

**AMENDMENT NO. 1
TO
CITY OF DETROIT BUILDING AUTHORITY
PROFESSIONAL SERVICES AGREEMENT
WITH
DLZ MICHIGAN, INC.**

THIS AMENDMENT AGREEMENT NO. 1 (hereinafter called "Amendment No. 1"), dated as of this 21st day of September, 2023 by and between the CITY OF DETROIT BUILDING AUTHORITY, a public authority and body corporate, organized and existing pursuant to Act 31 of the Public Acts of Michigan, 1948 (First Extra Session), as amended, located at 1301 Third Street, Suite 328, Detroit, Michigan 48226 (hereinafter called the "Authority") and DLZ Michigan, Inc., a Michigan corporation, located at 607 Shelby St., Ste 650, Detroit, MI 48226 (hereinafter called the "Contractor").

WITNESSETH:

WHEREAS, on August 15, 2019, Contractor and the Authority did heretofore enter into a Professional Services Agreement (the "Contract") for architectural and engineering services for the construction of the new Bus Operations and Maintenance Facility located at the nineteen-acre DDOT Coolidge site at 14044 Schaefer Highway, Detroit, MI. (the "Project"); and

WHEREAS, Article VIII of the Contract provides that any changes, modifications or extensions of any term, condition or covenant thereof or any required changes in the scope of services to be performed by the Contractor which are mutually agreed upon by and between the Authority and the Contractor shall be incorporated by written amendment to the Contract; and

WHEREAS, the Authority and the Contractor now desire to amend the Contract to provide for additional design and construction services identified in Exhibit A-1 attached hereto needed to complete the Project; and

NOW THEREFORE, in consideration of the premises, the mutual undertakings and benefits to accrue to the parties and to the public, the parties hereto agree as follows:

1. That the Contract is hereby amended to reflect an increase of a not to exceed amount of Three Million Five Hundred Forty-Eight Thousand Seven Hundred Fifty and 00/100 (\$3,548,750.00) Dollars in the compensation payable to the Contractor, for the costs associated with additional design and construction services provided on the Project as referenced in Exhibit A-1 attached hereto, thereby increasing the total compensation payable to an amount not to exceed Thirteen Million Four Hundred Six Thousand Six Hundred Nineteen and 00/100 (\$13,406,619.00) Dollars which includes a fifteen percent (15%) Owner Controlled Contingency in the amount of One Million Two Hundred Eighty Five Thousand Eight Hundred Nine and 00/100 Dollars (\$1,285,809.00).
2. Contractor acknowledges and agrees that the Authority shall be permitted to audit the Contractor's financial records pertaining to the Contractor's performance of the Contract, which right to audit may be assigned by the Authority to its designee, including the Detroit City Council and the City Auditor General.

3. Contractor and each of its subcontractors shall comply with all anti-kickback laws, including the Copeland Anti-Kickback Act (18 USC §874) and is prohibited from inducing, by any means, any person employed in connection with the Project to give up any part of the compensation to which he/she is otherwise entitled. Contractor shall insert substantially similar language to the language in this Section to ensure compliance by subcontractors with the terms of this Section.

4. Contractor and each of its subcontractors are prohibited from paying or accepting any bribe in connection with securing the Contract or in connection with performing under the terms of the Contract. Contractor shall insert substantially similar language to the language in this Section to ensure compliance by subcontractors with the terms of this Section.

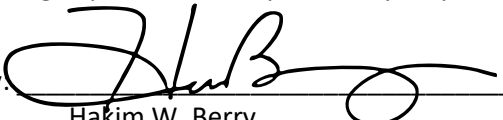
5 That all other terms, conditions and covenants of the Contract shall remain in full force and effect as set forth therein.

6. That in the event of any conflict, inconsistency or incongruity between the provisions of this Amendment No. 1 and any of the provisions of the Contract, the provisions of this Amendment No. 1 shall control.

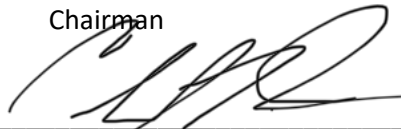
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IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to be signed by and through their respective duly authorized officers and representatives, the day and year first above written.

CITY OF DETROIT BUILDING AUTHORITY, a Michigan public authority and body corporate.

By: 
Hakim W. Berry

Its: Chairman

By: 
Christopher T. Jackson

Its: Treasurer

DLZ Michigan, Inc., a Michigan corporation.

By: 

Its: President

APPROVED AS TO FORM:



General Counsel
City of Detroit Building Authority

EXHIBIT A-1

SCOPE OF WORK

The additional services shall include the following and the services identified in the attached proposal dated August 14, 2023:

1. Schematic design re-work. The concept design developed and finalized in 2020 received new design directives, requiring much of the design work to be re-created.

Cost increase: \$1,188,000.

2. Revised fee structure. The DLZ fee structure in 2019 was based on a project construction value of \$90 million dollars, and a 7.09% design fee. The current construction value is \$134 million dollars, resulting in a revised design fee of 5.95%.

Cost increase: \$1,598,250.

3. Traffic signal design. Following completion of the traffic impact study, the City of Detroit Traffic Department recommended up to two traffic signals at the site, which will require geotechnical investigation, surveys, and additional design.

Cost: \$58,000.

4. Geotechnical work for land parcels. Additional land parcels located around the perimeter of the site will be acquired from the Detroit Land Bank Authority to help with the stormwater management system for the project. Approximately eight ten-foot-deep soil borings are required.

Cost: \$4,100.

5. Allowance for construction oversight: Original proposal was based on part-time oversight for 18 months; current schedule is 24 months.

Cost increase: \$500,000.

6. Allowance for air quality monitoring. Since 2021, the City of Detroit Building Safety Engineering and Environmental Department is requiring an air quality management plan on all new large new construction projects.

Cost: \$200,000.

Total Cost Increase: \$3,548,750.00.



INNOVATIVE IDEAS
EXCEPTIONAL DESIGN
UNMATCHED CLIENT SERVICE

August 14, 2023

Ms. Donna Rice
Detroit Building Authority
1301 Third Street, Suite 328
Detroit, Michigan 48226

RE: Detroit Building Authority; Detroit Department of Transportation; New Coolidge Maintenance Facility
Proposed Contract Amendment No. 01 (*revised*)

Dear Ms. Rice:

Over the course of project development in recent months there have been several decisions made which require DLZ and our design partners to perform Additional Services, as defined by our Professional Services Agreement. On behalf of our entire Design Team, DLZ respectfully requests authorization of a Contract Amendment for Additional Services as described herein.

- 1) Schematic Design Re-Work: A new Concept Design and revised Space Program was recently approved by DBA and DDOT (Exhibit D). The new Concept Design is a complete departure from the original Schematic Design, which had been developed in early 2020. At the time that the project was put on hold in March 2020, our team was very advanced into the Schematic Design phase of project development. With the new design directives, the majority of the work completed in 2020 will need to be discarded and the Schematic Design documents will need to be re-created to implement the new design directives, along with the increased scope and construction value of the project. Our original SD fee was \$1,240,000 - of which the majority has been utilized on the original design effort. The need for Schematic Design Re-Work has resulted in the following Additional Services:
 - a. DLZ & Somat: \$418,000
 - b. Intoto Studios: \$262,500
 - c. HDR & Scales: \$507,500 (refer to Exhibit A)Sub-Total: \$1,188,000 (refer to Exhibit B for Derivation of Cost)

- 2) Material Change in Project Scope, Schedule and/or Budget: The original Scope and Fee for “Basic Design Services” in our Professional Services Agreement is based on a project with a construction value of up to \$90M. The most recent construction estimate prepared by the Construction Manager identifies a projected construction value of approximately \$134M, with a total project cost not to exceed \$159M - as authorized by the Mayor’s office. Our agreement allows for a proportionate increase to our Basic Design Service Fee relative to the increase in construction value in excess of \$90M. This “material change” in Scope and Budget results in the following adjustment:

	Construction Budget	Fee Percentage*	Basic Service Fee*
Original Budget	up to \$90,000,000	7.09%	\$6,378,000
Revised Budget	up to \$134,000,000	5.95%	\$7,976,250
Increased Amount			\$1,598,250

*The revised fee accounts for Design Development, Construction Documents, and Construction Administration phases. Schematic Design is accounted for in Item 1.

- 3) Traffic Signal Design: Following completion of the Traffic Impact Study, DLZ and the City of Detroit's Traffic Department recommend either one or two traffic signals at the site (north drive signal to be confirmed through further discussions with the Traffic Department). The below fee represents the geotechnical investigation, survey, and design for two traffic signals. If only one signal is determined to be required, then we will only invoice for one. Refer to attached Exhibit C for Derivation of Cost.

	Signal at North Drive	Signal at South Drive	Total
Traffic Signal Geotechnical (refer to Exhibit F)	\$9,700	\$9,700	\$19,400
Traffic Signal Survey	\$3,500	\$3,500	\$7,000
Traffic Signal Design	\$16,000	\$16,000	\$32,000
Sub-Total	\$29,200	\$29,200	\$58,400

- 4) Geotech for Ward & Compass Parcels: Somat Engineering will perform a subsurface Geotechnical Investigation for the supplemental parcels which were added to the project site, including four (4) 10' deep soil borings for the Ward Avenue parcels and four (4) 10' deep soil borings for the Compass Avenue parcels. Cost: \$4,100.00 (refer to Exhibit F).
- 5) Construction Services Allowance: The original agreement includes basic Construction Administration services for a duration of 18 months. The original agreement also includes part-time Resident Project Representation (RPR) for an average of 24 hours/week for 18 months. Based on the CM's most recent construction schedule, we are now anticipating a construction duration of 24 months. Based on the scope and scale of the project, we are recommending an average of 32-40 hours/week of construction observation during critical construction activities such as demolition, environmental, site development, structural and other construction activities which are paramount to the success of the project.

In accordance with DLZ's original fee proposal, the additional cost of extending the construction duration for an additional 6 months is \$170,000 for basic CA services. The cost of additional RPR/Construction Observation for demolition/environmental oversight and construction observation is estimated to be \$330,000 (approximately 2,500 hours at an average of \$132/hour). As discussed, we would like to establish an Allowance of \$500,000 that may be used for the purposes of supplemental Construction Administration and Observation, as appropriate. Should it become necessary, this allowance may also be used for additional Commissioning or other professional services rendered during the construction phase of the project.

- 6) Air Quality Monitoring Allowance: We anticipate a need to monitor air quality and demolition dust during the project. The specific scope and duration of monitoring will be established upon review with BSEED. Based on the scope and cost of other recent projects, we are recommending an Allowance of up to \$200,000 for monitoring air quality and dust control for this project.



INNOVATIVE IDEAS
EXCEPTIONAL DESIGN
UNMATCHED CLIENT SERVICE

Detroit Building Authority: DDOT Coolidge
Operations & Maintenance Facility
Contract Amendment No. 01
Page 3 of 3

Summary:

	Professional Services	Allowance Amount	Total Contract Amount
Original Contract	\$9,851,921.40	\$5,947.60	\$9,857,869.00
Amendment No. 01 – Item 1 – SD Re-Work	\$1,188,000.00	-	
Amendment No. 01 – Item 2 – Change in Scope	\$1,598,250.00	-	
Amendment No. 01 – Item 3 – Traffic Signals	\$58,400.00	-	
Amendment No. 01 – Item 4 – Additional Geotech.	\$4,100.00		
Amendment No. 01 – Item 5 – Construction Services Allowance		\$500,000.00	
Amendment No. 01 – Item 6 – Air Quality Monitoring Allowance		\$200,000.00	
New Total Contract	\$12,700,671.40	\$705,947.60	\$13,406,619.00

With this letter, we are requesting that an amendment in the amount of \$3,548,750 be authorized for the contract.

Note that the total for A/E professional service fees remains below the total amount projected in the Construction Manager’s cost model, which is \$13,555,430 for A/E, Environmental, and Survey services.

Should you have any questions or require additional information, please do not hesitate to contact our office. In good faith, this Work has already begun in earnest, to keep the project moving forward. Our team would appreciate any efforts that can be done to expedite approval of this Contract Amendment. Thank you again; DLZ appreciates this opportunity to partner with the City of Detroit on this important project.

Sincerely,

DLZ MICHIGAN, INC.

Eric Beaulieu, AIA, LEED AP
Vice President

Manoj Sethi, P.E.
President

Approved and Accepted

Signature _____

Printed Name _____

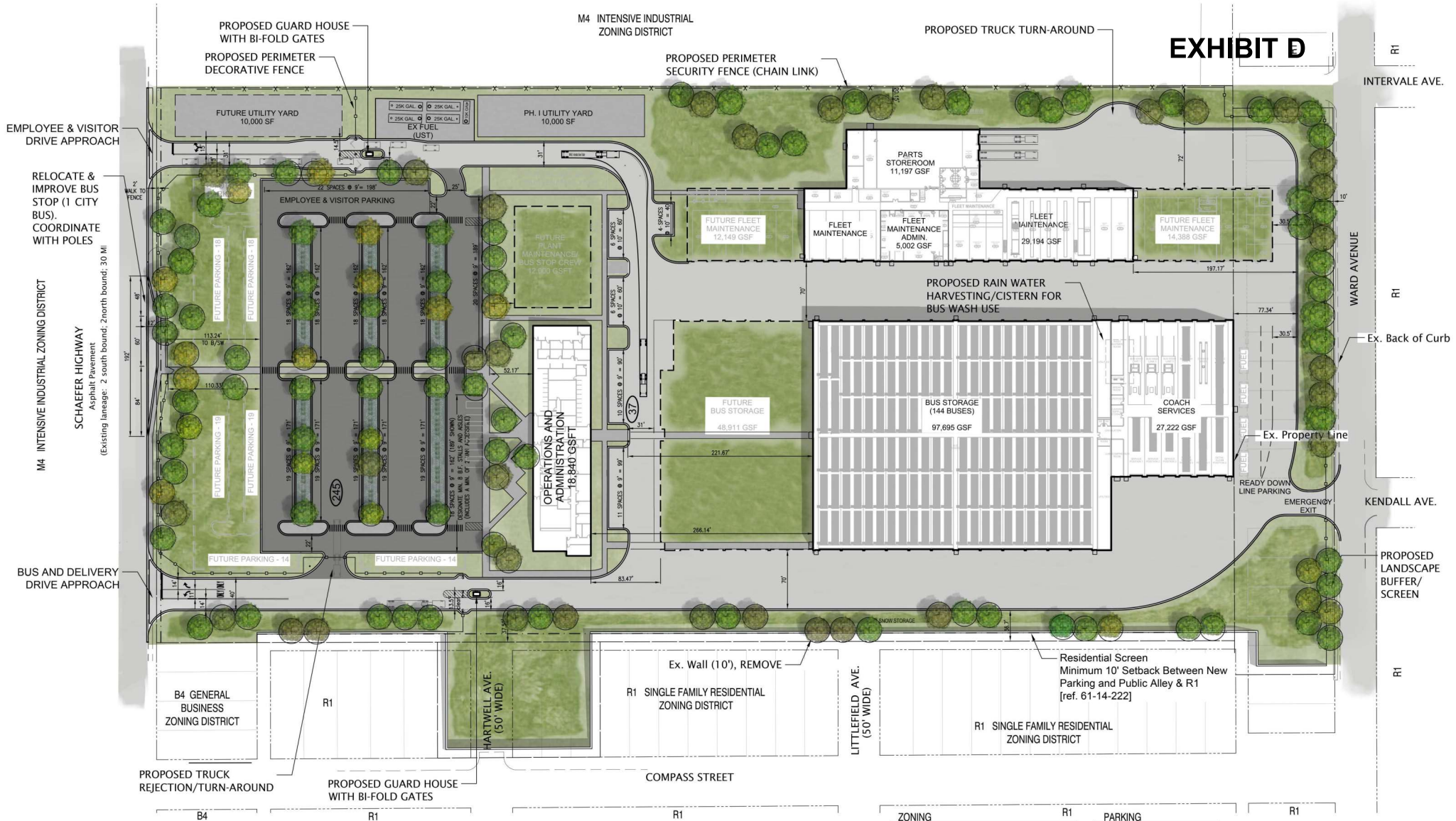
Title _____

Date _____

Attachments:

- Exhibit A – HDR Letter regarding Item 1 SD Re-Work
- Exhibit B – Item 1 Derivation of Cost
- Exhibit C – Item 3 Derivation of Cost
- Exhibit D – New Concept Design Diagram
- Exhibit E – Allowance Adjustment Summary
- Exhibit F – Somat proposal for Geotech (Items 3 & 4)

EXHIBIT D



CONCEPTUAL SITE PLAN A DDOT: COOLIDGE OPERATIONS & MAINTENANCE FACILITY

ZONING	R1	PARKING	
CURRENT ZONING:	M4 INTENSIVE INDUSTRIAL ZONING DISTRICT	1. EMPLOYEE & VISITOR PARKING STALL	MINIMUM REQUIRED: 236 EMPLOYEE + 5 VISITOR + 7 BARRIER FREE + 242
PROPOSED USE:	GOVERNMENTAL SERVICE AGENCY OPERATED BUS GARAGE, BUS REPAIR AND SERVICE, BUS PARKING	80' PARKING STALLS - 242, INCLUDES MINIMUM 8 B.F. STALLS + 2 VAN + 4 ACCESSIBLE	LENGTH: 20.0'
PROPOSED ZONING:	M4 INTENSIVE INDUSTRIAL ZONING DISTRICT	WIDTH: 9'	CROSS AISLE WIDTH, TWO-WAY: 22 - 24'
BUILDING SETBACKS	REF 61-13-45	2. EXTERIOR NON-REVENUE PARKING STALL	MINIMUM REQUIRED: 34
SETBACKS:	MINIMUM FRONT: 0'	MINIMUM REQUIRED: 37	LENGTH: 25.0'
	MINIMUM SIDE: 0'	MINIMUM REAR: 0'	WIDTH: 10'
	MINIMUM REAR: 0'		CROSS AISLE WIDTH, TWO-WAY: 29'
HEIGHT:	80 MAXIMUM	3. TOTAL PARKING SHOWN [B.F.] SURFACE SPACES, INCLUDING 8 B.F. STALLS	

NORTH
SCALE: 1"=50'

Prepared for Detroit Building Authority, Detroit, Michigan

DATE: 11.12.21

Prepared by DLZ Michigan, Inc | 1942.6994.50