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Mr. Eric Buckman
City Manager
City of Gladstone
1100 Delta Avenue
Gladstone, MI 49837

January 13, 2025

Re: Amendment 01 to Contract for professional Services - Wastewater Treatment Plant Project

Dear Mr. Buckman,

C2AE is requesting an amendment to our engineering services contract for additional costs resulting from contract changes during construction.

Events beyond the control of the Contractor and City have necessitated extension of the contract completion date from June 2, 2024 to May 5, 2025. Significant among these delays is an extended time in delivery of electrical switchgear. We would note that this has been a common occurrence due to supply chain disruptions. The time extensions are causing C2AE to incur additional costs for the ongoing construction administration costs including but not limited to a shop drawing reviews and approvals, request for information (RFIs), bulletins and contractor payment, and progress meetings with contractor and Owner. In addition, there have been multiple contract changes due to unforeseen site conditions and requested by City for revisions. These changes require additional engineering efforts by C2AE above and beyond normal construction administration.

On site project representation cost are directly correlated with the construction time and need to be extended to allow on site coverage by C2AE staff.

The engineering contract currently includes several items of additional services that were included at the start of project. During the course of the project, they were determined to not be required in part or total. The proposed Amendment One eliminates these from agreement and results in a credit of \$77,179 to the City.

The proposed amendment is attached as Exhibit K, Amendment One to the EJCDC Agreement for Professional Service. Amendment One includes a revised copy of Exhibit C to the engineering services contract to reflect the new contract amounts. A separate attachment also provides a summary of the cost changes in Exhibit C. C2AE is requesting the City of Gladstone approve the contract revision for a total of \$127,321. Please note the additional RPR services of \$120,000 are on a time and material basis, and we will only bill for the amount spent. As before, engineering costs can be reimbursable to the City once EGLE approves contract amendment.

This has been a challenging project, and C2AE appreciates having the opportunity to work with the City of Gladstone to bring this to completion.

If you have any questions, please contact me at your earliest convenience.

Respectfully

C2AE

Darren Pionk, PE
Client Relations Manager

This is **EXHIBIT K**, consisting of 2 pages,
referred to in and part of the **Agreement
between Owner and Engineer for Professional
Services** dated May 17, 2021

AMENDMENT TO OWNER-ENGINEER AGREEMENT

Amendment No. One (1)

The Effective Date of this Amendment is: _____.

Background Data

Effective Date of Owner-Engineer Agreement: May 17, 2021
Owner: City of Gladstone, Michigan
Engineer: Capital Consultants, Inc. d.b.a. C2AE
Project: Wastewater Treatment Plant Improvements

Nature of Amendment:

- ☐ Additional Services to be performed by Engineer
- ☐ Modifications to services of Engineer
- ☐ Modifications to responsibilities of Owner
- ☒ Modifications of payment to Engineer
- ☒ Modifications to time(s) for rendering services
- ☐ Modifications to other terms and conditions of the Agreement

Description of Modifications:

Agreement Summary:

Original agreement amount:	\$2,278,000
Net change for prior amendments:	\$0.00
This amendment amount:	\$127,321.00
Adjusted Agreement amount:	\$2,405,321.00
Change in time for services:	11 months

The foregoing Agreement Summary is for reference only and does not alter the terms of the Agreement, including those set forth in Exhibit C.

Owner and Engineer hereby agree to modify the above-referenced Agreement as set forth in this Amendment. All provisions of the Agreement not modified by this or previous Amendments remain in effect.

OWNER:
City of Gladstone, Michigan

By: _____
Print **Eric Buckman**
name: _____
 City Manager
Title: _____

Date Signed: _____

ENGINEER:
Capital Consultants, Inc. dba C2AE

By: _____
Print
name: _____

Title: _____

Date Signed: _____

This is **EXHIBIT C**, consisting of 2 pages,
referred to in and part of the Agreement
between Owner and Engineer for Professional
Services dated **May 17, 2021**

Payments to Engineer for Services and Reimbursable Expenses

COMPENSATION PACKET BC-1: Basic Services – Lump Sum

Article 2 of the Agreement is supplemented to include the following agreement of the parties:

ARTICLE 2 – OWNER’S RESPONSIBILITIES

C2.01 Compensation for Basic Services (other than Resident Project Representative) – Lump Sum Method of Payment

- A. Owner shall pay Engineer for Basic Services set forth in Exhibit A, except for services of Engineer’s Resident Project Representative, if any, as follows:

A Lump Sum amount of \$1,716,000 based on the following estimated distribution of compensation:

Study and Report Phase	\$98,000	
Basis of Design	\$357,000	
Preliminary Design Phase	\$715,000	
Final Design Phase	\$171,000	
Bidding and Negotiating Phase	\$35,000	
Construction Phase	\$323,000	\$398,000
Post-Construction Phase	\$17,000	\$26,500

Engineer may alter the distribution of compensation between individual phases noted herein to be consistent with services actually rendered, but shall not exceed the total Lump Sum amount unless approved in writing by the Owner **and Agency**.

The Lump Sum includes compensation for Engineer’s services and services of Engineer’s Consultants, if any. Appropriate amounts have been incorporated in the Lump Sum to account for labor costs, overhead, profit, expenses (other than any expressly allowed Reimbursable Expenses), and Consultant charges.

In addition to the Lump Sum, Engineer is also entitled to reimbursement from Owner for the following Reimbursable Expenses (see Appendix 1 for rates or charges): Mileage, Subsistence costs, hotels and meals.

The portion of the Lump Sum amount billed for Engineer’s services will be based upon Engineer’s estimate of the percentage of the total services actually completed during the

billing period. If any Reimbursable Expenses are expressly allowed, Engineer may also bill for any such Reimbursable Expenses incurred during the billing period.

- B. *Period of Service:* The compensation amount stipulated in Compensation Packet BC-1 is conditioned on a period of service not exceeding 36 months. If such period of service is extended, the compensation amount for Engineer's services shall be appropriately adjusted **with concurrence of the Owner and Agency.**

COMPENSATION PACKET RPR-2: Resident Project Representative – Standard Hourly Rates

Article 2 of the Agreement is supplemented to include the following agreement of the parties:

C2.04 Compensation for Resident Project Representative Basic Services – Standard Hourly Rates Method of Payment

C. Owner shall pay Engineer for Resident Project Representative Basic Services as follows:

Resident Project Representative Services: For services of Engineer's Resident Project Representative under Paragraph A1.05.A of Exhibit A, an amount equal to the cumulative hours charged to the Project by each class of Engineer's personnel times Standard Hourly Rates for each applicable billing class for all Resident Project Representative services performed on the Project, plus related Reimbursable Expenses and Engineer's Consultant's charges, if any. The total compensation under this paragraph is estimated to be ~~\$378,000~~ **\$498,000** based upon full-time RPR services on an eight-hour workday, Monday through Friday, over a ~~465~~ **597** day construction schedule.

If rate(s) for RPR services is not indicated in Appendix Two to Exhibit C, "Standard Hourly Rates Schedule," the Standard Hourly Rate for RPR services is \$100 per hour.

Compensation for Reimbursable Expenses:

For those Reimbursable Expenses that are not accounted for in the compensation for Basic Services under Paragraph C2.01, and are directly related to the provision of Resident Project Representative or Post-Construction Basic Services, Owner shall pay Engineer at the rates set forth in Appendix 1 to this Exhibit C.

Reimbursable Expenses include the expenses identified in Appendix 1 and the following: transportation (including mileage), lodging, and subsistence incidental thereto; providing and maintaining field office facilities including furnishings and utilities; subsistence and transportation of Resident Project Representative and assistants; toll telephone calls, mobile phone charges, and courier charges; reproduction of reports, Drawings, Specifications, bidding-related or other procurement documents, Construction Contract Documents, and similar Project-related items. In addition, if authorized in advance by Owner, Reimbursable Expenses will also include expenses incurred for the use of highly specialized equipment.

The amounts payable to Engineer for Reimbursable Expenses, if any, will be those internal expenses related to the Resident Project Representative Basic Services that are actually incurred or allocated by Engineer, plus all invoiced external Reimbursable Expenses allocable to such services, the latter multiplied by a factor of **1.0**.

The Reimbursable Expenses Schedule will be adjusted annually (as of **January 01**) to reflect equitable changes in the compensation payable to Engineer.

Other Provisions Concerning Payment Under this Paragraph C2.04:

**Exhibit C – Compensation Packet RPR-5: Resident Project Representative Services—
Salary Costs Times a Factor Method of Payment.**

EJCDC® E-500, Agreement Between Owner and Engineer for Professional Services.

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Whenever Engineer is entitled to compensation for the charges of Engineer's Consultants, those charges shall be the amounts billed by Engineer's Consultants to Engineer times a factor of 1.1.

Factors: The external Reimbursable Expenses and Engineer's Consultant's factors include Engineer's overhead and profit associated with Engineer's responsibility for the administration of such services and costs.

Estimated Compensation Amounts:

Engineer's estimate of the amounts that will become payable for specified services are only estimates for planning purposes, are not binding on the parties, and are not the minimum or maximum amounts payable to Engineer under the Agreement.

When estimated compensation amounts have been stated herein and it subsequently becomes apparent to Engineer that the total compensation amount thus estimated will be exceeded, Engineer shall give Owner written notice thereof, allowing Owner to consider its options, including suspension or termination of Engineer's services for Owner's convenience. Upon notice Owner and Engineer promptly shall review the matter of services remaining to be performed and compensation for such services. Owner shall either exercise its right to suspend or terminate Engineer's services for Owner's convenience, agree to such compensation exceeding said estimated amount, or agree to a reduction in the remaining services to be rendered by Engineer, so that total compensation for such services will not exceed said estimated amount when such services are completed. If Owner decides not to suspend Engineer's services during negotiations and Engineer exceeds the estimated amount before Owner and Engineer have agreed to an increase in the compensation due Engineer or a reduction in the remaining services, then Engineer shall be paid for all services rendered hereunder.

To the extent necessary to verify Engineer's charges and upon Owner's timely request, Engineer shall make copies of such records available to Owner at cost.

COMPENSATION PACKET AS-1:
Additional Services – Standard Hourly Rates

Article 2 of the Agreement is supplemented to include the following agreement of the parties:

C2.05 Compensation for Additional Services – Standard Hourly Rates Method of Payment

A. Owner shall pay Engineer for Additional Services, if any, as follows:

General: For services of Engineer's personnel engaged directly on the Project pursuant to Paragraph A2.01 or A2.02 of Exhibit A, except for services as a consultant or witness under Paragraph A2.01.A.20, (which if needed shall be separately negotiated based on the nature of the required consultation or testimony) an amount equal to the cumulative hours charged to the Project by each class of Engineer's personnel times Standard Hourly Rates for each applicable billing class for all Additional Services performed on the Project, plus related Reimbursable Expenses and Engineer's Consultant's charges, if any.

Compensation For Reimbursable Expenses:

For those Reimbursable Expenses that are not accounted for in the compensation for Basic Services under Paragraph C2.01 and are directly related to the provision of Additional Services, Owner shall pay Engineer at the rates set forth in Appendix 1 to this Exhibit C.

Reimbursable Expenses include the expenses identified in Appendix 1 and the following categories: transportation (including mileage), lodging, and subsistence incidental thereto; providing and maintaining field office facilities including furnishings and utilities; toll telephone calls, mobile phone charges, and courier charges; reproduction of reports, Drawings, Specifications, bidding-related or other procurement documents, Construction Contract Documents, and similar Project-related items; and Consultants' charges. In addition, if authorized in advance by Owner, Reimbursable Expenses will also include expenses incurred for the use of highly specialized equipment.

The amounts payable to Engineer for Reimbursable Expenses, if any, will be the Additional Services-related internal expenses actually incurred or allocated by Engineer, plus all invoiced external Reimbursable Expenses allocable to such Additional Services, the latter multiplied by a factor of 1.0.

The Reimbursable Expenses Schedule will be adjusted annually (as of January 01) to reflect equitable changes in the compensation payable to Engineer.

Other Provisions Concerning Payment for Additional Services:

Whenever Engineer is entitled to compensation for the charges of Engineer's Consultants, those charges shall be the amounts billed by Engineer's Consultants to Engineer times a factor of 1.1.

Factors: The external Reimbursable Expenses and Engineer's Consultant's Factors include Engineer's overhead and profit associated with Engineer's responsibility for the administration of such services and costs.

To the extent necessary to verify Engineer's charges and upon Owner's timely request, Engineer shall make copies of such records available to Owner at cost.

Services identified in Exhibit 'B' as Additional Engineering Services made part of this agreement:

Soil Borings	\$ 16,500	\$11,660
Easements and Related Surveys	\$ 14,600	\$2,640
Environmental Permits	\$ 6,900	\$547
Construction Layout Survey Control	\$ 9,000	\$848
Construction Compaction Testing	\$ 13,000	\$9,022
Construction Storm Water Monitoring	\$ 21,000	\$0.00
O&M Manual	\$ 25,000	
Start-up Services	\$ 21,000	
SRF Part 1 & Part 2	\$ 20,000	\$12,104
SRF Part 3	\$ 11,000	
Performance Evaluation	\$ 21,500	
GIS System Upgrades	\$ 4,500	\$2,500
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TOTAL	\$184,000	\$106,821

City of Gladstone WWTP Construction
Engineering Amendment 01
EXHIBIT C Changes Summery

COMPENSATION PACKET BC-1		Spent	Remaining	Balance to	Proposed	Revised
Engineering Services	Budget	Through 7/1/2024	Budget	Complete	Contract Revision	Budget Amount
Study and Report Phase	\$ 98,000		\$ -	0	0	\$ 98,000
Basis of Design	\$ 357,000		\$ -	0	0	\$ 357,000
Preliminary Design Phase	\$ 715,000		\$ -	0	0	\$ 715,000
Final Design Phase	\$ 171,000		\$ -	0	0	\$ 171,000
Bidding and Negotiating Phase	\$ 35,000		\$ -	0	0	\$ 35,000
Construction Phase	\$ 323,000		\$ -	\$ 75,000	\$ 75,000	\$ 398,000
Post-Construction Phase	\$ 17,000		\$ 17,000	\$ 26,500	\$ 9,500	\$ 26,500
	\$ 1,716,000	\$ -	\$ 17,000	\$ 101,500	\$ 84,500	\$ 1,800,500
COMPENSATION PACKET RPR-2						
Resident Project Representative						
RPR	\$ 378,000	\$ 378,000	\$ -	\$ 120,000	\$ 120,000	\$ 498,000
COMPENSATION PACKET AS-1						
Additional services						
Soil Borings	\$ 16,500	\$ 11,660	\$ 4,840	\$ -	\$ (4,840)	\$ 11,660
Easements and Related Surveys	\$ 14,600	\$ 2,640	\$ 11,960	\$ -	\$ (11,960)	\$ 2,640
Environmental Permits	\$ 6,900	\$ 547	\$ 6,353	\$ -	\$ (6,353)	\$ 547
Construction Layout Survey Control	\$ 9,000	\$ 848	\$ 8,152	\$ -	\$ (8,152)	\$ 848
Construction Compaction Testing	\$ 13,000	\$ 4,522	\$ 8,478	\$ 4,500	\$ (3,978)	\$ 9,022
Construction Storm Water Monitoring	\$ 21,000		\$ 21,000	\$ -	\$ (21,000)	\$ -
O&M Manual	\$ 25,000	\$ 1,001	\$ 23,999	\$ 23,999	\$ -	\$ 25,000
Start Up Services	\$ 21,000		\$ 21,000	\$ 21,000	\$ -	\$ 21,000
SRF Part 1and 2	\$ 20,000	\$ 12,104	\$ 7,896	\$ -	\$ (7,896)	\$ 12,104
SRF Part 3	\$ 11,000		\$ 11,000	\$ -	\$ (11,000)	\$ -
Performance Evaluation	\$ 21,500		\$ 21,500	\$ 21,500	\$ -	\$ 21,500
GIS System Upgrades	\$ 4,500		\$ 4,500	\$ 2,500	\$ (2,000)	\$ 2,500
	\$ 184,000	\$ 33,322	\$ 150,678	\$ 73,499	\$ (77,179)	\$ 106,821
TOTAL CONTRACT REVISION	\$ 2,278,000	\$ 411,322	\$ 167,678	\$ 294,999	\$ 127,321	\$ 2,405,321