

**AMENDMENT NO. 1 TO PROGRESSIVE DESIGN-BUILD AGREEMENT**  
**between**  
**BOARD OF WATER COMMISSIONERS OF THE CITY OF SAINT PAUL**  
**and**  
**CH2M HILL ENGINEERS INC.**

**THIS AMENDMENT NO. 1 TO PROGRESSIVE DESIGN BUILD AGREEMENT** (“Amendment”) is entered into by and between the BOARD OF WATER COMMISSIONERS OF THE CITY OF SAINT PAUL (“Board”), a Minnesota Municipal Corporation, d/b/a Saint Paul Regional Water Services (“SPRWS”), and CH2M HILL ENGINEERS INC (“CH2M HILL”), a corporation under the laws of the State of Delaware.

**WHEREAS**, Board and CH2M HILL are parties to that certain Progressive Design-Build Agreement dated January 1, 2021, (“Agreement”); and

**WHEREAS**, Board and CH2M HILL desire to amend certain terms of the Agreement;

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein, the parties mutually agree to amend the Agreement in the manner described below.

1. Section 7.2b is hereby added in its entirety:

**7.2b Early Work Packages**

**7.2b.1** The Owner and the Design-Builder have mutually agreed that certain portions of the scope of work should be completed prior to the establishment of a Guaranteed Price for the full scope of Phase 2 work. The work included in each of these early work packages has been described in the following Exhibits, each of which is a binding contractual document.

**7.2b.1.1 First Early Work Package.** The first early work package is described in “Exhibit L1: First Early Work Package”. By signing this contract amendment, the Owner and the Design-Builder hereby agree to the terms described therein. All work included in the First Early Work Package is also subject to the terms and conditions of the project described in the Agreement and in the General Conditions of Contract.

2. Section 7.4.1 of the Agreement is hereby amended as shown below. New language is indicated by underline and deleted language is indicated by strikethrough.

**7.4.1** If Owner elects to implement a Lump Sum approach to the Guaranteed Price, the Owner shall pay Design-Builder in accordance with Article 6 of the General Conditions of Contract the sum of \_\_\_\_\_ Dollars (\$) (“Contract Price”) for the Work for Phase 2 Services, subject to adjustments made in accordance with the General Conditions of Contract. Unless otherwise provided in the Contract Documents, the Contract Price

is deemed to include all sales, use, consumer and other taxes mandated by applicable Legal Requirements.

**Contact Note:** This Section 7.42 to be completed and binding only in the event that a Lump Sum delivery of the project is chosen by the Owner at the time of the Contract Price Amendment.

3. Section 10.1.1 of the Agreement is hereby amended as shown below. New language is indicated by underline and deleted language is indicated by strikethrough.

**10.1.1** Owner designates the individual listed below as its Principal in Charge, which individual has the authority and responsibility for avoiding and resolving disputes under Section 10.2 of the General Conditions of Contract:

~~Steve Schneider~~Patrick Shea  
General Manager, Saint Paul Regional Water Services  
~~steve.schneider@ci.stpaul.mn.us~~patrick.shea@ci.stpaul.mn.us  
~~(651)266-6260~~651-266-8943

**Contract Note:** ~~Upon Steve Schneider's retirement, the newly appointed General Manager will assume the position of the Principal in Charge.~~

4. Section 2.4 of the General Conditions of Contract is hereby amended as shown below. New language is indicated by underline, language moved from a different section is indicated by double underline, and deleted language is indicated by strikethrough.

#### **2.4 Legal Requirements and Funding Conditions.**

**2.4.1** Design-Builder shall perform the Work in accordance with all Legal Requirements and shall provide all notices applicable to the Work as required by the Legal Requirements.

**2.4.2** The Contract Price and/or Contract Time(s) shall be adjusted to compensate Design-Builder for the effects of any changes in the Legal Requirements enacted after the date of the Agreement which demonstrably and meaningfully impact the performance of the Work, or if a Guaranteed Price is established after the date of the Agreement, the date the parties agree upon the Guaranteed Price. Such effects may include, without limitation, revisions Design-Builder is required to make to the Construction Documents because of changes in Legal Requirements.

~~3.3.2~~**2.4.3** Design-Builder shall cooperate with the requirements of Owner's lenders or other financial sources. Design-Builder shall be responsible for meeting any adjustments to the requirements of the Owner's lenders or other financial sources made after the execution of the Agreement. In the event that funding requirements change during the course of the Project and meaningfully alter the obligations and responsibilities of the Design-Builder, a Change Order may be utilized to ensure that Design-Builder is appropriately compensated for such adjustments.

5. Section 2.7.5 of the General Conditions of Contract is hereby amended as shown below. New language is indicated by underline and deleted language is indicated by strikethrough.

**2.7.5 Acceptance Testing.** Following the successful Startup, Functional Testing, and (if applicable) Milestone Testing for all Project components, the Design-Builder shall be required to demonstrate that the full facility meets all requirements defined in the Owner's Project Criteria, including all Performance Criteria, in accordance with the Owner-approved Acceptance Testing Plan.

Further requirements for ~~Milestone~~-Acceptance Testing are described in the Owner's Project Criteria document.

6. Section 2.8.3 of the General Conditions of Contract is hereby amended as shown below. New language is indicated by underline and deleted language is indicated by strikethrough.

**2.8.3** Design-Builder's responsibility for safety under this Section 2.87 is not intended in any way to relieve Subcontractors of their own contractual and legal obligations and responsibility for (i) complying with all Legal Requirements, including those related to health and safety matters, and (ii) taking all necessary measures to implement and monitor all safety precautions and programs to guard against injuries, losses, damages or accidents resulting from their performance of the Work.

7. Section 3.3.2 of the General Conditions of Contract is hereby moved to Section 2.4 Legal Requirements in its entirety and renamed Section 2.4.3. See section 4 of this Amendment.

8. Section 4.2.1 of the General Conditions of Contract is hereby amended as shown below. Deleted language is indicated by strikethrough.

**4.2.1** Concealed or latent physical conditions or subsurface conditions at the Site that (i) materially differ from the conditions indicated in the Contract Documents or (ii) are of an unusual nature, differing materially from the conditions ordinarily encountered and generally recognized as inherent in the Work are collectively referred to herein as "Differing Site Conditions." If Design-Builder encounters a Differing Site Condition, Design-Builder will be entitled to an adjustment in the Contract Price and/or Contract Time(s) to the extent Design-Builder's cost and/or time of performance are adversely impacted by the Differing Site Condition.

~~**Contract Note:** Owner and Design-Builder will determine whether additional site-specific language is needed prior to the Contract Price Adjustment. Any additions would be added to that contract update.~~

9. Section 6.3.2 of the General Conditions of Contract is hereby amended as shown below. New language is indicated by underline and deleted language is indicated by strikethrough.

**6.3.2** The Application for Payment may request payment for equipment and materials not yet incorporated into the Project, provided that (i) Owner is satisfied that the equipment and materials are suitably stored at either the Site or another acceptable location, (ii) the equipment and materials

are protected by suitable insurance, and (iii) Owner will receive the equipment and materials free and clear of all liens and encumbrances at the appropriate time, ~~and (iv) Owner is satisfied that the early purchase of equipment and materials offers significant benefits to the Construction Work.~~

~~**Contract Note:** The Owner and the Design-Builder agree to revisit this topic during the negotiations for the Contract Price Amendment to determine if this arrangement (specifically whether Owner approval is the optimal arrangement for the project.~~

10. Section 6.7.4 of the General Conditions of Contract is hereby amended as shown below. New language is indicated by underline and deleted language is indicated by strikethrough.

**6.7.4** Deficiencies in the Work discovered after Substantial Completion, whether or not such deficiencies would have been included on the Punch List (as defined in the Certificate of Substantial Completion) if discovered earlier, shall be deemed warranty Work. Such deficiencies shall be corrected by Design-Builder in accordance with Sections 2.9 and 2.10 herein, and shall not be a reason to withhold final payment from Design-Builder, provided, however, that Owner shall be entitled to withhold from the final payment 200 percent of the reasonable value (as determined by mutually agreed upon by the Owner and the Design-Builder) of completion of such deficient work until such work is completed.

~~**Contract Note:** During the Design Phase, the Owner and Design-Builder will consider whether the Owner's sole determination of the reasonable value of this work is most appropriate. If a mutually agreeable alternative is found, this section may be revised at the Contract Price Amendment.~~

11. Section 9.1.3 of the General Conditions of Contract is hereby amended as shown below. New language is indicated by underline and deleted language is indicated by strikethrough.

**9.1.3** If Owner requests a proposal for a change in the Work from Design-Builder and subsequently elects not to proceed with the change, a Change Order shall be issued to reimburse Design-Builder for reasonable costs incurred for estimating services, design services and services involved in the preparation of proposed revisions to the Contract Documents. Prior to commencing the estimating, design, and other such services, Design-Builder and Owner must agree (in writing) that the work will be compensated by Change Order upon culmination.

In order to limit the number and frequency of such Change Orders, the Design-Builder shall maintain a running total of the value of all such incurred costs. The Owner shall issue Change Orders to reimburse the Design-Builder for such costs under the following circumstances:

**9.1.3.1** When the value of costs incurred in the manner described above exceeds \$15,000  
or

**9.1.3.2** Every six months (as needed) in order to reimburse Design-Builder for costs incurred in the manner described above or

**9.1.3.3** At the time of the Final Payment.

~~Change Orders shall not be issued for such design services, estimating services, etc. if the value of the associated work does not exceed \$5,000. If the Design-Builder anticipates that the value of~~

~~such work may exceed \$5,000, t~~The Design-Builder shall provide the Owner with written notice prior to the commencement of the work, indicating (i) that a Change Order may be necessary to compensate the Design-Builder for the compilation of the proposal, and (ii) the estimated value of the work associated with completing the requested proposal.

~~**Contract Note:** The Owner and the Design-Builder have agreed to revisit section 9.1.3 prior to the Contract Price Amendment to determine if an alternative arrangement is preferable. Any revisions (if applicable) would be incorporated into the Contract Price Amendment.~~

12. The attached Exhibit L1 is hereby added in its entirety.
13. The provisions of this amendment shall take effect January 11, 2022.
14. Except as modified herein, the terms of the Agreement shall remain in full force and effect.

*[Remainder of page is left intentionally blank.]*

**IN WITNESS WHEREOF**, the parties hereto have caused this Amendment to be executed on the dates listed below.

Approved as to form:

**BOARD OF WATER COMMISSIONERS  
OF THE CITY OF SAINT PAUL**

By: \_\_\_\_\_  
Patrick Shea, General Manager  
Saint Paul Regional Water Services

By: \_\_\_\_\_  
Mara Humphrey, President

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

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

By: \_\_\_\_\_  
Lisa Veith, Assistant City Attorney

By: \_\_\_\_\_  
Mollie Gagnelius, Secretary

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

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

By: \_\_\_\_\_  
John McCarthy  
Interim Director, Office of Financial Services

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

**CH2M HILL ENGINEERS, INC.**

By: \_\_\_\_\_  
Printed Name  
Title

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

# Exhibit L1: First Early Work Package

McCarron's Water Treatment Plant Improvements

## Scope of Work

The scope of work for this first work package consists of:

- Procurement of the (3) major equipment packages for the project including the Softening Clarifier Equipment, Lime Storage and Dosing Equipment, as well as the Ozone Treatment Equipment.
- Procurement of a temporary carbon dioxide storage system needed early in the project including mobilization of that equipment and (41) months of rental.
- Preparation, final negotiation, and approvals for the purchase order agreements noted previously. This consists of procurement labor hours to complete this work.
- Review of submittals and requests for information / clarification from the equipment vendors by the engineering team.
- Contingency for design evolution, design changes, and risk events identified for the eventual scope of supply for the above purchase order contracts.
- Escalation allowance for the Lime Storage and Dosing Equipment purchase agreement.
- Bonds, insurance, and sales taxes due on the above.

## Cost of Work

The Owner hereby agrees to pay the Design-Builder a Lump Sum Amount of \$22,239,688 for the equipment and services described above.

## Purchasing Agent Agreement

Owner and Design-Builder acknowledge that Owner has designated Design-Builder as Purchasing Agent for process equipment so that these purchases are exempt from sales tax. The provisions of that sales tax exemption state the following:

- a. Contractor ("Design-Builder" in this agreement) has been appointed as purchasing agent;
- b. Exempt entity ("Owner" in this agreement) takes title to all materials and supplies at the point of delivery;
- c. Exempt entity ("Owner" in this agreement) has the risk of loss for all materials and supplies; and
- d. Exempt entity ("Owner" in this agreement) has responsibility for all defective materials and supplies, including those incorporated into realty.

Design-Builder and its subcontractors will exercise all due diligence and care when it comes to receiving, unloading, storing, installing, commissioning and handing over process equipment purchased as part of this contract. Design-Builder retains responsibility for ensuring that equipment is delivered to the owner in accordance with the project schedule and in conformance with the project specifications.

Any Use Taxes due under this arrangement, or if sales taxes are ultimately deemed to be due, would be paid by Owner.



The terms of this Purchasing Agent designation will apply pending the MN Department of Revenue's agreement that the purchases are eligible. If the Department of Revenue does not concur, then the Purchasing Agent designation will be nullified.

At present, the terms of the Purchasing Agent agreement are only applicable to the purchases included in this Exhibit L1. As the project advances, the Owner and the Design-Builder will consider the specifics of any purchases made to determine if the Purchasing Agent designation should be applied further or if an alternative tax arrangement is preferable. Future contract amendments will specify the extent to which the Purchasing Agent designation governs future work packages.

## Timeline of Work

The Design-Builder will proceed with the work included in the first early work package after the signing of Amendment No. 1 to the Progressive Design-Build Agreement dated January 11, 2022.

## Document Precedence

Both the Owner and the Design-Builder understand that there are currently three sources of information relating to specifications for the equipment included in this work package:

- The Owner's Project Criteria, which has not been revised since the signing of the original contract
- The Specifications compiled by the Design-Builder
- Vendor interpretations of and responses to the Specifications compiled by the Design-Builder

The Owner understands that equipment specifications may ultimately differ somewhat from the criteria defined in the Owner's Project Criteria. The Owner will not withhold approval of deviations from the Owner's Project Criteria, provided that the deviations will not negatively impact the performance of the equipment, the longevity of the equipment, or the maintainability of the equipment.

As such, the Owner's Project Criteria maintains precedence but primarily as a document which defines the Owner's intent for performance of the equipment. The finalized specifications for each piece of equipment are expected to deviate from the Owner's Project Criteria but shall not meaningfully reduce performance, longevity, or maintainability unless specifically approved by the Owner in writing.

## Substantial Completion

### Substantial Completion Date

The Owner and the Design-Builder acknowledge their mutual intent to revise the contract language concerning Substantial Completion. At the time of the signing of Amendment No. 1 to the Progressive Design-Build Agreement dated January 11, 2022, that language has not yet been revised.

The Owner has directed the Design-Builder to work under the assumption that the relevant treatment facilities will be considered substantially complete upon the completion of Acceptance Testing for the project. As such, the Owner has indicated that they intend to agree to revisions of the current

Substantial Completion language which draw a line between the Substantial Completion of the treatment facilities and the remainder of the project (demolition work, lab facility, etc.)

Should the Owner fail to agree to such a revision, the Owner understands that additional costs will be incurred by the Design-Builder, especially costs related to providing a warranty on the equipment. The Owner will be responsible to compensate the Design-Builder for such expenses incurred.

The language for Substantial Completion will be revised at the time of the final Guaranteed Price (“GP”) acceptance or earlier.

### Warranty Timeline

As noted above, the Design-Builder is carrying the cost of warranties for one year from the passage of Acceptance Testing. The Design-Builder is responsible for correctly estimating the timeline for Acceptance Testing. If Acceptance Testing occurs later than expected in the Design-Builder’s proposal, the Design-Builder will be responsible for the costs of extending the warranty.

## Sales Tax

The Owner and the Design-Builder are currently investigating opportunities to designate the Design-Builder as a Purchasing Agent for the project. It remains uncertain whether this will be legally possible.

As such, sales taxes have been included as an Allowance item in this Guaranteed Price submittal. If SPRWS is able to designate the Design-Builder as a Purchasing Agent, the Design-Builder will not be responsible for paying sales taxes on the process equipment permanently installed in the facility. As such, the funds set aside in the allowance item will be returned to the Owner.

In the event that the Design-Builder cannot be designated as a Purchasing Agent, the Design-Builder will be responsible for paying any sales taxes. As such, the funds set aside in the allowance item will be used to reimburse the Design-Builder for sales tax expenses incurred.

The Owner is separately pursuing a state sales tax exemption that may be more favorable. Should the State approve that exemption request, the Owner will be eligible to receive reimbursement for sales taxes paid on the project. In this event, the allowance item may be utilized to pay sales taxes on all goods, and the Owner will be responsible for seeking reimbursement from the State.

In either case, it is likely that Use Tax will be due on the installed process equipment. That amount due (currently estimated at 0.5% of the purchase value for Ramsey County) will be paid out of the Allowance.

## Cost Breakdown

Costs have been itemized in the full GP workbook submittal (Final Proposal submitted by CH2M HILL on December 28, 2021 via email to Will Menkhaus). For more detailed information, please consult that submittal.

The following table summarizes the costs for this work package:

<b>Description</b>	<b>Cost</b>
Design-Builder General Conditions	21,320
Design-Builder Engineering Services During Construction	68,924
Design-Builder Procurement Costs	
Softening Clarifiers	8,182,142
Lime Equipment	4,523,100
Ozone Equipment	4,255,205
Temporary CO2 Equipment	391,250
Equipment Warranty Correction Costs	86,758
Contingency	1,089,782
Allowances	1,660,838
Design-Builder Fee	1,560,054
Bonds, Insurance, and Taxes on Above	400,314
<b>Total Cost</b>	<b>22,239,688</b>

## Terms of Payment

The Design-Builder will develop a complete schedule of values and payment schedule within 30 days of the signing of Amendment No. 1 to the Progressive Design-Build Agreement dated January 11, 2022. The schedule of values and payment schedule is subject to review and approval by SPRWS. In general, unless otherwise specified, costs will not be passed on to the Owner until they have been incurred by the Design-Builder.

Upon agreement between the Owner and the Design-Builder, the schedule of values will be used to govern payments for the work covered in this package.

A preliminary equipment schedule of values has been developed and included below.

Each piece of equipment will be treated separately with regard to milestones (which are defined in the table below). For example, the commencement of fabrication of the batch slaking system will trigger the payment associated with that milestone regardless of whether fabrication has already begun on other equipment.

## MILESTONE PAYMENTS FOR 3 EQUIPMENT PURCHASE ORDERS – LIME, OZONE AND Softening Clarifiers

<b>Percentage of Contract Value Due for Payment</b>	<b>Description</b>
10%	Upon Acceptance of Submittal Drawings by CH2M HILL
Cumulative 20% (multiple payments)	Upon Receipt of Major Equipment/Material by Supplier (Supplier to submit Material List with Submittals for approval by CH2M HILL)
15%	Upon Commence of Fabrication
45%	Upon Complete Delivery on Site
5%	Upon Completion of Performance Test and/or Commissioning Activities
5%	Upon Completion of O&M Manuals, and other specified deliverables

### “Off-Ramp” Scenario

In the event that the Owner elects to take the “Off-Ramp” described in Section 2.3.2.4(iii) of the Agreement, the following options will be available to the Owner (at the Owner’s discretion):

- The Owner will have the authority to work directly with the equipment manufacturer to accept delivery of the equipment. In this scenario, the Design-Builder will never assume ownership of the equipment.
- The Owner will have the authority to work directly with the equipment manufacturer to delay delivery of the equipment. In this scenario, the Design-Builder will never assume ownership of the equipment.
- The Owner will have the authority to work directly with the equipment manufacturer to cancel the order of the equipment.

Nothing within the contract between the Design-Builder and the equipment manufacturers will limit, in any way, these rights of the Owner. The Design-Builder is responsible for ensuring that Purchase Orders to equipment suppliers include Assignment and Termination for Convenience clauses that cover the scenarios above.

### Basis for Future Change Orders

In the event that the Design-Builder believes that a change order is merited, the Design-Builder is responsible for informing the Owner of the need for a change order, in detail, as soon as possible. The Design-Builder will not proceed with the contested work until the Owner has provided a written response indicating whether the Owner will accept the change order request.

An Allowance item has been set aside for escalation in the cost of the batch slaking equipment produced by RDP Technologies, Inc. (further described below). Once the actual value of the escalation has been

determined, the Owner and the Design Builder agree to process a change order increasing or decreasing the costs of the contract by the value of the escalation and the associated Design-Builder’s Fee.

## Escalation

The RDP Contract price will be adjusted for inflation at the time the equipment is Approved and Released for Fabrication. 30% of the contract price will be tied to the St. Louis Fed Index of Metals and Metal products <https://fred.stlouisfed.org/series/WPU10170502> [fred.stlouisfed.org] 30% of the contract price will be tied to the St. Louis Fed Manufacturers Price Index <https://fred.stlouisfed.org/series/PCUOMFGOMFG> [fred.stlouisfed.org] and 40% of the contract will be tied to the St. Louis Fed Consumer Price Index <https://fred.stlouisfed.org/series/CPIAUCSL> [fred.stlouisfed.org] . At the time of contract consummation, the index values will be captured and upon the equipment Release for Fabrication these indexes will be revisited, and the Contract price will be increased or decreased from the original price based on the indices above.

## Applicability of Contract Documents

The following table lists which Contract Document exhibits apply and do not apply to this first early work package:

Exhibit	Description	Applicability to this GP Proposal
Exhibit A	Preliminary Owner’s Project Criteria	As described in the “Document Precedence” section of this Exhibit L1
Exhibit B	Preliminary Scope of Phase 1 Services	No relevant content
Exhibit C	Permitting and Regulatory Approvals Responsibilities	Yes. CH2M HILL responsible for ensuring that equipment ordered in this work package meets conditions of permits
Exhibit D	MN PFA Contract Packet (Project Funding Requirements)	Yes
Exhibit E	Labor Standards	Yes
Exhibit F	Key Firms and Key Personnel	No relevant content
Exhibit G	Exhibit G – Phase 1 Milestone Schedule	No relevant content
Exhibit H	Insurance Requirements	Yes
Exhibit I	Billing Rates, Phase 1 Costs, and Phase 2 Markups	Yes
Exhibit J	Cost Model	The CH2M HILL’ Cost Model has been developed in accordance with Exhibit J and approved by SPRWS.
Exhibit K	Parent Guaranty Agreement	Yes
Exhibit L	Scope Basis	No relevant content
Exhibit L1	First Early Work Package	Yes
Exhibit M	Site Security Requirements	This exhibit is not yet developed. Upon development, the exhibit will apply.

Exhibit N	Performance Incentive Arrangements	No
Exhibit O	Index of Reference Documents	No relevant content

## Additional Assumptions and Clarifications of the Proposal

The following table includes additional assumptions and clarifications noted in the GP proposal:

Line	Assumption or Clarification
<b>DESIGN-BUILDER, GENERAL AND PROJECT-WIDE (00)</b>	
1	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all electricity used on the project. Therefore, we have not included any of these costs in this GP proposal.</p> <p>SPRWS and CH2M HILL will work together to ensure that all temporary and revised permanent electrical loads are within all appropriate limits and do not limit the operation of SPRWS facilities. Additionally, SPRWS and CH2M HILL will work together to plan outages and plant interruptions to avoid any unplanned outages to the operating facility.</p>
2	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all potable water used on the project. Therefore, we have not included any of these costs in this GP proposal.</p> <p>CH2M HILL will inform SPRWS of planned water use and SPRWS will approve water usage; CH2M HILL and SPRWS will work together to ensure construction activities do not impact regular service to customers.</p>
3	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all sanitary sewer used on the project for the temporary facilities. Therefore, we have not included any of these costs in this GP proposal.</p> <p>CH2M HILL will not dispose of any hazardous or problematic waste into a SPRWS-owned sanitary sewer. Given the small amount of additional flows from the construction office trailers, CH2M HILL assumes that sewer fees will not increase and capacities will not be impacted. If that is incorrect, CH2M HILL will remedy the issue.</p>
4	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all chemicals associated with the operating plant. Therefore, we have not included any of these costs in this GP proposal. CH2M HILL has the responsibility to coordinate and schedule the commissioning and startup chemicals so that they are onsite at the appropriate time. CH2M HILL will work with SPRWS to ensure the appropriate accounts are set up and available.</p>
5	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all stormwater associated with the plant. Therefore, we have not included any of these costs in this GP proposal.</p>

	<p>CH2M HILL is responsible for complying with all stormwater requirements and for any fees / fines that result from inadequate stormwater provisions or protections.</p>
6	<p>This proposal assumes that SPRWS will be paying for consumption / usage costs for all sludge handling associated with the plant. Therefore, we have not included any of these costs in this GP proposal.</p> <p>All sludge from the new facilities will be piped to the existing storage tanks, GVTs, and filter presses.</p>
7	<p>Recently passed legislation includes a Build America Buy America provision that may modify the requirements of American Iron and Steel. We have not included pricing for this provision as impacts are currently unknown.</p> <p>If / once adopted, the regulations will constitute a change in funding requirements per Section 2.6.3 and the legal requirements per Section 2.4 of the General Conditions.</p>
8	<p>This GP has been prepared using the GMP Design-Builder fees. If a Lump Sum is agreed to, that fee will need to be reduced. Approximate savings on the fee rate is included on Tab 00 F.</p>
9	<p>Given volatility in the markets, we have discussed the best ways to handle escalation. On two of the three bid packages, the vendor is taking responsibility for all escalation. On the RDP package, they have proposed using price indexes to calculate escalation. Escalation is included for the RDP package as an Allowance. The final contract value for RDP will be adjusted for escalation when they order materials for manufacturing based on the change in the price indices. If that calculated escalation is less than the Allowance amount indicated, the contract between CH2M HILL and SPRWS will be decreased by the corresponding amount plus the associated Design-Builder Fee. If the calculated escalation is greater than the Allowance amount, the contract will be increased by the corresponding amount plus the associated Design-Builder Fee.</p>
10	<p>Please note that design was not complete during this procurement and that eventual 100% Drawing and Specifications will differ from those presented with the GP. Furthermore, provisions in the equipment proposals differ from the requirements of these preliminary Specifications. This is a normal part of the Design-Build process. SPRWS will be involved in reviews as the design progresses. In general, for this GP, the provisions of the vendors proposal, as long as they do not impede performance (water quality, schedule, longevity, architectural, etc.) will govern. Please reference Exhibit L1 to the Prime Agreement for further comment on document prioritization.</p>
11	<p>Please note that CH2M HILL has collected operational data and noted concerns as addressed by each supplier in their responses to the RFP. In accepting the suppliers pricing, we have noted no fatal flaws in this</p>

	data, but it is important for SPRWS to review nonetheless to ensure they concur with our understanding.
12	<p>Please note that CH2M HILL has included warranty costs for the equipment purchased in this GP proposal for (1) year after the completion of the Acceptance Test (which is the same as Substantial Completion). Please reference Exhibit L1 for further comments on the Substantial Completion timeline.</p> <p>If additional warranty is desired by SPRWS, those costs are known and can be added later by Change Order.</p>
13	<p>Sales taxes were calculated at 7.375% based on the 1900 Rice Street address for the Plant from the following website:  <a href="https://www.revenue.state.mn.us/sales-tax-rate-calculator">https://www.revenue.state.mn.us/sales-tax-rate-calculator</a>.</p> <p>Given the good possibility for sales tax exemption, sales taxes have been moved to the Allowances. Should sales taxes be due, those monies are available in this proposal. If not, that Allowance is not used.</p>
<b>DESIGN-BUILDER, GENERAL CONDITIONS (01)</b>	
1	Hours for writing and reviewing the purchase agreements included in this GP have been included on Tab 01.
<b>DESIGN-BUILDER, ENGINEERING SERVICES DURING CONSTRUCTION (03)</b>	
1	Hours for reviewing submittals, and responding to vendor requests for information, for the purchase agreements included in this GP have been included in Tab 03.
<b>BID PACKAGE 2201: SOFTENING CLARIFIER EQUIPMENT</b>	
1	<p>The vendor for this package has accepted all escalation for this equipment. As a stipulation of this agreement, 20% of their contract value be paid after approved submittals for the purchase of materials.</p> <p>CH2M HILL will work with SPRWS to identify any project cash flow constraints that this may create.</p>
2	<p>We have included extensive costs (and design evolution on those costs) for design of a final walkway approximately 4 FT in width, aligned with the top of concrete in the center gallery area, and includes cantilevered observation platforms.</p> <p>A sketch of the basis of bid for the walkway is included in this revised GP in Appendix 100 E.</p>
3	This proposal assumes use of Endress Hauser instruments. Costs to switch to Sierra, if desirable, is approximately \$55K.
4	This proposal is based on a walkway width of 4 FT. Cost to go to a wider walkway would vary depending on how wide that walkway eventually ends up being.
<b>BID PACKAGE 2202: LIME EQUIPMENT</b>	



1	Jacob's interpretation of current AIS requirements is that RDPs equipment does not need to comply, as process equipment and systems are exempted from AIS compliance. RDP notes that their systems are not fully compliant with AIS. It is possible that auditors will not agree with Jacob's interpretation of the AIS requirements. We note this because AIS compliance is currently not achievable. The remaining components of their system that are not AIS compliant are not available at the time of this proposal. Should AIS auditors determine that CH2M HILL is not in compliance with AIS standards for this package, CH2M HILL will need the assistance of SPRWS to pursue and be awarded an AIS waiver for this system.
2	RDP notes that not all of their systems are NSF 61 certified.  CH2M HILL has confirmed that NSF 61 is not a requirement for MDH for this system.
3	The Owner's Criteria includes a requirement for slaking temperature rise. RDP does not meet this requirement. CH2M HILL has no concerns over this difference.
4	RDP noted exceptions to the electrical panel specifications provided as part of the equipment RFP. CH2M HILL has no concerns over this difference.
<b>BID PACKAGE 2203: OZONE EQUIPMENT</b>	
1	Please note that the LOX supplier needs to meet Ozonia's hydrocarbon requirements. CH2M HILL has reviewed with local suppliers and this should not be an issue.
<b>BID PACKAGE 2204: TEMPORARY CO2 SYSTEM</b>	
1	The vendor (Tomco) has noted a request that they will rent us this equipment for the temporary system if they are allowed to bid on the supply of the permanent system.
2	We have not included any costs for CO2 consumption in this proposal as we assume that SPRWS is carrying all these costs.
3	A temporary unit of the size that we need is coming available in April of 2022 when we need it. There are no other systems readily available. Costs to go to an alternate supplier in the timeframe needed will be greater than Tomco.
4	Please note that the temporary CO2 system has a single trailer mounted tank of the appropriate size.