



CARR, RIGGS & INGRAM, L.L.C.

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August 13, 2025

Susan P. Serrano, CPPB, CPPO  
Purchasing Director  
Brazoria County  
111 E. Locust Street, Bldg A-29, Suite 100  
Angleton, TX 77515

Re: Brazoria County Courthouse Expansion Project – Phase Task Order 5C

Dear Ms. Serrano,

This letter constitutes an addendum to our original agreed-upon procedures engagement letter dated November 28, 2023. The purpose of this letter is to communicate revised procedures in connection with the Brazoria County Courthouse Expansion Project – Phase Task Order 5C. The procedures, specified on November 28, 2023, are revised as follows:

- Specific document names and dates were added throughout the procedures.
- Original procedures 6.d., 9., 10.a.-c., 11.a.-b., 12.a., 13.a.-f., 16.a.-b., 17.a.-b., 18.a.-f. and 21. in the original agreement were removed, as they were not applicable to the engagement.

The clarified procedures are detailed on the attached Exhibit A. This Exhibit A supersedes the Exhibit A attached to the engagement letter mentioned above.

All the terms of our original engagement letter will apply to this addendum. This addendum will become effective as soon as you sign this letter and return the signed copy to us.

Sincerely,

A handwritten signature in black ink that reads 'Carr, Riggs &amp; Ingram, L.L.C.' with a stylized flourish.

CARR, RIGGS & INGRAM, L.L.C.

RESPONSE:

This letter correctly sets forth the understanding of Brazoria County, Texas.

By: \_\_\_\_\_

Title: \_\_\_\_\_

## **EXHIBIT A**

### **Brazoria County, Texas Courthouse Expansion Project Phased Task Order 5C Agreed-Upon Procedures**

1. Obtain a copy of the Construction Management Agreement (the Agreement), dated July 16, 2021, between Brazoria County, Texas (the County) and SpawGlass Construction Corp. (the Construction Manager) and exhibits, attachments, and amendments to the Agreement (collectively referred to as the “contract documents”), relative to the Courthouse Expansion Project Phased Task Order 5C, dated March 14, 2023 (the Project).
2. Inquire of the County and the Construction Manager as to whether there are any disputed provisions between the two parties, relative to the contract documents, or if there are any other unresolved disputes. Inquire of the Construction Manager as to whether there are any disputes between the Construction Manager and its subcontractors.
3. Obtain from the Construction Manager, a copy of the final job cost detail, dated May 2, 2025 (the “final job cost detail”).
4. Obtain from the Construction Manager and the County, a copy of the final payment application request issued to the County, dated March 31, 2025 (“final pay application”).
5. Obtain from the Construction Manager a reconciliation between the final job cost detail and the final pay application.
6. From the final job cost detail, select all subcontractors with total costs listed in excess of \$50,000 (“selected subcontractors”) and perform the following:
  - a. Obtain the subcontract and related change orders, executed between the selected subcontractors and the Construction Manager. Compare the total amount recorded in the final job cost detail to the original subcontract amount plus/minus the related change orders.
  - b. Obtain the applicable labor, equipment, and material pricing estimates, vendor invoices, subcontractor markups, or other appropriate documentation (“supporting documentation”) for the subcontractor change orders in 6.a. above. Compare the change order amounts to the supporting documentation.
  - c. Obtain from the Construction Manager the final lien releases or individual payment lien releases totaling the final subcontract value submitted by the selected subcontractor to the Construction Manager. If the Construction Manager does not have the lien releases available, for those payments where the lien release is not available, obtain cancelled checks reflecting such payments made by the Construction Manager to the selected subcontractor (collectively the “payment documentation”). If the Construction Manager provides no lien releases for the selected subcontractors, obtain a check register reflecting all payments to the selected subcontractors and choose a sample (at least 20) of cancelled checks. Compare the final subcontract amount to the payment documentation.

7. Trace and agree subcontractor costs and credits included in Owner change orders and contingency usage to corresponding change orders with the subcontractor, which have been reviewed in accordance with 6. above.
8. If there are reimbursable labor charges included in the final job cost detail, from the total number of Construction Manager employee payroll transactions listed in the final job cost detail, select a sample of at least 10 Construction Manager payroll transactions. Each sampled payroll transaction will be for a specific, identified time period of the Project.
9. If the labor burden is included in reimbursable labor (if any) and is not a fixed percentage, obtain from the Construction Manager a detailed, itemized listing of the labor burden being charged to the labor in the final job cost detail.
10. From the final job cost detail, select all non-subcontractor vendors for which the costs exceed \$50,000.
11. From the final job cost detail, select amounts for payment and performance bond costs and builder's risk insurance (as applicable).
12. From the final job cost detail, select amounts for contractor controlled insurance.
13. Inquire of the Construction Manager to determine if there are any expenditures, in the final job cost detail, to entities related by common ownership or management to the Construction Manager.
14. If there are expenditures to entities related by common ownership or management noted in 13. above, perform the following:
  - a. Report the entity and volume of the transactions to the County.
  - b. Determine if such transactions are properly authorized by the County, in accordance with the contract documents.
15. From the final job cost detail, select at least five transactions (unless internal charges total less than \$3,000) determined to be the Construction Manager's internal charges to the Project.
16. From the final job cost detail, select at least five transactions determined to be equipment rental charges on the Project.
17. Inquire of the Construction Manager to determine whether they are using a subcontractor default insurance program ("subguard") for subcontractor bonding requirements.
18. Obtain all signed and executed change orders between the County and the Construction Manager for the duration of the Project. The final change order may be in draft form and not yet executed.
19. Obtain from the County, a log of the ODPs plus sales tax savings for the entirety of the Project.
20. Recalculate the adjusted guaranteed maximum price (GMP) as follows:
  - a. Obtain the original GMP amount, including any fixed or percentage-based Construction Manager fees or lump sums from the contract documents noted in 1. above.

- b. Add to the original GMP amount the additive change orders and subtract the deductive change orders from 18. above to get the adjusted guaranteed maximum price ("adjusted GMP").
- 21. For the adjusted GMP amount recalculated in 20.b. above, perform the following:
  - a. Obtain the final contract value, per the draft final pay application, noted in 4. above.
  - b. Compare the adjusted GMP amount recalculated in 20.b. above to the final contract value noted in 21.a. above.
- 22. Recalculate the final construction costs as follows:
  - a. Starting with the final job cost detail, adjust for any reductions identified in the application of the above procedures (e.g. subcontractor markup differences, non-reimbursable items, repair/rework items, etc., as applicable) to reach the adjusted final job costs.
  - b. Utilizing the adjusted final job costs, add the fixed lump sum amounts to reach the final construction costs.
  - c. Compare the adjusted GMP amount recalculated in 20.b. above to the final construction costs amount from 22.b. above.
- 23. Obtain, from the County and/or the Construction Manager, all of the Project's contingency logs and usage documents and inspect all contingency usage forms for the County's designated representative's signature of approval.
- 24. Compare the ending balances in the contingency funds, per the contingency logs obtained in 23. above, to the change order amount of the funds returning to the County, as obtained in 18. above.