

HARPER CORPORATION

General Contractors

Environmental Systems Division

February 21, 2018

Re: TZ Osborne WRF Electrical Buildings for BNR and Additional Electrical/Mechanical Upgrades
Project
Guaranteed Maximum Price

Ms. Monica Jarrett, EI
Utility Design Engineer
City of Greensboro
Department of Water Resources

Dear Ms. Jarrett:

This letter is in conjunction with our Original CMAA Standard Form of Agreement Between Owner and Construction Manager for Greensboro Contract Number 2017-0570 and specifically clarifies Phase 2 – Construction Services as Construction Manager at Risk.

Per our Preconstruction Services Agreement between the City of Greensboro, NC and Harper Corporation General Contractors (Harper), we have solicited bids for the work associated with the above project and submits the following Guaranteed Maximum Price (GMP) for all work described by the bid documents and as listed in the attached Exhibit F - GMP Summary.

Guaranteed Maximum Price	\$10,176,452.00
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Of the Packages and Scopes bid, we anticipate 8.59% Minority Business Enterprise (MBE) participation exceeding the goal of 8% and 58.4% Women-owned Business Enterprise (WBE) participation exceeding the goal of 7%. We have attached a summary of this participation.

All work shall be completed and ready for the Owner's use within 300 calendar days and final completion within 330 calendar days of a mutually agreed to Notice to Proceed Date. All terms and conditions of the aforementioned Original CMAA Standard Form Agreement shall remain unchanged.

This GMP is in addition to the initial contract amount for Preconstruction Services and does not include any Owner Direct Purchased Materials, including Non-Potable Water Pumps and VFDs already on site, CITI's scope and independent testing services.

A summary of services and work to be performed as Phase 2 – Construction Services as Construction Manager at Risk has been attached as Exhibit B – Attachment Phase 2 Scope – Construction Services as Construction Manager at Risk.

Post-Construction phase will be added at a later date, if needed.

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This proposal is based on the following adjustments to the Standard Form of Agreement between Owner and Construction Manager:

Exhibit B – Attachment Phase 2 Scope – Construction Services as Construction Manager at Risk:
See Exhibit B attached to this letter.

Paragraph 3.5.3.3 Change Order Control, add to the end:

The CM shall be entitled to a fee equal the Cost of the Work plus a fixed percentage of 15% for all work added under the CMAR's and Owner's Contingencies.

Paragraph 4.1, add the following:

The CM's Basic Services during the Construction Phase shall be performed for a period of 300 calendar days to Substantial Completion, and Final Completion within 330 calendar days from a mutually agreeable date of Notice to Proceed.

Paragraph 4.1.2.4 –. delete and replace:

The CM's Basic Services during the Construction Phase are outlined in Exhibit B.

Paragraph 5.1.2 Additional Compensation and Extended Duration, changed to add the following:

...The amount of additional compensation to be paid and the amount of extension of the duration of this Agreement shall be determined on the basis of the CM's cost, plus a fixed percentage of 15% as a customary and reasonable adjustment to the CM's fee consistent with the provisions of Article 7, and a determination of the length of the extensions of the duration of this Agreement.

Paragraph 5.1.5, add the following Section:

Owner's Contingency: Included within the GMP amount shall be mutually agreed amount of \$190,000 for exclusive use of the Owner, identified as "Owner's Contingency." This Contingency may be used by the Owner, for its exclusive use associated with all changes under Article 5 of this Agreement. Unused portions of this Contingency will be 100% reimbursed to the Owner.

Paragraph 5.1.6, add the following Section:

CM's Contingency: Included within the GMP amount shall be mutually agreed amount of \$374,117 for use by the Construction Manager, identified as "CM's Contingency." This Contingency may be used by the CM and unused portions of this Contingency will be reimbursed as follows: 60% to Owner, 30% to Harper, 10% to our CM Partners.

Paragraph 7.2, delete and replace:

Delete: A fixed fee of: Dollars (\$); To be fully set forth in future addendum

Replace with: The CM shall be compensated as set forth in Exhibit F- GMP Summary.

Paragraph 7.2.4.1, delete and replace:

Payment of the Work Packages shall be due and payable as percent completes, on a monthly basis, and General Conditions/Construction Manager Costs will be billed at percent complete matching the percent complete for Work Packages.

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Paragraph 7.2.4.7, add the following new Section:

Payment of the "Construction Services" portion of the Construction Administration costs as indicated by Exhibit F - GMP Summary including proportional Administrative fees shall be due and payable on a monthly basis with the first payable with the initial partial application for payment.

Paragraph 12.1.6, add to the end of the Section:

60% to Owner, 30% to Harper, 10% to our CM Partners.

Paragraph 12.1.7, add the following new Section:

The Guaranteed Maximum Price is \$10,176,452.00 Dollars. This Guaranteed Maximum Price is for the Work described in Exhibit B and as summarized in Exhibit F.

We look forward to continuing to work together towards the successful completion of this Project. If you have comments, questions or concerns, please do not hesitate to call me at 864.313.6460 or email me at kdotten@harpercorp.com.

Sincerely,



Kate Dotten
Project Manager

att: Exhibit B - Phase 2 Scope - Construction Services as Construction Manager at Risk
Exhibit F - GMP Summary

TZ Osborne WRF Electrical Buildings for BNR and Additional
Electrical/Mechanical Upgrades

Exhibit B – Phase 2 Scope – Construction Services as Construction Manager at Risk

Provide all required labor, materials, and equipment to construct and place into operation the work as described by Plans and Specifications prepared by Hazen and Sawyer and Chester Engineering under City of Greensboro Project Numbers 2015-007B dated 02-01-17 and 2016-0020 dated November 2017, including Addenda.

Continue to provide partnership and mentoring opportunities to C2 Contractors and All Systems Restored with full-time on-site personnel for the duration of the Project.

Continue to provide mentoring opportunities for Nesmith Construction at an average of two working days per month for the duration of the Project.

It is understood laboratory or third-party testing is by the City of Greensboro.

It is understood that the CMAR shall have access to and right to use of electricity, potable water and other utilities in such quantity as may be needed or desirable during construction, so long as they are available at the jobsite, free of charge.

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Exhibit F - GMP Summary

Line	Description	Value
1	Formal Work Packages	
2	Process Piping	\$ 786,000.00
3	Electrical (WBE)	\$ 1,622,161.00
4	Electrical (WBE)	\$ 1,408,676.00
5	Electrical Gear (WBE)	\$ 1,322,248.20
6		
7	Informal Work Packages	
8	General Conditions (MBE)	\$ 24,900.00
9	General Skilled Labor (MBE)	\$ 44,000.00
10	Clearing, Erosion Control (MBE)	\$ 185,500.00
11	Industrial Coatings (WBE)	\$ 178,455.00
12	Architectural Painting (WBE)	\$ 20,812.00
13	HVAC BNR Buildings	\$ 220,000.00
14	HVAC NPW Pump Strainer Room	\$ 25,000.00
15	Roofing	\$ 55,500.00
16	Architectural Finishes	\$ 125,000.00
17	Demolition (MBE)	\$ 55,000.00
18	Slabs on Grade (MBE)	\$ 122,390.00
19	Electrical NPW Pumps	\$ 132,000.00
20	Electrical NPW Pump Strainer Room	\$ 23,500.00
21	Miscellaneous Metals (MBE)	\$ 53,100.00
22	Hollowcore Roof System	\$ 225,000.00
23	Masonry/Brickwork (MBE)	\$ 207,000.00
24	Primary Clarifier #5	\$ 194,500.00
25	Primary Clarifier #6	\$ 199,000.00
26	Work Packages Total	\$ 7,229,742.20
27		
28	General Conditions/CM/Admin	
29	Bonds/Insurance	\$ 101,540.00
30	Permits	\$ 4,000.00
31	CM/Partners, Admin, Indirects, Fee	\$ 2,277,052.80
32	GC/CM/Admin Total	\$ 2,382,592.80
33		

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34	Contingency		
35	CM Contingency	\$	374,117.00
36	Owner Contingency	\$	190,000.00
37	Contingency Total	\$	564,117.00
38			
39	Total Project GMP	\$	10,176,452.00