

October 3, 2014

Ms. Diana Serna, Director
Hidalgo County Urban County Program
427 E. Duranta Ave.
Suite 107
Alamo, TX 78516

Re: Civil Engineering for the Public Improvements of Peñitas Street and Pike Avenue in the City of Peñitas, Texas

Dear Ms. Serna:

South Texas Infrastructure Group, LLC appreciates the opportunity to submit this proposal for professional services for above referenced project in the City of Penitas, Texas.

Penitas Street (Estimated Construction Cost: \$172,066.25)

Pike Avenue (Estimated Construction Cost: \$40,404.50)

Our Scope of Services includes the following:

- | | |
|--|--------------------|
| I. Boundary/Topographic Survey of proposed site | \$4,375.00 |
| South Texas Infrastructure Group, LLC will provide Boundary and Topography for the above mentioned project. | |
| II. Construction Plans and Specifications | \$16,108.00 |
| This scope includes the preparation of plans for the construction and approval of pavement and drainage. The Set of plans shall include an existing condition, pavement and drainage plan and profiles and details. Also included are the As-Built drawing of the project, after construction is completed. Sufficient information shall be included for staking improvements. The Client shall provide Geotechnical Report with Pavement Recommendations, required. | |
| III. Construction Management | \$4,000.00 |
| This task includes performing work for the public improvements and will include the following: | |
| <ul style="list-style-type: none">• Site Observation Visits• Review Construction Material Testing• Review Contractor's Payment Application• Prepare Certificate of Completion | |

Our proposal is based on the following assumptions and exclusions:

- Engineering fees included in this proposal only apply to items specifically listed in this proposal. No additional items are assumed or included unless requested in writing prior to signing the Professional Services Agreement. Engineering fees for additional work including, but not limited to, additional utility improvements/relocations and roadway improvements and/or reconstruction are not included in this proposal.
- All topographic survey information required for this project shall be provided by South Texas Infrastructure Group, LLC. Topographic survey shall be provided by South Texas Infrastructure Group and performed by a Registered Public Land Surveyor.
- No architectural, landscape, irrigation, mechanical, electrical, plumbing or structural design is included herein.
- If a Traffic Impact Analysis is required, a separate proposal shall be provided for these services.
- Geotechnical engineering services are not included in this Scope. All pavement and earthwork (cut/fill) shown on Civil Plans will follow the geotechnical engineering recommendations. Geotechnical materials testing during construction is not included in this Scope.
- Agency review fees and impact fees are not included herein.
- City, state, or county-required fees are not included herein.
- Coordination/negotiations with Client's lender, attorney, property seller, property closing agreement, homeowner associations, and/or adjacent property owners are not included in this proposal.
- Management of Sub-consultants, Contractor, and/or Subcontractors is not included herein and shall be performed by Client.
- Horizontal and vertical control shall be shown on the Construction Plans. Construction Staking shall be performed by a Registered Public Land Surveyor.

REIMBURSABLE EXPENSES AND ADDITIONAL SERVICES

1. Out-of-pocket expenses related to courier expenses and reprographics shall be reimbursed at cost.
2. Additional services required by the Client that may arise and are not outlined above shall be compensated on an hourly basis per work authorization by Client.

SCOPE SUMMARY:

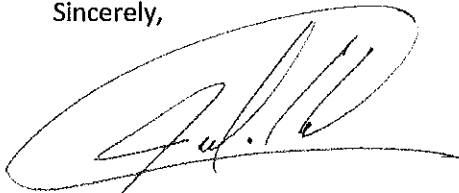
I. **Penitas and Pike Street** \$ 24,483.00

Total: \$ 24,483.00

Provided this Scope of Services and basis of compensation is acceptable to you, please sign the attached "Professional Services Agreement" and forward a copy to our office. This will serve as notification to proceed with the work.

We appreciate the opportunity to work with you on this project. Please do not hesitate to contact our office should you have any questions.

Sincerely,

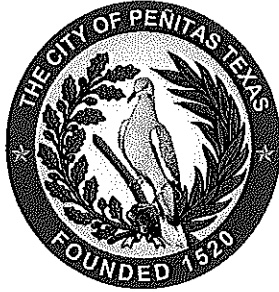


Julio C. Cerda, P.E.
President/CEO
R. O. W. Surveying Services, LLC

Exhibit "D"
BUDGET
LUMP SUM RATE BASIS OF PAYMENT

Work Authorization No. X

Item	Description	B	C	D	E	F South Texas Infrastructure Group, LLC				K	L	
						SENIOR ENGR.	ENGINEER TECH	SENIOR CAD/TECHNICIAN	JUNIOR CAD/TECHNICIAN			
1	Highway: Phillips St.											
2	County: Hidalgo County, Texas											
3	From: US 83 to Pike Ave											
4	Description of Work: Street Improvements											
5		PRINCIPAL	PROJECT MANAGER	PROJECT ENGINEER	BIT	SENIOR ENGR. TECH	ENGINEER TECH	SENIOR CAD/TECHNICIAN	JUNIOR CAD/TECHNICIAN	ADMIN/ CLERICAL	Total Hours	Cost
6												
7												
8												
9	Roadway Design Plans and Specifications (Phillips and Pike St. Improvements)											
10	Design Plans											
11	1.0 Roadway Design Plan and Profiles	0	0	16	20	0	50	0	0	0	86	\$ 7,100.00
12	2.0 Drainage and Utility Design Plan and Profile	0	0	18	20	0	40	0	0	0	78	\$ 6,350.00
13	3.0 Details and Technical Specifications	0	0	8	8	0	19	0	0	0	32	\$ 2,688.00
14												
15												
16												
17	Roadway Construction Management (Phillips and Pike St. Improvements)											
18	1.0 Construction Management	0	0	32	10	0	0	0	0	0	42	\$ 4,000.00
19												
20												
21												
22												
23												
24	Field Surveying (Phillips and Pike St. Improvements)											
25	A. Control Hz and Vt											
26	I. Primary Project Control	0	1	0	0	0	0	0	0	0	5	\$ 745.00
27	II. Establish Primary Control											
28	III. Secondary Project Control	0	0	0	0	0	0	0	0	0	0	\$ -
29	I. Set additional secondary control points as needed	0	1	0	0	0	0	0	0	0	4	\$ 590.00
30	II. Horizontal values established with RTK or VRS	0	1	0	0	0	0	0	0	0	4	\$ 590.00
31	III. Vertical values established with digital level	0	0	0	0	0	0	0	0	0	0	\$ -
32	III. Setting Benchmarks @ 1500'(ft) intervals	0	1	0	0	0	0	0	0	0	3	\$ 435.00
33	I. Setting Benchmarks @ 1500'(ft) intervals											
34												
35	B. Design Surveys											
36	I. Topographic & Crosssections	0	0	0	0	0	0	0	0	0	6	\$ 990.00
37	II. Locate Visible Utilities	0	0	0	0	0	0	0	0	0	1	\$ 155.00
38	III. Utilities	0	0	0	0	0	0	0	0	0	1	\$ 155.00
39	IV. Proposed Centerline on Existing Pavement	0	0	0	0	0	0	0	0	0	1	\$ 155.00
40	V. Profile and Cross section Intersecting Streets	0	0	0	0	0	0	0	0	0	1	\$ 155.00
41	VI. Drivers and Turnouts	0	0	0	0	0	0	0	0	0	1	\$ 155.00
42	VII. Existing Storm Drain	0	0	0	0	0	0	0	0	0	1	\$ 155.00
43	VIII. Interchange Crossings	0	0	0	0	0	0	0	0	0	0	\$ -
44	IX. Cross Culverts, Driveway Culverts, Inverts	0	0	0	0	0	0	0	0	0	0	\$ -
45	X. Outfalls	0	0	0	0	0	0	0	0	0	1	\$ 155.00
46												
47												
48												
	Subtotal Hours	0	4	0	0	0	25	0	0	0	29	\$ 4,375.00
	Subtotal Cost	\$0.00	\$600.00	\$0.00	\$0.00	\$3,875.00	\$0.00	\$0.00	\$0.00	\$0.00		



CITY OF PEÑITAS

Mayor Marcos Ochoa
Mayor Pro-Tem Antonio "Tony" Flores Jr.
Commissioner Tomas Cedillo
Commissioner Jose Roel Flores
Commissioner Alejandro Guajardo
City Manager Oscar Cuellar

October 3, 2014

Ms. Diana Serna, Director
Hidalgo County Urban County Program
3312 W. Alberta Rd.
Edinburg, Texas 78539

Dear Ms. Serna

We have reviewed the final offer for \$24,483.00 submitted by South Texas Infrastructure Group for the Street Paving project and recommend approval.

Please schedule for Commissioner's Court approval as soon as possible so we can proceed with the project.

If you have any questions please contact me at oscarpenitas@yahoo.com or at 956-240-1106.

Respectfully

Oscar Cuellar Jr.
City Manager





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
04/09/2014

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 Willis of Texas, Inc. c/o 26 Century Blvd P.O. Box 305191 Nashville, TN 372305191 USA	CONTACT NAME: PHONE (A/C, No, Ext): 1-877-945-7378		FAX (A/C, No): 1-888-467-2378
	E-MAIL ADDRESS: certificates@willis.com		
INSURED South Texas Infrastructure Group LLC; R.O.W. Surveying Services, LLC 900 S Stewart #11 Mission, TX 78572	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Sentinel Insurance Company Ltd.		11000
	INSURER B: Trumbull Insurance Company		27120
	INSURER C: Underwriters Lloyds Insurance Company		37559
	INSURER D: INSURER E: INSURER F:		

COVERAGES **CERTIFICATE NUMBER:** W293445 **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 CERTIFICATION 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			65 SBA IX7735	04/10/2014	04/10/2015	EACH OCCURRENCE \$ 1,000,000	
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$	
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	Y	Y				MED EXP (Any one person) \$ 10,000	
	GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY \$ 1,000,000	
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						GENERAL AGGREGATE \$ 2,000,000	
							PRODUCTS - COMPIOP AGG \$ 2,000,000	
							\$	
A	AUTOMOBILE LIABILITY			65 UBC AW2107	04/10/2014	04/10/2015	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000	
	<input checked="" type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$	
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS	Y				Y	BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident) \$
							\$	
	UMBRELLA LIAB						EACH OCCURRENCE \$	
	EXCESS LIAB						AGGREGATE \$	
	DED						\$	
	RETENTION \$						\$	
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			65 WBC AH9283	04/10/2014	04/10/2015	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N	N/A				Y	E.L. EACH ACCIDENT \$ 1,000,000
	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	Per Claim			ANE1337045.14	04/10/2014	04/10/2015	\$1,000,000	
	Aggregate						\$1,000,000	
	Retention Per Claim						\$5,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Certificate holder is included as an Additional Insured as respects to General Liability and Automobile Liability.

Waiver of Subrogation applies in favor of the Additional Insured with respects to General Liability, Automobile Liability and Workers Compensation (per the attached endorsement), as permitted by law.

CERTIFICATE HOLDER

CANCELLATION

Hidalgo County
2812 S. Business Highway 281
Edinburg, TX 78539

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
Brian Lewis

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AGENCY CUSTOMER ID: _____

LOC #: _____



ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

AGENCY Willis of Texas, Inc.		NAMED INSURED South Texas Infrastructure Group LLC; R.O.W. Surveying Services, LLC 900 S Stewart #11 Mission, TX 78572	
POLICY NUMBER See Page 1		EFFECTIVE DATE: See Page 1	
CARRIER See Page 1	NAIC CODE See Page 1		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

Automobile Liability shall be Primary and Non-Contributory with any other insurance in force for or which may be purchased by the Additional Insured, per the broad form endorsement attached.

STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

Professional Services Agreement

This Agreement, entered into this 14th day of October, 2014 by and between Urban County Program, (hereinafter called the "Party") and South Texas Infrastructure Group, duly authorized Engineer, herein acting by Julio C. Cerda, President/CEO (hereinafter called the "Engineer").

WITNESSETH THAT:

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

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

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

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

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

**SECTION I
EMPLOYMENT OF THE ENGINEER**

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

**SECTION II
BASIC SERVICES OF THE ENGINEER**

The Engineer shall perform the following Basic Services in connection with the proposed Peñitas Street Improvements Account(s) 5013-60-0311-5000-6000-UCP-GVG (the "Project") as more particularly described in Exhibit A attached hereto.

2.1 Preliminary Phase

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

2.2 Design Phase

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

2.3 Construction Phase

The Construction Phase will commence with the execution of the prime construction contract(s). The Party will issue a ten (10) day commence work notice which will signal the commencement of work under any construction contracts and will terminate upon the Party's approval of the Engineer's written approval of final payment to the Contractor(s). During the Construction Phase, the Engineer will:

- a. Assist the Party in opening and tabulating bids for the construction of the Project, and advise the Party in establishing the procedure for entering into construction phase.
- b. Prepare the formal Contract Documents for the Contractor.
- c. Make periodic visits to the site as required pursuant to the standards of Professional Engineers on projects of this nature, provide project construction supervision, to observe the progress and quality of the executed work and to determine if the work is proceeding in accordance with the contract documents.
- d. Consult with and advise the Party and issue all instructions and Change Orders to the Contractor selected by the Party.
- e. During the progress of actual construction, Engineer will keep continually the Owner informed with brief and concise information. A monthly progress report will be prepared and delivered to the Party including but limited to monies spent, construction time elapsed, percent of Project completed, a brief narrative of problems encountered and the anticipated completion date.
- f. Review shop and working drawings furnished by Contractor(s) for general compliance with design concept and with information given in contract documents.
- g. Review and provide a recommendation concerning samples, catalog data, schedules, shop drawings, laboratory, shape and mill tests of material and equipment and other data which the Contractor is required to submit, in compliance with the Contract Documents.
- h. Prepare monthly and final estimates for payments to Contractor(s).
- i. Engineer shall accompany the Party on the Final Inspection to assure that the total work has been completed in accordance with the Contract Documents.
- j. Prior to the Party's dispersal of any retainage of funds, render a written opinion to the Party that the construction has been completed according to the Contract Documents and provide the Party with a certificate of completion and release of liens documents from subcontractors.
- k. Provide the Party with bond copies of as-built drawings of the constructed improvements, within sixty (60) days of issuance of certificate of completion.
- l. The Engineer will be responsible for interim and final inspection.
- m. Furnish to the Party six (6) sets of plans and six (6) sets of specifications and contract documents.

**SECTION III
ADDITIONAL SERVICES OF THE ENGINEER**

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

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

**SECTION IV
REIMBURSABLE EXPENSES**

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

**SECTION V
THE PARTY'S RESPONSIBILITIES**

The Party will:

- 5.1 Provide full information as to requirements for the Project.
- 5.2 Assist the Engineer by providing all available information pertinent to the Project including reports and any other data relative to design and construction of the Project.
- 5.3 Furnish the services or data as required such as appropriate professional interpretations of all of the foregoing; property, boundary, easement, right-of-way, zoning, and deed restrictions; all of which the Engineer may rely upon in performing his services under this agreement.
- 5.4 Guarantee access to and make all provisions for the Engineer to enter upon public and private property as required for the Engineer to perform his services under this Agreement.
- 5.5 Examine all studies, reports, sketches, estimates, specifications, drawings, proposals, and other documents presented by the Engineer.

- 5.6 Pay for all costs incident to advertising and obtaining bids or proposals from Contractors.
- 5.7 Provide such legal and accounting services required to discharge the Party's responsibility under the terms of this Agreement and any Agreement with any governmental agency as may be required for the project, and such auditing services as the Party may require to ascertain how or for what purpose any Contractor has used the monies paid to him under the construction contract.
- 5.8 Give prompt written notice to the Engineer whenever the Party observes or otherwise becomes aware of any defect in the Project.

SECTION VI PAYMENTS TO THE ENGINEER

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

- 6.1 The Engineer shall be paid a total fixed amount of **\$ 24,483.00.00** for services rendered under this contract. Payment shall be based on request for reimbursements with documentation requested by the Party. The Engineer's fee shall be due and payable as outlined in Sections 6.2, 6.3, and 6.4 as follows.
- 6.2 At Engineer's completion and Party's approval of the Engineer's services under the Preliminary Phase, Section 2.1 of this Agreement, Party shall pay a maximum of 15% of the sum set forth in Section 6.1 above.
- 6.3 At Engineer's completion and Party's approval of the Engineer's services under the Design Phase, Section 2.2 of this Agreement, Party shall pay a maximum of 60% of the sum set forth in Section 6.1 above.
- 6.4 At Engineer's completion and Party's approval of the Engineer's services under the Construction Phase, Section 2.3 of this Agreement, Party shall pay a maximum of 25% of the sum set forth in Section 6.1 above. Such sum to be paid periodically proportionately to the percentage of construction completed by the Contractor as determined by Engineer's reports.
- 6.5 For Additional Services as provided in Section III herein the Engineer shall be paid a sum of 1.1 times the Engineer's actual cost for such services.

SECTION VII OWNERSHIP OF DOCUMENTS

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

SECTION VIII TERMINATION

The Party may terminate this Agreement without cause at any time by a 30-day notice in writing to the Engineer. Upon receipt of such notice, the Engineer shall, unless the notice directs otherwise immediately discontinue all services in connection with the performance of this Agreement and shall proceed to cancel promptly all existing orders and contracts insofar as such orders or contracts are chargeable to this Agreement. As soon as practical after receipt of notice of termination, the Engineer shall submit a statement showing in detail the actual services that were performed under this Agreement to date of termination, the date such services were performed and the length of time spent by each person or party engaged in performing such services on each day,

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

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

SECTION IX COUNTY AND CITY OFFICIALS

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

SECTION X SUCCESSORS AND ASSIGNS

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

SECTION XI TIME OF PERFORMANCE

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

**SECTION XII
VENUE**

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

**SECTION XIII
AMENDMENT**

This Agreement may be amended only by a written document executed by the parties hereto.

**SECTION XIV
COMPLIANCE WITH LOCAL LAWS**

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

**SECTION XV
ASSIGNABILITY**

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

**SECTION XVI
GENERAL**

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

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

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

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

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

**SECTION XVII
INSURANCE**

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

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

**SECTION XVIII
WARRANTY**

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

PROVISIONS

1. **AUTHORIZATION TO PROCEED.** Signing this Agreement shall be construed as authorization by CLIENT for South Texas Infrastructure Group, L.L.C. to proceed with the Services, unless otherwise provided for in this Agreement.
2. **LABOR COSTS.** In the event South Texas Infrastructure Group, LLC's compensation is calculated by reference to South Texas Infrastructure Group, LLC's Labor Costs, Labor Costs shall be the amount calculated by the number of hours actually worked by each of South Texas Infrastructure Group, LLC's employees on CLIENT's Project, multiplied by an amount charged for each such employee's work, which is calculated by dividing each such employee's annualized, non-overtime compensation (whether salary or paid to such employee at an hourly rate, as the case may be) by 2,080 hours per year.
3. **DIRECT EXPENSES.** South Texas Infrastructure Group, LLC's Direct Expenses shall be those costs incurred on or directly for the CLIENT's Project, including but not limited to necessary transportation costs including mileage at South Texas Infrastructure Group, LLC's current rate when its automobiles are used, meals and lodging, laboratory tests and analyses, computer services, word processing services, telephone, printing and binding charges. Reimbursement for these expenses shall be on the basis of actual charges when furnished by commercial sources and on the basis of usual commercial charges when furnished by South Texas Infrastructure Group, LLC.
4. **OUTSIDE SERVICES.** When technical or professional services are furnished by an outside source, when approved by CLIENT, an additional amount shall be added to the cost of these services for South Texas Infrastructure Group, LLC's administrative costs.
5. **COST ESTIMATES.** Any cost estimates provided by South Texas Infrastructure Group, LLC will be on a basis of experience and judgment. Since South Texas Infrastructure Group, LLC has no control over market conditions or bidding procedures, South Texas Infrastructure Group, LLC does not warrant that bids or ultimate construction costs will not vary from these cost estimates.
6. **PROFESSIONAL STANDARDS.** South Texas Infrastructure Group, LLC shall be responsible, to the level of competency presently maintained by other practicing professionals in the same type of work in CLIENT's community, for the professional and technical soundness, accuracy, and adequacy of all design, drawings, specifications, and other work and materials furnished under this Agreement. South Texas Infrastructure Group, LLC makes no warranty, expressed or implied.
7. **ADDITIONAL SERVICES.** Services in addition to those specified in Scope of Services will be provided by South Texas Infrastructure Group, LLC if authorized in writing or otherwise confirmed by CLIENT. Additional services will be paid for by CLIENT as indicated in any Letter of Proposal, Task Authorization, or such other document as deemed appropriate by CLIENT and South Texas Infrastructure Group, LLC. In the absence of an express agreement about compensation, South Texas Infrastructure Group, LLC shall be entitled to an equitable adjustment to its compensation for performing such additional services.
8. **SALES TAX.** In addition to any other sums or amounts required to be paid by CLIENT to South Texas Infrastructure Group, LLC pursuant to this Agreement, CLIENT must also pay to South Texas Infrastructure Group, LLC the amount of any applicable sales, use, excise or other tax with respect thereto (other than any general income tax payable by South Texas Infrastructure Group, LLC with respect thereto) as the same may be levied, imposed or assessed by any federal, state, county or municipal government entity or agency.
9. **LIMITATION OF LIABILITY.** South Texas Infrastructure Group, LLC liability to the CLIENT for any cause or combination of causes is in the aggregate, limited to an amount no greater than the fee earned under this Agreement.
10. **DISPUTE RESOLUTION.** All disputes arising out of this Agreement shall be mediated by the parties within a reasonable time after the first request for mediation, prior to either party filing a suit in a court of law, provided, however, that neither party shall be obligated to mediate prior to requesting injunctive relief.
11. **ASSIGNMENT TO RELATED ENTITY.** Notwithstanding anything in this Agreement to the contrary, in the event South Texas Infrastructure Group, LLC is not qualified and licensed in the relevant jurisdiction to provide any Services required hereunder, South Texas Infrastructure Group, LLC may, without the consent of any other party, assign all or any part of its obligation to provide such Services to an entity related to South Texas Infrastructure Group, LLC which is qualified and licensed to provide such Services in the jurisdiction involved and which is contractually bound South Texas Infrastructure Group, LLC to provide such Services.
12. **PAYMENT TO South Texas Infrastructure Group, LLC / INTEREST ON PAST-DUE AMOUNTS.** Monthly invoices will be issued by South Texas Infrastructure Group, LLC for all Services performed under the terms of this Agreement. Invoices are due and payable net 15 days. CLIENT agrees to pay interest at the rate of 1½% per month on all past-due amounts, unless not permitted by law. Any interest charged or collected in excess of the highest legal rate will be applied to the principal amount owing to South Texas Infrastructure Group, LLC, and if such interest exceeds the principal balance of CLIENT's indebtedness to South Texas Infrastructure Group, LLC, will be returned to CLIENT. It is the intent of South Texas Infrastructure Group, LLC and CLIENT to abide by all applicable laws regulating the maximum amount of interest that may be charged. CLIENT shall also be responsible for all costs associated with collecting any past-due amounts. To the greatest extent allowed by applicable law, CLIENT and South Texas Infrastructure Group, LLC agree that in the event CLIENT and South Texas Infrastructure Group, LLC enter into any compromise or settlement calling for the payment of past due principal and accrued and unpaid interest on any past-due invoice, South Texas Infrastructure Group, LLC may charge and CLIENT agrees to pay interest on such combined past due principal and accrued and unpaid interest amount (the "New Principal Balance") at the rate of 1½% per month or at the highest rate allowed by law, subject, as provided herein, to South Texas Infrastructure Group, LLC's agreement to credit excess interest or return same to CLIENT after the New Principal Balance is paid. All payment obligations are performable in Hidalgo County, Texas, and CLIENT agrees to submit to the jurisdiction of the courts of the State of Texas in Hidalgo County, Texas for enforcement of all obligations created by this Agreement.

13. South Texas Infrastructure Group, LLC'S RIGHT TO SUSPEND SERVICES. If CLIENT fails to pay any amount due South Texas Infrastructure Group, LLC under this Agreement, South Texas Infrastructure Group, LLC may, in addition to any other rights afforded under this Agreement or at law, suspend Services. Prior to suspending Services, South Texas Infrastructure Group, LLC will provide CLIENT with written notice that South Texas Infrastructure Group, LLC will suspend Services unless said failure to pay is cured within 7 days from CLIENT'S receipt of South Texas Infrastructure Group, LLC's notice. If CLIENT does not cure the problem within such 7-day period, South Texas Infrastructure Group, LLC may suspend Services under this Agreement. In the event of a suspension of Services, (a) South Texas Infrastructure Group, LLC shall have no liability to the CLIENT for delay or damage caused the CLIENT because of such suspension of Services, (b) any periods for completion of work shall automatically be extended by the period of such suspension, and (c) before resuming Services, South Texas Infrastructure Group, LLC shall be paid all sums due prior to suspension and any expenses incurred in the interruption and resumption of the Services. South Texas Infrastructure Group, LLC's compensation for the remaining Services and the time schedules shall be equitably adjusted. If the Project is suspended for more than 30 consecutive days, (x) South Texas Infrastructure Group, LLC shall be compensated for Services performed prior to notice of such suspension, (y) when the Project is resumed, South Texas Infrastructure Group, LLC shall be compensated for expenses incurred as a result of the interruption and resumption of South Texas Infrastructure Group, LLC's Services, and (z) South Texas Infrastructure Group, LLC's compensation for the remaining Services and the time schedules shall be equitably adjusted. To the extent CLIENT'S failure to pay is related to a dispute between the parties, the dispute will be resolved in accordance with Article 10.

14. TERMINATION FOR NON-PAYMENT OF FEES. South Texas Infrastructure Group, LLC may terminate this Agreement by giving written notice if any South Texas Infrastructure Group, LLC invoice remains unpaid for more than 30 days. South Texas Infrastructure Group, LLC's right to terminate this Agreement shall not be waived by South Texas Infrastructure Group, LLC's continued performance during any period of investigation by South Texas Infrastructure Group, LLC to determine the reasons for CLIENT'S nonpayment.

15. TERMINATION. Either CLIENT or South Texas Infrastructure Group, LLC may terminate this Agreement with or without cause by giving 7 days' written notice to the other party. In such event CLIENT shall forthwith pay South Texas Infrastructure Group, LLC in full for all work previously authorized and performed prior to effective date of termination. If no notice of termination is given, relationships and obligations created by this Agreement shall be terminated upon completion of all applicable requirements of this Agreement.

16. LEGAL EXPENSES. In the event legal action is brought by South Texas Infrastructure Group, LLC to enforce any of the obligations hereunder or arising out of any dispute concerning the terms and conditions hereby created, CLIENT shall pay South Texas Infrastructure Group, LLC reasonable amounts for fees, costs and expenses as may be set by the court.

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

18. SURVEYING SERVICES. In accordance with the Professional Land Surveying Practices Act of 1989, CLIENT is informed that any complaints about surveying services may be forwarded to the Texas Board of Professional Land Surveying, 7701 North Lamar, Suite 400, Austin, Texas 78752, (512) 452-9427. Similar laws in other states may give CLIENT similar rights where surveying services are performed outside the State of Texas. In accordance with applicable sales tax law, certain surveying services may be taxable.

19. ELECTRONIC MEDIA. (a) As a component of the services provided under this Agreement, South Texas Infrastructure Group, LLC may deliver electronic copies of certain documents or data (the "Electronic Files") in addition to printed copies (the "Hard Copies") for the convenience of CLIENT. CLIENT and its consultants, contractors and subcontractors may only rely on the Hard Copies furnished South Texas Infrastructure Group, LLC to CLIENT. If there is any discrepancy between any Electronic File and the corresponding Hard Copy, the Hard Copy controls. (b) CLIENT acknowledges that Electronic Files can be altered or modified without South Texas Infrastructure Group, LLC's authorization, can become corrupted and that errors can occur in the transmission of such Electronic Files. CLIENT agrees that it will institute procedures to preserve the integrity of the Electronic Files received from South Texas Infrastructure Group, LLC until acceptance. CLIENT further agrees that it will review the Electronic Files immediately upon receipt and conduct acceptance tests within thirty (30) days, after which period CLIENT shall be deemed to have accepted the Electronic Files as received. South Texas Infrastructure Group, LLC will undertake commercially reasonable efforts to correct any errors in the Electronic Files detected within the 30 day acceptance period. South Texas Infrastructure Group, LLC shall not be responsible to maintain the Electronic Files after acceptance by CLIENT. (c) South Texas Infrastructure Group, LLC does not warrant or represent that the Electronic Files will be compatible with or useable or readable by systems used by CLIENT or its consultants, contractors and subcontractors. South Texas Infrastructure Group, LLC is not responsible for any problems in the interaction of the Electronic Files with other software used by CLIENT or its consultants, contractors and subcontractors.



PROJECT NAME: Civil Engineering for the Public Improvements of Peñitas Street and Pike Avenue in the City of Peñitas, Texas

CLIENT: Hidalgo County Urban County Program

ADDRESS: 900 S. Stewart Rd. Suite 13
Mission, TX 78572

Hereby requests and authorizes South Texas Infrastructure Group, LLC to perform the following Services:

SCOPE OF SERVICES: As defined in proposal letter dated October 3, 2014

COMPENSATION to be on a basis of:

A Total Lump Sum amount of **\$ 24,483.00**. Lump Sum includes all charges for surveying services, which will be provided by South Texas Infrastructure Group. Should actual expenses exceed the Lump Sum amount, South Texas Infrastructure Group, LLC will submit a statement within thirty (30) days of completion of Services for such expenses. Additional Services authorized in writing or otherwise confirmed by Client will be billed in addition to the lump sum amount as provided in Paragraph 7 on the other side of this authorization.

Invoices will be issued by South Texas Infrastructure Group on percent complete. All invoices are due and payable within 30 days of issuance.

The parties agree to the Provisions stated on this authorization.

Accepted by **CLIENT**

By: _____

Name: _____

Title: _____

Date: _____

Accepted for:

South Texas Infrastructure Group, LLC.

By:  _____

Name: Julio C. Cerda, P.E.

Title: President/CEO

Date: 10/03/2014