

May 28, 2025

Ms. Katherine Vu
City Engineer
City of Montgomery
101 Old Plantersville Road
Montgomery, TX 77316

Subject: City of Montgomery – Water Plant No. 4

Dear Ms. Vu:

Baxter & Woodman, Inc., is pleased to submit the following proposal. This proposal outlines our scope of services and engineering fee.

Scope of Services

The services for this project include preparation of a preliminary engineering report (PER), preparation of construction plans and project manual, bid phase services, and limited construction administration for Water Plant No. 4, located south of the intersection of Old Plantersville Road and Old Dobbin Plantersville Road. Construction administration and inspection services will be performed by the City Engineer. The project will consist of:

- A new 1,000-gpm Water Well No. 6
- A 500,000-gallon elevated storage tank (EST) or a ground storage tank (GST), hydropneumatic tank (HPT), and booster pumps
- A control building with MCC and bleach disinfection system
- Emergency generator
- Yard piping
- Site grading and drainage
- Access driveways and site fencing

1. PROJECT COORDINATION AND DATA COLLECTION

1.1. PROJECT MANAGEMENT

- A. Plan, schedule, and control the activities that must be performed to complete the project including budget, schedule, and scope.
- B. Coordinate with OWNER and project team to ensure the goals of the project are achieved.
- C. Prepare and submit monthly invoices, coordinate invoices from sub-consultants, and provide a monthly status report via email describing tasks completed the previous month and outlining goals for the subsequent month.

1.2. PROJECT MEETINGS

- A. The following meetings are anticipated for this project:
 - 1. Meetings with OWNER at project kick-off, 30% (PER review meeting), 60%, and 90% (4 total).

1.3. SURVEYING SERVICES

- A. Utilize Windrose Land Surveying Services to perform topographic survey of the proposed Water Plant No. 4 site.
- B. Utilize Windrose Land Surveying to prepare metes and bounds descriptions and exhibits for sanitary control easements, if necessary.

1.4. GEOTECHNICAL INVESTIGATION

- A. Utilize Ninyo & Moore Geotechnical Engineers to perform geotechnical bores and provide geotechnical report including recommendations for structures and pavement. The total number and depth of bores will be determined during the preliminary engineering phase.

2. PRELIMINARY DESIGN

2.1. DESIGN CONCEPTS

- A. Provide preliminary engineering for two alternate proposed site plan concepts:
 - 1. A water plant with a water well, EST, generator, and control building.
 - 2. A water plant with a water well, GST, HPT, booster pumps, generator, and control building.
- B. Provide conceptual plans, opinions of probable cost, and O&M costs for both options.
- C. Conduct meeting with OWNER to determine final site components and configuration.

3. FINAL DESIGN AND PLAN DEVELOPMENT

3.1. FINAL DESIGN

- A. Review and respond to Pre-Final (90%) plan sheet comments.
- B. Begin coordination with power provider to set up permanent power at the site.

3.2. PROJECT MANUAL

- A. Prepare Specifications detailing the general scope, extent, and character of construction work to be furnished and performed by the Contractor(s).
- B. Prepare for review and approval by the OWNER and its legal counsel the forms of Construction Contract Documents consisting of "Front End Documents" including Advertisement for Bids, Bidder Instructions, Bid Form, Agreement, Performance Bond Form, Payment Bond Form, General Conditions, and Supplementary Conditions.

3.3. PLAN PREPARATION

- A. Complete required plan sheets required for bidding.

3.4. ENGINEER'S OPINION OF PROBABLE COST

- A. Prepare Opinion of Probable Cost (OPC) for the Project.

3.5. PEER AND CONSTRUCTABILITY REVIEWS

- A. Perform in-house peer and milestone reviews by senior staff during prefinal and final submittals.

4. AGENCY REVIEW AND APPROVAL

4.1. PERMITS AND AGENCY COORDINATION

- A. Submit the design documents to the Texas Commission on Environmental Quality (TCEQ) for approval of water well construction and upon construction completion, approval to use water well. This includes compilation of a Pollution Hazards Study and sanitary control easements descriptions, if needed.
- B. Submit drawings to Montgomery County for review and approval of control building.

5. BID ASSISTANCE

5.1. BIDDING ASSISTANCE

- A. Provide design assistance and clarification for bid documents.
 - 1. Provide documents for bidding and assist the OWNER in solicitation of bids from as many qualified bidders as possible, answer contractor questions and prepare addenda as necessary.
 - 2. Attend pre-bid conference and bid opening.

6. CONSTRUCTION ADMINISTRATION

- 6.1. The City Engineer will provide the majority of construction administration and inspection services.
- A. Attend pre-construction conferences.
 - B. Review submittals.
 - C. Review and respond to requests for information (RFIs).
 - D. Review and coordination for water well development including:
 - 1. Review of contractor's recommended screening locations
 - 2. Geophysical logs
 - E. Attend facility startup.
 - F. On-call consultation for items outside of this scope will be billed on an hourly basis.

7. FUNDING ASSISTANCE

- 7.1. Identify potential grant and loan programs to fund the construction of the water plant. A summary of funding options will be presented in the PER.

- 7.2. Assist the OWNER with preparation of and supporting documentation for up to one grant or loan application.

7.3. DIVISION OF RESPONSIBILITY

- A. The OWNER and the Engineer share in the responsibility for preparing the loan application.
- B. The OWNER will prepare and assemble the financial documentation that is required to demonstrate that the OWNER has the ability to pay back the loan. The OWNER will also provide some of the information that is needed for the various forms; information that only the OWNER can access or that can be accessed more easily by the OWNER. The main financial documents are:
 - 1. The dedicated source of revenue.
 - 2. The user charge ordinance.
 - 3. Information on the bond issue or other funds to pay the local share, if any.
 - 4. The loan ordinance, which is prepared by the OWNER's attorney.
 - 5. The OWNER's attorney's legal opinion.
 - 6. Financial and compliance audit.
 - 7. Any applicable service agreements.
- C. The Engineers prepare the following:
 - 1. Administrative items:
 - a) Loan Application Form.
 - b) Financial Information Checklist.
 - c) Financial Sustainability Plan.

- d) Project Completion Schedule.
- e) Summary of Construction Costs.
- f) Statement regarding access to privately owned individual systems, if applicable.

The following items are understood:

- Hydrogeological report and acceptance of report by LSGCD will be provided by others
- Detention will be provided by the developer and water plant stormwater can discharge to developer's stormwater system
- A Phase I Environmental Site Assessment (ESA) will be performed by the developer
- The developer is coordinating electrical power extension down Old Plantersville Road

Services not included in this proposal

- Hydrogeological report or amendment to an existing hydrogeological report
- Environmental studies and services
- Subsurface utility exploration (SUE) services
- Stormwater detention
- Coordination to extend power near the site
- Easement and plat work
- Multiple bid packages beyond one construction package
- Review of pay estimates
- Construction inspection services

Fee

1. Basic Services – Lump Sum Fees

- \$36,000 for the preliminary engineering report (PER)
- \$303,000 for final design
- \$35,000 for project management

The Owner shall pay the Engineer for the services performed or furnished a lump sum amount of **\$374,000.**

2. Basic Services – Hourly-not-to-exceed Fees

- \$6,240 for bid phase services
- \$40,000 for limited construction services

The Owner shall pay the Engineer for the services performed or furnished an amount not-to-exceed **\$46,240.**

3. Additional Services – Maximum Not-to-exceed Fees

- \$10,500 for topographic survey and sanitary control easement (SCE) metes & bounds
- \$28,000 for geotechnical investigations
- \$32,500 for funding support

The Owner shall pay the Engineer for the services performed or furnished an amount not-to-exceed **\$71,000**.

4. Additional Services – Hourly Fee Services

For LSGCD coordination for any hydrogeological report amendments, work will be performed on an hourly basis as authorized and in accordance with the attached rate schedule.

The total maximum fee for all services, excluding hourly services, is **\$491,240**.

The Engineer's fee for the stated scope of services is based upon the 2025 Engineer's standard hourly billing rates for actual work time performed plus reimbursement of out-of-pocket expenses including travel and subconsultant fees.

This proposal is valid for 120 days from the date issued.

Schedule

1. Completion of preliminary design: 60 days from date of notice to proceed.
2. Completion of 90% design: 180 days from acceptance of preliminary design and finalization of scope.
3. Completion of 100% design: 30 days from receiving comments from City.
4. Bidding services: 30 to 60 days from acceptance of project, depending on preferred bidding schedule.
5. Construction services: Schedule will be in accordance with construction schedule.

Standard Terms and Conditions

The attached Standard Terms and Conditions apply to this proposal.

Acceptance

If you find this proposal acceptable, please sign and return one copy for our files. If you have any questions or need additional information, please do not hesitate to contact Janice Noeldner at 281-350-7036 or jnoeldner@baxterwoodman.com.

Sincerely,

BAXTER & WOODMAN, INC.
CONSULTING ENGINEERS



Michael A. Kurzy, PE
Executive Vice President

Texas Registered Engineering Firm F-21783

City of Montgomery

ACCEPTED BY: _____

TITLE: _____

DATE: _____

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PLEASE READ THESE STANDARD TERMS AND CONDITIONS ("TERMS") CAREFULLY BEFORE EXECUTING THE LETTER PROPOSAL PRESENTED BY BAXTER & WOODMAN, INC. ("Baxter & Woodman"). BY EXECUTING THE LETTER PROPOSAL, OWNER AGREES TO BE BOUND BY THESE TERMS, THE PROVISIONS OF THE LETTER PROPOSAL, AND THE PROVISIONS OF ANY DOCUMENT REFERRING TO THESE TERMS OR THE LETTER PROPOSAL, ALL OF WHICH SHALL COLLECTIVELY CONSTITUTE THE "AGREEMENT".

Owner's Responsibility – Provide Baxter & Woodman with all criteria and full information for the "Project," which is generally otherwise identified in the Letter Proposal. Baxter & Woodman will rely, without liability, on the accuracy and completeness of all information provided by the Owner (as defined in the Letter Proposal) including its consultants, contractors, specialty contractors, subcontractors, manufacturers, suppliers and publishers of technical standards ("Owner Affiliates") without independently verifying that information. The Owner represents and warrants that all known hazardous materials on or beneath the site have been identified to Baxter & Woodman. Baxter & Woodman and their consultants shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to, unidentified or undisclosed hazardous materials unless this service is set forth in the Letter Proposal.

Schedule for Rendering Services – The agreed upon services shall be completed within a reasonable amount of time. If Baxter & Woodman is hindered, delayed or prevented from performing the services as a result of any act or neglect of the Owner, any Owner Affiliate, or force majeure event, Baxter & Woodman's work shall be extended and the rates and amounts of Baxter & Woodman's compensation shall be equitably adjusted in a written instrument executed by all Parties.

Invoices and Payments – The fees to perform the proposed scope of services constitutes Baxter & Woodman's estimate to perform the agreed upon scope of services. Circumstances may dictate a change in scope, and if this occurs, an equitable adjustment in compensation and time shall be agreed upon by all Parties by written agreement. No service for which added compensation will be charged will be provided without first obtaining written authorization from the Owner. Baxter & Woodman invoices shall be due and owing by Owner in accordance with the terms and provisions of the State of Texas Prompt Payment Act (Texas Government Code, Chapter 2251).

Opinion of Probable Construction Costs – Baxter & Woodman's opinion of probable construction costs represents its reasonable judgment as a professional engineer. Owner acknowledges that Baxter & Woodman has no control over construction costs or contractor's methods of determining prices, or over competitive bidding, or market conditions. Baxter & Woodman cannot and does not guarantee that proposals, bids, or actual construction costs will not vary from Baxter & Woodman's opinion of probable construction costs.

Standards of Performance – (1) The standard of care for all services performed or furnished by Baxter & Woodman will be the same care and skill ordinarily used by professionals practicing under similar circumstances, at the same time and in the same locality on similar projects. Baxter & Woodman makes no warranties, express or implied, in connection with its services; (2) Baxter & Woodman shall be responsible for the technical accuracy of its services and documents; (3) Baxter & Woodman shall use reasonable care to comply with applicable laws, regulations, and Owner-mandated standards; (4) Baxter & Woodman may employ such sub-consultants as Baxter & Woodman deems necessary to assist in the performance or furnishing of the services, subject to reasonable, timely, and substantive objection by Owner; (5) Baxter & Woodman shall not supervise, direct, control, or have authority over any contractors' work, nor have authority over or be responsible for the means, methods, techniques, sequences, or procedures of construction selected or used by any contractor, or the safety precautions and programs incident thereto, for security or safety at the site, nor for any failure of any contractor to comply with laws and regulations applicable to such contractor's furnishing and performing of its work; (6) Baxter & Woodman neither guarantees the performance of any contractor nor assumes responsibility for any contractor's failure to furnish and perform the work in accordance with the contract documents; (7) Baxter & Woodman is not acting as a municipal advisor as defined by the Dodd-Frank Act. Baxter & Woodman shall not provide advice or have any responsibility for municipal financial products or securities; (8) Baxter & Woodman is not responsible for the acts or omissions of any contractor, subcontractor, or supplier, or any of their agents or employees or any other person at the site or otherwise furnishing or performing any work; (9) Shop drawing and submittal review by Baxter & Woodman shall apply only to the items in the submissions and only for the purpose of assessing if, upon installation or incorporation in the Project work, they are generally consistent with the contract documents. Owner agrees that the contractor is solely responsible for the submissions (regardless of the format in which provided, i.e., hard copy or electronic transmission) and for compliance with the construction documents. Owner further agrees that Baxter & Woodman's review and action in relation to these submissions shall not constitute the provision of means, methods, techniques, sequencing, or procedures of construction or extend to safety programs or precautions. Baxter & Woodman's consideration of a component does not constitute acceptance of the assembled item; (10) Baxter & Woodman's site observation during construction shall be at the times agreed upon in the Project scope. Through standard, reasonable means, Baxter & Woodman will become generally familiar with observable completed work. If Baxter & Woodman observes completed work that is inconsistent with the construction documents, information shall be communicated to the contractor and Owner for them to address.

Insurance – Baxter & Woodman will maintain insurance coverage with the following limits and Certificates of Insurance will be provided to the Owner upon written request:

Worker's Compensation:	Statutory Limits	Excess Umbrella Liability:	\$10 million per claim and aggregate
General Liability:	\$1 million per claim	Professional Liability:	\$5 million per claim
	\$2 million aggregate		\$10 million aggregate
Automobile Liability:	\$1 million combined single limit		

In no event will Baxter & Woodman's collective aggregate liability under or in connection with this Agreement or its subject matter, based on any legal or equitable theory of liability, including breach of contract, tort (including negligence), strict liability and otherwise, exceed the contract sum to be paid to Baxter & Woodman's

under this Agreement. Any claim against Baxter & Woodman arising out of this Agreement may be asserted by the Owner, but only against the entity and not against Baxter & Woodman's directors, officers, shareholders, or employees, none of whom shall bear any liability and may not be subject to any claim.

Indemnification and Mutual Waiver – (1) To the fullest extent permitted by law, Baxter & Woodman shall indemnify and hold harmless the Owner and its officers and employees from claims, costs, losses, and damages ("Losses") arising out of or relating to the Project, provided that such Losses are attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property, including the loss of use resulting therefrom, but only to the extent caused by any grossly negligent act or omission of Baxter & Woodman; (2) To the fullest extent permitted by law, Owner shall indemnify and hold harmless Baxter & Woodman and its officers, directors, employees, agents and consultants from and against any and all Losses (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court, arbitration, or other dispute resolution costs) arising out of or relating to the Project provided that any such Losses are attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property, including the loss of use resulting therefrom, but only to the extent arising out of or occurring in connection with the Owner's, or Owner's officers, directors, employees, consultants, agents, or others retained by or under contract to the Owner, negligent act or omission, willful misconduct, or breach of this Agreement; (3) To the fullest extent permitted by law, Owner and Baxter & Woodman waive against each other, and the other's employees, officers, directors, insurers, and consultants, any and all claims for or entitlement to special, incidental, indirect, enhanced, punitive, or consequential damages, in each case regardless of whether such party was advised of the possibility of such losses or damages or such losses or damages were otherwise foreseeable, and notwithstanding the failure of any agreed or other remedy of its essential purpose; (4) In the event Losses or expenses are caused by the joint or concurrent fault of the Baxter & Woodman and Owner, they shall be borne by each party in proportion to its respective fault, as determined by a mediator or court of competent jurisdiction; (5) The Owner acknowledges that Baxter & Woodman is a business corporation and not a professional service corporation, and further acknowledges that the corporate entity, as the party to this contract, expressly avoids contracting for individual responsibility of its officers, directors, or employees. The Owner and Baxter & Woodman agree that any claim made by either party arising out of any act of the other party, or any officer, director, or employee of the other party in the execution or performance of the Agreement, shall be made solely against the other party and not individually or jointly against such officer, director, or employees.

Termination – Either party may terminate this Agreement upon ten (10) business days' written notice to the other party in the event of failure by the other party to comply with the terms of the Agreement through no fault of the terminating party. A condition precedent to termination shall be conformance with the Dispute Resolution terms below. If this Agreement is terminated, Owner shall receive reproducible copies of drawings, developed applications and other completed documents upon written request. Owner shall be liable, and shall promptly pay Baxter & Woodman, for all services and reimbursable expenses rendered through the effective date of suspension/termination of services.

Use of Documents – All Baxter & Woodman documents (data, calculations, reports, Drawings, Specifications, Record Drawings, and other deliverables, whether in printed form or electronic media format, provided by Baxter & Woodman to Owner pursuant to this Agreement) are instruments of service and Baxter & Woodman retains ownership and property interest therein (including copyright and right of reuse). Owner shall not rely on such documents unless in printed form, signed or sealed by Baxter & Woodman or its consultant. Electronic format of Baxter & Woodman's design documents may differ from the printed version and Baxter & Woodman bears no liability for errors, omissions, or discrepancies. Reuse of Baxter & Woodman's design documents is prohibited, and Owner shall defend and indemnify Baxter & Woodman from all claims, damages, losses, and expenses, including attorney's fees, consultant/expert fees, and costs arising out of or resulting from said reuse. Project documents will be kept for time periods set forth in Baxter & Woodman's document retention policy after Project closeout.

Successors, Assigns, and Beneficiaries – Nothing in this Agreement shall be construed to create, impose, or give rise to any duty owed by Owner or Baxter & Woodman to any third party, including any lender, contractor, subcontractor, supplier, manufacturer, other individual, entity or public body, or to any surety for or employee of any of them. All duties and responsibilities undertaken pursuant to this Agreement are for the sole and exclusive benefit of the Owner and Baxter & Woodman and not for the benefit (intended, unintended, direct or indirect) of any other entity or person.

Dispute Resolution – All disputes between the Parties shall first be negotiated between executives who have authority to settle the dispute for a period of thirty (30) days. If unresolved, disputes shall be then submitted to mediation as a condition precedent to litigation. The mediation session shall be held within forty-five (45) days of the retention of the mediator, and last for at least one (1) full mediation day, before any party has the option to withdraw from the process. If mediation is unsuccessful in resolving a Dispute, then the parties may seek to have the Dispute resolved by a court of competent jurisdiction.

Miscellaneous Provisions – (1) This Agreement is to be governed by the law of the state or jurisdiction in which the project is located; (2) all notices must be in writing and shall be deemed effectively served upon the other party when sent by certified mail, return receipt requested; (3) all express representations, waivers, indemnifications, and limitations of liability included in this Agreement will survive its completion and/or termination for any reason; (4) any provision or part of the Agreement held to be void or unenforceable under any laws or regulations shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon the Owner and Baxter & Woodman, which agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that expresses the intention of the stricken provision; (5) a party's non-enforcement of any provision shall not constitute a waiver of the provision, nor shall it affect the enforceability of that provision or of the remainder of this Agreement; (6) to the fullest extent permitted by law, all causes of action arising under this Agreement shall be deemed to have accrued, and all statutory periods of limitation shall commence, no later than the date of substantial completion, which is the point where the Project can be utilized for the purposes for which it was intended; (7) this Agreement, together with any other documents incorporated herein by reference, constitutes the sole and entire agreement of the parties with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter; (8) no amendment to or modification of this Agreement is effective unless it is in writing and signed by each party.

BAXTER & WOODMAN, INC.
2025 HOURLY BILLING RATES FOR PROFESSIONAL SERVICES

EMPLOYEE CLASSIFICATION	HOURLY BILLING RATES
Executive Vice President	\$275
Vice President	\$260
Engineer VII	\$250
Engineer VI	\$235
Engineer V	\$210
Engineer IV	\$200
Engineer III	\$180
Engineer II	\$160
Engineer I	\$140
Engineering Intern	\$80
Construction Manager II	\$210
Construction Manager I	\$185
Engineering Tech V	\$185
Engineering Tech IV	\$165
Engineering Tech III	\$145
Engineering Tech II	\$125
Engineering Tech I	\$105
Environmental Scientist V	\$190
Environmental Scientist IV	\$175
Environmental Scientist III	\$155
Environmental Scientist II	\$135
Environmental Scientist I	\$115
Professional Surveyor	\$210
Survey Manager	\$170
Survey Crew Chief	\$150
Surveyor, Project	\$125
Survey Technician II	\$105
Survey Technician I	\$90
Spatial Technology Manager	\$200
Spatial Technology Professional III	\$175
Spatial Technology Professional II	\$145
Spatial Technology Professional I	\$130
Production Manager	\$185
CADD Technician/Designer III	\$155
CADD Technician/Designer II	\$140
CADD Technician/Designer I	\$110
Urban Planner V	\$220
Urban Planner IV	\$190
Urban Planner III	\$170
Urban Planner II	\$150
Urban Planner I	\$130
Administrative Support I to V	\$100
Marketing Professional I to IV	\$150
Communication Specialist I to IV	\$150
Accounting Professional I to IV	\$120
IT Professional I to III	\$120