

**AMENDMENT NO. 4 TO C22890**

Contract Start Date:	6/29/2016	Original Total Amount:	\$ 99,457.00
Original Completion Date:	11/21/2016	As Previously Amended:	\$1,187,635.00
Amendment Completion Date:	12/31/2020	Current Amendment:	\$568,676.00
Resolution:		New Total Contract Amount:	\$1,756,311.00

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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 three 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 One Hundred Eighty Seven Thousand Six Hundred Thirty Five and no/100ths Dollars (\$1,187,635.00)~~ One Million Seven Hundred Fifty-Six Thousand Three Hundred Eleven and no/100ths Dollars (\$1,756,311.00), 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, 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.

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, 2019.

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



December 11, 2018

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 2019 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 2019 is detailed below with breakout of each area of the work. The total anticipated budget for this work in 2019 is \$764,676. However, we were able to manage the 2018 work scope such that there is \$196,000 of unused budget allocation remaining from the 2018 change order for Ever-Green Energy's services. Therefore, the net Change Order Request for 2019 is \$568,676.

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 buildings.
- Provided project management and construction oversight for the construction of the first portion of hot water pipe on Michigan Street.
- Developed a preliminary plan for plant retrofits required to deliver hot water to customers.
- Developed preliminary plans for serving customers that will require heating service during summer construction activities.
- Prepared procurement documentation for the customer building energy transfer stations and temporary steam to hot water energy transfer stations.
- General customer and community communications and outreach.

- Project management and administration
- Hot water distribution system material procurement oversight for Phase 1.
- Construction field supervision and reporting for the hot water distribution piping during Phase 1 of the Superior Street project.
- Distribution system design updates resulting from construction changes.
- Quality assurance review and assistance for the Phase 1 customer conversion engineering design.
- Design of the temporary steam to hot water energy transfer stations that will provide heating to customers during construction.

With Phase 1 of the Superior Street project recently completed, there a number of work activities that will be required to support the on-going construction efforts for Phase 2, as well as prepare for Phase 3 and the construction to prepare the DES Plant to provide hot water heating to the system. The anticipated work efforts in 2019 include:

- Hot water distribution system material procurement oversight and coordination with Northland's subcontractor for Phase 2 & 3 installation.
- Continued construction field supervision and reporting for the hot water distribution piping during Phase 2 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.
- Distribution system design updates resulting from newly signed customers (e.g. Essentia) and construction changes.
- Quality assurance review and assistance for the Phase 2 and 3 customer conversion engineering design.
- Customer conversion construction field supervision and reporting during Phase 2 of the Superior Street project.
- Design, bidding, and construction management for the implementation of a condensate collection system that ties the condensate from the steam system into the hot water system.
- Design of steam to hot water conversion inside the DES plant.
- Bidding and construction management for the a combined construction package for the connection of the hot water piping to the Duluth Energy Systems plant and the plant steam to hot water conversion.
- 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 2019.

**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	64
Rich Gacek	64

  

<b>Distribution Field Supervision</b>	<b>Hours</b>
Gerry Gubash	8
Sean McFarling	64
Tom Anderson	16
Jason Johnson/Nels Olander	60
Ryan Johnson	1344
Associate Engineer (TBD)	100

  

<b>Distribution Construction Management &amp; Reporting</b>	<b>Hours</b>
Gerry Gubash	8
Sean McFarling	384

  

<b>Alarm Wire Testing &amp; Troubleshooting</b>	<b>Hours</b>
Gerry Gubash	8
Jason Johnson	160

  

<b>Distribution System Pipe Procurement</b>	<b>Hours</b>
Sean McFarling	20

  

<b>Customer Conversion Engineering</b>	<b>Hours</b>
Ryan Johnson	104

  

<b>Customer Conversion Construction Management &amp; Reporting</b>	<b>Hours</b>
Sean McFarling	8

  

<b>Steam Plant/Conversion Station Engineering</b>	<b>Hours</b>
Jon Salo	40
Ingvar Larsson	16
Ray Watts	8
Thomas Thomalla	16
Ryan Johnson	40

<b>Plant Construction Management &amp; Reporting</b>	<b>Hours</b>
Sean McFarling	36
Luke Davis	144
<b>Customer Proposals and Agreements</b>	
Andrew Kasid	100
Mike Auger	100
Jenae Batt	100
<b>General Customer &amp; Community Communications &amp; Outreach</b>	
Nina Axelson	24
<b>Project Management and Administration</b>	
Michael Ahern	104
Mike Burns	104
Pam Sarne	8
Sean McFarling	65
Brent Rader	8

**PROPOSED COST:**

Ever-Green respectfully submits this change order request in the amount of \$764,676 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	\$18,496
Distribution Field Supervision	\$250,708
Distribution Construction Management & Reporting	\$72,128
Alarm Wire Testing & Troubleshooting	\$26,752
Distribution System Pipe Procurement	\$3,680
Construction Services Travel & Per Diem Expenses	\$32,300
Tool & Equipment Rental	\$5,000
<b>Customer Conversion &amp; Steam Plant Construction &amp; Engineering</b>	
Customer Conversion Engineering	\$16,432
Customer Conversion Construction Management & Reporting	\$1,472
Steam Plant/Conversion Station Engineering	\$21,040
Plant Construction Management & Reporting	\$33,120
Customer & Steam Plant Engineering Travel & Per Diem Expenses	\$1,700
Condensate Collection Design Subconsultants	\$20,000

Plant Design Subconsultants	\$50,000
<b>Customer Outreach, Rate Design, and Project Management</b>	
Customer Proposals and Agreements	\$65,700
General Customer & Community Communications & Outreach	\$4,416
Project Management and Administration	\$69,816
Communications & PM Travel & Per Diem Expenses	\$2,400
Subtotal	\$695,160
Contingency (10%)	\$69,516
Total Budget Cost	\$764,676
Less Estimated 2018 Unspent Budget	-\$196,000
<b>Net Total 2019 Change Order</b>	<b>\$568,676</b>

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.**



Michael Ahern  
SVP, Systems Development

## HOURLY RATE SHEET

Personnel	Title	Hourly Rate
Andrew Kasid	EVP, Finance & Accounting	\$263
Michael Ahern	SVP, Systems Development	\$263
Mike Burns	SVP, Operations Management	\$263
Mike Auger	VP, General Counsel	\$263
Pam Sarne	VP, Accounting	\$210
Jon Salo	Manager, Controls Group	\$184
Gerry Gubash	Distribution Services Manager	\$184
Sean McFarling	Senior Engineer	\$184
Ingvar Larsson	Senior Engineer	\$184
Luke Davis	Senior Engineer	\$184
Phil Bourne	Senior Engineer	\$184
Ray Watts	Senior Engineer	\$184
Nina Axelson	VP, Public Relations	\$184
Thomas Thomalla	Senior IT Manager	\$184
Brent Rader	EHS Manager	\$184
Ryan Johnson	Lead Project Engineer	\$158
Tom Anderson	Technical Communications Project Manager	\$158
Jason Johnson	Construction Superintendent	\$158
Jenae Batt	Senior Communications Specialist	\$131
Muneer Rehan	Project Engineer	\$131
Rich Gacek	Engineering CAD Technician	\$131
Truck & Tools		\$10
Stateview Alarm Wiring Tools		\$280 (per day)