

**AMENDMENT NO. 5 TO C22890**

Contract Start Date:	6/29/2016	Original Total Amount:	\$ 99,457.00
Original Completion Date:	11/21/2016	As Previously Amended:	\$1,756,311.00
Amendment Completion Date:	12/31/2020	Current Amendment:	\$547,500.00
Resolution:	19-0774R	New Total Contract Amount:	\$2,303,811.00

---

This amendment, effective as of the date of attestation by the City Clerk (the "Effective Date"), by and between the City of Duluth, hereinafter referred to as "City", and Ever-Green Energy located at 305 St. Peter Street, St. Paul, MN 55102, hereinafter referred to as "Consultant", for the purpose of rendering services to the City.

WHEREAS, on June 29, 2016, City and Consultant entered into an agreement bearing City of Duluth Contract No. 22890 for design engineering services for the construction of a district energy hot water system serving the needs of Duluth Energy Systems customers along Superior Street from 4<sup>th</sup> Avenue East to 7<sup>th</sup> Avenue West, which Contract has been previously amended four times, and which Contract and amendment(s) are hereinafter referred to as the "Contract"; and

WHEREAS, both parties desire to amend the Contract.

NOW THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth, the parties hereto hereby agree as follows:

In this Amendment changes in the language of the Contract which delete language will be shown as stricken and language added to the contract language will be underlined.

Revision 1. Wherever in the Agreement the total or maximum payment is referenced, the Contract is hereby amended as follows:

All payments under this Contract are not to exceed ~~One Million Seven Hundred Fifty Six Thousand Three Hundred Eleven and no/100ths Dollars (\$1,756,311.00)~~ Two Million Three Hundred Three Thousand Eight Hundred Eleven and no/100ths Dollars (\$2,303,811.00), payable from fund 540-920-1499-5530, Project 1525.

Revision 2. The Project Description described in the third paragraph of the Agreement is hereby amended as follows:

Provide design engineering services for the construction of a district energy hot water system serving the needs of Duluth Energy Systems customers along Superior Street from 4<sup>th</sup> Avenue East to 7<sup>th</sup> Avenue West, including all work done in 2018, ~~& 2019~~ 2019 and 2020, for final design, material procurement assistance, construction administration and inspection for the hot water piping between Duluth Energy Systems plant and Superior Street.

Revision 3. Wherever in the Agreement Exhibit B is referenced, the Contract is hereby amended to reference the Engineer's proposal attached as Exhibit B, the Engineer's proposal attached to Amendment 1, ~~and~~ the Engineer's proposals attached to Amendment 2 as Exhibit B-2 and B-3, the Engineer's proposal attached to Amendment 3 as B-4, ~~and~~ the Engineer's proposal attached to Amendment 4 as B-5, and the Engineer's proposal attached to Amendment 5 as B-6.

Revision 4. The Completion Times described in Section II, C) Preliminary Design Phase, D) Final Design Phase, E) Bidding Phase, and G) Construction Administration and Inspection Phase shall be amended to December 31, 2020.

In all other respects the contract, together with all of its terms, covenants and conditions, is hereby confirmed in its entirety.

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the date of attestation shown below.

**CITY OF DULUTH**

**EVER-GREEN ENERGY, INC.**

By:

By:

\_\_\_\_\_

\_\_\_\_\_

Mayor

Company Representative

Attest:

Its:

\_\_\_\_\_

\_\_\_\_\_

City Clerk

Title of Representative

Date Attested: \_\_\_\_\_

Date: \_\_\_\_\_

Countersigned:

\_\_\_\_\_

City Auditor

Date

Approved as to form:

\_\_\_\_\_

City Attorney

Date

October 30, 2019

Mr. James Benning, PE  
City of Duluth  
411 West First Street  
Room 211B  
Duluth, MN 55802  
[delivered via email to: [jbenning@duluthmn.gov](mailto:jbenning@duluthmn.gov)]

Re: City of Duluth, MN  
Superior Street Reconstruction Hot Water System Project  
Design Contract Change Order Request

Mr. Benning,

Ever-Green Energy (Ever-Green) is submitting this Change Order Request for our anticipated services in 2020 to support the specialized energy pipeline, in-building, and in-plant infrastructure, business development consulting, and associated analyses, contracts, and communication.

The work anticipated in 2020 is detailed below with breakout of each area of the work. The total anticipated budget for this work in 2020 is \$627,500. However, we have been able to manage the 2019 work scope such that there is expected to be \$80,000 of unused budget allocation remaining from the 2019 change order for Ever-Green Energy's services. Therefore, the net Change Order Request for 2020 is \$547,500.

Ever-Green has been working in cooperation with Duluth Energy Systems, the City of Duluth (City), and its consultants and contractors, for the completion of the Superior Street Reconstruction Hot Water System project. To date, Ever-Green has performed the following work under this contract:

- Prepared the hot water system design for integration into LHB's construction plans that are currently in the final stages of review.
- Established a basis of design for the customer buildings to enable them to receive hot water instead of steam.
- Prepared RFP documents and reviewed proposals for the mechanical engineering of steam to hot water conversions at customer buildings.
- Facilitated customer contract discussions and prepared energy services proposals for the Phase 1, 2, and 3 buildings.
- Provided project management and construction oversight for the construction of the hot water pipe on Michigan Street and the first two phases of Superior Street.
- Developed a basis of design for plant retrofits required to deliver hot water to customers.
- Developed and implemented plans for serving customers that will require heating service during summer construction activities and through the winters until the hot water pipes are connected to the steam plant.

- Prepared basis of design documentation for the temporary steam to hot water energy transfer stations that will provide heating to customers during construction.
- Prepared procurement documentation for the customer building energy transfer stations and temporary steam to hot water energy transfer stations.
- Participated in community communications and outreach and conducted customer outreach and seminars on the new hot water infrastructure and systems.
- Project management and administration.
- Hot water distribution system material procurement oversight for Phase 1 and 2.
- Construction field supervision and reporting for the hot water distribution piping during Phase 1 and 2 of the Superior Street project.
- Distribution system design updates resulting from construction changes.
- Quality assurance review and assistance for the Phase 1 and 2 customer conversion engineering design.
- Prepare permit application and bidding documents to connect the piping installed in 2017 on Michigan Street to the DES plant, under Interstate 35 and over the North Shore Scenic Rail.
- Determine the necessary foundation support necessary for the installation of the steam converter station with the assistance of our structural and geotechnical consultants.
- Prepare procurement documentation and receive bids for the DES plant steam converter station to transfer heat from the steam system to the hot water system at the DES plant.
- Commence the balance of plant design to connect the hot water distribution piping to the steam converter station.

With Phase 2 of the Superior Street project nearing completion, there a number of work activities that will be required to support the on-going construction efforts for Phase 3 of Superior Street, conversion of the Phase 2 and 3 customer buildings to receive the hot water heat, and the construction to prepare the DES Plant to provide hot water heating to the system. The anticipated work in 2020 includes:

- Hot water distribution system material procurement oversight and coordination with Northland's subcontractor for Phase 3 installation.
- Continued construction field supervision and reporting for the hot water distribution piping during Phase 3 of the Superior Street project.
- Field supervision and reporting for steam distribution piping installation and any oversight for the removal of existing asbestos covered pipe.
- Quality assurance review and assistance for the Phase 2 and 3 customer conversion engineering design.
- Customer conversion construction field supervision and reporting for the Phase 2 and 3 customers of the Superior Street project as requested by DES staff.
- Construction field supervision and reporting of steam to hot water conversion inside the DES plant.
- Construction management, field supervision, and reporting for the construction packages for the connection of the hot water piping to the Duluth Energy Systems plant and the plant steam to hot water conversion.
- Distribution system design updates resulting from construction changes.
- General customer and community communication and outreach.
- Project management and administration.

Ever-Green respectfully submits this Change Order Request for work to be performed in 2020.

**PROJECTED HOURS:**

Ever-Green proposes to perform the work associated with the work efforts identified above within the following projected hours.

<b>Distribution Design Updates</b>	<b>Hours</b>
Sean McFarling	8
Ryan Johnson	8
Rich Gacek	8

  

<b>Distribution Field Supervision</b>	<b>Hours</b>
Sean McFarling	42
Tom Anderson	40
Ryan Johnson	1048

  

<b>Distribution Construction Management &amp; Reporting</b>	<b>Hours</b>
Sean McFarling	200
Ryan Johnson	60

  

<b>Alarm Wire Testing &amp; Troubleshooting</b>	<b>Hours</b>
Gerry Gubash	9
Jason Johnson	60

  

<b>Distribution System Pipe Procurement</b>	<b>Hours</b>
Sean McFarling	30
Ryan Johnson	8

  

<b>Customer Conversion Engineering</b>	<b>Hours</b>
Ryan Johnson	90

  

<b>Customer Conversion Construction Management &amp; Reporting</b>	<b>Hours</b>
Ryan Johnson	156

  

<b>Steam Plant/Conversion Station Engineering</b>	<b>Hours</b>
Jon Salo	40
Luke Davis	80
Thomas Thomalla	16
Ryan Johnson	40

<b>Plant Construction Management &amp; Reporting</b>	<b>Hours</b>
Luke Davis	192
<b>Customer Proposals and Agreements</b>	
Andrew Kasid	20
Mike Auger	30
Jenae Batt	20
<b>Project Management and Administration</b>	
Michael Ahern	110
Mike Burns	50
Pam Sarne	208

**PROPOSED COST:**

Ever-Green respectfully submits this change order request in the amount of \$627,500 for the scope of work identified above, based upon the following breakdown and hourly rate sheet:

<b>Superior Street Construction Support</b>	
Distribution Design Updates	\$3,800
Distribution Field Supervision	\$188,700
Distribution Construction Management & Reporting	\$48,600
Alarm Wire Testing & Troubleshooting	\$11,700
Distribution System Pipe Procurement	\$7,100
Construction Services Travel & Per Diem Expenses	\$22,600
Tool & Equipment Rental	\$2,000
<b>Customer Conversion &amp; Steam Plant Construction &amp; Engineering</b>	
Customer Conversion Engineering	\$14,900
Customer Conversion Construction Management & Reporting	\$25,900
Steam Plant/Conversion Station Engineering	\$32,700
Plant Construction Management & Reporting	\$37,100
Plant Commissioning Support	\$27,600
Customer & Steam Plant Engineering Travel & Per Diem Expenses	\$6,100
Balance of Plant Mechanical Subconsultants	\$50,000
Structural/Geotechnical Subconsultants	\$43,000
<b>Customer Outreach, Rate Design, and Project Management</b>	
Customer Proposals and Agreements	\$16,600
Project Management and Administration	\$84,300
Communications & PM Travel & Per Diem Expenses	\$4,800
Total Budget Cost	\$627,500
Less Estimated Unspent 2019 Budget	-\$80,000
Net Total 2020 Budget	\$547,500

Thank you for the discussion on this change order request. Please let me know if you have any further questions.

Sincerely,

**Ever-Green Energy, Inc.**

A handwritten signature in black ink, appearing to read 'MA', with a long horizontal flourish extending to the right.

Michael Ahern  
SVP, Systems Development



## HOURLY RATE SHEET

Personnel	Title	Hourly Rate
Andrew Kasid	EVP, CFO	\$276
Michael Ahern	SVP, Systems Development	\$276
Mike Burns	SVP, Operations Management	\$276
Mike Auger	VP, General Counsel & Corporate Secretary	\$276
Jon Salo	Manager, Controls Group	\$193
Gerry Gubash	Distribution Services Manager	\$193
Sean McFarling	Senior Engineer & CAD Supervisor	\$193
Luke Davis	Senior Engineer	\$193
Thomas Thomalla	Director of Information Services	\$183
Ryan Johnson	Lead Project Engineer	\$166
Tom Anderson	Technical Communications Project Manager	\$166
Jason Johnson	Sr. Construction Superintendent	\$166
Nels Olander	Construction Superintendent	\$166
Jenae Batt	Marketing & Communications Manager	\$138
Muneer Rehan	Associate Engineer	\$138
Rich Gacek	Engineering Technician	\$110
Truck & Tools		\$10
Stateview Alarm Wiring Tools		\$280 (per day)