

**City of Menahga
Action Memorandum 18-035**

Subject: Authorize the Contract with BHH Partners in the Amount of \$10,000 to Complete Phase 1 of the Liquor Store Project and a Survey of the Liquor Store Property

Agenda of: May 14, 2018

Council action: Authorized _____

Summary statement: Action Memorandum 18-035 authorizes the first phase of BHH Partners' proposal. The approximate cost for the work indicated for the first phase is approximately \$6,800.

In addition to the first phase, a survey of the Liquor Store property is needed. The anticipated cost of the survey is approximately \$3,000. This action memorandum authorizes the survey as well.

Fiscal information:

Total amount of funds listed in this legislation: \$ 10,000

This legislation (✓):

<input type="checkbox"/> Has no fiscal impact	<input type="checkbox"/> Creates a positive impact in the amount of: \$ _____
	<input checked="" type="checkbox"/> Creates a negative impact in the amount of: \$ <u>10,000</u>

Funds are (✓):

<input type="checkbox"/> Budgeted	Line item(s): _____
<input checked="" type="checkbox"/> Not budgeted	Affected line item(s): <u>Liquor Store Funds</u>

Attachments:

- BHH Partners proposal



May 1, 2018

Janette Bower
City of Menahga
115 2nd Street NE
PO Box C
Menahga, MN 56464

Re: Proposal for Architectural Services for Northbound Spirit Liquor Store Addition

Dear Janette,

Thank you for considering our firm to provide your Architectural work. We are excited about your project and look forward to working with the City of Menahga. I understand that you are requesting Architectural Services from BHH Partners to renovate and potentially add on to the existing Municipal On/Off Sale Liquor Store.

This proposal is based on our previous email correspondence and the meeting held on site with Renata Parks on April 18, 2018. Based on our conversations, we would work closely with the City of Menahga to create a project that is both cost effective and functional.

Proposed Cost of Services

We would suggest a phased approach to our professional design services.

Phase I

Based on our meetings and conversations, BHH would like to propose the following Architectural Services for this pre-design/schematic phase of the project.

1. Initial meeting with the City and Liquor Store staff to verify the building pre-design program items.
2. Site visit to analyze existing site conditions and options.
3. Development of existing conditions plans and exterior elevations.
4. Two (2) design review meetings with the City/Liquor Store staff to review basic design options.
5. Preliminary schematic floor plan concepts along with exterior sketches.
6. Preliminary cost estimate.
7. Preliminary code review.
8. Presentation to City Council.

BHH Partners will provide information noted above for Phase One for a lump sum fee of \$6,800.00. This fee is negotiable based on any revisions in the scope of work as requested by the Owner and will be credited to the completion of the Construction Documents if the Owner elects to proceed with that portion of the work as noted in Phase II below.

The following items are not included in the scope of the work for Phase I, but may be provided by the Owner or as an additional service upon prior approval by the Owner: (most of these services would be included as part of Phase II).

1. Additional site visits and meetings beyond those included in the scope of services above.



2. Architectural and Engineering Services beyond those noted above for schematic design, design development, construction documents, bidding and construction administration. Refer to below for additional information.
3. Project specifications of materials and methods of construction.
4. Structural, Mechanical, Electrical, Civil or Fire Protection engineering services and design.
5. Interior finishes selections services and detailed interior design.
6. Detailed construction cost estimates.

Phase II

As the Architect, we will be responsible for the Structural, Mechanical and Electrical Engineers for the design systems within the building. We will also prepare the Project Documents for a single contract to be bid to a General Contractor. We shall prepare the contract documents for bidding and shall prepare AIA documents between the Owner and the Contractor per approval of the City representatives. In general terms, we shall be involved in all phases of the project from design development, construction documents, engineering and bidding through the actual construction of the project. This would include a final punchlist and project closeout with the Contractor for the project.

We would propose to provide the Architectural/Engineering Services for the scope of work defined above for a fee of 10% of the Hard Construction Costs. We would be willing to consider and negotiate a fixed fee arrangement once the scope of work is verified after the design development phase. We feel that a flat fee avoids the usual concerns expressed by Owners; regarding whether it is to the Architect's advantage to help keep construction costs down if he is working with a fee structure that is based on a percentage of the actual construction costs.

Our fees can typically be broken down into various phases for the project. We work closely with the Owner to review the status of the design and project budget at the end of each phase. Our fees are normally billed as a percentage of our overall fee based on the phases as noted below:

Schematic Design Phase	15%
Design Development Phase	20%
Construction Document Phase	45%
Bidding Phase	5%
<u>Construction Administration</u>	<u>15%</u>
Total	100%

A copy of our Fee Schedule/Standard General Conditions is attached and is hereby made a part of this agreement. Statements for work are mailed on a monthly basis and are due and payable in full upon receipt. Reimbursable expenses such as printing costs, long distance phone calls, postage, travel costs, computer plots and other miscellaneous reimbursable expenses would be in addition to our fee at our direct costs.

In the event there is a change in the scope of work or design schedule, we agree to equitably renegotiate this agreement to reflect these changes. This proposal is valid for a period of thirty (30) days from the above referenced date, after which time it may be withdrawn by the Architect.

As a condition of this agreement, you as the Owner, agree to limit our liability to the present and all subsequent Owners and to all Construction Contractors and Subcontractors on the project so that the total aggregate liability of BHH Partners, Planners / Architects, to all those named shall not exceed our fee, or \$50,000.00, whichever is less. BHH Partners carries Professional Liability Insurance and a Certificate of Insurance is available upon request. BHH Partners, Planners / Architects carries Professional Liability Insurance and a Certificate of Insurance is available upon request. This limit of liability may be stricken from the agreement at the option of the

Owner at any time prior to the date of issuance of the plans for construction for a one-time payment of a fee of 6% of the architectural fee for the work.

Project Schedule

We propose to work closely with the City of Menahga to ensure that our work is efficient in order to keep our time and fees to a minimum. The time frame for completion would be dependent on direction by the City and the actual scope of the work required. We are willing to adjust our focus and schedule as much as we can to meet your needs. If approved at this time, we would be available to immediately start on your project.

Please feel free to discuss with us any questions or concerns you may have with this proposal. If all is in order, please sign below to authorize your acceptance and return one (1) copy of this agreement to our office.

Thank you, once again, for the opportunity to help with your project.

Sincerely,



Anthony J. Stoll, AIA
Principal Architect

AJS/kjs

Accepted: City of Menahga

By: _____ City Administrator

Date: _____

FEE SCHEDULE

Dear Client:

We appreciate the opportunity to provide you with your architectural and planning services. Effective January 1, 2018, our billing rates are as follows:

Principal Architect	=	\$130.00 per hour
Architect/Senior Project Manager	=	\$105.00 per hour
Project Manager	=	\$95.00 per hour
CADD Technician I	=	\$80.00 per hour
CADD Technician II	=	\$70.00 per hour
CADD Technician III/Clerical	=	\$60.00 per hour

(The hourly rates set forth above are subject to annual adjustments).

1. CONSULTANT SERVICES:

Structural, mechanical, electrical, and civil engineering and other consultant services, shall be billed as a multiple of One and one tenth (1.1) times the amounts billed to BHH Partners.

2. REIMBURSABLE EXPENSES:

Printing, travel, long distance calls, computer plotting, shipping and other reimbursable expenses shall be billed as a multiple of One and one tenth (1.1) times the direct expenses incurred by BHH Partners and shall be in addition to our fee.

Printing:	\$0.10/sheet (8.5x11) black & white	\$2.50/sheet (18x24)
	\$0.20/sheet (8.5x11) color	\$3.00/sheet (24x36)
Mileage:	IRS Standard Mileage Rate	\$4.00/sheet (30x42)
Phone/Fax:	standard rates	
Shipping:	standard rates	

3. PAYMENT POLICY:

All statements are generated monthly and are due payable in full upon receipt. A \$35.00 service charge and interest of 1 ½% per month will be charged to all accounts over thirty (30) days past due.

4. COMPENSATION IN EVENT OF TERMINATION:

In the event of termination, suspension, or abandonment of the project, the Architect shall be equitably compensated for services performed. Failure of the Owner to make payments to the Architect in accordance with this Agreement shall be considered substantial nonperformance and is sufficient cause for the Architect to either suspend or terminate services. Either the Architect or the Owner may terminate this Agreement after giving no less than seven (7) days written notice if the other party substantially fails to perform in accordance with the terms of this Agreement.

5. NON-PAYMENT:

In the event of non-payment, BHH shall be entitled to reimbursement for all costs of collection, including BHH time at billable rates above as additional services, plus reasonable attorneys' fees and court costs. In the event of non-payment, BHH has the right to stop work.

6. TERMINATION OF AGREEMENT:

This Agreement may be terminated by either party upon seven (7) days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof. Such termination shall not be effective if that substantial failure has been remedied before expiration of the period specified in the written notice. In the event of termination, BHH shall be paid for services performed to the termination notice date, plus reasonable termination expenses.

7. Refer to the attached "Standard General Conditions to the Agreement" for additional information to be included as part of this agreement.



STANDARD GENERAL CONDITIONS TO THE AGREEMENT

These General Conditions to the Agreement are incorporated into and made part of this Agreement and these combined documents shall be the entire Agreement and shall supersede any other agreement between Client and BHH relating to the subject matter. In case of a conflict or inconsistency between the provisions of this Agreement and these General Conditions and the provisions of any other contract documents, the provisions of the Agreement and these General Conditions shall control.

1. **ACCEPTANCE:** Time is of the essence with respect to this Agreement. This Agreement is conditioned upon BHH receiving written acceptance by the Contracting Party of all of the terms and conditions of the Agreement on or before thirty (30) days from the date that this Agreement was signed by BHH. This Agreement shall be deemed withdrawn if written acceptance is not received within said thirty (30) day period. Notwithstanding anything to the contrary, any work performed by BHH prior to the execution of this Agreement by the Contracting Party shall be subject to the terms and conditions of this Agreement.
2. **PROFESSIONAL SERVICES PERFORMED:** Services performed by BHH under this Agreement will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions at the same time and in the same or a similar locality. No other warranty, express or implied, is made.
3. **HAZARDOUS MATERIALS:** The Architect and Architect's consultants shall have no responsibility for the identification, discovery, presence, handling, removal, or disposal of, or exposure of persons to, hazardous materials in any form at the Project site.
4. **REMODELING:** If this Project involves remodeling of existing conditions that are difficult to determine without damage to the existing finishes in the building, the scope of work and Project budget may need to be adjusted as these conditions are determined during construction.
5. **LIABILITY CREATED BY OTHERS:** Since BHH is providing a service to the Owner, you, as the Owner, agree to defend, indemnify and hold BHH harmless from any and all liability, real or alleged, in conjunction with the performance of work on this project, except liability arising directly from the negligence of BHH.
6. **SURVEY PLAT OF PROPERTY:** The Owner acknowledges that, if necessary, he will provide a survey plat for the property, stamped and signed by a licensed engineer. The Architect shall in no way be held responsible for any errors or omissions relating to the survey.
7. **GEOTECHNICAL ENGINEERING:** The Owner acknowledges that, if necessary, he will provide geotechnical information to the Architect for review and inclusion in the engineering and architectural work. The Architect shall in no way be responsible for any errors or omissions in relation to geotechnical services.
8. **ELECTRONIC MEDIA TRANSFERS:** The delivery of the drawing and/or information in electronic format is for the benefit of the client for whom the services have been performed. Nothing in the transfer shall be construed to provide any right to rely on the information provided or that the use of the electronic information implies the review and approval by the Architect of any drawing and/or information. Any use of this information is at the sole risk and liability of the user who also is responsible for updating the information to reflect any changes in the design following the preparation date of the information.
9. **CONSTRUCTION CONTRACT ADMINISTRATION:** During the Construction Phase, the Architect shall act as the Owner's representative and provide administration of the Contract between the Owner and Contractor. Unless otherwise agreed, the Architect's services during construction include visiting the site, reviewing and certifying payments, reviewing the Contractor's submittals, rejecting nonconforming work, and interpreting the Contract Documents. BHH Partners shall not supervise, direct or have control over the Contractor's work. BHH Partners shall not have authority over or responsibility for the construction means, methods, techniques, sequences or procedures or for safety precautions and programs in connection with the work of the Contractor. BHH Partners does not guarantee the performance of the construction contract by the Contractor. BHH Partners does not assume responsibility for any failure by the Contractor to furnish and perform work per the contract documents.
10. **CONSTRUCTION SAFETY:** As the Owner, you agree that in accordance with generally accepted construction practices, the construction contractor will be required to assume sole and complete responsibility for job site conditions during the course of construction of the Project, including safety of persons and property. Client further agrees to defend, indemnify and hold BHH harmless from any and all liability, real or alleged, in conjunction with the performance of work on this Project, except liability arising directly from the negligence of BHH.
11. **OWNERSHIP/REUSE OF DRAWINGS AND SPECIFICATIONS:** The Architect shall retain all common law, statutory and other reserved rights, including the copyright of the drawings and specifications. The drawings, schedules, specifications and other work are instruments of professional service and remain the property of BHH. The Owner shall not reuse or permit the reuse of the Architect's documents except by mutual agreement in writing. In the event of unauthorized use by the Owner, the Owner hereby indemnifies the Architect against any and all claims and demands. In such event, the Owner agrees to pay all expenses, including BHH time at billable rates, court costs and reasonable attorneys' fees. BHH will retain all pertinent records relating to the services performed for a period of five (5) years following submissions of the work, during which period the records will be made available to the Client at reasonable times and costs.
12. **MEDIATION:** If a dispute arises out of or relates to this contract, or the breach thereof, and if the dispute cannot be settled through negotiations, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Construction Industry Mediation Rules before resorting to arbitration, litigation or some other dispute-resolution procedure.
13. **PROJECT MAINTENANCE:** The Owner and General Contractor are advised that ongoing maintenance of the proposed project will be required during and after construction. These items of work that need maintenance include, but are not limited to, water penetration maintenance such as caulking, sealants and flashing, maintenance of roof surfaces such as sloped roofs, flat roofs or waterproof decks, if applicable, and interior maintenance of systems that reduce moisture and possibility of mold formation such as HVAC systems, operative windows, exhaust fans, etc.

Thank you very much.