

## Supplemental Letter Agreement

In accordance with the Master Agreement for Professional Services between City of Grand Rapids ("Client"), and Short Elliott Hendrickson Inc. ("Consultant"), effective January 4, 2021, this Supplemental Letter Agreement dated January 8, 2024 authorizes and describes the scope, schedule, and payment conditions for Consultant's work on the Project described as: Pokegama Avenue Lighting.

**Client's Authorized Representative:**                     Matt Wegwerth, Public Works Director/City Engineer                      
**Address:**           420 North Pokegama Ave, Grand Rapids, Minnesota, 55744, United States                      
**Telephone:**           218.326.7625                                          **email:**           mwegwerth@grandrapidsmn.gov                    

**Project Manager:**                     Sara Christenson                      
**Address:**           1200 SE 4th Avenue, Suite 200, Grand Rapids, Minnesota 55744                      
**Telephone:**           218.322.4513                                          **email:**           schristenson@sehinc.com                    

**Scope:** The Services to be provided by Consultant:

This project involves the replacement of 10 street lighting units, bases, conduits and wiring adjacent to Pokegama Avenue South between 17th Street South and 21st Street South. The City Engineer has requested that we prepare this Supplemental Letter Agreement (SLA) for a design plan set, specifications, quantities, and shop drawing review of all of the improvements for your consideration. Bidding, Construction Staking, and Construction Administration are not currently included in the scope of work. Our estimated work scope and fee for this project are listed below.

**Schedule:** As determined between Client and Consultant at time of request, for summer construction.

**Payment:** A retainer in the amount of \$0 will be paid in advance of Consultant starting work and will be applied to the final invoice(s).

Task 1: Design -The lump sum fee is \$13,900 including expenses and equipment.

Task 2: Miscellaneous Services- For additional work as requested by the client out of scope of Task 1. The fee is hourly and estimated to be \$3,000 including expenses and equipment.

The payment method, basis, frequency and other special conditions are set forth in attached Exhibit A-1 and Exhibit A-2.

**Other Terms and Conditions:** Other or additional terms contrary to the Master Agreement for Professional Services that apply solely to this project as specifically agreed to by signature of the Parties and set forth herein: None.

**Short Elliott Hendrickson Inc.**

**City of Grand Rapids**

By:                                           
Full Name:           Sara Christenson                      
Title:               Client Service Manager                    

By:                     \_\_\_\_\_                      
Full Name:           Dale Christy                      
Title:               Mayor of Grand Rapids

**Exhibit A-1**  
**to Supplemental Letter Agreement**  
**Between City of Grand Rapids (Client)**  
**and**  
**Short Elliott Hendrickson Inc. (Consultant)**  
**Dated January 1, 2024**

**Payments to Consultant for Services and Expenses**  
**Using the Hourly Basis Option**

The Agreement for Professional Services is amended and supplemented to include the following agreement of the parties:

**A. Hourly Basis Option**

The Client and Consultant select the hourly basis for payment for services provided by Consultant. Consultant shall be compensated monthly. Monthly charges for services shall be based on Consultant's current billing rates for applicable employees plus charges for expenses and equipment.

Consultant will provide an estimate of the costs for services in this Agreement. It is agreed that after 90% of the estimated compensation has been earned and if it appears that completion of the services cannot be accomplished within the remaining 10% of the estimated compensation, Consultant will notify the Client and confer with representatives of the Client to determine the basis for completing the work.

Compensation to Consultant based on the rates is conditioned on completion of the work within the effective period of the rates. Should the time required to complete the work be extended beyond this period, the rates shall be appropriately adjusted.

**B. Expenses**

The following items involve expenditures made by Consultant employees or professional consultants on behalf of the Client. Their costs are not included in the hourly charges made for services but instead are reimbursable expenses required in addition to hourly charges for services and shall be paid for as described in this Agreement:

1. Transportation and travel expenses.
2. Fees paid, in the name of the Client, for securing approval of authorities having jurisdiction over the Project.
3. Postage, handling and delivery.
4. Expense of overtime work requiring higher than regular rates, if authorized in advance by the Client.
5. Renderings, models, mock-ups, professional photography, and presentation materials requested by the Client.
6. All taxes levied on professional services and on reimbursable expenses.
7. Other special expenses required in connection with the Project.
8. The cost of special consultants or technical services as required. The cost of subconsultant services shall include actual expenditure plus 10% markup for the cost of administration and insurance.

The Client shall pay Consultant monthly for expenses.

**C. Equipment Utilization**

The utilization of specialized equipment, including automation equipment, is recognized as benefiting the Client. The Client, therefore, agrees to pay the cost for the use of such specialized equipment on the project. Consultant invoices to the Client will contain detailed information regarding the use of specialized equipment on the project and charges will be based on the standard rates for the equipment published by Consultant.

The Client shall pay Consultant monthly for equipment utilization.

**Exhibit A-2**  
**to Supplemental Letter Agreement**  
**Between City of Grand Rapids (Client)**  
**and**  
**Short Elliott Hendrickson Inc. (Consultant)**  
**Dated January 8, 2024**

**Payments to Consultant for Services and Expenses**  
**Using the Lump Sum Basis Option**

The Agreement for Professional Services is amended and supplemented to include the following agreement of the parties:

**A. Lump Sum Basis Option**

The Client and Consultant select the Lump Sum Basis for Payment for services provided by Consultant. During the course of providing its services, Consultant shall be paid monthly based on Consultant's estimate of the percentage of the work completed. Necessary expenses and equipment are provided as a part of Consultant's services and are included in the initial Lump Sum amount for the agreed upon Scope of Work. Total payments to Consultant for work covered by the Lump Sum Agreement shall not exceed the Lump Sum amount without written authorization from the Client.

The Lump Sum amount includes compensation for Consultant's services and the services of Consultant's Consultants, if any for the agreed upon Scope of Work. Appropriate amounts have been incorporated in the initial Lump Sum to account for labor, overhead, profit, expenses and equipment charges. The Client agrees to pay for other additional services, equipment, and expenses that may become necessary by amendment to complete Consultant's services at their normal charge out rates as published by Consultant or as available commercially.

**B. Expenses Not Included in the Lump Sum**

The following items involve expenditures made by Consultant employees or professional consultants on behalf of the Client and shall be paid for as described in this Agreement.

1. Expense of overtime work requiring higher than regular rates, if authorized in advance by the Client.
2. Other special expenses required in connection with the Project.
3. The cost of special consultants or technical services as required. The cost of subconsultant services shall include actual expenditure plus 10% markup for the cost of administration and insurance.

The Client shall pay Consultant monthly for expenses not included in the Lump Sum amount.