



Consulting Engineers P.A.

September 27, 2018

Mr. Erik Birkeland
City of Duluth
1532 West Michigan Street
Duluth, MN 55806

Re: DECC Seawall Project – Construction Management Change Order
AMI Project # 161080

Mr. Birkeland,

The following document has been prepared at the request of the City of Duluth (City) for the DECC Seawall Project. AMI Consulting Engineers (AMI) currently has a Contract with the City to provide construction management services during the construction of a new sheet pile dock wall along the west side of MN Slip and the north corner of the harbor dock wall near the Duluth Entertainment Convention Center (DECC) in Duluth, MN.

AMI's Contract for the construction management services began in November of 2017. Since the first change order issued on 6/12/2018, the Contractor has extended their schedule of completion by two months and the MPCA has required AMI to be on-site 100% of the time instead of the agreed upon 75% in the original Contract. In addition, AMI has completed several items, at the request of the City, which were outside of the original scope of work. The Contractor's delay, MPCA project management requirements, and additional items have exhausted a large portion of AMI's budget to complete the project. The items which were not part of AMI's original scope of work include the following:

- *Increase in Construction Management* – Several items have led to an increase in construction management. The follow list details these items:
 - The MPCA has required AMI to be on-site 100% of the time instead of 75% of the time during the installation of the new sheet pile. The 100% project management requirement was a special and unforeseeable requirement imposed by the MPCA.
 - The City requested that the 100% construction management continue after the installation of the sheet pile. This request was above and beyond what the MPCA required.
 - The Contractor has delayed the construction schedule by about 2 months above and beyond what they stated back in May 2018. Because of the Contractor's delay and the City's request for AMI to continue construction administration, AMI has depleted its construction administration budget.
 - An alternate fender design was requested by the City to bring the William A. Irvin closer to the new dock wall. AMI finalized the fendering system design and assisted in bidding the fendering system out to multiple contractors.

- Coordination and meetings for Duluth events. AMI coordinated with the City and the Contractor the following events: Grandma’s Marathon, President Trump’s visit and the Inline Marathon. AMI worked with the City and the Contractor to minimize construction delays and potential change orders from the Contractor.
- Blue Bridge Diving and Engineering – During the design phase of the dock wall, AMI was instructed the City’s contracted bridge engineer, LHB Inc. (LHB), to not have the new steel sheet pile wall directly connected to the west abutment of the Minnesota Slip Pedestrian Bridge (“Blue Bridge”). However; during construction it was documented that the existing wall condition is poor and the wall is unable to retain soil which is leading to sinkholes. AMI has performed a dive inspection to document the existing conditions and is developing an engineering design to address the issue. The engineering design consists of calculations, drafting, and coordination with the Contractor, LHB, and the City to minimize project costs.
- Legal Assistance – The Contractor may pursue legal action against the City. Per the City’s request, AMI has already assisted the City by meeting with the City attorney and by providing documentation to the City’s attorney. The City has requested AMI to continue assisting them in the legal process by reviewing documents, providing documentation, and meeting with personnel from the City.
- RAP Implementation Report – A Response Action Plan (RAP) implementation report will be required to be submitted to the Minnesota Pollution Control Agency (MPCA). AMI will generate this report and discuss in detail how the RAP was implemented including any addendums that were issued.
- Harbor Drive Repairs – During the construction of the new seawall, the adjacent road way, Harbor Drive, was damaged. The damage to the roadway was due to cranes and excavators traveling and working on the unprotected surface of the road. The City has requested AMI to organize the preconstruction photos of the road and compare them to photos of the roadway after construction is completed.
- Coating & Outfall Dive Inspection – AMI was under contract to visually inspect the dock wall below the waterline after construction has been completed. However, this budget was already depleted due to the increased construction schedule. During the underwater inspection, AMI would document the condition of the epoxy coating applied to the wall for any signs of damage. AMI would also document the condition of the outfalls that penetrate the seawall below the waterline.

Throughout the course of the project, AMI has informed the City about the out of scope items and was told to track them as the project progresses. AMI has provided a breakdown of the out of scope items and their associated costs in Table 1 below:

Table 1: Cost Breakdown for Out of Scope Items

Description	Fee
Increase in Construction Management	\$ 71,200.00
Blue Bridge Diving and Engineering	\$ 10,725.00
Legal Assistance	\$ 8,000.00
RAP Implementation Plan	\$ 5,175.00
Harbor Drive Repairs	\$ 4,000.00
Coating & Outfall Dive Inspection	\$ 6,400.00
Total	\$ 105,500.00

Due to the out of scope items described above, AMI is requesting a change order of *One Hundred Five Thousand Five Hundred Dollars (\$105,500.00)* to increase its current Contract of \$689,403.39 to *\$794,903.39*.

The following assumptions were used in generating this change order:

- 6 weeks of construction remain (Completed by November 9th)
- 100% construction oversight
- 5-day work week
- Limit legal involvement to 80 total working hours
- Limit required involvement in Harbor Drive repairs to 40 total working hours

If you have any questions or comments, please contact me at (715) 718-2193 Ext 17. We look forward to continuing to work with the City of Duluth on this infrastructure improvement project.

Respectfully Submitted,



Chase Dewhirst, PE
Marine Engineering Manager

Attachments:
AMI 2018 Fee Schedule