

FIRST AMENDMENT TO AGREEMENT  
Contract No. 22549  
City of Duluth  
Burns & McDonnell Engineering Company, Inc.

This FIRST AMENDMENT TO AGREEMENT, effective as of the date of attestation thereto by the City Clerk, between the City of Duluth, a municipal corporation created and existing under the laws of the State of Minnesota, hereinafter referred to as "Owner", and Burns & McDonnell Engineering Company, Inc., located at 8201 Norman Center Drive, Suite 300, Bloomington, MN 55437, hereinafter referred to as "Architect".

WHEREAS, on July 7, 2015, Owner and Architect entered into an agreement bearing City of Duluth Contract No. 22549 for architectural services related to the development of a City-owned manufacturing facility, and

WHEREAS, Part III of the agreement allowed for a renegotiation of the compensation for the services in the event of a material change in the Scope of the Project, and

WHEREAS, the Scope of the Project has expanded and the size and estimated construction cost of the building has increased as a result, and

WHEREAS, the parties thereto are desirous of amending the Agreement as hereinafter set forth.

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

1. That Exhibit A referenced in Section I of the Agreement be amended by adding thereto Exhibit A-1, a copy of which is attached to this Amendment and made a part of the Agreement as amended.
2. That Paragraph 3.1 be amended to state a fixed limit Construction Cost of Twelve Million Dollars (\$12,000,000).
3. That Paragraph 4.1 be amended to establish a limit to the total compensation paid by the Owner to the Architect of six hundred and eighty-five thousand dollars (\$685,000). This is an increase of two hundred and twenty-eight thousand, five hundred dollars (\$228,500) over the original contract amount.
4. In all other respects the Agreement, 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 effective date thereof.

**CITY OF DULUTH**

**BURNS & MCDONNELL ENGINEERING  
COMPANY, INC.**

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

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

Attest:

Its: \_\_\_\_\_  
Title of Representative

By: \_\_\_\_\_  
City Clerk

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

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

Countersigned:

\_\_\_\_\_  
City Auditor

Approved as to form:

\_\_\_\_\_  
City Attorney



October 30, 2015

Erik Brikeland  
Property & Facilities Manager  
City of Duluth  
1532 West Michigan Street  
Duluth, MN 55806

Re: Request for Additional Services Funding  
City of Duluth / Cirrus Aircraft Completion Center

Dear Erik:

Burns & McDonnell responded to, and was subsequently awarded, the contract for design services for the Cirrus Aircraft Completion Center. We are pleased with the collaboration between the City, Cirrus Aircraft, our Team, and McGough Construction as we now move forward toward a final design solution.

The Request for Proposal (RFP) was issued by the City of Duluth for this Project on March 24, 2015 and served as the basis for the Proposal Response and related fee proposal. Cirrus, on their own behalf, had engaged a consultant to establish a Preliminary Facility Program and respective construction cost based on their understanding of their own functional needs. This preliminary facility program represented the basis for proposal which the City identified as a 60,000 square foot, \$8M facility. These parameters were used to establish the Burns & McDonnell Team's proposal response received by the City of Duluth on April 14, 2015.

Burns & McDonnell respectfully requests adjustment of our proposed design fee as a result of the following changes in the program and execution of the project:

1. The evolving functional needs identified post-award by Cirrus required BMcD to expend considerable time reworking the Preliminary Facility Program to meet the requirements of the Aircraft Completion operations. This included reprogramming the layout of all the sanding, prep and painting areas, as well as the support/admin spaces. The resulting facility size now stands at approximately 70,000 SF, with additional space programmed by our Team for a future expansion to nearly 90,000 SF.
2. The overall facility construction cost has grown from the suggested \$8M to \$12M as a result of market-established, construction cost estimation developed by the City's Construction Manager at Risk, McGough Construction. The increase is attributable to additional detail and understanding of the complexities of the facility's design and site conditions.
3. Multiple bid packages are now required to successfully complete the project in the timeframes desired by Cirrus. Due to the needed modifications in the Facility Program and the subsequent City funding approval process, our Team will split the project apart to allow for expedited work to commence yet this construction season. Multiple bid packages



Erik Brikeland  
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require additional effort in preparing, compiling, and administering separate execution packages.

The Burns & McDonnell Fee Proposal submitted to the City of Duluth on April 14, 2015 established a proposed compensation of \$456,500 for the services required in the 3/24/15 RFP. This amount represents a modest 5.7% of the RFP-suggested construction cost of \$8M; reflective of our understanding that the project's predesign activities had resulted in a product that could be efficiently implemented into final construction documents.

Due to the growth of the scope of the project, the extended design timetables and the additional efforts required to reprogram the spaces for Cirrus, **Burns & McDonnell requests a proportional increase in our Professional Services fee to total of \$685,000, still maintaining the fee at 5.7% of the current \$12M facility construction cost.**

I'm open to meeting and discussing this at any time with you or other City of Duluth staff. Please feel free to reach out to me via phone or email.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gene Sieve".

Gene Sieve, PE  
Principal, Project Manager  
Burns & McDonnell

GMS/gms