

SECOND AMENDMENT TO INTERLOCAL AGREEMENT

THIS SECOND AMENDMENT is made effective as of the ____ day of _____, 2024, by and between the Webb County-City of Laredo Regional Mobility Authority (the “WC-CL RMA”) and the City of Laredo (the “City”) (collectively, the “Parties,” and each individually, a “Party”).

W I T N E S S E T H:

WHEREAS, the WC-CL RMA and the City entered into an Interlocal Agreement, effective August 5, 2021, hereinafter referred to as the “Agreement,” whereby the Parties agreed to contribute the funds needed to finance the development of phase three of the extension of Springfield Avenue (the “Project”), and to define the responsibilities and obligations related thereto; and

WHEREAS, the Parties are pursuing the development of the fourth phase of the extension of Springfield Avenue, extending to the north from the intersection of Hospitality Drive and Springfield Avenue to the Eastbound Frontage Road of US 59 (“Phase 4”); and

WHEREAS, on September 21, 2022, in Resolution No. 22-26, the WC-CL RMA approved a resolution to provide financial support for the construction of Phase 4 in the amount not to exceed \$1,000,000.00; and

WHEREAS, on December 13, 2022, in Resolution No. 22-37, the WC-CL RMA evidenced its support of the allocation of \$1,000,000.00 from Texas Department of Transportation (“TxDOT”) Category 12-Strategic Partnership (RMA) funds for the construction of Phase 4; and

WHEREAS, the Parties executed an amendment to the Agreement, effective June 1, 2024 (the “First Amendment”) to include the allocation of \$1,000,000.00 from TxDOT for the construction of Phase 4; and

WHEREAS, on July 23, 2024, in Resolution No. 24-14, the WC-CL RMA Board of Directors revised the revenue source for its commitment of \$1,000,000.00 for the construction of Phase 4 to no longer be from TxDOT Category 12-Strategic Partnership (RMA) funds, and instead be funded with Vehicle Registration Fee revenues; and

WHEREAS, the Parties have each determined that it is in their best interest to further amend the Agreement to provide for the WC-CL RMA’s funding commitment and the responsibilities and obligations of the Parties related to the construction of Phase 4; and

NOW, THEREFORE, and in consideration of the mutual covenants and agreement between the Parties, the Parties hereby agree to the following:

A. Springfield Road Project, Phase 4

The Agreement shall be amended to add new Article IV to read as follows, and all subsequent articles shall be renumbered accordingly:

IV. SPRINGFIELD ROAD EXTENSION, PHASE 4

1. Funding Commitment. The WC-CL RMA shall provide funding for Phase 4 in an amount not to exceed \$1,000,000 (the “Phase 4 Funding Commitment”).

The WC-CL RMA is only obligated for the not-to-exceed amount set forth herein. Each Party acknowledges the City and the WC-CL RMA will make contractual obligations related to the construction of Phase 4 in reliance on the Phase 4 Funding Commitment and obligations set forth herein.

The Phase 4 Funding Commitment shall be applied toward the reimbursement of costs incurred by the City for the construction of Phase 4 and material testing for quality assurance (the “Phase 4 Construction Services”).

2. WC-CL RMA Obligations. The WC-CL RMA shall provide the Phase 4 Funding Commitment, on a cost-reimbursement basis, for costs incurred by the City in performing the Phase 4 Construction Services. The WC-CL RMA shall process each invoice submitted by the City in the same manner as is required of the WC-CL RMA with respect to the Project under Article II, Section 4.

3. City Obligations. The City has previously completed all services related to utility coordination, design, survey, permitting, investigation, core borings, subsurface exploration, evaluation, planning and engineering services, geotechnical engineering and acquisition of right-of-way, environmental permits issues, and commitments necessary for development and ultimate operation of Phase 4. The City confirms that the plans, specifications, and estimate for Phase 4 have been prepared in compliance with the City’s standards and specifications.

The City shall be responsible for the procurement of contractors for the Phase 4 Construction Services and all procurements will be carried out in compliance with the City’s standards and specifications.

Upon receipt of the bids, the City will request a memorandum of concurrence from the WC-CL RMA, which shall include the name of the contractor, the bid amount (the “Phase 4 Original Bid”), bid tab, and the City engineer’s bid recommendation. In no event shall the City award the contract for construction to its recommended low bidder until the City receives a memorandum of concurrence from the WC-CL RMA. The Phase 4 Original Bid shall not exceed the Phase 4 Funding Commitment. The City shall pay for any cost in excess of the Phase 4 Funding Commitment.

The City shall provide oversight and management of the contractors and conduct inspections during the contractors' performance of the Phase 4 Construction Services.

The City shall provide invoices to the WC-CL RMA in the same manner as is required of the City with respect to its obligations pertaining to the Project under Article II, Section 4.

The City shall own, operate, and maintain Phase 4.

4. Surplus Funds. In the event any portion of the Phase 4 Funding Commitment is not required to administer all costs related to the performance of the Phase 4 Construction Services, the WC-CL RMA shall retain any remaining amount; however, such surplus funds may be contributed to a future City transportation project at the discretion of the board of directors of the WC-CL RMA.

5. Change Orders. If the cost of performing the Phase 4 Construction Services exceeds the Phase 4 Original Bid, the following provisions shall apply:

- a. Contractor-Initiated Change Orders.** In the event the City receives a proposed change order from the Contractor indicating that additional funds exceeding the Phase 4 Original Bid will be needed, the City will notify the WC-CL RMA in writing of the proposed change order. Unless the WC-CL RMA objects within ten (10) business days of receipt of the written notification of the proposed change order, the City will proceed with issuing the proposed change order to the Contractor and invoice the WC-CL RMA for payment. If the total cost of performing the Phase 4 Construction Services exceeds the Phase 4 Funding Commitment, in no event shall the WC-CL RMA be responsible for such excess costs above the Phase 4 Funding Commitment.
- b. Party-Initiated Change Orders.** If change orders are requested by the WC-CL RMA or the City under this Agreement, the requesting Party will submit the request to the other Party, including all necessary documentation to prepare the change order. The non-requesting Party must provide approval. Notwithstanding the time period to reject a proposed change order under subsection (a), the Parties agree to use good faith efforts to respond to change order requests within ten (10) business days after receipt of a request, or such additional period of time as may be reasonably necessary under the circumstances based on the complexity of the change order. The Parties are under no obligation to approve any change orders, and in no event shall the WC-CL RMA be responsible for costs or expenses under City-initiated Change Orders that are not approved by the WC-CL RMA.
- c. Costs Exceeding Phase 4 Funding Commitment.** If a change order results in the total cost of performing the Phase 4 Construction Services exceeding the Phase 4 Funding Commitment, the additional amounts will be paid by the City and the WC-CL RMA shall not be responsible for any additional costs.

B. Term and Termination.

Article V, Section 1, shall be amended to read as follows:

1. Term and Termination. Subject to the following, this Agreement shall be effective as of the date first written above and shall continue in force and effect until: (a) the date the Project Development Services, the Construction Services, and the Phase 4 Construction Services are fully performed, final completion has occurred, and all payments have been remitted; or (b) the Parties mutually agree to terminate this Agreement. The term of the Agreement may be extended by written agreement of the Parties.

C. Remaining Terms and Conditions

This Second Amendment shall supersede all prior amendments to the Agreement. Except to the extent expressly modified herein, all remaining terms and conditions of the Agreement by and between the WC-CL RMA and the City shall continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have signed or have caused their respective names to be signed to multiple counterparts hereof as of the effective date first above written.

WEBB COUNTY-CITY OF LAREDO

REGIONAL MOBILITY AUTHORITY

CITY OF LAREDO

By:_____

Jed A. Brown

WC-CL RMA Chairman

By:_____

[Joseph Neeb]

[City Manager]