distributor	$ 13.48	
Asphalt Paving Machine	$ 12.25	
Broom or Sweeper	$ 10.33	
Crane, Lattice Boom 80 Tons or Less	$ 14.39	
Crawler Tractor	$ 16.63	
Excavator, 50,000 lbs or less	$ 12.56	
Excavator, over 50,000 lbs	$ 15.23	
Foundation Drill, Truck Mounted	$ 16.86	
Front End Loader Operator, Over 3 CY	$ 13.69	
Front End Loader, 3 CY or less	$ 13.49	
Loader/Backhoe	$ 12.77	
Mechanic	$ 15.47	
Milling Machine	$ 14.64	
Motor Grader Operator, Rough	$ 14.62	
Motor Grader, Fine Grade	$ 16.52	
Scraper	$ 11.07	

Servicer.....$ 12.34

Steel Worker (Reinforcing).....$ 14.07

TRUCK DRIVER
Lowboy-Float.....$ 13.63
Single Axle.....$ 10.82
Single or Tandem Axle Dump..$ 14.53
Tandem Axle Tractor with
Semi Trailer.....$ 12.12

WELDER.....$ 14.02

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

==========

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of "identifiers" that indicate whether the particular rate is union or non-union.

Union Identifiers

An identifier enclosed in dotted lines beginning with characters other than "SU" denotes that the union classification and rate have found to be prevailing for that classification. Example: PLUM0198-005 07/01/2011. The first four letters , PLUM, indicate the international union and the four-digit number, 0198, that follows indicates the local union number or district council number where applicable , i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. The date, 07/01/2011, following these characters is the effective date of the most current negotiated rate/collective bargaining agreement which would be July 1, 2011 in the above example.

Union prevailing wage rates will be updated to reflect any changes in the collective bargaining agreements governing the rate.

Non-Union Identifiers

Classifications listed under an "SU" identifier were derived from survey data by computing average rates and are not union

rates; however, the data used in computing these rates may include both union and non-union data. Example: SULA2004-007 5/13/2010. SU indicates the rates are not union rates, LA indicates the State of Louisiana; 2004 is the year of the survey; and 007 is an internal number used in producing the wage determination. A 1993 or later date, 5/13/2010, indicates the classifications and rates under that identifier were issued as a General Wage Determination on that date.

Survey wage rates will remain in effect and will not change until a new survey is conducted.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

* an existing published wage determination
* a survey underlying a wage determination
* a Wage and Hour Division letter setting forth a position on a wage determination matter
* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an

interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

==========

END OF GENERAL DECISION

AI-32826 **Purchasing Department 17. G. 1.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Agapit Vargas **Submitted By:** Marcie Jackson, COLONIA ACCESS PROGRAM

Department: COLONIA ACCESS PROGRAM

Information

CAPTION

a. Requesting approval of "Supplemental Agreement No. 2" to C-CAP-08-023A-09-02 between Hidalgo County and Millennium Engineers Group, Inc. to revise "Attachment A" and make part of agreement resulting in an increase of $4,605.00 in the estimated amount.
b. Requesting approval of Amendment No. 4 to Work Authorization No. 3 with Millennium Engineers Group, Inc. to Replace Exhibit D with Revised Exhibit D resulting in an increase of $4,605.00

BACKGROUND

Fiscal Impact

FISCAL YEAR: 2 **ACCT. #:** 2-1200-431-00-122-262-0-731

FUNDS AVAILABLE Y/N?: Y **MATCHING FUNDS Y/N?:**

BUDGETARY IMPACT:

available balance as of 06/21/12.

Attachments

MEG supl2 esperanza estates

MEG amnd4 to wa3 esperanza estates

Form Review

Inbox	Reviewed By	Date
Yvette Islas	Yvette Islas	06/14/2012 11:25 AM
Purchasing Department	Marty Salazar	06/15/2012 04:59 PM
Budget & Management	Merlen P. Munoz	06/18/2012 08:05 AM
Roland Garcia	Rolando Garcia	06/22/2012 08:42 AM
Auditor's Office	Arcilia Duran	06/22/2012 04:11 PM

Form Started By: Marcie Jackson Started On: 06/13/2012 04:37 PM

Final Approval Date: 06/22/2012

SUPPLEMENTAL AGREEMENT FORM
C-CAP-08-023A-09-02
Supplemental Agreement Form

THE STATE OF TEXAS §
§
COUNTY OF HIDALGO §

SUPPLEMENTAL AGREEMENT NO. 2

TO AGREEMENT FOR PROFESSIONAL SERVICES

THIS **SUPPLEMENTAL AGREEMENT** is made pursuant to the terms and conditions of Article 5 of the Agreement made by and between **HIDALGO COUNTY**, acting herein by and through the **Commissioner's Court**, hereinafter called the "**Owner**", and **Millennium Engineers, Group, Inc.** Professional Engineers of, **Edinburg,** Texas, hereinafter called the "**Engineer**".

WITNESSETH

WHEREAS, the **Owner** and the **Engineer** executed the **Agreement** on the **2nd** day of **September, 2008** concerning engineering for materials testing (the "Services") for the Texas Department of Transportation Border Colonia Access Funded Colonias for Hidalgo County Precinct Number 2 (hereinafter referred to as the "**Project**"); and,

WHEREAS, Amendment, establishes that the Estimated Cost is **$55,111.34;** and establishes the projects to be designed,

WHEREAS, it has become necessary to amend the Agreement to add projects resulting in an increased estimated amount.

A. AGREEMENT

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

I. The Estimated Cost is revised to **$ 59,716.34.**

II. Attachment "A" is revised and made part of this agreement as attached.

All other provisions are unchanged and remain in full force and effect.

IN WITNESS WHEREOF, the Engineer and the Owner have caused this Supplemental Agreement to the Agreement for Professional Services to be executed as of the **26th** day of **June, 2012**.

THE ENGINEER:
Millennium Engineers, Group, Inc.

BY: _____
(Raul Palma)

Address for Giving Notices:
P.O. Box 4569
Edinburg, Texas 78540-4569

THE OWNER:
HIDALGO COUNTY

BY: _____
Ramon Garcia, County Judge

ATTESTED

By: _____
Arturo Guajardo Jr., County Clerk

LIST OF ATTACHMENTS (as required)

Attachment "A"

HIDALGO COUNTY PRECINCT 2

Attachment "A"

SUPPLEMENTAL AGREEMENT NO. 2
TO CONTRACT# C-CAP-08-023a-09-02

TOTAL AMOUNT BREAKDOWN

Proposal No.	Project Description	Estimated Amount
09-23	**Esperanza Estates** **(Reconstruction)**	**$ 12,584.12**
09-24	Morningside Estates	$ 15,363.35
09-25	McColl Estates	$ 5,290.36
09-26	Las Milpas Subdivision	$ 5,538.89
09-27	Sundowners Retirement Center	$ 8,365.31
09-28	Mesquite Acres	$ 7,346.06
01-12-106M	Val-Bar Estates Subdivision	$ 5,228.25
	Total Amount	*$ 59,716.34*

STATE OF TEXAS §

COUNTY OF HIDALGO §

AMENDMENT NO. 4 TO
"WORK AUTHORIZATION NO. 3"
CONTRACT NO. C-CAP-08-023A-09-02

This AMENDMENT to THE Exhibit "D" OF Work Authorization No. 3 of the CONTRACT between MILLENNIUM ENGINEERS GROUP, INC., (the "Engineer") and **HIDALGO COUNTY** (the "County"), effective the 26th day of June 2012, is made between the Engineer and the County, (the "Amendment"), as follows:

WHEREAS, Engineer and County entered into an Agreement on February 24th 2009, in which the Engineer agreed to provide Construction Materials Testing for 3rd Call Colonia Access Program projects: **Esperanza Estates (Reconstruction)**, Mesquite Acres, Morningside South, McColl Estates, Las Milpas Subdivision, and Sundowners Retirement Center. Projects are located in Precinct 2;

WHEREAS, the parties now desire to amend the Projects in which the Engineer may perform the services;

WHEREAS, the parties desire to amend the Agreement Exhibit "D" as hereinafter provided.

NOW THEREFORE, for and in consideration of the tasks performed by Engineer and County and other valuable consideration the receipt and sufficiency of which are hereby acknowledged, and this mutually agreed Amendment to the Authorization Exhibit "D", Engineer and County hereby agree to the following Amendment to the Agreement Exhibit "D":

1. Replace Exhibit "D" with the Revised "Exhibit "D".

2. Except as modified herein, all terms and conditions of the Agreement, as amended, remain in full force and effect. Engineer and County ratify and confirm the terms and provisions of the Agreement as amended.

EXECUTED IN DUPLICATE ORIGINALS and effective as of the day and year first written above.

HIDALGO COUNTY:

_____

Ramon Garcia, County Judge

ATTEST:

_____

Arturo Guajardo, Jr., County Clerk

Millennium Engineers Group, Inc.:

_____

Raul Palma, P.E.

Revised
"Exhibit D"

HIDALGO COUNTY PRECINCT 2

Contract # C-CAP-08-023A-09-02

WORK AUTHORIZATION NO. 3 – TOTAL AMOUNT BREAKDOWN

Proposal No.	Project Description	Previous Estimated Amount	Current Estimated Amount
01-12-163M	**Esperanza Estates (Reconstruction)**	**$ 7,979.12**	**$ 12,584.12**
09-24	Morningside Estates	$ 15,363.35	$15,363.35
09-25	McColl Estates	$ 5,290.36	$ 5,290.36
09-26	Las Milpas Subdivision	$ 5,538.89	$ 5,538.89
09-27	Sundowners Retirements Center	$ 8,365.31	$ 8,365.31
09-28	Mesquite Acres	$ 7,346.06	$7,346.06
01-12-106M	Val-Bar Estates Subdivision	$5,228.25	5,228.25
	Total Amount	*$55,111.34*	*$59,716.34*

Millennium Engineers Group
MEG ENGINEERS
Consultants - Geotechnical - Testing

Proposal

Date	Proposal No.
6/11/2012	01-12-163M

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

Name / Address
Border Colonia Access Department Hidalgo County Precinct No. 2 301 E. State Street Pharr, Texas 78577

Project Name
Esperanza Estates Subd. Reconstruction

Description	Qty	Cost	Total
Atterberg Limits (each test)	1	59.00	59.00
Sieve Analysis - Dry thru No. 40 (each test)	1	50.00	50.00
Wet Ball Mill (each test)	1	175.00	175.00
Moisture Density Relationship - Standard Proctor (each test)	1	175.00	175.00
Nuclear Density Test (Soils)(each test)	10	22.00	220.00
Air Content of Fresh Concrete (Pressure)(each test)	2	20.00	40.00
Concrete Cylinder Compressive Strength Test (each cylinder)	8	16.00	128.00
Extraction of Bituminous Mixture, Percent Asphalt and Gradation (per test)	2	225.00	450.00
Asphalt Cores (each core)	3	55.00	165.00
Theoritical Maximum Specific Gravity of Mixtures (per test)	2	55.00	110.00
Lab Density (per test)	2	60.00	120.00
Nuclear Density Test (Asphalt) (per test)	6	22.00	132.00
Engr. Technician (Soils) (per hour)	12	40.00	480.00
Engr. Technician (Concrete)(per hour)	10	43.00	430.00
Engr. Technician (Asphalt)(per hour)	12	43.00	516.00
Vehicle Trip Charge (Soils) (per trip)	6	35.00	210.00
Vehicle Trip Charge (Concrete) (per trip)	4	35.00	140.00
Vehicle Trip Charge (Asphalt) (per trip)	3	35.00	105.00
Project Management (per hour)	3	65.00	195.00
Clerical/Administrative (per hour)	6	40.00	240.00
Test Report (each)	12	30.00	360.00
Asphaltic Concrete Design and Other Services:			
Asphalt Core Density (each specimen)	3	35.00	105.00

MEG Appreciates The Opportunity to Serve You.
Local People Helping To Build The Rio Grande Valley.

Total $4,605.00

AI-32723 **Purchasing Department 17. H. 1.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Agapito Vargas **Submitted By:** Yvette Islas, PURCHASING DEPT.

Department: PURCHASING DEPT.

Information

CAPTION

Requesting approval of Eberle Materials, Inc. as sub-contractor for the following Pct. #3 BCAP-Round III projects with Saenz Utility Contractors, LTD as submitted through project engineer Javier Hinojosa Engineering:

a.) C-CAP-12-019-03-31 "Road & Drainage Construction for Munoz Subdivision" (Pct #3) with Saenz Utility Contractors;

b.) C-CAP-12-020-01-24 "Road & Drainage Construction for Havana Subdivision" (Pct #3) with Saenz Utility Contractors.

BACKGROUND

Fiscal Impact

FISCAL YEAR: 2012 **ACCT. #:** 2-1312-431-00-123-488-0-731/733

FUNDS AVAILABLE Y/N?: Y **MATCHING FUNDS Y/N?:** N

BUDGETARY IMPACT:

Munoz Subdivision: Available funds in P.O. #674557 for Saenz Utility as of 6/11/12 are $213,200.40.

FISCAL YEAR: 2012 **ACCT. #:** 2-1312-431-00-123-312-1-731/733

FUNDS AVAILABLE Y/N?: Y **MATCHING FUNDS Y/N?:** N

BUDGETARY IMPACT:

Havana Subdivision: Available funds in P.O. #674556 for Saenz Utility as of 6/11/12 are $111,443.25.

Attachments

subcontractor request n ins acord munoz

subcontractor request n ins acord havana

Form Review

Inbox	Reviewed By	Date
Purchasing Department	Marty Salazar	06/08/2012 03:02 PM
Budget & Management	Ivan Cantu	06/08/2012 03:42 PM
Perla Lopez	Perla Lopez	06/11/2012 10:03 AM
Auditor's Office	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Yvette Islas Started On: 06/06/2012 04:43 PM

Final Approval Date: 06/22/2012

JAVIER HINOJOSA ENGINEERING/Consulting Engineers

416 E. Dove Avenue • McAllen, Texas 78504
Tel: (956) 668-1588 • Fax: (956) 994-8102
javhin@rgv.rr.com
TBPE FIRM NO. F-1295

June 7, 2012

Mr. Agapito Vargas, Director
Colonia Access Program
301 East State
Pharr, Texas 78577

Re: Hidalgo County Precinct #3
Hidalgo County Colonia Access Program
Muñoz Subdivision - CSJ: (3C1080488)

Dear Mr. Vargas,

The Contractor for the referenced project, Saenz Utility Contractors, LTD, is requesting to utilize Eberle Materials, Inc. as a subcontractor for this project. Attached is the certificate of insurance from Eberle Materials, Inc. that shows Hidalgo County as the Certificate Holder. In addition, Eberle Materials, Inc. must adhere to the following:

- Subcontracts – The Contractor is specifically advised that any person, firm or other party to whom is proposed to award a subcontract under this contract must be acceptable to the Owner after verification of the current eligibility status. Approval of the proposed subcontract award cannot be given by the Owner unless and until the proposed subcontractor has submitted the Certification and/or other evidence showing that it has fully complied with all reporting requirements to which it is or was subject.

The Contractor is also requesting that the existing Notice To Proceed for this project be terminated and a new Notice To Proceed be issued once the Subcontractor is approved. If you have any questions or require further information, please feel free to contact me at your convenience.

Sincerely,

JAVIER HINOJOSA ENGINEERING

Javier Hinojosa, P.E.

cc: Commissioner Joe M. Flores, Hidalgo County Precinct 3
Yvette Islas, HCCAP Buyer II
Ray Robles, P.E., Hinojosa Engineering, Inc.

Z:\JHE BACKUP-CLAUDIA\JHE2012\LETTERS 2012\COLONIA ACCESS PROGRAM\Vargas-Agapito-06-07-12.doc

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 6/1/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Ward, Moore & Hild, LLC
70 NE Loop 410, Ste 180
San Antonio TX 78216

CONTACT NAME: Breanne Kibodeaux
PHONE (A/C, No, Ext): 210-366-0888 **FAX (A/C, No):** 210-366-0244
E-MAIL ADDRESS: bkibodeaux@ward-moore.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Travelers Lloyds Ins. Co.	41262
INSURER B : Travelers Casualty & Surety Co.	
INSURER C : St. Paul Fire & Marine	
INSURER D : Texas Mutual Insurance Co.	
INSURER E : Travelers Cas & Surety Co of Americ	
INSURER F :	

INSURED
Eberle Materials, Inc
PO Box 1028
Donna TX 78537

COVERAGES **CERTIFICATE NUMBER:** 726449408 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	**GENERAL LIABILITY** [X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [X] PRO-JECT [ ] LOC			CO9030R801	9/21/2011	9/21/2012	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG $	$1,000,000 $300,000 $5,000 $1,000,000 $2,000,000 $2,000,000 $
B	**AUTOMOBILE LIABILITY** [X] ANY AUTO [ ] ALL OWNED AUTOS [ ] SCHEDULED AUTOS [ ] HIRED AUTOS [ ] NON-OWNED AUTOS			BA8960R219	9/21/2011	9/21/2012	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) $	$1,000,000 $ $ $ $
C	[ ] **UMBRELLA LIAB** [X] OCCUR [ ] **EXCESS LIAB** [ ] CLAIMS-MADE [ ] DED [X] RETENTION $ 10,000			QK09102642	9/21/2011	9/21/2012	EACH OCCURRENCE AGGREGATE $	$5,000,000 $5,000,000 $
D	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** Y / N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [ ] N / A **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below			TSF0003043089	9/21/2011	9/21/2012	[X] WC STATU-TORY LIMITS [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $1,000,000 $1,000,000 $1,000,000
E	Leased/Rented Equip			6609100RZ278	9/21/2011	9/21/2012	Limit Per Item Deductible	$350,000 $1,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

RE: Hidalgo County Department "Road and Drainage Construction for Munoz Estates Subdivision". CAP 12-019-12-14YS1

Additional Insured endorsement for General Liability and Auto Liability attached.

CERTIFICATE HOLDER

Hidalgo County
Hidalgo County Purchasing Department
2812 S. Business Hw. 281
Edinburg TX 78539

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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JAVIER HINOJOSA ENGINEERING/Consulting Engineers

416 E. Dove Avenue • McAllen, Texas 78504
Tel: (956) 668-1588 • Fax: (956) 994-8102
javhin@rgv.rr.com
TBPE FIRM NO. F-1295

June 7, 2012

Mr. Agapito Vargas, Director
Colonia Access Program
301 East State
Pharr, Texas 78577

Re: Hidalgo County Precinct #3
Hidalgo County Colonia Access Program
Havana Subdivision - CSJ: (3C1080312)

Dear Mr. Vargas,

The Contractor for the referenced project, Saenz Utility Contractors, LTD, is requesting to utilize Eberle Materials, Inc. as a subcontractor for this project. Attached is the certificate of insurance from Eberle Materials, Inc. that shows Hidalgo County as the Certificate Holder. In addition, Eberle Materials, Inc. must adhere to the following:

- Subcontracts – The Contractor is specifically advised that any person, firm or other party to whom is proposed to award a subcontract under this contract must be acceptable to the Owner after verification of the current eligibility status. Approval of the proposed subcontract award cannot be given by the Owner unless and until the proposed subcontractor has submitted the Certification and/or other evidence showing that it has fully complied with all reporting requirements to which it is or was subject.

The Contractor is also requesting that the existing Notice To Proceed for this project be terminated and a new Notice To Proceed be issued once the Subcontractor is approved. If you have any questions or require further information, please feel free to contact me at your convenience.

Sincerely,

JAVIER HINOJOSA ENGINEERING

Javier Hinojosa, P.E

cc: Commissioner Joe M. Flores, Hidalgo County Precinct 3
Yvette Islas, HCCAP Buyer II
Ray Robles, P.E., Hinojosa Engineering, Inc.

Z:\JHE BACKUP-CLAUDIA\JHE2012\LETTERS 2012\COLONIA ACCESS PROGRAM\Vargas-Agapito-06-07-12-2.doc

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 6/1/2012

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PRODUCER
Ward, Moore & Hild, LLC
70 NE Loop 410, Ste 180
San Antonio TX 78216

CONTACT NAME: Breanne Kibodeaux
PHONE (A/C, No, Ext): 210-366-0888 **FAX (A/C, No):** 210-366-0244
E-MAIL ADDRESS: bkibodeaux@ward-moore.com

INSURER(S) AFFORDING COVERAGE	NAIC #
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INSURER B : Travelers Casualty & Surety Co.	
INSURER C : St. Paul Fire & Marine	
INSURER D : Texas Mutual Insurance Co.	
INSURER E : Travelers Cas & Surety Co of Americ	
INSURER F :	

INSURED
Eberle Materials, Inc
PO Box 1028
Donna TX 78537

COVERAGES **CERTIFICATE NUMBER:** 22101248 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	**GENERAL LIABILITY** X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY X PRO-JECT LOC			CO9030R801	9/21/2011	9/21/2012	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG 	$1,000,000 $300,000 $5,000 $1,000,000 $2,000,000 $2,000,000 $
B	**AUTOMOBILE LIABILITY** X ANY AUTO ALL OWNED AUTOS HIRED AUTOS SCHEDULED AUTOS NON-OWNED AUTOS			BA8960R219	9/21/2011	9/21/2012	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) 	$1,000,000 $ $ $ $
C	UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DED X RETENTION $ 10,000			QK09102642	9/21/2011	9/21/2012	EACH OCCURRENCE AGGREGATE 	$5,000,000 $5,000,000 $
D	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** Y/N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		TSF0003043089	9/21/2011	9/21/2012	X WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $1,000,000 $1,000,000 $1,000,000
E	Leased/Rented Equip			6609100RZ278	9/21/2011	9/21/2012	Limit Per Item Deductible	$350,000 $1,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

RE: Hidalgo County Department "Road and Drainage Construction for Havana Subdivision" . CAP-12-020-12-14YS1.

Additional Insured endorsement for General Liability and Auto Liability attached.

CERTIFICATE HOLDER

Hidalgo County
Hidalgo County Purchasing Department
2812 S. Business Hwy. 281
Edinburg TX 78539

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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AI-32582 **17. I. 1.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted For: Martha Salazar Submitted By: Elena Gomez, PURCHASING DEPT.

Department: PURCHASING DEPT.

Information

CAPTION

Recommending award and approval to issue a purchase order to the sole bidder (Ron Hoover Companies of Donna, Inc.)meeting all specifications and/or requirements for "Hidalgo County Sheriff's Office-Purchase of Two (2) Used 2007 or 2008 or newer Motor Homes". RFB No.: 2012-088-05-02-MEG

BACKGROUND

requisition # 218362

Fiscal Impact

FISCAL YEAR: 2012 ACCT. #: 2-1228-421-00-280-006-0-741

FUNDS AVAILABLE Y/N?: y MATCHING FUNDS Y/N?: n

BUDGETARY IMPACT:

Available balance as of 6-1-12 $132,493.75

Attachments

Participating Sheet

Memo of recommendation

Tabulation Sheet

Bid Page Sheet

Form Review

Inbox	Reviewed By	Date
Purchasing Department	Marty Salazar	06/01/2012 11:48 AM
Budget & Management	Ivan Cantu	06/01/2012 01:14 PM
Manuel Chapa	Manuel Chapa	06/01/2012 01:58 PM
Auditor's Office	Arcilia Duran	06/22/2012 03:03 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Elena Gomez Started On: 05/29/2012 10:32 AM

Final Approval Date: 06/22/2012

HIDALGO COUNTY PURCHASING DEPARTMENT
PARTICIPATING BIDDER'S LOG
SPECIFICATIONS/BID PACKETS
IBF-RFP-RFQ-RFI

BID OPENING DATE: May 02, 2012 BID OPENING TIME: 9:30 A.M.
DEPARTMENT/BID DESCRIPTION: "HIDALGO COUNTY SHERIFFS OFFICE- PURCHASE OF TWO (2) USED 2007 OR 2008 MOTOR HOMES." BID NO.: 2012-088-05-02-MEG

NAME OF VENDOR COMPANY/FIRM	BID REQUEST *VIA	SIGNATURE (IF APPLICABLE) OR INITIALS OF STAFF	DATE	MAILING ADDRESS, PHONE No & E-MAIL ADDRESS
Ron Hoover - Donna Attn: Dustin Hoover	Email	Elena Gomez	04/17/12	101 Expressway 83 Donna, TX 78537 Fax: 956-464-7135 Phone: 956-464-4403 dustin@ronhoover.com
Camping World RV Sales Attn: Ross	Email	Elena Gomez	04/17/12	3887 I.H. I-35 North New Braunfels, TX 78130 888-720-7116 rlatta@campingworld.com
Swenson RV John Crouch	Email	Elena Gomez	04/17/12	26421 N. White Ranch Rd & Expressway 83 La Feria, TX 78559 Phone 956-797-9223 or 1-800-967-0788 big_jac1952@yahoo.com
RV Max2 Debbie Conway	Email	Elena Gomez	04/17/12	3723 N. Main Street Cleburne, Texas 76033 Phone: 817.517.7953 Fax: 817.517.2566 Debbie@rvmax2.com

***VIA:**
IN PERSON (IP)
TELEPHONE REQUEST (TR)
BIDDER LIST MAIL OUT (BLM)
E-MAIL REQUEST (EMR)

MEMORANDUM



TO: Hidalgo County Sheriff's Office
ATTN: Lt. Richard Ozuna

FROM: Elena Gomez, Buyer II
Hidalgo County Purchasing Department

DATE: **May 03, 2012**

RE: Request Recommendation for RFB 2012-088-05-02-MEG
"Purchase of two (2) Used 2007 or 2008 Motor Homes"

Attach you will find a copy of the ***sole bid received*** and tabulation sheet for the above referenced project for your review and consideration. Some discrepancies were found in reviewing the bids. We will attempt to present award of bid/contract at the next Commissioners Court Meeting if your department recommends doing so.

1. One of the Motor Homes they bided on was a 2011but they do meet your requirements. Please review and see if you concur with my results.

Indicate recommendations or concerns on the space provided below and reply via email: elena.gomez@co.hidalgo.tx.us or fax 318-2629. Please include the account number(s) for the above mentioned project.

Should you have any questions or require further information, do not hesitate to call me at 318-2626 extension 4855. Thank you for your attention and cooperation to this matter.

Award to Vendor(s):	Recommendation
Ron Hoover	Purchase Both R.V's they Both Meet and Exceed our Specifications.

Budget Acct №: 12-1228-421-00-280-006-0-7211

Department: Hidalgo County Sheriff's Office.

Concerns: NONE

Authorized Signature — Rene Gonzalez. — 5-30-2012
Printed Name — Date

TABULATION SHEET
HIDALGO COUNTY SHERIFF'S OFFICE
"PURCHASE OF TWO (2) USED 2007 OR 2008 MOTOR HOMES"
BID NO 2012-088-05-02-MEG

NIGP CODE # 071-55

VENDORS NAME	Ron Hoover RV & Marine Donna, Texas
2008 Make & Model:	
Unit Bid Price	54,995.00
Delivery Price document fee/prep fee	595.00
Total Purchase Price	55,590.00
List all Warranty: 1 yr 10,000 miles	
classic coverage/ best after market	

VENDORS NAME	Ron Hoover RV & Marine Donna, Texas
2011 Make & Model:	
Unit Bid Price	74,500.00
Delivery Price document fee/prep fee	595.00
Total Purchase Price	75,095.00
List all Warranty: 3 yr 36,000	
miles 1 yr Bumper to Bumper major Components	

EXHIBIT "B"
BID PAGE
HIDALGO COUNTY SHERIFF'S OFFICE
"PURCHASE OF TWO (2) USED 2007 OR 2008 MOTOR HOMES"
BID NO 2012-088-05-02-MEG

ORIGINAL

BID PAGE

Bid is for two **2007 OR 2008 USED MOTOR HOMES** requested, but not limited to, in the specifications as listed in Exhibit "A" of this document and under the terms and conditions described.

2007 Make & Model:	
Unit Bid Price	
Delivery Price	
Total Purchase Price	
List all Warranty:	

2008 Make & Model:	
ARISTA 310	
Unit Bid Price	54,995.00
Delivery Price	Prep/Doc Fee 595.00
Total Purchase Price	55,590.00
List all Warranty:	1 YEAR 10,000 Miles
CLASSIC COVERAGE / Best After-Market	

Note: PLEASE See Brochure

BIDDER/COMPANY NAME: RON HOOVER

ADDRESS: 101 EXPRESSWAY 83

CITY/STATE/ZIP CODE: DONNA, TX 78537

PHONE №: 956-464-4403 **FAX №:** 956-464-7135

CELLULAR №: 956-739-4011

AUTHORIZED SIGNATURE: [signature]

PRINTER NAME: Dustin Hoover **DATE** 4/30/12

TITLE: Vice President

OPENED
8:45
5-02-2012
Witnesse

ROI IOOVER COMPANIES OF DONNA, NC
101 EXPRESSWAY 83
DONNA TX 78537
(956)464-4403 FAX (956)464-7135

PURCHASE AGREEMENT

8446 13760

BUYER(S) SHERIFF HIDALGO SHERIFF DEPT | EMAIL

ADDRESS 711 E EL CIBOLO RD EDINBURG, TX 78541 | COUNTY HIDALGO

SALESPERSON HECTOR J. REYNA (DNA) | LIC. NO | RES. PHONE 956-393-6000 | BUS. PHONE 956-393-1619 | DATE

YEAR 2008 | MAKE ARISTA | MODEL 310 | APPROXIMATE 31'0" | STOCK NUMBER 8390

CHASSIS MAKE & MODEL | SERIAL NUMBER | YEAR 2008 | GROSS VEHICLE WT.

☐ NEW ☒ USED | COLOR | SERIAL NUMBER 1F6MF53Y770A00203 | PROPOSED DELIVERY DATE 04/15/12 | ODOMETER READING 11508

INSURANCE AGAINST LIABILITY FOR BODILY INJURY OR PROPERTY DAMAGE TO OTHERS IS NOT INCLUDED IN THIS TRANSACTION.

OPTIONAL EQUIPMENT, LABOR AND ACCESSORIES

	$
	N/A
Includes;	
Classic Coverage	
For Motor Home	
1 year 10,000 Miles	
warranty	
BALANCE CARRIED TO OPTIONAL EQUIPMENT	N/A

TITLE APPLICATION INFORMATION

	PRINCIPAL BUYER	CO-BUYER
DATE OF BIRTH		
DRIVER'S LIC. #		
SOCIAL SEC. #		

BASE PRICE OF UNIT	$54995.00
OPTIONAL EQUIPMENT	N/A
	N/A
	N/A
	N/A
	N/A
PREP FEE	$ 495 00
CASH PURCHASE PRICE	$55490.00
TRADE-IN ALLOWANCE	$ N/A
LESS BAL. DUE ON ABOVE	$ N/A
NET ALLOWANCE	$ N/A
CASH DOWN PAYMENT	$ N/A
CASH AS AGREED SEE REMARKS	$ N/A
LESS TOTAL CREDITS	$ N/A
SUB-TOTAL	$55490.00
DEALER INVENTORY TAX	N/A
LICENSE TRANSFER/TITLE FEE	N/A
DOCUMENTARY FEE	100 00
GUARANTEED ASSET PROTECTION	N/A
EXTENDED SERVICE CONTRACT	N/A
OTHER INSPECTION	N/A
OTHER COACHNET	N/A
OTHER ENVIROSHIELD	N/A
SALES TAX (IF NOT INCLUDED ABOVE)	$ N/A
UNPAID BALANCE OF CASH SALE PRICE	55590.00

DISCLAIMER OF WARRANTIES

Any warranties on the products sold hereby are those made by the manufacturer. The seller hereby expressly disclaims all warranties, either express or implied, including any implied warranty of merchantability or fitness for a particular purpose , and the seller neither assumes nor authorizes any other to assume for it any liability in connection with the sale of said products.
The purchaser of the vehicle described here-in understands that it may have suffered damage during production, transit or while in the control and the possession of the seller. There are no warranties of merchantability or fitness being made by the seller to the seller to the purchaser as to repairs of such damage.

TRADE-IN INFORMATION.

DESCRIPTION OF TRADE-IN | SIZE X

MAKE | MODEL & YEAR | COLOR

CHASSIS MAKE N/A | SERIAL NO. | ODOMETER READING

UNIT SERIAL NO | TITLE NUMBER

AMOUNT OWING TO WHOM

TRADE-IN DEBT TO BE PAID BY ☐ DEALER ☐ BUYER

A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE. A DOCUMENTARY FEE IS NOT REQUIRED BY LAW, BUT MAY BE CHARGED TO BUYERS FOR HANDLING DOCUMENTS AND RELATING TO THE SALE. A DOCUMENTARY FEE MAY NOT EXCEED A REASONABLE AMOUNT AGREED TO BY THE PARTIES. THIS NOTICE IS REQUIRED BY LAW.

IT IS MUTUALLY UNDERSTOOD THAT THIS AGREEMENT IS SUBJECT TO NECESSARY CORRECTIONS AND ADJUSTMENTS CONCERNING CHANGES IN NET PAYOFF ON TRADE-IN TO BE MADE AT THE TIME OF SETTLEMENT.

Dealer and Buyer certify that the additional terms and conditions printed on the back of this contract are agreed to as part of this agreement, the same as if printed above the signature. Buyer is purchasing the above described Unit; the optional equipment and accessories; that Buyer's trade-in is free from all claims whatsoever, except as noted.

THIS AGREEMENT CONTAINS THE ENTIRE UNDERSTANDING BETWEEN DEALER AND BUYER AND NO OTHER REPRESENTATION OR INDUCEMENT, VERBAL OR WRITTEN, HAS BEEN MADE WHICH IS NOT CONTAINED IN THIS CONTRACT. BUYER(S) ACKNOWLEDGE RECEIPT OF A COPY OF THIS ORDER AND THAT BUYER(S) HAVE READ AND UNDERSTAND THE BACK OF THIS AGREEMENT.

ON HOOVER COMPANIES OF DONNA, INC Dealer BUYER X _____ Date _____

Not Valid Unless Signed and Accepted by an Officer of the Company

By _____ Date _____ BUYER X _____ Date _____

Approved

I understand there is an arbitration agreement on the back of this form X_____ (Intl.)

EXHIBIT "B"
BID PAGE
HIDALGO COUNTY SHERIFF'S OFFICE
"PURCHASE OF TWO (2) USED 2007 OR 2008 MOTOR HOMES"
BID NO 2012-088-05-02-MEG

ORIGINAL

BID PAGE

Bid is for two **2007 OR 2008 USED MOTOR HOMES** requested, but not limited to, in the specifications as listed in Exhibit "A" of this document and under the terms and conditions described.

2007 Make & Model:	
Unit Bid Price	
Delivery Price	
Total Purchase Price	
List all Warranty:	

~~**2008 Make**~~ **& Model:**	2011 (New)
Unit Bid Price	74,000
Delivery Price	
Total Purchase Price	$75,095
List all Warranty:	3YR 36,000 Miles ON All
	1YR Bumper to Bumper Major Component

OPENED
8:48
5-02-2012
Witnessed

BIDDER/COMPANY NAME: RON HOOVER

ADDRESS: 101 Expressway 83

CITY/STATE/ZIP CODE: Donna, TX 78537

PHONE №: 956-464-4403 **FAX №:** 956-464-7135

CELLULAR №: 956-739-4011

AUTHORIZED SIGNATURE:

PRINTER NAME: Dusti-Hoover **DATE** 4/30/12

TITLE: Vice President

Clarification for Bid Page for the 2011 Motor Home

Elena Gomez

From: Xavier Reyna [xman@ronhoover.com]
Sent: Thursday, May 31, 2012 11:52 AM
To: Elena Gomez
Subject: RE: Clarification on the Bid Page you submitted for the 2011 Motor Homes

Elena the $100.00 dollars is for the Documentation fees of the MotorHome included are the registration and titling ..

The PDI stands for Pre Delivery Inspection that includes , New house batteries full tank of gas State inspecton ans full detailing.
also includes a certified technician run a full manufacture safety check on all major components ..
I hope I answered all your questions if not please let me know.
Thank You.

From: Elena Gomez [elena.gomez@co.hidalgo.tx.us]
Sent: Thursday, May 31, 2012 11:31 AM
To: Xavier Reyna
Subject: RE: Clarification on the Bid Page you submitted for the 2011 Motor Homes

What does PDI mean and what is the $100.00 is for?

Elena Gomez, Buyer II
Hidalgo County Purchasing Dept.
2812 S Bus. Highway 281
Edinburg, Texas 78539
(956) 318-2626 x 4855
(956) 292-7612
elena.gomez@co.hidalgo.tx.us

-----Original Message-----
From: Xavier Reyna [mailto:xman@ronhoover.com]
Sent: Thursday, May 31, 2012 8:59 AM
To: elena.gomez@co.hidalgo.tx.us
Subject: Clarification on the Bid Page you submitted for the 2011 Motor Homes

Good Morning Elena on clarification on the Bid Page you submitted for the 2011 Motor Homes, need to find out what does $ 75,095.00 mean?

The Bid proposal was suppose to read $74,500.00 instead of $74,000.00 plus $495.00.00 PDI plus 100.00 to total $75,095.00 There was a Typo on the proposal on our part...Sorry

Please email or call me if you need further information

Thank you..

Xavier Reyna

RON HOOVER COMPANIES OF DONNA, INC
101 EXPRESSWAY 83
DONNA TX 78537
(956)464-4403 FAX (956)464-7135

PURCHASE AGREEMENT 8446 14116

BUYER(S) SHERIFF HIDALGO SHERIFF DEPT				EMAIL	
ADDRESS 711 E EL CIBOLO RD EDINBURG, TX 78541					COUNTY
SALESPERSON HECTOR J. REYNA (DNA)	LIC. NO.	RES. PHONE 956-393-6000	BUS. PHONE 956-393-1619		DATE
YEAR 2011	MAKE GEORGETOWN	MODEL 327DS	APPROXIMATE 33' 6" W	STOCK NUMBER 6576	
CHASSIS MAKE & MODEL	SERIAL NUMBER	YEAR 2011	GROSS VEHICLE WT.		
☐ NEW ☐ USED	COLOR	SERIAL NUMBER 1F66FSDY3B0A06502	PROPOSED DELIVERY DATE	ODOMETER READING 100	

INSURANCE AGAINST LIABILITY FOR BODILY INJURY OR PROPERTY DAMAGE TO OTHERS IS NOT INCLUDED IN THIS TRANSACTION.

OPTIONAL EQUIPMENT, LABOR AND ACCESSORIES

	$ N/A
Includes: (New)	
3yr 36,000 Miles	
1 year Bumper to Bumper	
BALANCE CARRIED TO OPTIONAL EQUIPMENT	$ N/A

DISCLAIMER OF WARRANTIES

Any warranties on the products sold hereby are those made by the manufacturer. The seller hereby expressly disclaims all warranties, either express or implied, including any implied warranty of merchantability or fitness for a particular purpose , and the seller neither assumes nor authorizes any other to assume for it any liability in connection with the sale of said products.
The purchaser of the vehicle described here-in understands that it may have suffered damage during production, transit or while in the control and the possession of the seller. There are no warranties of merchantability or fitness being made by the seller to the seller to the purchaser as to repairs of such damage.

TRADE-IN INFORMATION.

DESCRIPTION OF TRADE-IN			SIZE x
MAKE N/A	MODEL & YEAR		COLOR
CHASSIS MAKE	SERIAL NO.		ODOMETER READING
UNIT SERIAL NO		TITLE NUMBER	
AMOUNT OWING TO WHOM			

TRADE-IN DEBT TO BE PAID BY ☐ DEALER ☐ BUYER

TITLE APPLICATION INFORMATION

	PRINCIPAL BUYER	CO-BUYER
DATE OF BIRTH		
DRIVER'S LIC. #		
SOCIAL SEC. #		

BASE PRICE OF UNIT	$ 74500.00
OPTIONAL EQUIPMENT	N/A
	N/A
	N/A
	N/A
	N/A
PREP FEE	$ 495 00
CASH PURCHASE PRICE	$ 74995.00
TRADE-IN ALLOWANCE $ N/A	
LESS BAL. DUE ON ABOVE $ N/A	
NET ALLOWANCE $ N/A	
CASH DOWN PAYMENT $ N/A	
CASH AS AGREED SEE REMARKS $ N/A	
LESS TOTAL CREDITS	N/A
SUB-TOTAL	$ 74995.00
DEALER INVENTORY TAX	N/A
LICENSE TRANSFER/TITLE FEE	N/A
DOCUMENTARY FEE	100 00
GUARANTEED ASSET PROTECTION	N/A
EXTENDED SERVICE CONTRACT	N/A
OTHER INSPECTION	N/A
OTHER COACHNET	N/A
OTHER ENVIROSHIELD	N/A
SALES TAX (IF NOT INCLUDED ABOVE)	N/A
UNPAID BALANCE OF CASH SALE PRICE	$ 75095.00

A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE. A DOCUMENTARY FEE IS NOT REQUIRED BY LAW, BUT MAY BE CHARGED TO BUYERS FOR HANDLING DOCUMENTS AND RELATING TO THE SALE. A DOCUMENTARY FEE MAY NOT EXCEED A REASONABLE AMOUNT AGREED TO BY THE PARTIES. THIS NOTICE IS REQUIRED BY LAW.

IT IS MUTUALLY UNDERSTOOD THAT THIS AGREEMENT IS SUBJECT TO NECESSARY CORRECTIONS AND ADJUSTMENTS CONCERNING CHANGES IN NET PAYOFF ON TRADE-IN TO BE MADE AT THE TIME OF SETTLEMENT.

Dealer and Buyer certify that the additional terms and conditions printed on the back of this contract are agreed to as part of this agreement, the same as if printed above the signature. Buyer is purchasing the above described Unit; the optional equipment and accessories; that Buyer's trade-in is free from all claims whatsoever, except as noted.

THIS AGREEMENT CONTAINS THE ENTIRE UNDERSTANDING BETWEEN DEALER AND BUYER AND NO OTHER REPRESENTATION OR INDUCEMENT, VERBAL OR WRITTEN, HAS BEEN MADE WHICH IS NOT CONTAINED IN THIS CONTRACT. BUYER(S) ACKNOWLEDGE RECEIPT OF A COPY OF THIS ORDER AND THAT BUYER(S) HAVE READ AND UNDERSTAND THE BACK OF THIS AGREEMENT.

RON HOOVER COMPANIES OF DONNA, INC Dealer BUYER X _____ Date _____

Not Valid Unless Signed and Accepted by an Officer of the Company

By _____ Date _____ *Approved*

BUYER X _____ Date _____

I understand there is an arbitration agreement on the back of this form X_____ (Intl.)

DELUXE FOR BUSINESS 1-800-888-6327

AI-32720 **Purchasing Department** **17. I. 2.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Martha L. Salazar **Submitted By:** Rocio Villarreal, PURCHASING DEPT.

Department: PURCHASING DEPT.

Information

CAPTION

Approval of Architect's Supplemental Instructions No. 1 (funded from the Allowances/Contingency) in the amount of $25,277.00, to contractor D. Wilson Construction Co., in connection with the "Sheriff's Office Substation in the Pct 1 Area"-C-11-032-12-13.

BACKGROUND

Fiscal Impact

FISCAL YEAR: **ACCT. #:**

FUNDS AVAILABLE Y/N?: **MATCHING FUNDS Y/N?:**

BUDGETARY IMPACT:

BETTERMENT ALLOWANCE BALANCE
$60,000.00

Attachments

ASI-1

Form Review

Inbox	Reviewed By	Date
Purchasing Department	Marty Salazar	06/08/2012 02:57 PM
Budget & Management	Ivan Cantu	06/08/2012 03:40 PM
Manuel Chapa	Manuel Chapa	06/14/2012 03:06 PM
Auditor's Office	Arcilia Duran	06/22/2012 03:07 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Rocio Villarreal Started On: 06/06/2012 04:32 PM

Final Approval Date: 06/22/2012

AIA® Document G710™ – 1992

Architect's Supplemental Instructions

PROJECT *(Name and address)*:
07.10 Hidalgo County Sheriff's Substation
Weslaco, TX

ARCHITECT'S SUPPLEMENTAL INSTRUCTION NO: 001

OWNER: ☒
ARCHITECT: ☒
CONSULTANT: ☐
CONTRACTOR: ☒
FIELD: ☐
OTHER: ☐

OWNER *(Name and address)*:
County of Hidalgo, TX
2812 S. Business Hwy 281
Edinburg, TX 78539

DATE OF ISSUANCE: June 1, 2012

CONTRACT FOR: General Construction

FROM ARCHITECT *(Name and address)*:
Gignac Architects LLP
222 E. Van Buren Suite 102
Harlingen, TX 78550

CONTRACT DATE: January 24, 2012

TO CONTRACTOR *(Name and address)*:
D. Wilson Construction, Inc.
1209 E. Pecan
McAllen, TX 78501

ARCHITECT'S PROJECT NUMBER:
07.10

The Work shall be carried out in accordance with the following supplemental instructions issued in accordance with the Contract Documents without change in Contract Sum or Contract Time. Proceeding with the Work in accordance with these instructions indicates your acknowledgment that there will be no change in the Contract Sum or Contract Time.

DESCRIPTION:

Provide all labor, materials, and equipment necessary for the following items:

1.	PR-03 Credit for electrical primary line relocation	-($4,790.00)
2.	PR-04R2 Revised utility work as requested by fire marshal	$25,795.00
3.	PR-05 Credit for re-routing sanitary sewer line	-($540.00)
4.	PR-06 Revisions to detention area doors and hardware	$5,080.00
5.	PR-07 Credit for deletion of concrete encasement of secondary electrical line	-($268.00)

TOTAL PROPOSALS AMOUNT $25,277.00

ALLOWANCE / CONTINGENCY	ALLOWANCE AMOUNT	CHANGES TO DATE	PREVIOUS BALANCE	THIS ASI CHANGE	NEW BALANCE
Betterment Allowance	$60,000.00	$0.00	$60,000.00	$25,277.00	$34,723.00
Structural Steel Allowance	$8,000.00	$0.00	$8,000.00	$0.00	$8,000.00
Structural Rebar Allowance	$5,500.00	$0.00	$5,500.00	$0.00	$5,500.00
TOTALS	$73,500.00	$0.00	$73,500.00	$25,277.00	$48,223.00

ATTACHMENTS:
(Here insert listing of documents that support description.)

PR-03 Credit for electrical primary line relocation

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User Notes:
(1298289744)

PR-04R2 Revised utility work as reqeusted by fire marshal
PR-05 Credit for re-routing sanitary sewer line
PR-06 Revisions to Detention area doors and hardware
PR-07 Credit for deletion of concrete encasement of secondary electrical lines

ISSUED BY THE ARCHITECT:

(Signature)	Raymond Gignac, AIA *(Printed name and title)*

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User Notes: (1298289744)

D. Wilson Construction Company
P.O. Box 3455
McAllen, TX 78502-3455
Ph : (956) 686-9573

PR-03

Change Request

To: Gignac & Associates
416 Starr Street
Corpus Christi, TX 78401-2343
Ph: (361)884-2661 Fax: (361)884-4232

Number: 3
Date: 3/5/12
Job: 12-523 Sherriff's Office Substation
Phone:

Description: ASI #1 Credit for Primary Electrical relocation

We are pleased to offer the following specifications and pricing to make the following changes:
Revise Electrical Primary routing per ASI #1 dated Feb 29, 2012.

The total amount to provide this work is ..... $-4,790.00

If you have any questions, please contact me at (956)686-9573.

Submitted by: Richard Shinsky P.E.
D. Wilson Construction Company

Approved by: _____
Date: _____

Cc:

604 PALMVIEW DR. PALMVIEW TX 78574
956.581.8899

March 5, 2012

D. Wilson Construction Co.
1209 East Pecan
Mc Allen, TX 78501

Attn: Robert G.
RE: Weslaco Sheriff Substation ASI

We propose to furnish and install all labor, material, services and equipment necessary for completion of the work per work requested. We will reroute conduits as shown on Sheet MEP2.1. We will also relocate transformer, feeders, ATS, and disconnect as shown on Sheet MEP2.1. Work will be done during normal working hours. No overtime hours are included.

Deduct Total: <$4,790.00>

Should you have any questions, please feel free to call me at (956) 581-8899.

Sincerely,

Juan Ortiz / Adan

Accepted By: _____ Date: _____

DBR
ENGINEERING CONSULTANTS

200 South 10th Street
Suite 901
McAllen, Texas 78501
www.dbrinc.com
TBPE Firm Registration No. 2234
956.683.1640 v | 956.683.1903 f

ASI

Project Name: Hidalgo County Sheriff's Substation

Project No: 08804.001

To: Juan Mujica
Gignac & Associates

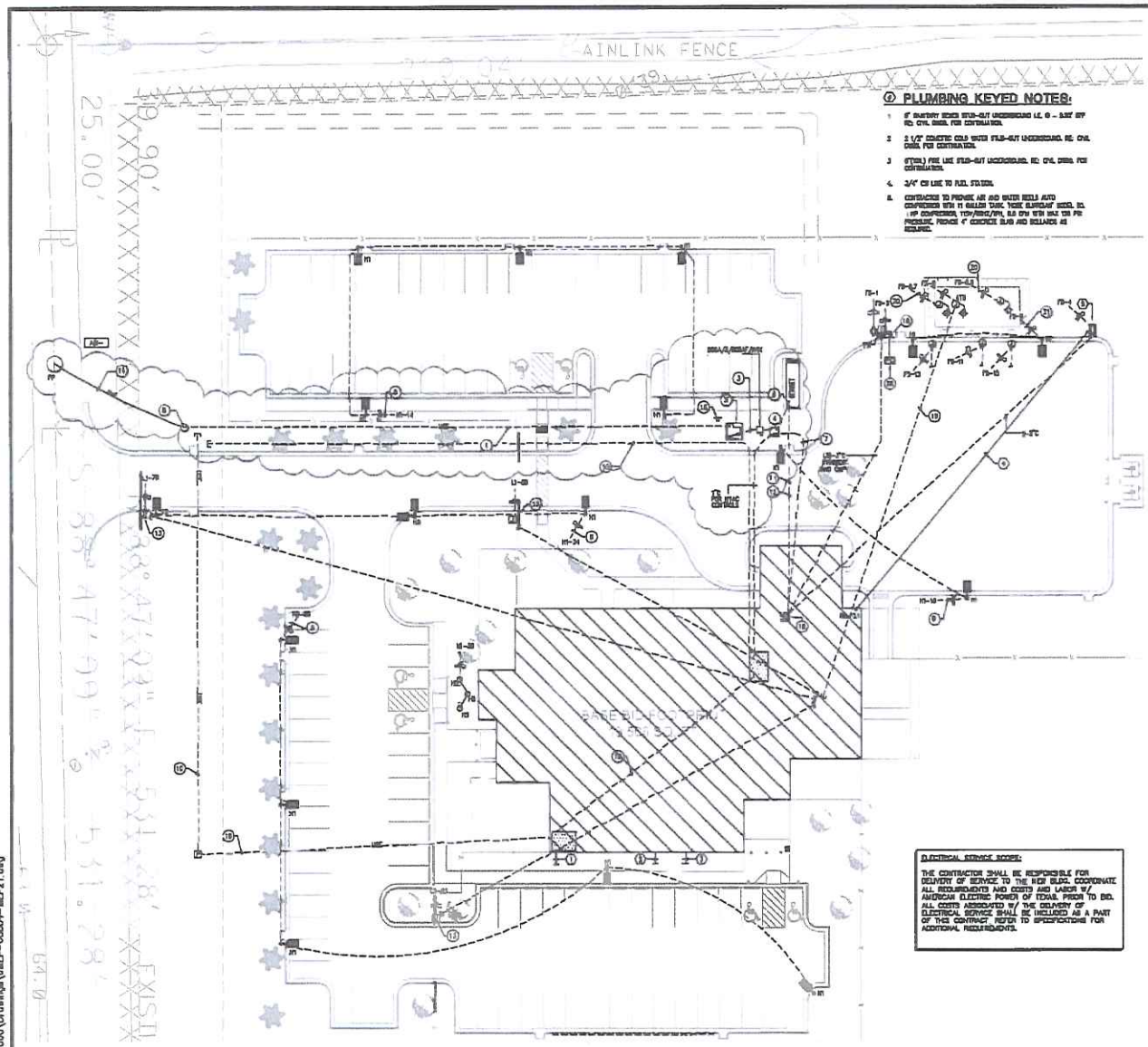
From: Daniel Chavez, Electrical Designer

Date: February 29, 2012

Item 01: Relocation for Service Entrance

Contractor shall relocate service entrance to new location closer to building. The relocation shall include, but not limited to, Disconnect, ATS, feeders and utility transformers. Re: MEP2.1

Contractor shall relocate stubbed out for data to new location. Re: MEP2.1



② PLUMBING KEYED NOTES:

1. 6" SANITARY SEWER STUB-OUT UNDERGROUND I.E. @ – 3.33' BFF RD. CIVIL DWGS. FOR CONTINUATION.
2. 2 1/2" DOMESTIC COLD WATER STUB-OUT UNDERGROUND. RD. CIVIL DWGS. FOR CONTINUATION.
3. 6"(DIA.) FIRE LINE STUB-OUT UNDERGROUND. RD. CIVIL DWGS. FOR CONTINUATION.
4. 3/4" CW LINE TO FUEL STATION.
5. CONTRACTOR TO PROVIDE AIR AND WATER REELS AUTO COMPRESSOR WITH 11 GALLON TANK, 7HOSE DIAMETER HOSE, 2HP COMPRESSOR, 110V/60HZ/1PH, 8.5 CFM WITH MAX 125 PSI PRESSURE. PROVIDE 4" CONCRETE SLAB AND BOLLARDS AS INDICATED.

② ELECTRICAL KEYED NOTES

1. NEW UNDERGROUND PRIMARY IN CONCRETE ENCASED DUCTBANK CONSTRUCTED TO AEP STANDARDS. COORDINATE WITH AEP
2. NEW PAD MOUNTED TRANSFORMER BY UTILITY OR CONTRACTOR AND BY CONTRACTOR TO UTILITY SPEC. THE CONTRACTOR SHALL BE RESPONSIBLE FOR DELIVERY OF NEW 480/277V SERVICE TO NEW BUILDING. COORDINATE WITH THE LOCAL UTILITY COMPANY FOR ALL COSTS AND REQUIREMENTS ASSOCIATED WITH THE DELIVERY OF SERVICE TO THE SITE. ALL MATERIAL AND LABOR COSTS SHALL BE INCLUDED AS A PART OF THIS CONTRACT
3. UNDERGROUND SECONDARY IN CONCRETE ENCASED DUCTBANK TO "MDP"
4. METER/TRANSFER SWITCH. RD. E3.1 ELECTRICAL RISER DIAGRAM FOR SIZE.
5. NEW CLASS 4 WOODEN POLE, WEATHER HEAD AND RISER PER AEP STANDARDS. COORDINATE WITH UTILITY COMPANY FOR ALL REQUIREMENTS.
6. MODEL MARKING EMERGENCY GENERATOR SET. REFER TO SPECIFICATIONS.
7. (2) 2" CONDUITS FOR SERVICE FEEDER & (2) 1" CONDUITS FOR SERVICE CONTROL CIRCUITS. PROVIDE CONCRETE PAD FOR SERVICE. REFER TO ONE-LINE FOR ADDITIONAL INFORMATION.
8. FLOURESCENT FIXTURE MOUNTED ON CONCRETE PEDESTAL IN GROUND. REFER TO E/SA1 ELECTRICAL DETAILS
9. SOLAR EXTERIOR LIGHTING CIRCUITS THROUGH CONTACTOR(LO-T), PHOTOCELL FOR CONTROL.
10. (2) 4" PVC CONDUITS, RUN UNDERGROUND, FOR TELECOM SERVICE. CAP ENDS AND PROVIDE MULE TAPE IN EACH CONDUIT. COORDINATE LOCATION OF EQUIPMENT WITH TELECOM SERVICE.
11. 1" CONDUIT FROM AUTO TRANSFER SWITCH TO ANNUNCIATOR PANEL IN DISPATCH AREA.
12. 1" CONDUIT TO PANEL 'L' FOR GENERATOR BATTERY CHARGER, CRANKCASE HEATER AND BATTERY HEATER CIRCUITS.
13. PROVIDE 120V CIRCUIT FOR GATE OPERATORS. CONTRACTOR TO PROVIDE (3) 1-1/2" CONDUITS FROM JUNCTION BOX TO ACCESSIBLE LOCATION ABOVE ACCESS CONTROL BOARD NEAR CAMERA AND ACCESS CONTROL.
14. COORDINATE WITH LOCAL UTILITY FOR EXTENSION OF PRIMARY SERVICE.
15. LOCATION OF NEW MAIN SWITCHBOARD "MDP"
16. COORDINATE ALL METERING COSTS AND REQUIREMENTS WITH LOCAL UTILITY COMPANY. PROVIDE INDEPENDENT UNISTRUT RACK FOR METER MOUNTING.
17. ELECTRICAL UTILITY COMPANY UNDERGROUND PRIMARY EASEMENT. COORDINATE EASEMENT REQUIREMENT WITH ELECTRICAL UTILITY COMPANY.
18. PROVIDE 2 BALANCED STEREO UNIVERSAL BASE SPACE TO SUPPORT ELECTRICAL PANEL "TE", PUMP CONTROLLER, WEATHER-PROOF JET RECEPTACLE, AND AN "ON" BUTTON. "PUSH" BUTTON TO BE EMERGENCY E-STOP BUTTON (RED AND WEATHER PROOF). TO BE MOUNTED AT 48" E-STOP TO BE CONNECTED FOR REMOTE SHUNT TRIP OF MAIN BREAKER TRIP CIRCUIT BREAKER OF PANEL "TE".
19. PROVIDE (1) 1" UNDERGROUND CONDUIT FROM FUELING EQUIPMENT TO BOOTH/CONTROL BOOTH. REFER TO E3.1 FOR STUB-UP LOCATION. PROVIDE MULE TAPE AND BUSHINGS. CAP AND MARK.
20. PROVIDE POWER CONNECTION THROUGH PUMP CONTROLLER OR RACK.
21. LO-T2 TO BE MOUNTED THROUGH RACK MOUNTED PHOTOCELL FOR ON / OFF CONTROL.
22. MOUNT NORTH FACING PHOTOCELL ON RACK FOR LIGHTING CONTROL.

ELECTRICAL SERVICE SCOPE:

THE CONTRACTOR SHALL BE RESPONSIBLE FOR DELIVERY OF SERVICE TO THE NEW BLDG. COORDINATE ALL REQUIREMENTS AND COSTS AND LABOR W/ AMERICAN ELECTRIC POWER OF TEXAS. PRIOR TO BID. ALL COSTS ASSOCIATED W/ THE DELIVERY OF ELECTRICAL SERVICE SHALL BE INCLUDED AS A PART OF THIS CONTRACT. REFER TO SPECIFICATIONS FOR ADDITIONAL REQUIREMENTS.

EXPLOSION PROOF ELECTRICAL GENERAL NOTES (APPLIES TO ALL SHEETS):

1. GENERAL: COORDINATE INSTALLATION OF ELECTRICAL WITH ALL STRUCTURAL AND PLUMBING EQUIPMENT. PROVIDE SEALING-OFF STUB-UPS BASED UPON EQUIPMENT INSTALLED. COORDINATE LOCATION OF CONDUIT PURCHASED ITEMS WITH OWNER. ALL INSTALLATIONS SHALL BE IN ACCORDANCE WITH THE CURRENT NATIONAL ELECTRIC CODE AND ANY LOCAL AMENDMENTS.
2. THE INSTALLATION SHALL CONFORM TO NEC ARTICLE 504, CLASS I, DIVISION 1 AND 2. CONTRACTOR SHALL COMPLY WITH ALL PROVISIONS FOR ELECTRICAL EQUIPMENT IN HAZARDOUS LOCATIONS. THE HAZARDOUS BOUNDARIES SHALL BE AS DEFINED IN TABLE 514.3(B)(1). ANY CONDUIT PASSING THROUGH THE DEFINED AREA IS CONSIDERED ENTERING THE BOUNDARY.
3. ALL CONDUIT ENTERANCES INTO THE HAZARDOUS BOUNDARY SHALL HAVE CONDUIT SEALS CONFORMING TO CLASS I, DIVISION 1 AND 2.
4. PROVIDE CONDUIT SEAL-OFFS WITH CYCLIC COMPOUND FOR ALL CONDUITS IN THE HAZARDOUS BOUNDARY AND AT THE FIRST FITTING AFTER CONDUIT EMERGES EARTH OR CONCRETE FOR CONDUIT STARTING THE DEFINING STRUCTURE, THE FUEL STORAGE TANK, THE FUEL STATION CONTROL PANEL, THE FUEL TANK PUMP PANEL, THE ATS, SITE LIGHTS AND PANEL "T". SEALING FITTINGS SHALL BE PREPARED AND INSTALLED FOR SPARE CONDUITS AFTER CONDUCTORS AND CONNECTION WORK HAS BEEN INSTALLED.
5. CONDUIT SUPPORT AND INSTALLATION: ALL CONDUIT SHALL BE SUPPORTED IN ACCORDANCE WITH NEC. PROVIDE CLAMPS AND CLAMP BACKS FOR MALLEABLE IRON. PROVIDE APPLETON (OR EQUAL) CONDUIT HUBS FOR THREADED EMT AND NEC WITH BONDED PER MALLEABLE IRON SCREW. PROVIDE CONDUIT SUPPORTS FOR ALL NON THREADED CONDUIT. PROVIDE EXPOSED, GROUNDING LUGS FOR ALL EQUIPMENT AND FLEXIBLE CONNECTORS AND INSTALL IN ACCORDANCE WITH NEC ARTICLE 501. PROVIDE RATED SEPARATION BETWEEN ANY EXISTING CONDUITS AND NEC. MOUNT MULTIPLE CONDUITS TOGETHER ON UNISTRUT RACKS SUPPORTED FROM STRUCTURE. PROVIDE APPLETON B-CLAMPS FOR NEC AND NEC ACCESS SUPPORTS.
6. CONDUIT: ALL SURFACE (ABOVE GRADE) RACEWAY FROM GR TO J-BOXES OR SWITCHES SHALL BE RIGID STEEL, MINIMUM 3 THREADS ENGAGED ON ALL THREADED CONNECTIONS. USE CAST FITTINGS ARE UNACCEPTABLE.
7. FLEXIBLE CONDUIT: PROVIDE CLASS I FLEXIBLE CONNECTIONS TO EQUIPMENT (SYNC APPLETON ST OR EQUAL EQUIPMENT 20"). PROVIDE WATER TIGHT FITTINGS ON ALL EQUIPMENT. ALL RECESSED BOXES SHALL HAVE PLASTER RINGS FLUSH WITH WALL SURFACE.
8. CONDUCTORS: ALL CONDUCTORS TO BE COPPER 98MIL MINIMUM CONDUCTOR SIZE #12 MINIMUM CIRCUIT SIZE IS 3-#10 WITH 1-#12 GROUND IN 1/2" CONDUIT. MINIMUM CONDUIT FILL IS 40% SPARE CONDUIT TO BUNTON BOOSTER PUMP. USE SOLID CONDUCTORS FOR #6 AND SMALLER. INSTALL CONDUCTORS AS PER NEC. ALL CONDUCTORS SHALL BE COLOR CODED IN ACCORDANCE WITH NEC AND LOCAL REQUIREMENTS.
9. DISCONNECTS: PROVIDE CLASS I DISCONNECTS (FUSED AND NON-FUSED) FULL RATING OF EQUIPMENT PROTECTED. COORDINATE SIZES WITH EQUIPMENT INSTALLED. PROVIDE FUSED DISCONNECTS FOR ALL MULTIPLE PIECES OF EQUIPMENT ON THE SAME CIRCUIT. DISCONNECTS SHALL BE EQUAL TO OR GREATER THAN THE FUSING/BREAKER SIZE. FUSES SHALL BE SIZED ACCORDING TO THE EQUIPMENT PROTECTED. SEE LOAD SIDE OF DISCONNECTS FOR EQUIPMENT AS LISTED. PROVIDE GROUND LUG IN DISCONNECT TO GROUND ENCLOSURE.
10. ALL CIRCUITS SHALL HAVE GROUND WIRE.
11. RECEPTACLES: PROVIDE APPLETON U-LINE CLASS I EDA SERIES, 20A 125V/250V DUPLEX RECEPTACLES WITH MALEABLE IRON BACK BOXES. PROVIDE COMPLETE RECEPTACLE WITH COVERS AND WEATHERPROOF PLATES FOR EACH RECEPTACLE. PROVIDE APPLETON 2-UNIT EXP PLUS (OR EQUAL) FOR ALL RECEPTACLES. REPAINT EXISTING PLATES TO MATCH WITH NEW RECEPTACLES.

① MECHANICAL, ELECTRICAL AND PLUMBING SITE PLAN

SCALE 1"=20'-0"

0 10 20 40 80

DBR ENGINEERING CONSULTANTS
Project Number 0680D4.000
EXP | TV | EXP | MT

GIGNAC | ASSOCIATES

Consultants:
MEP:
DBR Engineering Consultants, Inc.
STRUCTURAL:
Hinojosa Engineering, Inc.
CIVIL:
Dos Logicos Inc.

STATE OF TEXAS — RICHARD PUENTES — 102338 — REGISTERED PROFESSIONAL ENGINEER
02/29/2012

SHERIFF'S SUBSTATION
HIDALGO COUNTY
HIDALGO, TEXAS

KEYPLAN

Project Number:	07.16
Drawing Date:	9/22/11
Drawn:	DBR
Checked:	DBR
Scale:	AS SHOWN
ACAD File:	SHEET.DWG

Revisions:

Sheet Title:
MECH. ELEC. AND PLUMB. SITE PLAN

Sheet No.:
MEP2.1

Feb 29, 2012 – 3:16pm User: dchavez
N:\06\06804.000\Drawings\0MEP-06804-MEP21.dwg

D. Wilson Construction Company
P.O. Box 3455
McAllen, TX 78502-3455
Ph : (956) 686-9573

PR-04R2

Change Request

To: Juan Mujica
Gignac & Associates
416 Starr Street
Corpus Christi, TX 78401-2343
Ph: (361)884-2661 Fax: (361)884-4232

Number: 4-R2
Date: 5/8/12
Job: 12-523 Sherriff's Office Substation
Phone:

Description: Revised Utility Drawings (Fire Marshal)

We are pleased to offer the following specifications and pricing to make the following changes:

As per revised drawing C1.8 (dated 03.09.12).

CREDIT:	
1. Delete 30' Steel Casing	$ 1,000.00
2. Delete 112' l.f. of Fire Line (E to W)	$ 1,680.00
TOTAL Credit:	$ 2,680.00
ADDITIONAL WORK:	
(See Attached Breakdown)	$26,130.00
GROSS CHANGE:	$23,450.00
Subcontractor Overhead & Profit: 10%	$ 2,345.00
SUB-TOTAL:	$25,795.00
G.C. Overhead & Profit: 5%	$ 1,290.00 (If not taken from contingency)
NET CHANGE:	$27,085.00

The total amount to provide this work is $27,085.00

If you have any questions, please contact me at 956-686-9573.

Submitted by: Robert A Gonzalez
D. Wilson Construction Compan

Approved by: _____
Date: _____

Cc:

D & D
Paving & Utilities, Inc.

May 8, 2012

Hidalgo Co. Sheriff's Substation

CREDIT:	
1. Delete 30' Steel Casing	$1,000.00
2. Delete 112' l.f. of Fire Line (E to W)	$1,680.00
TOTAL Credit:	$2,680.00
ADDITIONAL WORK:	
1. New Tap @ Loop	$1,100.00
2. Water Line @ Loop (209 l.f.)	$2,500.00
3. New Bore for 2nd Crossing	$4,000.00
4. Trench Protection for 2nd Crossing	$1,700.00
5. Flag man / Safety supervision	$1,000.00
6. Casings-120' l.f. (PVC Sch. 40)	$1,400.00
7. (2) Flow Detectors w/ fiberglass manholes	$9,097.00
8. Installation of (2) flow detectors & manholes	$2,900.00
9. (2) Concrete foundation for vaults	$800.00
10. Gravel for vaults	$300.00
11. Steel Casing Under Irrigation & Storm Sewer Lines	$1,333.00
TOTAL:	$26,130.00
GROSS CHANGE:	$23,450.00
Overhead & Profit (10%)	$2,345.00
NET CHANGE:	$25,795.00

702 W. Expressway 83, Ste., 120
Weslaco, TX 78596
Office (956) 969-3664
Fax (956) 968-3667 or 969-9634
E-mail: danddpaving09@yahoo.com

D. Wilson Construction Company
P.O. Box 3455
McAllen, TX 78502-3455
Ph : (956) 686-9573

PR-05

Change Request

To: Juan Mujica
Gignac & Associates
416 Starr Street
Corpus Christi, TX 78401-2343
Ph: (361)884-2661 Fax: (361)884-4232

Number: 5
Date: 4/19/12
Job: 12-523 Sherriff's Office Substation
Phone:

Description: Re-route Sanitary Sewer Line

We are pleased to offer the following specifications and pricing to make the following changes:

Delete approximately 60 l.f. of sanitary sewer line @ $9 l.f.

<$540.00>

The total amount to provide this work is ..... $-540.00

If you have any questions, please contact me at 956-686-9573.

Submitted by: Robert A. Gonzalez
D. Wilson Construction Compan

Approved by: _____
Date: _____

Cc:

D. Wilson Construction Company
P.O. Box 3455
McAllen, TX 78502-3455
Ph (956) 686-9573

PR-06

Change Request

To: Juan Mujica
Gignac & Associates
416 Starr Street
Corpus Christi, TX 78401-2343
Ph: (361)884-2661 Fax: (361)884-4232

Number: 7
Date: 5/8/12
Job: 12-523 Sherriff's Office Substation
Phone:

Description: Detention Door Changes

We are pleased to offer the following specifications and pricing to make the following changes:
Proposed changes to detention doors, frames & hardware as per Proposal Request #6.

Sweeper (See attached quote):	$6,130.00
Credit for Door #159 (See attached quote):	<$ 900.00>
Credit for CMU:	<$ 150.00>
Total:	$5,080.00
G.C. Overhead & Profit: 5%	$ 254.00 (If not taken from contingency)
NET CHANGE:	$5,334.00

The total amount to provide this work is $5,334.00

If you have any questions, please contact me at 956-686-9573.

Submitted by: Robert A. Gonzalez
D. Wilson Construction Compan

Approved by: _____
Date: _____

Cc:

SWEEPER®
METAL FABRICATORS CORP.
Drawer 672 • Drumright, OK 74030
PH: (918) 352-9180 FAX: (918) 352-2181

PURCHASER:	DATE: 5/7/2012	QUOTE NO.
D. Wilson Construction Company P.O. Box 3455 McAllen, TX 78502-3455 Attn: Robert Gonzalez	____ Original ___x___ Change Order	ADD. No.
	RE: Hidalgo County Sheriff's Substation	F.O.B. POINT Mfg. Dock SMF

QTY.	DESCRIPTION	PRICE
	SCOPE Provide the following changes:	
	*Change Door #148 from narrow lite to half glass.	$139.41
	*Provide and install one bar grate partition at Door #155. Partition to be installed in place of CMU wall shown on Floor Plan, Shall extend from floor to door frame head approximately 3' x 7' of approximately 6'.	
	*Delete products and installation associated with Door #158.	
	*Add Detention Door, Detention Door Frame with side lite, and keyed two sides Sliding Operator. Operator to be same as is being provided for the other sliding doors. Frame to be installed by others between Vestibule158 and Sally Port 500. Door and Operator to be installed into Door Frame by Seller.	$2,529.00 ($2,486.59) $4,434.30
	*Revise frames 148, 150 and 164 from 2" strike jamb to 8" strike jamb to accomadate specified hardware.	$480.00
	*Additional Engineering	$520.00
	Overhead/Profit 10%	$513.61
	Clarifications: *Taxes are not included. *All grout, sealants and caulking are excluded. *All finishes and applied coatings are excluded, except for manufacturer's standard shop primer. *All door frames and embedded items shall be installed by others. *Materials not installed by seller shall be received and unloaded by others.	
	Price	**$6,129.73**
	For any information concerning the above Scope of Work, Please Contact John Somers @ 918-352-9180.	

ALL PRODUCTS WILL BE FABRICATED FROM HOT ROLLED STEEL AND PRIMED SWEEPER METAL FAB. STANDARD WHERE NECESSARY UNLESS OTHERWISE EXPLICITLY STATED ON THE FACE OF THIS QUOTATION.

John Somers
Chief Estimator

SIGN AND RETURN ORIGINAL TO SWEEPER METAL FABRICATORS CORP.

ALL EXCLUSIONS AND TERMS AND CONDITIONS OF THIS QUOTATION ARE PRINTED ON REVERSE SIDE AND FORM AN INTEGRAL PART OF THIS QUOTATION AND SHOULD BE READ THOROUGHLY

Accepted By: _____ DATE _____
(Signature)

_____
(Printed Name)

SOUTH TEXAS ADB

AUSTIN • SAN ANTONIO • VALLEY

Project: 390024

- Sheriff's Substation Hildago County
Change Order # 5
Credit for opening 159

-1	**Pair Doors #159**	**Sally Port 500 from Vestibule 155**			**RHRA**
-1	**Door Frame #159**	**Sally Port 500 from Vestibule 155**			**RHRA**
-6	Hinges	CB1961R 4 1/2 x 4 1/2 NRP SRS TORX SCREWS	32D	ST	
-2	Flush Bolts	555	US26D	RO	
-1	Rim Cylinder	1E-72 PATD	626	BE	
-1	Mortise Cylinder	1E-74 PATD	626	BE	
-2	Door Closer	D-4550 EDA MC SEC SN	689	RY	
-2	Protection Plate	K1050 10" x 35" 4BE CSK TORX SCREWS (18)	US32D	RO	
-2	Door Stop	481	US26D	RO	
-2	Door Position Switch	MC4M		DM	
-1	Security Bar	3572 SP 84"		PE	
-1	Weatherstrip	2891 APK 240" Black Brush		PE	
-2	Door Bottom	315 CN 36"		PE	
-1	Threshold	1715 AK 72" ES14L		PE	

Section Totals (900.00)

Pre-Tax Total **(900.00)**

Gmail

Hidalgo Co. Sheriff's Substation - CR #7 - Detention Door Changes

robert g <robertg@dwilsonconstruction.com> Tue, May 8, 2012 at 2:31 PM
To: Juan Mujica <jmujica@gignac-associates.com>
Cc: Alex Palacios <apalacios@prodigycompany.com>, Jerry Garcia <jgarcia@prodigycompany.com>, Rich Shinsky <richs@dwilsonconstruction.com>, Juan Tapia <juan.tapia@hidalgoso.org>, Rene.Gonzalez@hidalgoso.org

Gentlemen,

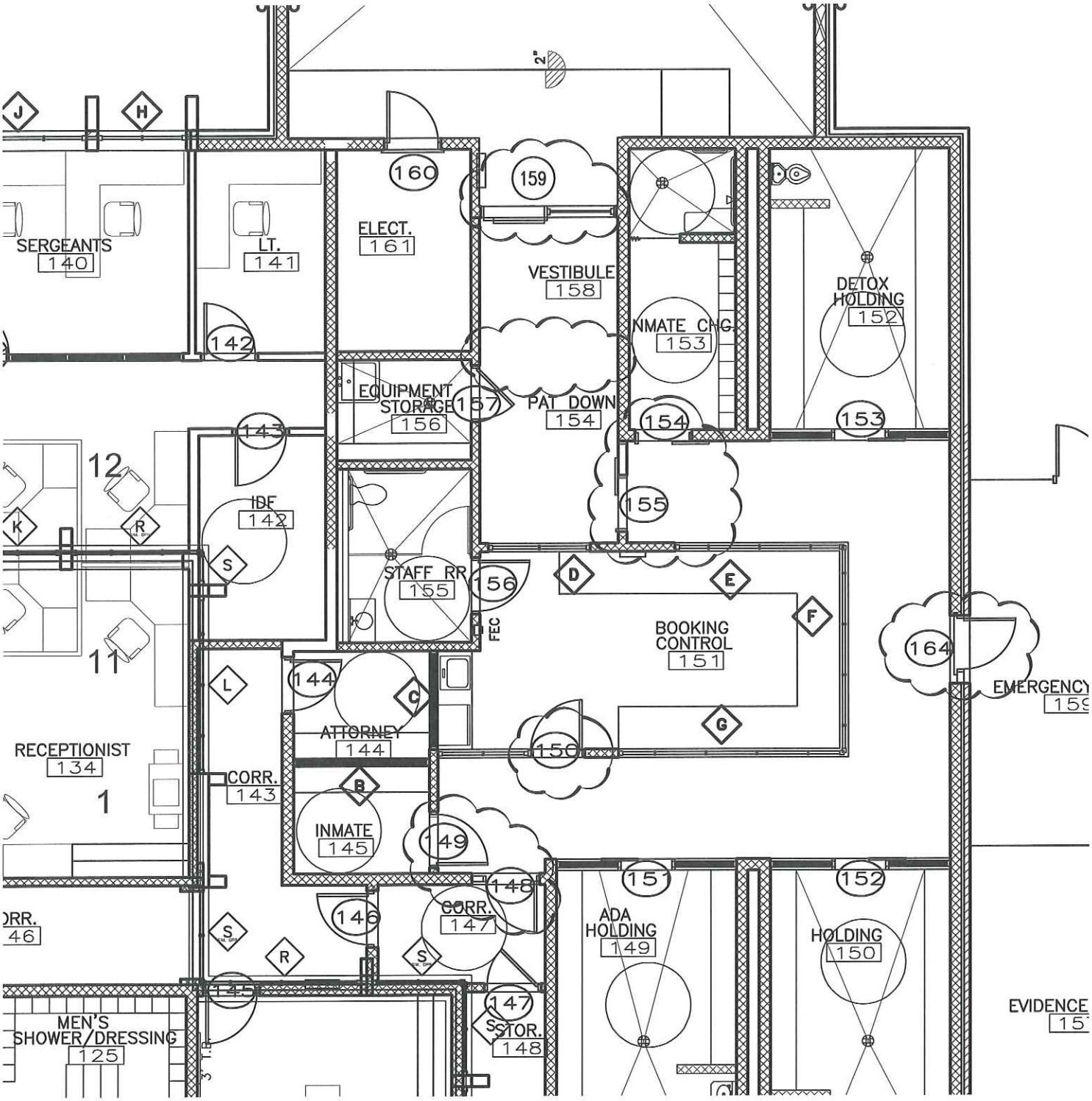
Please see attached CR #7 - Detention Door Changes for your review & comment.

We have not received any info from the MEP engineer, so this proposal does not include any changes made to MEP systems.

Thanks,

--
Robert Gonzalez
Assistant Project Manager
D. Wilson Construction Co.
P.O. Box 3455
1209 East Pecan
McAllen, TX 78502-3455
Tel: (956) 686-9573
Fax: (956) 686-3270
www.DWilsonConstruction.com

CR#7 - Detention Door Changes.pdf
513K



1 FLOOR PLAN

1/8" = 1'-0"

GIGNAC ARCHITECTS

416 STARR STREET, CORPUS CHRISTI, TEXAS 78401
PH 361 884-3661 FAX 361 884-4232

222 E VAN BUREN, STE. 102, HARLINGEN, TEXAS 78550
PH 956-365-4820 FAX 956 365-4822

PROJECT: Sheriff's Substation Hidalgo County

PROJECT NO.: 07.10

DATE: 04/18/12

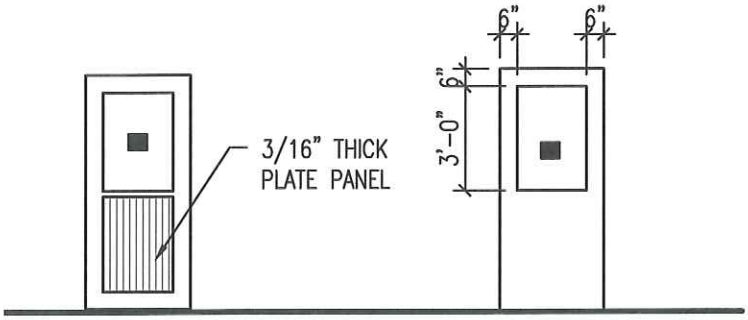
CHECKED BY: RG

DRAWN BY: ZM

RE: PR-06

DRAWING NUMBER SK-1

DWG. REF. A1.0



SD2– SLIDING DOOR AS SPEC.

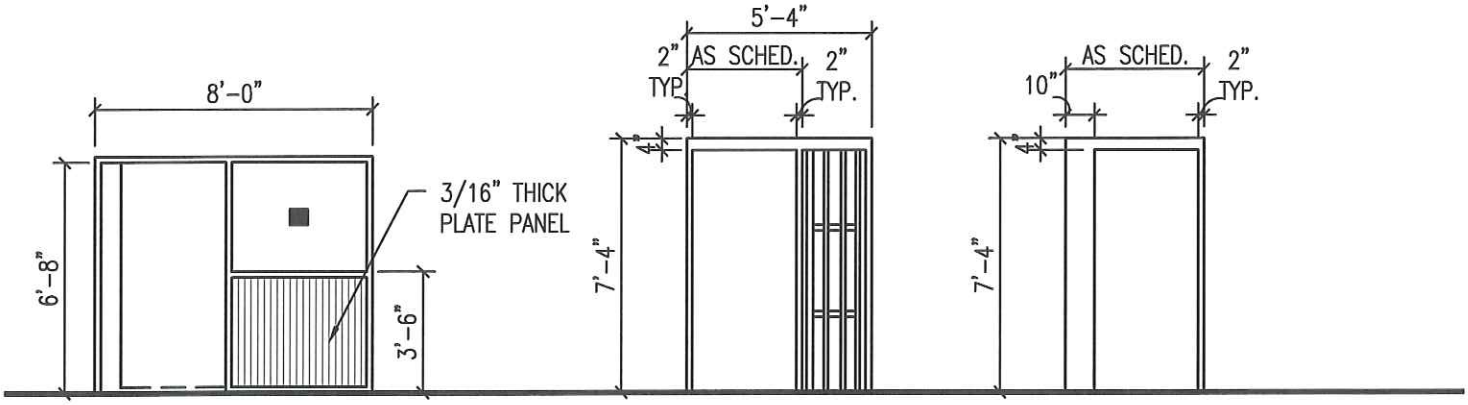
HG

GLAZING SCHEDULE

- TINTED INSULATED TEMPERED GLASS
- TINTED INSULATED PLATE GLASS
- 1/4" CLEAR PLATE GLASS
- 1/4" CLEAR FIRE RATED GLASS
- 1/4" CLEAR TEMPERED GLASS
- 9/16" IMPACT RESISTANT, PLEXI–GLASS
- BULLET PROOF GLASS
- 1/4" SPANDREL GLASS

2 DOOR TYPES

3/16" = 1'–0"



P Q R

1 FRAME TYPES

3/16" = 1'–0"

GIGNAC ARCHITECTS

416 STARR STREET, CORPUS CHRISTI, TEXAS 78401
PH 361 884-3661 FAX 361 884-4232

222 E. VAN BUREN, STE. 102, HARLINGEN, TEXAS 78550
PH 956-365-4820 FAX 956 365-4822

PROJECT: Sheriff's Substation Hidalgo County	PROJECT NO.: 07.10	DRAWING NUMBER SK-2
DATE: 04/18/12	CHECKED BY: RG	DWG. REF. A1.8
DRAWN BY: ZM	RE: PR-06	

DOOR AND FRAME SCHEDULE

DOOR #	DOOR				FRAME		DETAIL			FIRE RATING	NOTES
	WIDTH	HEIGHT	MATL	TYPE	MATL	TYPE	HEAD	JAMB	SILL		
(148)	3'-0"	7'-0"	STL.	(H.C.)	STL.	(R)			---	---	1, 2, 3
(149)	3'-0"	7'-0"	STL.	H.S.	STL.	(B)			---	---	1, 2
150	3'-0"	7'-0"	STL.	H.C.	STL.	J	1/A5.1B	2/A5.1B	---	---	1, 2
151	3'-0"	7'-0"	STL.	SD	STL.	M	---	---	---	---	Door to be detention door and frame
152	3'-0"	7'-0"	STL.	SD	STL.	M	---	---	---	---	Door to be detention door and frame
153	3'-0"	7'-0"	STL.	SD	STL.	M	---	---	---	---	Door to be detention door and frame
154	3'-0"	7'-0"	STL.	SD	STL.	(B)	---	---	---	---	Door to be detention door and frame
(155)	3'-0"	7'-0"	STL.	SS	STL.	Q					(1, 2)
156	3'-0"	7'-0"	P.L.	FL	H.M.	B	1/A5.1B	2/A5.1B	---	---	---
157	3'-0"	7'-0"	P.L.	FL	H.M.	B	1/A5.1B	2/A5.1B	---	---	---
(158)	3'-0"	7'-0"	STL.	SS	STL.	(B)	---	---	---	---	Access controlled—door to be detention door and frame
(159)	3'-0"	7'-0"	STL.	SD2	H.M.	P				---	(1, 2)
160	3'-0"	7'-0"	H.M.	FL	H.M.	B	7/A5.1B	8/A5.1B	9/A5.1B	---	---
161	3'-0"	7'-0"	H.M.	FL	H.M.	E	7/A5.1B	8/A5.1B	9/A5.1B	---	Access controlled
162	6'-0"	7'-0"	H.M.	FL	H.M.	B	10/A5.1B	11/A5.1B	9/A5.1B	---	Pair 3'-0"
163	6'-0"	7'-0"	ALUM.	STO.	ALUM.	(B)	10/A5.1B	11/A5.1B	9/A5.1B	---	Access controlled—pair 3'-0"
(164)	3'-0"	7'-0"	STL.	FL	STL.	(R)				---	(1, 2, 3)
167	3'-0"	7'-0"	P.L.	FL	H.M.	B	1/A5.1B	2/A5.1B	---	---	---
501	9'-0"	8'-6"	STL.	OCD	STL.	---	1/A5.1A	2/A5.1A	---	---	Access controlled (ELECTRONIC)
504	9'-0"	8'-6"	STL.	OCD	STL.	---	1/A5.1A	2/A5.1A	---	---	Access controlled (ELECTRONIC)

REMARKS

1. INCLUDE ACCESS CONTROL.
2. INCLUDE MANUAL OPERABLE ACCESS.
3. HARDWARE TO INCLUDE POP LOCK.

GIGNAC ARCHITECTS

416 STARR STREET, CORPUS CHRISTI, TEXAS 78401
PH 361 884-3661 FAX 361 884-4232

222 E. VAN BUREN, STE. 102, HARLINGEN, TEXAS 78550
PH 956-365-4820 FAX 956 365-4822

PROJECT:
Sheriff's Substation
Hidalgo County

PROJECT NO.: 07.10

DATE: 04/18/12

CHECKED BY: RG

DRAWN BY: ZM

RE: PR-06

DRAWING NUMBER
SK-3

DWG. REF.
A1.8

DBR
ENGINEERING CONSULTANTS

200 South 10th Street
Suite 901
McAllen, TX 78501

v 956.683.1640
f 956.683.1903

www.dbrinc.com

Change Proposal Request

DATE
April 25, 2012

TO
Juan Mujica/Gignac & Associates, Inc.

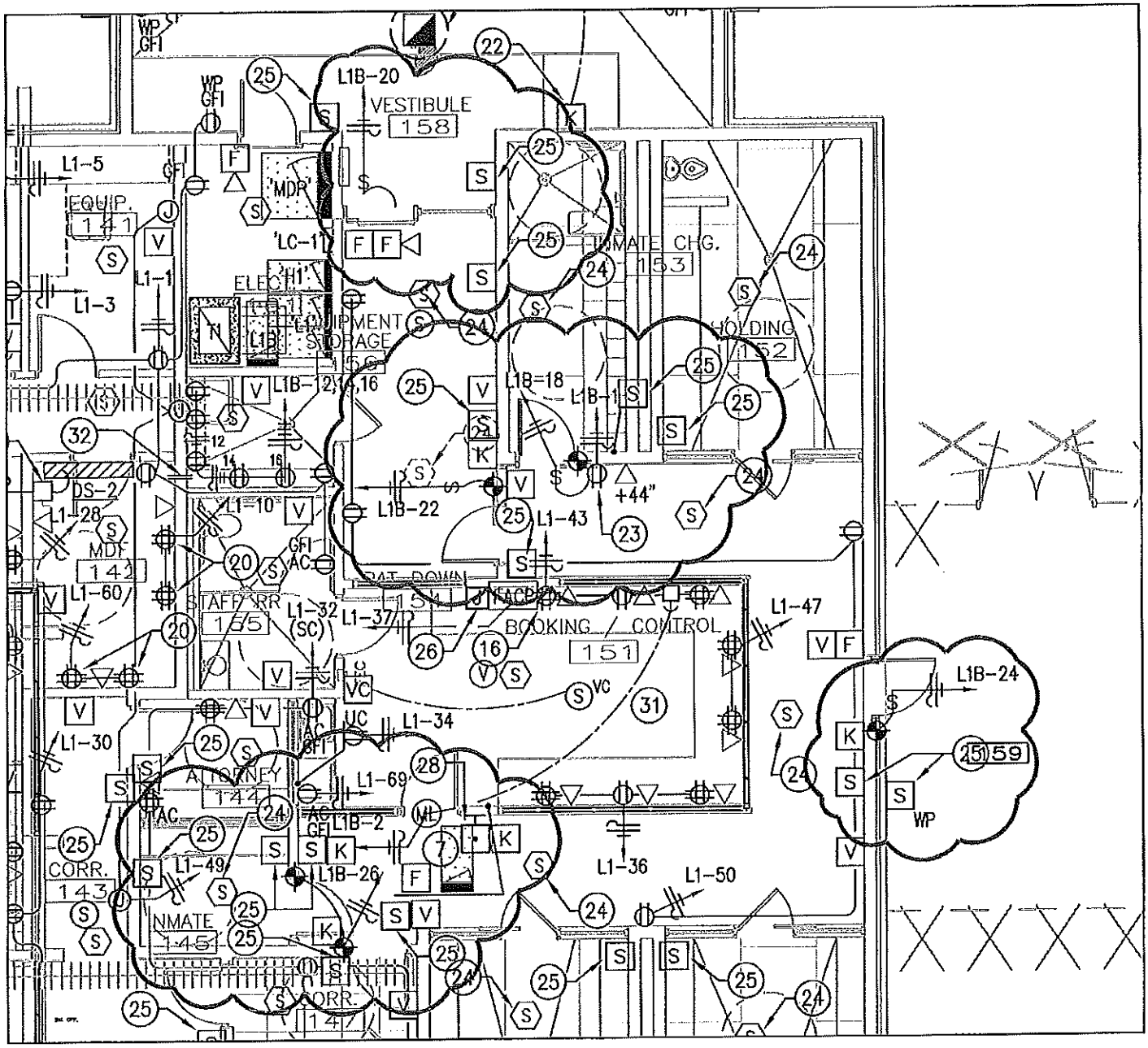
FROM
Daniel Chavez, Electrical Designer

PROJECT #08804.001 | Hidalgo County Sheriff's Substation

Item 01 **Sheet E3.1 – Electrical Power Plan**

A. Power, access control and vandal proof speakers for different doors.
   1. Door 159: provide power, access control and vandal proof intercom on both sides of door system.
   2. Door 155: provide power, access control and vandal proof intercom on both sides of door system.
   3. Door 164: provide power, access control and vandal proof intercom on both sides of door system. Add camera rough-in to exterior of door.
   4. Door 148: provide power, access control and vandal proof intercom inside containment area.
   5. Door 149: provide power, access control and vandal proof intercom inside room 145.
   6. Door 150: provide access control.
   7. Door 154: provide power, access control and vandal proof intercom inside room 153.

B. Refer to attached sketches.



1 / E3.1 ELECTRICAL POWER PLAN - BASE BID

1/8"=1'-0"

STATE OF TEXAS
EDWARD PUENTES
102338
LICENSED
PROFESSIONAL ENGINEER

04-25-12

DBR
ENGINEERING CONSULTANTS
200 SOUTH 10TH STREET
SUITE 901
McAllen, Texas 78501
956.683.1640 p
956.683.1903 f

PROJECT:
Sheriff's Substation
Hidalgo County

DBR PROJECT NO: 08804.000

DATE: 04/25/12	CHECKED BY: DBR
DRAWN BY: DBR	RE: PR-06

DRAWING NUMBER
SK-1
DWG. REF.
E3.1

Lighting Class Panelboard L1B

10,000 AIC Rating
Existing
X New

120/208 Volt,3-Phase,4-Wire | MCB | AMP MCB | X Single | Mounting
1 Section | X MLO | 100 AMP BUS | Double | X Surface
1 -Nema Rating | ISOL. GROUND BUS | Feed - Thru | Flush

Notes	Load (VA)	Description	Type	Wire	CB	CKT #	PH	CKT #	CB	Wire	Type	Description	Load (VA)	Notes
	900	FLOOR BUFFER	R	12	20/1	1	A	2	20/1	12	R	RECEPTACLES	540	
	900	FLOOR BUFFER	R	12	20/1	3	B	4	20/1	12	R	RECEPTACLES	800	
	900	FLOOR BUFFER	R	12	20/1	5	C	6	20/1	12	R	RECEPTACLES	500	
	900	FLOOR BUFFER	R	12	20/1	7	A	8	20/1	12	R	RECEPTACLES	580	
	900	FLOOR BUFFER	R	12	20/1	9	B	10	20/1	12	R	COPIER	600	
	900	FLOOR BUFFER	R	12	20/1	11	C	12	20/1	12	R	RECEPTACLES	720	
	900	FLOOR BUFFER	R	12	20/1	13	A	14	20/1	12	R	RECEPTACLES	360	
	540	RECEPTACLES	R	12	20/1	15	B	16	20/1	12	R	RECEPTACLES	720	
	540	RECEPTACLES	R	12	20/1	17	C	18	20/1	12	M	DOOR 164	600	
	540	RECEPTACLES	R	12	20/1	19	A	20	20/1	12	M	DOOR 159	1200	
	540	RECEPTACLES	R	12	20/1	21	B	22	20/1	12	M	DOOR 155	600	
	720	RECEPTACLES	R	12	20/1	23	C	24	20/1	12	M	DOOR 164	600	
		SPARE			20/1	25	A	26	20/1	12	M	DOORS 149,148	1200	
		SPARE			20/1	27	B	28	20/1			SPARE		
		SPARE			20/1	29	C	30	20/1			SPARE		
		SPARE			20/1	31	A	32	20/1			SPARE		
		SPARE			20/1	33	B	34	20/1			SPARE		
		SPARE			20/1	35	C	36	20/1			SPARE		
		SPARE			20/1	37	A	38	20/1			SPARE		
		SPARE			20/1	39	B	40	20/1			SPARE		
		SPARE			20/1	41	C	42	20/1			SPARE		
	9,180	Subtotal										Subtotal	8,940	

N.E.C.	Load Type	Conn.	Fct.	Diversity			Conn.	Fct.	Diversity
220-13	(R) Recept.	13,920		11,960	220-10(b)	(L) Lighting	0	125%	0
220-20	(K) Kitchen	0	100%	0		(EL) Ext. Ltg.	0	125%	0
220-21	(C) Cooling	0	0%	0	620-14	(E) Elevators	0	100%	0
220-21	(H) Heating	0	0%	0		(WH) Water Ht.	0	100%	0
220-21	(F) Fans	0	100%	0	220-14	(MT) Lrg. Mot.	0	125%	0
	(M) Misc.	4,200	100%	4,200		(SP) Sub Panel	0	100%	0

Total Connected Load 18,120 VA = 50.3 AMPS
Total Load (Diversified 16,160 VA = 44.9 AMPS

Location of Panel:

1 / E5.1 ELECTRICAL SCHEDULES

NTS

STATE OF TEXAS
EDWARD PUENTES
102338
LICENSED
PROFESSIONAL ENGINEER

04-25-12

DBR ENGINEERING CONSULTANTS
200 SOUTH 10TH STREET
SUITE 901
McAllen, Texas 78501
956.683.1640 p
956.683.1903 f

PROJECT: Sheriff's Substation Hidalgo County

DBR PROJECT NO: 08804.000

DATE: 04/25/12 | CHECKED BY: DBR
DRAWN BY: DBR | RE: PR-06

DRAWING NUMBER: SK-1
DWG. REF.: E5.1

D. Wilson Construction Company
P.O. Box 3455
McAllen, TX 78502-3455
Ph : (956) 686-9573

PR-07

Change Request

To: Juan Mujica
Gignac & Associates
416 Starr Street
Corpus Christi, TX 78401-2343
Ph: (361)884-2661 Fax: (361)884-4232

Number: 6
Date: 4/19/12
Job: 12-523 Sherriff's Office Substation
Phone:

Description: Credit for Concrete Encasement of Secondary Electrical Lines

We are pleased to offer the following specifications and pricing to make the following changes:

Delete approximately 54' l.f. of concrete encasement for secondary electrical lines.

4 yards @ $67.00 per yard: <$268.00>

The total amount to provide this work is ..... $-268.00

If you have any questions, please contact me at 956-686-9573.

Submitted by: Robert A. Gonzalez
D. Wilson Construction Compan

Approved by: _____
Date: _____

Cc:

Gmail

Hidalgo Co. Sheriff's Substation - CR #6 - Credit for Concrete Encasement of Secondary Electrical Lines

robert g <robertg@dwilsonconstruction.com> Fri, Apr 20, 2012 at 8:20 AM
To: Juan Mujica <jmujica@gignac-associates.com>
Cc: Alex Palacios <apalacios@prodigycompany.com>, Jerry Garcia <jgarcia@prodigycompany.com>, Edward Puentes <EPuentes@dbrinc.com>, Danny Gutierrez <dgutierrez@dbrinc.com>

Gentlemen,

Please see attached CR #6 - Credit for Concrete Encasement of Secondary Electrical Lines for review & comment.

Thanks,

--
Robert Gonzalez
Assistant Project Manager
D. Wilson Construction Co.
P.O. Box 3455
1209 East Pecan
McAllen, TX 78502-3455
Tel: (956) 686-9573
Fax: (956) 686-3270
www.DWilsonConstruction.com

CR #6 - Credit for Concrete Encasement of Secondary Electrical Lines.pdf
21K

AI-32707 **Closed Session 19. C.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Valde Guerra **Submitted By:** Aida Alvarez, SAFETY DIVISION

Department: SAFETY DIVISION

Information

CAPTION

Claim of Mateo Rosales

BACKGROUND

Form Review

Inbox	Reviewed By	Date
Budget & Management	Ivan Cantu	06/06/2012 03:23 PM
Auditor's Office	Arcilia Duran	06/07/2012 09:31 AM
Purchasing Department	Marty Salazar	06/07/2012 11:21 AM
Form Started By: Aida Alvarez		Started On: 06/06/2012 03:22 PM
	Final Approval Date: 06/07/2012	

AI-32739 **Closed Session 19. D.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Valde Guerra **Submitted By:** Aida Alvarez, SAFETY DIVISION

Department: SAFETY DIVISION

Information

CAPTION

Claim of Linda Garza

BACKGROUND

Form Review

Inbox	Reviewed By	Date
Budget & Management	Ivan Cantu	06/07/2012 12:39 PM
Auditor's Office	Arcilia Duran	06/08/2012 11:42 AM
Purchasing Department	Marty Salazar	06/13/2012 03:12 PM

Form Started By: Aida Alvarez Started On: 06/07/2012 11:34 AM

Final Approval Date: 06/13/2012

AI-32744 **Closed Session 19. E.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Valde Guerra **Submitted By:** Aida Alvarez, SAFETY DIVISION

Department: SAFETY DIVISION

Information

CAPTION

Claim of AT&T

BACKGROUND

Form Review

Inbox	Reviewed By	Date
Budget & Management	Ivan Cantu	06/07/2012 02:34 PM
Auditor's Office	Arcilia Duran	06/08/2012 11:40 AM
Purchasing Department	Marty Salazar	06/13/2012 03:12 PM
Form Started By: Aida Alvarez		Started On: 06/07/2012 02:25 PM
	Final Approval Date: 06/13/2012	

AI-32842 **Closed Session 19. F.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Valde Guerra **Submitted By:** Aida Alvarez, SAFETY DIVISION

Department: SAFETY DIVISION

Information

CAPTION

Claim of Jose M. Rodriguez & Gonzalo Rodriguez

BACKGROUND

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/15/2012 08:01 AM
Auditor's Office	Arcilia Duran	06/19/2012 11:06 AM
Purchasing Department	Marty Salazar	06/19/2012 11:14 AM

Form Started By: Aida Alvarez Started On: 06/14/2012 04:21 PM

Final Approval Date: 06/19/2012

AI-32929 **Closed Session 19. G.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Valde Guerra **Submitted By:** Aida Alvarez, SAFETY DIVISION

Department: SAFETY DIVISION

Information

CAPTION

Claim of Dinora Mariscal

BACKGROUND

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/20/2012 04:08 PM
Auditor's Office	Arcilia Duran	06/21/2012 10:07 AM
Purchasing Department	Marty Salazar	06/21/2012 12:30 PM

Form Started By: Aida Alvarez Started On: 06/20/2012 03:58 PM

Final Approval Date: 06/21/2012

AI-32895 **Closed Session 19. H.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Valde Guerra **Submitted By:** Aida Alvarez, SAFETY DIVISION

Department: SAFETY DIVISION

Information

CAPTION

Claim of Andres Lozano

BACKGROUND

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/19/2012 04:13 PM
Auditor's Office	Arcilia Duran	06/20/2012 09:20 AM
Purchasing Department	Marty Salazar	06/20/2012 07:43 PM

Form Started By: Aida Alvarez Started On: 06/19/2012 03:21 PM

Final Approval Date: 06/20/2012

AI-32953 **Closed Session 19. I.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted By: Monica Badillo, EXECUTIVE OFFICE

Department: EXECUTIVE OFFICE

Information

CAPTION

Claim of Andy Taylor & Associates

BACKGROUND

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/22/2012 10:03 AM
Auditor's Office	Arcilia Duran	06/22/2012 11:48 AM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Monica Badillo Started On: 06/22/2012 09:47 AM

Final Approval Date: 06/22/2012

AI-32957 **Closed Session 19. J.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted By: Monica Badillo, EXECUTIVE OFFICE

Department: EXECUTIVE OFFICE

Information

CAPTION

Claim of Brian Valadez

BACKGROUND

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/22/2012 10:50 AM
Auditor's Office	Arcilia Duran	06/22/2012 11:48 AM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Monica Badillo Started On: 06/22/2012

Final Approval Date: 06/22/2012

AI-32959 **Closed Session 19. K.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted By: Monica Badillo, EXECUTIVE OFFICE

Department: EXECUTIVE OFFICE

Information

CAPTION

EEOC Charge No. 451-2012-00336; Nancy Salinas v. Hidalgo County Community Service Agency

BACKGROUND

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/22/2012 10:50 AM
Auditor's Office	Arcilia Duran	06/22/2012 11:48 AM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Monica Badillo Started On: 06/22/2012

Final Approval Date: 06/22/2012

AI-32969 **Closed Session 19. L.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted By: Michael Leo, COUNTY JUDGE

Department: COUNTY JUDGE

Information

CAPTION

Deliberation regarding the following Economic Development Negotiations pursuant to Chapter 551, Texas Government Code, Section 551.087: Project Hard Core - Tax Abatement.

BACKGROUND

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/22/2012 02:06 PM
Auditor's Office	Arcilia Duran	06/22/2012 02:42 PM
Dina Trevino	Merlen P. Munoz	06/22/2012 03:49 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Michael Leo Started On: 06/22/2012 01:53 PM

Final Approval Date: 06/22/2012

AI-32708 **Open Session 20. C.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Valde Guerra **Submitted By:** Aida Alvarez, SAFETY DIVISION

Department: SAFETY DIVISION

Information

CAPTION

Claim of Mateo Rosales

BACKGROUND

Form Review

Inbox	Reviewed By	Date
Budget & Management	Ivan Cantu	06/06/2012 03:31 PM
Auditor's Office	Arcilia Duran	06/07/2012 09:31 AM
Purchasing Department	Marty Salazar	06/07/2012 11:21 AM
Form Started By: Aida Alvarez		Started On: 06/06/2012 03:23 PM
	Final Approval Date: 06/07/2012	

AI-32740 **Open Session 20. D.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Valde Guerra **Submitted By:** Aida Alvarez, SAFETY DIVISION

Department: SAFETY DIVISION

Information

CAPTION

Claim of Linda Garza

BACKGROUND

Form Review

Inbox	Reviewed By	Date
Budget & Management	Ivan Cantu	06/07/2012 12:39 PM
Auditor's Office	Arcilia Duran	06/08/2012 11:42 AM
Purchasing Department	Marty Salazar	06/13/2012 03:12 PM

Form Started By: Aida Alvarez Started On: 06/07/2012 11:35 AM

Final Approval Date: 06/13/2012

AI-32745 **Open Session 20. E.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Valde Guerra **Submitted By:** Aida Alvarez, SAFETY DIVISION

Department: SAFETY DIVISION

Information

CAPTION

Claim of AT&T

BACKGROUND

Form Review

Inbox	Reviewed By	Date
Budget & Management	Ivan Cantu	06/07/2012 02:34 PM
Auditor's Office	Arcilia Duran	06/08/2012 11:40 AM
Purchasing Department	Marty Salazar	06/13/2012 03:12 PM
Form Started By: Aida Alvarez		Started On: 06/07/2012 02:26 PM
	Final Approval Date: 06/13/2012	

AI-32843 **Open Session 20. F.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Valde Guerra **Submitted By:** Aida Alvarez, SAFETY DIVISION

Department: SAFETY DIVISION

Information

CAPTION

Claim of Jose M. Rodriguez & Gonzalo Rodriguez

BACKGROUND

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/15/2012 08:01 AM
Auditor's Office	Arcilia Duran	06/19/2012 11:06 AM
Purchasing Department	Marty Salazar	06/19/2012 11:14 AM

Form Started By: Aida Alvarez Started On: 06/14/2012 04:34 PM

Final Approval Date: 06/19/2012

AI-32930 **Open Session 20. G.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Valde Guerra **Submitted By:** Aida Alvarez, SAFETY DIVISION

Department: SAFETY DIVISION

Information

CAPTION

Claim of Dinora Mariscal

BACKGROUND

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/20/2012 04:08 PM
Auditor's Office	Arcilia Duran	06/21/2012 10:07 AM
Purchasing Department	Marty Salazar	06/21/2012 12:30 PM

Form Started By: Aida Alvarez Started On: 06/20/2012 04:01 PM

Final Approval Date: 06/21/2012

AI-32896 **Open Session 20. H.**

CC REGULAR

Meeting Date: 06/26/2012

Department Head: Valde Guerra **Submitted By:** Aida Alvarez, SAFETY DIVISION

Department: SAFETY DIVISION

Information

CAPTION

Claim of Andres Lozano

BACKGROUND

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/19/2012 04:13 PM
Auditor's Office	Arcilia Duran	06/20/2012 09:20 AM
Purchasing Department	Marty Salazar	06/20/2012 07:43 PM

Form Started By: Aida Alvarez Started On: 06/19/2012 03:22 PM

Final Approval Date: 06/20/2012

AI-32954 **Open Session 20. I.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted By: Monica Badillo, EXECUTIVE OFFICE

Department: EXECUTIVE OFFICE

Information

CAPTION

Claim of Andy Taylor & Associates

BACKGROUND

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/22/2012 10:03 AM
Auditor's Office	Arcilia Duran	06/22/2012 11:48 AM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Monica Badillo Started On: 06/22/2012 09:48 AM

Final Approval Date: 06/22/2012

AI-32958 **Open Session 20. J.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted By: Monica Badillo, EXECUTIVE OFFICE

Department: EXECUTIVE OFFICE

Information

CAPTION

Claim of Brian Valadez

BACKGROUND

County Attys. - Gonzalez & Palacios
Gerald E. Castillo

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/22/2012 10:50 AM
Auditor's Office	Arcilia Duran	06/22/2012 11:48 AM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Monica Badillo Started On: 06/22/2012

Final Approval Date: 06/22/2012

AI-32961 **Open Session 20. K.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted By: Monica Badillo, EXECUTIVE OFFICE

Department: EXECUTIVE OFFICE

Information

CAPTION

EEOC Charge No. 451-2012-00336; Nancy Salinas v. Hidalgo County Community Service Agency

BACKGROUND

Atty. - Josie Ramirez

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/22/2012 10:50 AM
Auditor's Office	Arcilia Duran	06/22/2012 11:48 AM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Monica Badillo Started On: 06/22/2012

Final Approval Date: 06/22/2012

AI-32966 **Open Session 20. L.**

CC REGULAR

Meeting Date: 06/26/2012

Submitted By: Michael Leo, COUNTY JUDGE

Department: COUNTY JUDGE

Information

CAPTION

Deliberation regarding the following Economic Development Negotiations pursuant to Chapter 551, Texas Government Code, Section 551.087: Project Hard Core - Tax Abatement.

BACKGROUND

Form Review

Inbox	Reviewed By	Date
Budget & Management	Merlen P. Munoz	06/22/2012 02:06 PM
Auditor's Office	Arcilia Duran	06/22/2012 02:43 PM
Dina Trevino	Merlen P. Munoz	06/22/2012 03:48 PM
Purchasing Department	Monica Badillo	06/22/2012 04:25 PM

Form Started By: Michael Leo Started On: 06/22/2012 01:33 PM

Final Approval Date: 06/22/2012