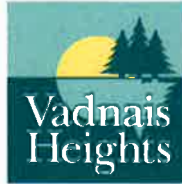


Kevin Watson
City Administrator

651.204.6010 Phone
651.204.6110 Fax
Kevin.watson@cityvadnaisheights.com



The City of Vadnais Heights
800 East County Road E
Vadnais Heights, MN 55127

Memorandum:

TO: Mayor Gunderson and City Council Members

FROM: Kevin Watson, City Administrator

DATE: February 19, 2019

SUBJECT: LHB Facilities Contract

Background

The City has faced challenges effectively scrutinizing City facility projects in a timely fashion. This can be attributed to the lack of in-house experience on staff. Different staff have different levels of experience on different concepts – these include but are not limited to HVAC, electrical, lighting, etc. We do contract some of that out – HVAC is with Schaddegg. The City wishes to remedy this current gap in knowledge by hiring someone on retainer as a 3rd Party to ask questions on our behalf and perform site visits when necessary.

The City reached out to LHB Architects, who performed our facility overview study. I explained our challenge and they indicated a willingness to provide this service to us. On their staff, they have Phil Fisher, the former Building Operations Manager for White Bear Lake Public Schools. He is accustomed to working on facilities of all ages. He has the background to ask the right questions of our vendors to ensure we get the best price.

At the proposed rate of \$133 per hour, I believe it would be money well spent when we are talking about \$10,000 – \$30,000 projects.

Proposed professional services agreement is attached.



This Agreement, effective the Fourth day of January, Two Thousand Nineteen by and between The City of Vadnais Heights, 800 East County Road E, Vadnais Heights, Minnesota 55127, hereinafter referred to as the "Client," and LHB, Inc., a Minnesota corporation, 701 Washington Avenue North, Suite 200, Minneapolis, Minnesota 55401, hereinafter referred to as "LHB," is in response to the following:

- A. Client desires to have certain services done for it in connection with the Operations and Maintenance of its facilities.
- B. This agreement will be referred to as "Facility Operations Supporting Services" hereinafter referred to as the "Project."
- C. LHB is able and willing to perform the services.

In consideration of the mutual covenants and agreements contained herein, Client and LHB hereby agree as follows:

I. SCOPE OF SERVICES

The services to be provided by LHB will be coordinated by Jesse Farrell, PE, Public Works Director/City Engineer. Michael Fischer will be the point of contact for LHB on all new work requests. Phil Fisher will be the primary "Facility Operations Specialist" assigned to the Client and will be the point of contact once projects are assigned.

LHB will provide "on-call" facility operations services as requested by the Client. Scope of work, schedule, and deliverables will be communicated as necessary on a case-by-case basis.

II. COMPENSATION

Compensation for LHB's services shall be on an hourly basis as requested by Client. The Facility Operations Specialist's (Phil Fisher's) hourly rate for 2019 will be \$133/hour. A standard rate sheet is attached for other staff, if necessary.

III. REIMBURSABLE EXPENSES

LHB shall be reimbursed for actual, reasonable and necessary expenses incurred in the performance of services in accordance with the attached reimbursable rates.

Client and LHB have caused this Agreement to be executed as of the date first shown above.

THE CITY OF VADNAIS HEIGHTS

LHB, INC.

By: _____
(Signature)

By: _____
(Signature)

Its: _____
(Title)

Its: Principal
(Title)

Name: _____
(Printed Name)

Name: Michael A. Fischer
(Printed Name)

This Agreement represents the entire Agreement between the parties and supersedes all prior written or oral representations. This Agreement may be amended only by a written instrument executed by both parties.

1. GENERAL CONDITIONS

The laws of the State of Minnesota shall govern this Agreement. Any provision of this Agreement later held to violate a law or regulation shall be deemed void. All remaining provisions shall continue in force.

LHB shall perform its services consistent with the professional skill and care ordinarily provided by design professionals practicing in the same or similar locality under the same or similar circumstances.

Any evaluation of Client's budget for the Project, the preliminary estimate of the Cost of the Work, and any updated estimates prepared by LHB, represent LHB's professional judgment.

Each party binds themselves and their successors to this Agreement. Neither Client nor LHB shall assign this Agreement without the written consent of the other party. Use of sub-consultants normally contemplated by LHB shall not be considered an assignment for purposes of this Agreement. No one will be a third-party beneficiary to the Agreement.

2. CLIENT RESPONSIBILITIES

Client shall provide full information on the requirements for the project.

Client warrants to LHB that any documents provided by Client do not infringe upon the intellectual property rights held by another and will indemnify and defend LHB against any claims of infringement.

Client shall designate a representative, if other than the individual who executes this Agreement, who is authorized to act on Client's behalf to provide requested information and to make timely decisions regarding the Project.

3. USE OF LHB'S DOCUMENTS

The documents ("Documents") prepared by LHB, including Documents in electronic format, are solely for use with respect to this Project. All Documents, including drawings and specifications prepared or furnished by LHB pursuant to this Agreement, are the instruments of service to the Project, and LHB shall retain all common law, statutory and other reserved rights, including copyright. LHB grants Client a nonexclusive license to use the Documents solely for purposes of constructing, using, maintaining and altering the Project, so long as Client performs its obligations under this Agreement, including prompt payment of all sums when due. This license will terminate immediately upon a breach of this Agreement by Client.

If LHB's Documents are modified or otherwise altered by Client, a subsequent design professional, or any other party at Client's direction, Client agrees to indemnify, defend and hold LHB harmless for any claims, demands, damages or causes of action to the extent caused by such modification or alteration.

4. PAYMENT TERMS

Payments are due upon receipt of LHB's invoice. Amounts unpaid thirty (30) days from the date of LHB's invoice shall bear interest at the rate of eight percent (8%) per annum or 0.67% per month on the unpaid balance.

If it is necessary to enforce collection on any amount past due under this Agreement, Client shall reimburse LHB for all legal and other reasonable costs related thereto, including, but not limited to, attorney's fees, court costs, expert witness fees, professional and administrative time at regular hourly rates, and other collection costs.

5. CHANGE IN WORK SCOPE

If there is a material change in the circumstances or conditions that affect the scope of work, compensation, schedule, allocation of risks, or other material terms of this Agreement, LHB shall notify Client and Client and LHB shall promptly, and in good faith, enter into negotiation to address the changed conditions, including equitable adjustment to LHB's compensation. In establishing fees for any additional services to be performed, LHB shall utilize the attached rate sheet.

6. DISPUTE RESOLUTION

Unless the parties mutually agree otherwise, the parties shall endeavor to settle disputes by mediation. A demand for mediation shall be filed, in writing, within a reasonable period of time after a claim, dispute, or other matter in question has arisen. No demand for mediation shall be made after the date when the legal or equitable proceedings, based upon such a claim, dispute, or other matter in question, would have been barred by an applicable statute of limitation.

7. TERMINATION

In the event of substantial failure by one party, through no fault of the terminating party, to perform in accordance with the terms of this Agreement, this Agreement, and the obligation to provide further services under this Agreement, may be terminated by either party upon giving seven (7) calendar days written notice.

In the event of termination not the fault of LHB, LHB shall be compensated for all services performed and reimbursable expenses incurred prior to termination.

8. CONSEQUENTIAL DAMAGES

LHB and Client waive consequential damages for claims, disputes, or other matters in question arising out of, or relating to, this Project or Agreement.

9. LIMITATION OF LIABILITY

To the maximum extent permitted by law, Client agrees to limit LHB's liability for Client's damages to the sum of Fifty Thousand Dollars (\$50,000) or LHB's fee, whichever is greater. This limitation shall apply regardless of the cause of action or legal theory pled or asserted.

10. ATTACHMENTS

The following documents are attached and made an integral part of this Agreement.

1. Exhibit A: "Standard Hourly Rate Schedule" dated January 4, 2019
2. Exhibit B: "Reimbursable Expenses" dated January 4, 2019
3. Exhibit C: Phil Fisher's Resume

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STANDARD HOURLY RATE SCHEDULE

<u>Position Description</u>	<u>Average Rate</u>
Project Principal	\$253
Project/Discipline Manager.....	\$193
Senior Architect/Landscape Architect/Engineer/Land Surveyor.....	\$161
Architect/Landscape Architect/Engineer/Land Surveyor	\$117
Certified Interior Designer.....	\$108
Senior Designer	\$103
Designer.....	\$ 86
Senior Technician.....	\$100
Technician	\$ 65
Administrative	\$ 76

- * Amounts are subject to change for periodic compensation adjustments.
- * The information is current as of the date shown below.
- * The actual rates will be based upon the individual assigned.

21 West Superior Street, Suite 500		Duluth, MN 55802		218.727.8446
701 Washington Avenue North, Suite 200		Minneapolis, MN 55401		612.338.2029
324 Garfield Street South		Cambridge, MN 55008		763.689.4042
63 East Second Street, Suite 150		Superior, WI 54880		715.392.2902



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REIMBURSABLE EXPENSES

Reimbursable Expenses are in addition to compensation for the Engineer/Architect services and include expenses incurred by LHB employees and consultants directly related to the Project. Items include, but are not limited to:

Travel-Automobile:	Current IRS Rate
Meals & Lodging:	110% of cost
Fee Paid for Regulatory Review and Approvals:	110% of cost
Postage & Handling:	110% of cost
Copies:	\$0.15 each face
Regular Bond Plots	\$2.00 each
Color Plots	\$10.00 each
Construction Documents for Construction:	110% of cost
Renderings and Models:	110% of cost
Excess Project Insurance (if requested by Owner):	Cost
Global Positioning System (GPS)	\$150/day
Total Station	\$60/day
Underground Utility Locator	\$25/day

The reimbursable expenses are current as of the date of issue shown below. Rates are subject to adjustment for market conditions without specific notification.

Reimbursable Expenses

Page 1 of 2

Date Issued: 1/4/2019

21 West Superior Street, Suite 500		Duluth, MN 55802		218.727.8446
701 Washington Avenue North, Suite 200		Minneapolis, MN 55401		612.338.2029
324 Garfield Street South		Cambridge, MN 55008		763.689.4042
63 East Second Street, Suite 150		Superior, WI 54880		715.392.2902

Professional Profile

Certifications

Certified Plant Engineer,
Association of Facilities Engineers

Affiliation

Minnesota Association of School
Business Officials (MASBO)

Minnesota Association of School
Administrators (MASA)

Minnesota Educational Facilities
Management Professionals
Association (MASMS)

Education

Bachelor of Science,
Industrial Technology Education,
University of Minnesota

Phillip E. Fisher, CPE

Facilities and Operations Specialist

Phillip Fisher has over 35 years in building construction and operations. Phil's experience includes managing school building operations, overseeing custodial staff, and providing operational commissioning on new projects and existing facilities. In his current role as a facility/operations specialist, Phil works alongside the client to maximize their operational efficiency in new construction, remodeling, or retro commissioning. He provides quality assurance for the owner in all phases of their facility operational systems.

Most recently he served as the Building Operations Manager for White Bear Lake Public Schools where he oversaw the BMAR process and operations for 18 facilities totaling 1.8 million square feet. He has also supervised the buildings and grounds maintenance for the Stillwater Area Public Schools and the Minnesota State Fair, in addition to teaching building construction.

Project Experience

- MnDNR, Facility Conditions Assessments; Statewide, MN
- City of St. Louis Park, Encore Redevelopment TIF Analysis; St. Louis Park, MN
- MPRB RecQuest Recreation Center System Plan; Minneapolis, MN
- U.S. Department of Veterans Affairs, MVAMC Update Facilities AsBuilts; Minneapolis, MN
- City of Maplewood, 1955 English Street TIF Analysis; Maplewood, MN
- City of Ramsey, Life Fitness Renewal and Renovation TIF Analysis; Ramsey, MN
- City of Hastings, First National Bank Redevelopment TIF Analysis; Hastings, MN
- Assessed more than 300 buildings for TIF districts in 82 cities since 2015



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