



**PERFORMANCE
DRIVEN DESIGN.**
LHBcorp.com

May 18, 2021

Erik Birkeland, Property & Facilities Manager
City of Duluth – Property and Facility Management
1532 West Michigan Street
Duluth, MN 55806

**REQUEST FOR ADDITIONAL SERVICES
Hartley Nature Preschool Addition**

Erik,

Per our discussions regarding LHB’s design costs on the Hartley Nature Preschool Addition project, we have exceeded our planned scope of work and the resulting labor effort has fully exhausted our contracted compensation of \$153,158. We have recently received bids on the project, after significant efforts through all phases to value engineer, reduce scope, and revise the design to fit within the targeted construction budget. These efforts, especially in the civil and architectural disciplines, are what we are basing our request upon and are detailed below.

BASIS FOR ADDITIONAL SERVICES

1. **Project Administration** 12 weekly meetings were listed in the original proposal through the design phase and was based on a project duration of roughly four months from April 5, 2020. To date, the design phase is complete after receiving bids May 10, 2021 after over a year in the design phase. Several stages of stopping and restarting the production of deliverables to allow value analysis and to implement changes to the design to reduce the scope to fit the budget caused this schedule creep. **Estimated cost impact: \$14,780**
2. **Design Analysis with CMAR** In an effort to reduce the cost of the project LHB participated in multiple discussions, reviews of cost estimates, and at least 5 meetings specific to cost controls. The preparation of 20 alternate scopes of work and revisions to the deliverables at SD, DD, and CD phases are captured elsewhere. **Estimated cost impact: \$5,780**
3. **Design Development** Design changes from the Schematic Design phase and resulting cost estimate included impacts to civil site plans for both Hartley Nature Preschool and City ROW specific scopes, architectural floor plan reductions, and resulting structural revisions. **Estimated cost impact: \$13,461**
4. **Construction Documents** Continued efforts to reduce the cost of the project and improve the quality of the project for long term maintenance, energy conservation with alternative mechanical systems, site stormwater and surfacing improvements, structural revisions, and building envelope performance resulted in significant additional labor for the design team, including the preparation of 20 alternate scopes of work analyzed, 8 of which were included in the bid. **Estimated cost impact: \$32,165**

PROPOSED FEE

LHB proposes an addition to our contract compensation of a stipulated sum of sixty-six thousand one-hundred-eighty-six Dollars (\$66,186).

- Additional Service \$66,186

We appreciate the willingness to adjust our contract fairly and look forward to working with you through the remainder of the project to see the addition completed successfully. Please contact me at 218-279-2404 if you have any questions.

LHB, INC.

A handwritten signature in black ink, appearing to read "Aaron D. Kelly". The signature is fluid and cursive, with the first name "Aaron" being the most prominent.

Aaron D. Kelly, AIA, Government Studio Leader

c: JDL, Finance, file

LHB Project No. 190961

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