



DULUTH AIRPORT AUTHORITY

NOTICE OF THE DULUTH AIRPORT AUTHORITY

BOARD MEETING

PURSUANT TO MINN. STAT. § 13D.02

NOTICE IS HEREBY GIVEN Duluth Airport Authority will hold its *regular* meeting on **Tuesday, April 16th, 2024 at 8:00 a.m.** in the Amatuzio Conference Room, Third Floor, in the Duluth International Airport Terminal Building, 4701 Grinden Drive, Duluth, MN 55811

In accordance with the requirements of Minn. Stat. Section 13D.02, Director Jeff Anderson will appear remotely via interactive technology from the following public location:
75 Rev Dr Martin Luther King Jr Boulevard., St Paul, MN 55155

Members of the public may monitor the meeting by clicking below to access the meeting by Microsoft Teams: "Microsoft Teams Meeting" (information below).

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 249 336 734 244

Passcode: ihi3nk

[Download Teams](#) | [Join on the web](#)

The public may express their comments for consideration by the Duluth Airport Authority prior to the meeting by email or in writing to daa@duluthairport.com or to Duluth Airport Authority, 4701 Grinden Drive, Duluth, MN 55811.



DULUTH AIRPORT AUTHORITY

DULUTH AIRPORT AUTHORITY MEETING AGENDA APRIL 16, 2024

AMATUZIO CONFERENCE ROOM DULUTH INTERNATIONAL AIRPORT

I. *EXECUTIVE DIRECTOR'S REVIEW

- A. Information Letter to DAA Directors

II. *APPROVAL OF PREVIOUS MEETING MINUTES & OTHER CONSENT AGENDA ITEMS

- A. Approval of March 19, 2024 Board Meeting Minutes

III. *DAA CASH DISBURSEMENTS

- A. Operating Check Registers #7-8 of 2024; Operating ACH Payment Register #7-8 of 2024; Construction ACH Register #5 of 2024.

IV. *CORRESPONDENCE

- A. March 19, 2024: DLH Construction Newsletter.
- B. March 19, 2024: DYT Construction Newsletter.
- C. March 18, 2024: Letter of Support for Traffic Control Tower, Duluth Airport Authority. Duluth Building and Construction Trades Council.
- D. March 18, 2024: Rezoning request heard by City of Duluth's Planning Commission. City of Duluth.
- E. April 2, 2024: TSA LEO Reimbursement and Canine program. Email from TSA Federal Security Director.
- F. April 8, 2024: DLH Construction Newsletter.
- G. April 9, 2024: Duluth International Airport to hold open house for air traffic control tower project. Northern News Now.

V. OPPORTUNITY FOR PERSONS TO BE HEARD

VI. OLD BUSINESS

None

VII. NEW BUSINESS

- A. Resolution to Approve The Duluth Airport Authority's Air Service Incentive Policy and Incentive Program for the Duluth International Airport.



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- B. Resolution to Accept and Approve the MnDOT Grant Agreement No. 1056458 for Air Service Marketing State Project No. A6901-SM032 and to authorize the Duluth Airport Authority's President and Secretary to Execute the Grant and any amendments.
- C. Resolution to Approve Master Agreement between the Duluth Airport Authority and H+U Construction for the Construction of a New Air Traffic Control Tower
- D. Resolution to Approve Master Agreement between the Duluth Airport Authority and Jamar Companies for Airport Wide Mechanical, HVAC, and Building Automatic System Coordination
- E. Resolution to Approve Work Order 2024 - 5 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc for the Duluth International Airport Drainage Master Plan Study
- F. Resolution to Accept and Award the Contract in the amount of \$45,867.00 for the Plant Mitigation at the Sky Harbor Airport (DYT) between the Duluth Airport Authority and Prairie Restorations, Inc.
- G. Resolution to Accept and Award the Contract in the amount of \$233,200.01 between the Duluth Airport Authority and Urban Companies, LLC for the Demolition of Building 100.
- H. Resolution to Approve Work Order 2024 - 4 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc for the Construction Administration of the Demolition of Building 100.
- I. Resolution to Approve Lease Agreement Between the Duluth Airport Authority and Chad's Pad, LLC
- J. Resolution to Approve Operator Agreement between the Duluth Airport Authority and Duluth Flying Club (Fly Duluth).
- K. *February 2024 Financial Reports
- L. *April 2024 Accounts Receivable
- M. *March 2024 Airline Statistics, Landline Statistics
- N. Resolution to Approve Federal Aviation Administration Non-Federal Reimbursable Agreement RA-006323 for the Design of a New Air Traffic Control Tower Project at the Duluth International Airport

VIII. DIRECTOR'S REPORTS

Items annotated by an asterisk (*) are approved by consent and require no discussion or action unless questioned by a Director (in accordance with resolution passed by Directors on March 19, 2002).



DATE: April 16, 2024

TO: Duluth Airport Authority Board of Directors

FROM: Executive Director

SUBJECT: Executive Director's Review

The following items will be discussed during the Executive Director's Review. If action is required of the DAA on any of these items, they will also appear on the agenda. If you have questions or desire additional information, please contact me and I will provide it at the DAA meeting.

AIR SERVICE

- Passenger statistics will be presented at the meeting.
- Jumpstart Conference Preparation
- Updated Business Case for DEN Project Presentation- Mike Bown, SEH

OPERATIONS/CONSTRUCTION/PLANNING

- Planning:
 - New Air Traffic Control Tower (ATCT) Update
- Construction:
 - Taxiway A Tenant Construction Communication
- Operations and Maintenance:
 - Storm Summary / Airfield Magnet
 - New ADA Coordinator Certification
- Sky Harbor:
 - New Sky Harbor Airport Terminal Update
 - New Snow Removal Equipment Building Update

BUSINESS/PROPERTY DEVELOPMENT

- Ranch Hangar Project Update
- Development RFP Responses
- Summer Internship
- Airport Economic Development Forum Update
- Hermantown Hydraulics Vacation
- Hydrosolutions Termination Plan
- New Lease draft for current Tower
- LSC discussion
- AJUA Summary
- FBO Acquisition Due Diligence

FINANCIAL UPDATE

- Audit Preparation
- FAA Title VI Plan/Community Participation Plan (CPP)
- Law Enforcement Reimbursement (LEO) Program – Financial Impacts



MARKETING/COMMUNICATIONS

- Ranch Hangar Ribbon Cutting
- Sky Harbor Ribbon Cutting
- Economic Impact Study
- ATCT Open House Recap

LEGISLATIVE UPDATE

- HF5157 & SF5242 DLH ATCT Bill (New Number & Amended Text)
- SF1289 Airport Property Tax Exemption Testimony
- PFAS Transition Advocacy
- Congressionally Directed Spending Request
- Law Enforcement Reimbursement (LEO) Program Unfunded

PRESENTATIONS/TOURS/TRAVEL RECAP

- NSR

OTHER

- Organizational Roadmap 2030
 - Retention and Attraction Goals
- Sandy Hoff Appointed to the DAA

Submitted by,

Tom Werner, A.A.E.
Executive Director



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Duluth Airport Authority

Meeting Minutes

March 19, 2024

MEETING LOCATION: Amatuzio Conference Room, Duluth International Airport

DIRECTORS PRESENT: Kim Maki
Kevin O'Brien
Jason Crawford
Michael Henderson

DIRECTORS PARTICIPATING VIA ELECTRONIC MEANS:
Elissa Hansen

DIRECTORS ABSENT: Jeff Anderson

OTHERS PRESENT: Tom Werner, DAA Executive Director
Mark Papko, DAA Dir. of Operations
Jana Kayser, DAA Dir. of Business Development
Joelle Bodin, DAA Dir. of Finance and Administration
Natalie Baker, DAA Dir. of Marketing and Communications
Jenny Delnay, DAA Administrative Coordinator
Mark Marino, Duluth Aviation Institute
Michael Gardonio, Duluth Aviation Institute
Sandra Ettestad, Duluth Aviation Institute
Don Monaco, Duluth Aviation Institute / Monaco Air Duluth

OTHERS PARTICIPATING VIA ELECTRONIC MEANS:
Tristan Durfee, DAA Sky Harbor Manager
Robb Enslin, Duluth City Attorney
James Gibson, Cirrus
Dante Tomassoni, Cirrus
Horeya Czaplewski, EXP
Heather Wink, Giant Voices
Paul Huston, HNTB
Kaci Nowicki, SEH
Scott Sannes, SEH
Matthew Stewart, SEH

CALL TO ORDER: Dir. Maki called the DAA board meeting to order at 8:00 a.m. Dir. Maki noted that Dir. Hansen was attending virtually, and Dir. Anderson was absent.

Dir. Maki invited Mr. Tom Werner to provide the Executive Director's Review

I. *EXECUTIVE DIRECTOR'S REVIEW

- A. **Air Service:** Mr. Werner provided an update on the current air service with a presentation.
- Mr. Werner presented year-to-date numbers. Delta was still leading in seats sold and overall load factors remained high. Sun Country had a good month. Next month, Mike



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Bown will be presenting at the Board Meeting to discuss a renewed business case for Denver service, which has changed since originally proposed in 2019.

- ATP Grant Statistics: Mr. Werner recapped the ATP grants as presented last month. He presented potential funding scenarios for funding the Air Traffic Control Tower (ATCT).
 - Scenario 1: Preferred option which includes a steady \$10 million in ATP grants over the next two cycles. Maximizes federal funding.
 - Scenario 2: Includes Infrastructure and Jobs matching grant from the state, another bond ask and GAP funding from the City, which would be consistent with the Terminal and Hangar 103 funding.
 - Scenario 3: Least preferred option includes the largest bond ask and larger GAP request from the City.
 - In summary, there are multiple ways to get to the full funding amount needed for ATCT. Staff is looking to maximize every opportunity.
 - Another option is to seek a state tax exemption when purchasing construction materials, which would save about \$3 million.
 - Dir O'Brien asked if this would be a one time ask.
 - Mr. Werner confirmed it was and it includes the Tower, 2 hangars, and the Sky Harbor Terminal. There is precedent for this request.

B. Operations/Construction/Planning: Mr. Papko provided the following updates:

- New Air Traffic Control Tower (ATCT) Update: Mr. Papko shared that work continues on the actual design of the tower with the 35% deliverable expected this week. DAA has been excited at the pace of the design work thus far. Partners are having their voices heard, but moving swiftly, shortening their review periods to help expedite the process. Work has recently been focused on how to spend the \$10 million recently awarded.
 - CMAR: Mr. Papko was hoping to have the CMAR Contract ready for today's meeting, however with the large contract it is still going through the due diligence. It is now expected to be at the April meeting. The selected construction manager has been engaged, even with the contract still pending. An announcement and contract will be coming soon.
- Airshow Update: The 2024 airshow is scheduled for May 18-19. Planning is going smoothly, including contingency plans for snow. This year will feature the US Air Force Thunderbirds.
 - Dir. Maki asked if attendance was expected to be lower due to the early date.
 - Mr. Papko shared that he was not sure, but it typically is more weather dependent. The Thunderbirds draw less of a crowd than the Blue Angles, however there are also other acts performing too.
 - Dir. O'Brien asked if DAA fees were guaranteed or dependent on attendance.
 - Mr. Papko confirmed that DAA fees were guaranteed.
- Sky Harbor Terminal Update: Mr. Papko shared that they are currently picking out furniture for the space and looking forward to the Open House.
 - Snow Removal Equipment Building: The Building has started to be erected. Mr. Papko shared pictures of the progress. The building is higher than surrounding buildings due to elevation requirements for flood protection. The door is larger to allow for interchangeability between DYT and DLH's equipment.

C. Business/Property Development: Ms. Kayser provided an update on the following:

- Ranch Hangar Project: The hangars are now full and the Ribbon Cutting is being planned. There are still minor punch list items to finish plus a storm water project



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estimated to be completed on April 22nd. The last issue is the placement of gas and electrical meters and snow guards on the roof. Ms. Kayser is excited to see the hangars full and new tenants brought into the airport.

- NBDA Development RFP Update: These are now posted to the City's website and are due April 1st. Dir. Crawford will be working with Ms. Kayser to review the proposals.
- Sky Harbor Survey: The lack of lot lines at Sky Harbor has been a long-standing issue. SEH recently did an official survey. There were two tenants' leases that changed more than 1 square foot (one in favor of the tenant, and the other a difference of \$30). Exhibits will be brought forward next month to update their agreements.
- Summer Internship: Application period has closed with about 40 applicants. Ms. Kayser is currently conducting the first round of virtual interviews and will do a second round after returning from Spring Break.

D. Financial Update: Ms. Bodin provided an update on the following:

- City of Duluth Property Insurance Renewal Update: Ms. Bodin is adjusting the insurance for new equipment and property, such as the new Terminal and SRE buildings at Sky Harbor and the new Ranch Hangars. This will likely be before the board in April.
- Audit Preparation: Ms. Bodin is providing the final audits and adjustments and is planning to have this completed by next month.
- Title VI Plan: The draft is due to FAA by April 1st, so Ms. Bodin is wrapping up the draft now. They will send back comments, then a final plan will come before the board. The final approved plan is due by the end of the year.

E. Marketing/Communications: Ms. Baker provided an update on the following:

- Duluth and St. Louis County at the Capitol Days: Ms. Baker shared that DAA was present at the capitol this year, with Ms. Kayser, Mr. Papko and Dir. O'Brien on the lobbying team. DAA had a booth at the Grand Reception with a Plinko Put-Put game, which was well received.
- ATCT Public Open House: There is an Open House scheduled for April 10th with SEH.
 - Dir. Maki asked where the event will be held.
 - Ms. Baker confirmed it will be held in the Terminal's Conference Room.

F. Legislative Update: Mr. Werner provided an update on the following:

- PFAS Transition Advocacy: Mr. Werner shared that he is continuing to work with stakeholders across state to mobilize the airports.
- Congressionally Directed Spending Request: Mr. Werner shared about his recent trip to Washing DC to meet with delegations. They remain steadfast in supporting the ATCT project. They understand the importance of congressionally directed spending.

G. Presentations/Tours/Travel Recap: Mr. Werner provided an update on the following:

- Duluth and St. Louis County at the Capitol Days: Mr. Werner shared that there was good attendance and good conversations at this event.
- AAAE Legislative Affair Conference: Mr. Werner was able to hear from Congress about what was important in aviation, mostly spending bills.

H. Other:

- NSR



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- Dir. Maki thanked everyone for their reviews and moved to item II of the agenda.

II. *APPROVAL OF PREVIOUS MEETING MINUTES & OTHER CONSENT AGENDA ITEMS AS INDICATED BY *:

- A. Approval of February 20, 2024 Board Meeting Minutes
- B. Approval of March 8, 2024 Special Board Meeting Minutes
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. O'Brien
 - Second: Dir. Crawford
 - Abstain: None
 - Result: This resolution was adopted unanimously by roll call.

III. *DAA CASH DISBURSEMENTS

- A. Operating Check Register Sheets #5-6 of 2024; Operating ACH Payment Register #5-6 of 2024; Construction ACH Register #4 of 2024.

IV. *CORRESPONDENCE

- A. February 16, 2024: DLH Construction Newsletter.
- B. February 16, 2024: DYT Construction Newsletter.
- C. February 15, 2024: \$10 Million dollar grant will help build a new air traffic control tower for Duluth Airport. WDIO.
- D. February 15, 2024: Duluth airport gets \$10 million federal grant for tower replacement. Duluth News Tribune.
- E. February 15, 2024: Federal lawmakers announce funding for Duluth International Airport tower, new Two Harbors terminal. Northern News Now.
- F. February 16, 2024: Dan Markham Letter of Resignation from DAA Board.
- G. February 27, 2024: TSA PreCheck Travelers will no longer have to show ID or boarding pass at certain airports. The Points Guy.
- H. February 28, 2024: Congressional Leaders Agree to Avoid Imminent Shutdown and Temporarily Extend Federal Funding...Again. AAAE Federal Affairs Airport Alert.
- I. March 4, 2024: Air Traffic Control Tower Base Building; Duluth Airport Authority Bill. Legislature of the State of Minnesota.

V. OPPORTUNITY FOR PERSONS TO BE HEARD

- A. None.

VI. OLD BUSINESS

- A. None.

VII. NEW BUSINESS

- A. Resolution to approve Work Order 2024 – 03 between Short Elliot Hendrickson, Inc. and the Duluth Airport Authority for the coordination of Aquatic Mitigation at Sky Harbor Airport
 - Mr. Papko shared that this finalizes the mitigation required following the construction of the Sky Harbor runway. Since mitigation lasted longer than 3 years, it was split into multiple contracts. This contract includes one more planting and monitoring to restore the aquatic habitat.
 - Dir. Maki entertained questions or a motion.



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- Motion: Dir. Henderson
- Second: Dir. O'Brien
- Abstain: None
- Result: This resolution was adopted unanimously by roll call.

B. Resolution to Approve a Funding Agreement Between the Duluth Airport Authority and Minnesota Department of Transportation for Airport Development Education in the Amount of \$15,000.

- Mr. Werner shared that there has been a lot of turn over in local stakeholders regarding airport development, which is significantly different from other types of development. This agreement would split the cost of bringing in lawyers to speak on the types of development restrictions airports face with MnDOT to have both local stakeholders and other airport stakeholders across the state.
- Dir. Maki asked if the education was focused on both stakeholders and airport staff.
 - Mr. Werner confirmed that he did want the private sector developers to attend both from the City and St Louis County. It is intended for anyone who would want to see the airport as an economic driver in the community but may not understand the rules and regulations that go along with that.
- Dir. O'Brien asked about the timeline of the education.
 - Mr. Werner shared they are planning for a four-hour time block, which would focus on the high-level concepts.
- Dir. Maki entertained questions or a motion.
 - Motion: Dir. O'Brien
 - Second: Dir. Crawford
 - Abstain: None
 - Dir Maki noted that this event would be good for board members to attend.
 - Result: This resolution was adopted unanimously by roll call.

C. Resolution to Approve Naming of Sky Harbor Terminal Building

- Ms. Baker invited Ms. Sandra Ettestad to present the Duluth Aviation Institute's proposal for the naming of the new Sky Harbor Terminal.
- Ms. Ettestad introduced the other members of the Duluth Aviation Institute in attendance, including Mr. Mark Marino, Mr. John Eagleton, Mr. Don Monaco, and Mr. Mark Gardonio. They represent a wealth of aviation knowledge, especially in Duluth.
- Ms. Ettestad presented the proposal to name the new Sky Harbor Terminal the Robert R. Gilruth Terminal.
 - Gilruth was born in 1913 and graduated from Duluth schools. He went on to lead NASA's effort to the moon. He was the first director of the Johnson Space Center and has been inducted into both the National Space Hall of Fame and the International Space Hall of Fame. He is considered to be the Father of Human Space Flight.
 - Ms. Ettestad shared that the Institute has been unsuccessful in contacting any living relatives of Gilruth's family.
 - Ms. Ettestad shared that Sky Harbor would benefit from this naming as it would build community and hometown pride, position Duluth as an aviation community of significance and inspire visitors with the Apollo messages of hope.
- Ms. Baker shared the position of the signage, which includes exterior lettering on the building, interior lettering above the entry door in the vestibule and a plaque inside the



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building. These will be consistent with the color schemes and lettering throughout the new terminal.

- Dir. Maki entertained questions or a motion.
 - Motion: Dir. Henderson
 - Second: Dir. Crawford
 - Abstain: None
 - Result: This resolution was adopted unanimously by roll call.
- Dir. O'Brien made an additional motion to strike "Contingent upon receiving consent from the family or estate" from the written motion.
 - Motion: Dir. O'Brien
 - Second: Dir. Henderson
 - Abstain: None
 - Result: The motion was adopted unanimously by roll call.

D. Resolution to Approve New Logo for Sky Harbor Airport

- Ms. Baker stated that with the new building, she wanted to have an updated logo to match. They went through a rebranding process with Giant Voices and Ms. Baker shared the photos of the new logo.
- Dir. Hanson asked for clarification on if the new name approved in Resolution C impacted the letting of the logo.
 - Ms. Baker clarified that the naming from Resolution C was only for the terminal building. The airport would remain Sky Harbor with DYT as its call sign, similar to how Duluth International's call sign is DLH and terminal is called Oberstar.
- Dir. O'Brien asked if Ms. Baker was happy with the way the logo turned out.
 - Ms. Baker confirmed that she was very happy.
- Dir. Maki entertained questions or a motion.
 - Motion: Dir. Crawford
 - Second: Dir. Henderson
 - Abstain: None
 - Dir. Maki noted that she enjoyed the new logo and saw it as a new vision to move forward with.
 - Result: This resolution was adopted unanimously by roll call.

E. Resolution to Approve Operator Agreement Amendment #14 Between the Duluth Airport Authority and Monaco Air Duluth, LLC

- Ms. Kayser stated that North Business Development Area (NBDA) is preparing to be developed. Monaco had invested \$371,000 to get shovel ready, but those plans did not materialize so the property is currently vacant. For the DAA to develop this area for additional revenue generation, this amendment would pay back Monaco for their investment.
 - Dir O'Brien asked if this was a one-time payment.
 - Ms. Kayser clarified that this is a one-time payment of \$148,000 for prepayment of prepaid rent plus \$15,000 for Monaco's unrealized revenue.
- Dir. Maki entertained questions or a motion.
 - Motion: Dir. O'Brien
 - Second: Dir. Henderson
 - Abstain: None
 - Result: This resolution was adopted unanimously by roll call.



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- F. Resolution to Approve an Employee Incentive Award in the Amount of One Thousand Dollars (\$1,000) for Jana Kayser in Accordance with Duluth Airport Authority Operating Policy #5.
 - Mr. Werner shared that it is consistent with the Operating Policy for DAA to reward good work. He noted that Ms. Kayser has done a tremendous job developing the new Ranch Hangar project. This project was one of the vital building blocks in creating the Director of Business Development position and Ms. Kayser’s growth in this position has been meteoric. Mr. Werner noted that Ms. Kayser is a trusted advisor in how to develop future business at the airport and recommended approval of this resolution.
 - Dir. O’Brien noted that he cannot imagine the DAA staff without Ms. Kayser and that her position is key to airport success.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. Crawford
 - Second: Dir. Henderson
 - Abstain: None
 - Dir. Maki echoed Dir. O’Brien and Mr. Werner’s sentiments. She has been excited to see both Ms. Kayser’s growth over the years.
 - Result: This resolution was adopted unanimously by roll call.

- G. *January 2024 Financial Reports
- H. *March 2024 Accounts Receivable
- I. *February 2024 Airline Statistics, Landline Statistics

VIII. DIRECTOR’S REPORTS

- A. Dir. Maki shared that she was also at St. Louis County and Duluth Days and thought the DAA booth looked fantastic. She appreciated the dedication of the board and staff.

ADJOURN: The meeting was adjourned at 8:54 a.m.

Respectfully submitted,

Jenny Delnay
Administrative Coordinator

Tom
Werner

Digitally signed by
Tom Werner
Date: 2024.03.25
11:21:07 -05'00'

Approved: _____
DAA Executive Director

III. Cash Disbursements


DAA Operating Check Register #7-2024
March 22, 2024

Document Number From 12083 through 12100

Document Number	Date	Transaction Type	Payee	Amount
12083	3/22/2024	BILLPMT	Advantage Emblem & Screen Printing	\$1,002.00
12084	3/22/2024	BILLPMT	Baker, Natalie	\$60.00
12085	3/22/2024	BILLPMT	City Of Duluth Comfort Systems	\$11,461.81
12086	3/22/2024	BILLPMT	Curtis Oil & Propane	\$561.55
12087	3/22/2024	BILLPMT	Johnson, Killen & Seiler, P.A.	\$2,161.20
12088	3/22/2024	BILLPMT	Linde Gas & Equipment Inc.	\$121.47
12089	3/22/2024	BILLPMT	Minnesota Pollution Control Agency	\$400.00
12090	3/22/2024	BILLPMT	NAPA Auto Parts	\$212.44
12091	3/22/2024	BILLPMT	Northern Tool & Equipment	\$200.19
12092	3/22/2024	BILLPMT	Reed-Joseph International Company	\$488.00
12093	3/22/2024	BILLPMT	SFM	\$8,506.00
12094	3/22/2024	BILLPMT	Sherwin-Williams Co.	\$334.43
12095	3/22/2024	BILLPMT	St. Louis County	\$6,318.00
12096	3/22/2024	BILLPMT	Summit Fire Protection	\$858.02
12097	3/22/2024	BILLPMT	Taylor, Dan	\$60.00
12098	3/22/2024	BILLPMT	Titan Machinery	\$466.90
12099	3/22/2024	BILLPMT	U.S. Customs and Border Protection	\$595.00
12100	3/22/2024	BILLPMT	University of Minnesota	\$6,500.00
Total				\$40,307.01



Airport Director




Joelle Bodin (Mar 21, 2024 14:22 CDT)

Finance Director


Tom Werner

Executive Director



Kim Maki (Mar 22, 2024 09:04 CDT)

Board President



Jos Bailey (Mar 21, 2024 14:19 CDT)

City Treasury












Operating Check Register #7-2024


Final Audit Report


2024-03-22


Created:	2024-03-21
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA5q47YEGkSyDsLCePptAZTPjE-emRIOJJ


"Operating Check Register #7-2024" History

-  Document created by Kathy Leon (kleon@duluthairport.com)
2024-03-21 - 7:15:06 PM GMT- IP address: 205.149.151.193
-  Document emailed to Joelle Bodin (jbodin@duluthairport.com) for signature
2024-03-21 - 7:15:10 PM GMT
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature
2024-03-21 - 7:15:10 PM GMT
-  Document emailed to makik@stlouiscountymn.gov for signature
2024-03-21 - 7:15:10 PM GMT
-  Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature
2024-03-21 - 7:15:10 PM GMT
-  Email viewed by Josh Bailey (jbailey@duluthmn.gov)
2024-03-21 - 7:19:13 PM GMT- IP address: 156.99.162.253
-  Document e-signed by Josh Bailey (jbailey@duluthmn.gov)
Signature Date: 2024-03-21 - 7:19:35 PM GMT - Time Source: server- IP address: 156.99.162.253
-  Email viewed by Joelle Bodin (jbodin@duluthairport.com)
2024-03-21 - 7:22:03 PM GMT- IP address: 205.149.151.193
-  Document e-signed by Joelle Bodin (jbodin@duluthairport.com)
Signature Date: 2024-03-21 - 7:22:51 PM GMT - Time Source: server- IP address: 205.149.151.193
-  Email viewed by Tom Werner (twerner@duluthairport.com)
2024-03-21 - 7:24:27 PM GMT- IP address: 205.149.151.193
-  Document e-signed by Tom Werner (twerner@duluthairport.com)
Signature Date: 2024-03-21 - 7:25:12 PM GMT - Time Source: server- IP address: 205.149.151.193

 Email viewed by makik@stlouiscountymn.gov
2024-03-22 - 2:04:02 PM GMT- IP address: 207.171.103.126

 Signer makik@stlouiscountymn.gov entered name at signing as Kim Maki
2024-03-22 - 2:04:19 PM GMT- IP address: 207.171.103.126

 Document e-signed by Kim Maki (makik@stlouiscountymn.gov)
Signature Date: 2024-03-22 - 2:04:21 PM GMT - Time Source: server- IP address: 207.171.103.126

 Agreement completed.
2024-03-22 - 2:04:21 PM GMT

DAA Operating Check Register #8-2024
March 29, 2024

Document Number From 12101 through 12106

Document Number	Date	Transaction Type	Payee	Amount
12101	3/29/2024	BILLPMT	Acme Tools	\$199.00
12102	3/29/2024	CHK	Citi Cards	\$4,334.91
12103	3/29/2024	BILLPMT	Menards - Hermantown	\$332.49
12104	3/29/2024	BILLPMT	Metro Sales, Inc.	\$277.50
12105	3/29/2024	BILLPMT	Twin Ports Paper Supply, Inc	\$635.62
12106	3/29/2024	CHK	WF Bus Payment Processing - Tom	\$606.06
Total				\$6,385.58



Airport Director



Joelle Bodin (Apr 1, 2024 22:18 CDT)

Finance Director

Tom Werner

Executive Director



Kim Maki (Mar 28, 2024 08:40 CDT)

Board President



Jos Bailey (Mar 28, 2024 08:27 CDT)

City Treasury












Operating Check Register #8-2024

Final Audit Report

2024-04-02

Created:	2024-03-28
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAPFLMcApTmQIK2JEDws8DzWpkOcNDG2s9

"Operating Check Register #8-2024" History

-  Document created by Kathy Leon (kleon@duluthairport.com)
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-  Document emailed to Joelle Bodin (jbodin@duluthairport.com) for signature
2024-03-28 - 1:17:13 PM GMT
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature
2024-03-28 - 1:17:13 PM GMT
-  Document emailed to makik@stlouiscountymn.gov for signature
2024-03-28 - 1:17:13 PM GMT
-  Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature
2024-03-28 - 1:17:13 PM GMT
-  Email viewed by Tom Werner (twerner@duluthairport.com)
2024-03-28 - 1:18:32 PM GMT- IP address: 174.212.168.167
-  Document e-signed by Tom Werner (twerner@duluthairport.com)
Signature Date: 2024-03-28 - 1:20:21 PM GMT - Time Source: server- IP address: 174.212.168.167
-  Email viewed by Josh Bailey (jbailey@duluthmn.gov)
2024-03-28 - 1:26:58 PM GMT- IP address: 156.99.162.253
-  Document e-signed by Josh Bailey (jbailey@duluthmn.gov)
Signature Date: 2024-03-28 - 1:27:38 PM GMT - Time Source: server- IP address: 156.99.162.253
-  Email viewed by makik@stlouiscountymn.gov
2024-03-28 - 1:40:15 PM GMT- IP address: 207.171.103.126
-  Signer makik@stlouiscountymn.gov entered name at signing as Kim Maki
2024-03-28 - 1:40:30 PM GMT- IP address: 207.171.103.126



Document e-signed by Kim Maki (makik@stlouiscountymn.gov)

Signature Date: 2024-03-28 - 1:40:32 PM GMT - Time Source: server- IP address: 207.171.103.126



Email viewed by Joelle Bodin (jbodin@duluthairport.com)

2024-04-02 - 3:17:53 AM GMT- IP address: 174.234.131.93



Document e-signed by Joelle Bodin (jbodin@duluthairport.com)

Signature Date: 2024-04-02 - 3:18:43 AM GMT - Time Source: server- IP address: 174.234.131.93



Agreement completed.

2024-04-02 - 3:18:43 AM GMT



Adobe Acrobat Sign

DAA Operating ACH Payment Register #7-2024
March 22, 2024

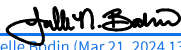
Confirmation #0810191

Document Number	Date	Transaction Type	Payee	Amount
00000121/1	3/22/2024	BILLPMT	1 Giant Voices LLC	\$12,761.23
00000121/10	3/22/2024	BILLPMT	Como Lube & Supplies	\$1,699.50
00000121/11	3/22/2024	BILLPMT	Cryotech	\$25,610.48
00000121/12	3/22/2024	BILLPMT	Dalco	\$111.40
00000121/13	3/22/2024	BILLPMT	Doorco Inc.	\$1,098.56
00000121/14	3/22/2024	BILLPMT	Durfee, Tristan	\$60.00
00000121/15	3/22/2024	BILLPMT	General Security Services Corporation	\$25,646.74
00000121/16	3/22/2024	BILLPMT	Giant Voices LLC	\$15,590.25
00000121/17	3/22/2024	BILLPMT	Grainger, Inc.	\$204.00
00000121/18	3/22/2024	BILLPMT	Graves, John	\$120.00
00000121/19	3/22/2024	BILLPMT	Guardian Pest Solutions	\$413.86
00000121/2	3/22/2024	BILLPMT	1 MediaUSA Advertising Inc	\$1,115.00
00000121/20	3/22/2024	BILLPMT	H&L Mesabi	\$477.00
00000121/21	3/22/2024	BILLPMT	Hermantown Hydraulics, LLC	\$359.83
00000121/22	3/22/2024	BILLPMT	Hotsy Minnesota	\$310.08
00000121/23	3/22/2024	BILLPMT	IdentiSys Incorporated	\$4,099.81
00000121/24	3/22/2024	BILLPMT	Inter City Oil (ICO)	\$85.61
00000121/25	3/22/2024	BILLPMT	Jamar Company	\$11,597.43
00000121/26	3/22/2024	BILLPMT	Kayser, Jana	\$60.00
00000121/27	3/22/2024	BILLPMT	Kleen-Tech	\$22,644.68
00000121/28	3/22/2024	BILLPMT	Kraemer Construction, Inc.	\$250.00
00000121/29	3/22/2024	BILLPMT	Leon, Kathy	\$60.00
00000121/3	3/22/2024	BILLPMT	Acme Tools	\$1,963.29
00000121/30	3/22/2024	BILLPMT	Lift Pro	\$299.66
00000121/31	3/22/2024	BILLPMT	MB Companies inc.	\$401.00
00000121/32	3/22/2024	BILLPMT	Menards - Hermantown	\$2,693.04
00000121/33	3/22/2024	BILLPMT	Monaco Air Duluth, LLC	\$163,406.00
00000121/34	3/22/2024	BILLPMT	Motion Industries, Inc.	\$20.65
00000121/35	3/22/2024	BILLPMT	Motorola Solutions, Inc.	\$57,305.05
00000121/36	3/22/2024	BILLPMT	Northern Engine & Supply	\$129.00
00000121/37	3/22/2024	BILLPMT	Northern States Supply, Inc.	\$159.92
00000121/38	3/22/2024	BILLPMT	Oberon3, Inc.	\$252.00
00000121/39	3/22/2024	BILLPMT	Oracle America, Inc.	\$14,858.66
00000121/4	3/22/2024	BILLPMT	ADB SAFEGATE	\$2,254.26
00000121/40	3/22/2024	BILLPMT	Papko, Mark	\$60.00
00000121/41	3/22/2024	BILLPMT	Schindler Elevator Corp	\$1,397.83
00000121/42	3/22/2024	BILLPMT	Sherwin Industries, Inc.	\$314.14
00000121/43	3/22/2024	BILLPMT	Short Elliott Hendrickson Inc.	\$22,000.00
00000121/44	3/22/2024	BILLPMT	Sinnott, Paul	\$60.00
00000121/45	3/22/2024	BILLPMT	Snell, Matthew J	\$60.00
00000121/46	3/22/2024	BILLPMT	Spectrum Business	\$177.53
00000121/47	3/22/2024	BILLPMT	State Supply	\$29.92
00000121/48	3/22/2024	BILLPMT	Twin Ports Paper Supply, Inc	\$617.59
00000121/49	3/22/2024	BILLPMT	Waste Management of WI-MN	\$2,670.30
00000121/5	3/22/2024	BILLPMT	Benson Electric Company	\$402.19
00000121/50	3/22/2024	BILLPMT	Welch, Ryan	\$60.00
00000121/51	3/22/2024	BILLPMT	Werner, Thomas	\$60.00
00000121/52	3/22/2024	BILLPMT	White Cap, L.P.	\$1,220.00


00000121/53	3/22/2024	BILLPMT	Ziegler, Inc.	\$2,888.45
00000121/6	3/22/2024	BILLPMT	Bodin, Joelle	\$60.00
00000121/7	3/22/2024	BILLPMT	Border States	\$547.53
00000121/8	3/22/2024	BILLPMT	Century Link	\$144.00
00000121/9	3/22/2024	BILLPMT	Citon	\$20,101.00
				Sub-Total
				\$420,988.47
Void ACH 119/11 John Graves				\$ (60.00)
				Total
				\$420,928.47




Airport Director


 Joelle Bodin (Mar 21, 2024 13:40 CDT)

Finance Director
 Tom Werner

Executive Director

 Kim Maki (Mar 28, 2024 18:27 CDT)

Board President

 Jos Bailey (Mar 21, 2024 13:33 CDT)

City Treasury












Operating ACH Payment Register #7-2024


Final Audit Report


2024-03-28


Created:	2024-03-21
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAIdpc9Ey8F1Oz3RI5uRuP_NLcsw93jGMx


"Operating ACH Payment Register #7-2024" History

-  Document created by Kathy Leon (kleon@duluthairport.com)
2024-03-21 - 6:31:37 PM GMT- IP address: 205.149.151.193
-  Document emailed to Joelle Bodin (jbodin@duluthairport.com) for signature
2024-03-21 - 6:31:41 PM GMT
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature
2024-03-21 - 6:31:41 PM GMT
-  Document emailed to makik@stlouiscountymn.gov for signature
2024-03-21 - 6:31:41 PM GMT
-  Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature
2024-03-21 - 6:31:41 PM GMT
-  Email viewed by Tom Werner (twerner@duluthairport.com)
2024-03-21 - 6:32:03 PM GMT- IP address: 205.149.151.193
-  Document e-signed by Tom Werner (twerner@duluthairport.com)
Signature Date: 2024-03-21 - 6:32:40 PM GMT - Time Source: server- IP address: 205.149.151.193
-  Email viewed by Josh Bailey (jbailey@duluthmn.gov)
2024-03-21 - 6:32:41 PM GMT- IP address: 156.99.162.253
-  Document e-signed by Josh Bailey (jbailey@duluthmn.gov)
Signature Date: 2024-03-21 - 6:33:11 PM GMT - Time Source: server- IP address: 156.99.162.253
-  Email viewed by Joelle Bodin (jbodin@duluthairport.com)
2024-03-21 - 6:40:00 PM GMT- IP address: 205.149.151.193
-  Document e-signed by Joelle Bodin (jbodin@duluthairport.com)
Signature Date: 2024-03-21 - 6:40:29 PM GMT - Time Source: server- IP address: 205.149.151.193

 Email viewed by makik@stlouiscountymn.gov
2024-03-28 - 11:27:11 PM GMT- IP address: 107.119.41.110

 Signer makik@stlouiscountymn.gov entered name at signing as Kim Maki
2024-03-28 - 11:27:51 PM GMT- IP address: 107.119.41.110

 Document e-signed by Kim Maki (makik@stlouiscountymn.gov)
Signature Date: 2024-03-28 - 11:27:53 PM GMT - Time Source: server- IP address: 107.119.41.110

 Agreement completed.
2024-03-28 - 11:27:53 PM GMT

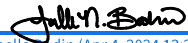
**DAA Operating ACH Payment Register #8-2024
April 5, 2024**

Confirmation #0950276

Document Number	Date	Transaction Type	Payee	Amount
00000123/1	4/5/2024	BILLPMT	1 MediaUSA Advertising Inc	\$1,115.00
00000123/10	4/5/2024	BILLPMT	Menards - Hermantown	\$39.72
00000123/11	4/5/2024	BILLPMT	Menards - Hermantown	\$57.24
00000123/12	4/5/2024	BILLPMT	Menards - Hermantown	\$263.74
00000123/13	4/5/2024	BILLPMT	Menards - Hermantown	\$90.93
00000123/14	4/5/2024	BILLPMT	Menards - Hermantown	\$34.33
00000123/15	4/5/2024	BILLPMT	Menards - Hermantown	\$121.56
00000123/16	4/5/2024	BILLPMT	Menards - Hermantown	\$51.96
00000123/17	4/5/2024	BILLPMT	Paul Bunyan Communications	\$3,460.00
00000123/18	4/5/2024	BILLPMT	Twin Ports Paper Supply, Inc	\$725.25
00000123/19	4/5/2024	BILLPMT	Viking Automatic Sprinkler	\$355.00
00000123/2	4/5/2024	BILLPMT	Como Lube & Supplies	\$245.00
00000123/20	4/5/2024	BILLPMT	Viking Industrial Center	\$15.76
00000123/21	4/5/2024	BILLPMT	Volaire Aviation Inc.	\$2,000.00
00000123/22	4/5/2024	BILLPMT	Waste Management of WI-MN	\$105.70
00000123/23	4/5/2024	BILLPMT	Waste Management of WI-MN	\$302.62
00000123/24	4/5/2024	BILLPMT	Waste Management of WI-MN	\$1,875.17
00000123/25	4/5/2024	BILLPMT	Waste Management of WI-MN	\$312.79
00000123/3	4/5/2024	BILLPMT	Dalco	\$75.02
00000123/4	4/5/2024	BILLPMT	Dalco	\$194.70
00000123/5	4/5/2024	BILLPMT	Grainger, Inc.	\$371.60
00000123/6	4/5/2024	BILLPMT	Grainger, Inc.	\$157.19
00000123/7	4/5/2024	BILLPMT	Hermantown Area Chamber	\$180.00
00000123/8	4/5/2024	BILLPMT	Inter City Oil (ICO)	\$22,418.48
00000123/9	4/5/2024	BILLPMT	Jamar Company	\$2,160.00
Total				\$36,728.76




Airport Director


Joelle Bodin (Apr 4, 2024 13:20 CDT)


Finance Director

Tom Werner

Executive Director


Kim Maki (Apr 4, 2024 13:21 CDT)

Board President


Josh Bailey (Apr 4, 2024 13:25 CDT)

City Treasury












Operating ACH Payment Register #8-2024


Final Audit Report

2024-04-04

Created:	2024-04-04
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAEIrMXnWrpMevCbqOQJ2Yu3lxlyPCTyuB

"Operating ACH Payment Register #8-2024" History

-  Document created by Kathy Leon (kleon@duluthairport.com)
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2024-04-04 - 6:17:49 PM GMT
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature
2024-04-04 - 6:17:49 PM GMT
-  Document emailed to makik@stlouiscountymn.gov for signature
2024-04-04 - 6:17:50 PM GMT
-  Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature
2024-04-04 - 6:17:50 PM GMT
-  Email viewed by Joelle Bodin (jbodin@duluthairport.com)
2024-04-04 - 6:19:29 PM GMT- IP address: 205.149.151.193
-  Document e-signed by Joelle Bodin (jbodin@duluthairport.com)
Signature Date: 2024-04-04 - 6:20:13 PM GMT - Time Source: server- IP address: 205.149.151.193
-  Email viewed by makik@stlouiscountymn.gov
2024-04-04 - 6:21:17 PM GMT- IP address: 207.171.103.126
-  Signer makik@stlouiscountymn.gov entered name at signing as Kim Maki
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-  Document e-signed by Kim Maki (makik@stlouiscountymn.gov)
Signature Date: 2024-04-04 - 6:21:37 PM GMT - Time Source: server- IP address: 207.171.103.126
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Signature Date: 2024-04-04 - 6:25:54 PM GMT - Time Source: server- IP address: 156.99.162.253

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2024-04-04 - 7:17:54 PM GMT- IP address: 205.149.151.193

 Document e-signed by Tom Werner (twerner@duluthairport.com)

Signature Date: 2024-04-04 - 7:18:06 PM GMT - Time Source: server- IP address: 205.149.151.193

 Agreement completed.

2024-04-04 - 7:18:06 PM GMT

**Duluth Airport Authority
DAA Construction ACH Payment Register #5-2024
March 25, 2024**

Confirmation #0820184

Document Number	Date	Transaction Type	Payee	Amount
00000122/1	3/25/2024	BILLPMT	1 Gardner Builders Duluth, LLC	\$407,221.01
00000122/10	3/25/2024	BILLPMT	1 Short Elliott Hendrickson	\$13,225.00
00000122/11	3/25/2024	BILLPMT	1 Short Elliott Hendrickson	\$3,009.60
00000122/12	3/25/2024	BILLPMT	1 Tom Kraemer, Inc.	\$105.00
00000122/13	3/25/2024	BILLPMT	1 WSB, LLC	\$496.24
00000122/14	3/25/2024	BILLPMT	1 WSB, LLC	\$223.40
00000122/2	3/25/2024	BILLPMT	1 Gardner Builders Duluth, LLC	\$2,593.50
00000122/3	3/25/2024	BILLPMT	1 Kraus Anderson Construction Co	\$7,673.67
00000122/4	3/25/2024	BILLPMT	1 Kraus Anderson Construction Co	\$10,944.50
00000122/5	3/25/2024	BILLPMT	1 Short Elliott Hendrickson	\$32,350.00
00000122/6	3/25/2024	BILLPMT	1 Short Elliott Hendrickson	\$25,508.00
00000122/7	3/25/2024	BILLPMT	1 Short Elliott Hendrickson	\$25,100.00
00000122/8	3/25/2024	BILLPMT	1 Short Elliott Hendrickson	\$28,950.00
00000122/9	3/25/2024	BILLPMT	1 Short Elliott Hendrickson	\$17,860.00
Total				<u>\$575,259.92</u>



Airport Director



Joelle Bodin (Mar 22, 2024 12:01 CDT)

Finance Director

Tom Werner

Executive Director

Kim Maki

Kim Maki (Mar 22, 2024 11:58 CDT)

Board President



Jos Bailey (Mar 22, 2024 12:10 CDT)

City Treasury











Construction ACH Payment Register #5-2024

Final Audit Report

2024-03-22

Created:	2024-03-22
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAZPzsDgpi-avf_6iYf4IOoOjmVLg2eCzw

"Construction ACH Payment Register #5-2024" History

-  Document created by Kathy Leon (kleon@duluthairport.com)
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-  Document emailed to Joelle Bodin (jbodin@duluthairport.com) for signature
2024-03-22 - 4:56:19 PM GMT
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature
2024-03-22 - 4:56:19 PM GMT
-  Document emailed to makik@stlouiscountymn.gov for signature
2024-03-22 - 4:56:20 PM GMT
-  Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature
2024-03-22 - 4:56:20 PM GMT
-  Email viewed by makik@stlouiscountymn.gov
2024-03-22 - 4:56:38 PM GMT- IP address: 207.171.103.126
-  Signer makik@stlouiscountymn.gov entered name at signing as Kim Maki
2024-03-22 - 4:58:37 PM GMT- IP address: 207.171.103.126
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2024-03-22 - 5:01:15 PM GMT- IP address: 205.149.151.193
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-  Email viewed by Josh Bailey (jbailey@duluthmn.gov)
2024-03-22 - 5:10:27 PM GMT- IP address: 156.99.162.253



Document e-signed by Josh Bailey (jbailey@duluthmn.gov)

Signature Date: 2024-03-22 - 5:10:37 PM GMT - Time Source: server- IP address: 156.99.162.253



Email viewed by Tom Werner (twerner@duluthairport.com)

2024-03-22 - 6:29:47 PM GMT- IP address: 47.12.185.233



Document e-signed by Tom Werner (twerner@duluthairport.com)

Signature Date: 2024-03-22 - 6:30:09 PM GMT - Time Source: server- IP address: 47.12.185.233



Agreement completed.

2024-03-22 - 6:30:09 PM GMT





Construction Newsletter

Duluth International Airport (DLH)

March 19, 2024

Ranch Hangar Construction Progress

The ranch hangar construction has reached a significant milestone - the building is substantially complete! The temporary security fence has been removed, and the taxiway has returned to airside operations.

Additional work is anticipated in the spring, which will occur adjacent to the pavement in the drainage ditch. Communication will be sent out when there is a more precise timeline for when this additional work is expected to start.



Taxiway A - Phase 3 and Taxiway C South Reconstruction

Taxiway A Phase 3 and Taxiway C South reconstruction is anticipated to start in the spring. Additional information regarding the 2024 airfield construction projects will be shared in the coming months.

Please note, dates and planned construction related activities are subject to change.

Airfield [NOTAMs](#) should be checked to confirm the current status of the airfield.

[Project Contact Information](#)

Subscribe

Past Issues

Translate ▼

Taxiway A Reconstruction: Adinda Van Espen, PM - SEH - avanespen@sehinc.com

Ranch Hangar Construction: Dustin Wick, PM - KA - 218.348.1983

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**DULUTH
INTERNATIONAL
AIRPORT**

Travel Globally. Fly Locally.



Duluth International Airport

(218) 727-2968

daa@duluthairport.com



Construction Newsletter

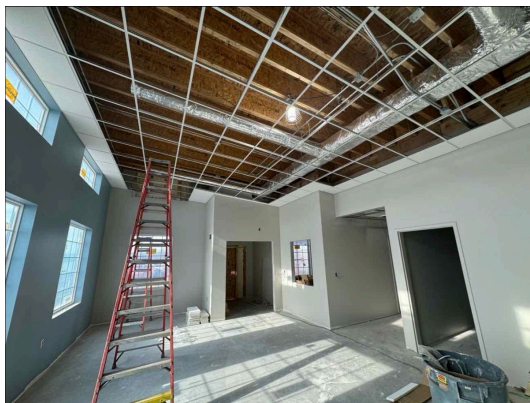
Sky Harbor Airport (DYT)

March 19, 2024

Terminal Building and SRE Building Construction

The interior finishing of the Terminal Building, which includes painting, concrete floor polishing, and ceiling grid installation, is being carried out by the Contractor. They are looking forward to completely enclosing the building soon and starting to use the building's heating system for the rest of the project. The project is still on schedule.

The contractor has begun installing the prefabricated building. Over the next few weeks, more work will be done on the project, including enclosing the building and installing interior utilities. The project remains on schedule.



Terminal building construction progress.



SRE Building construction progress.

*Please note, dates and planned construction related activities are subject to change.
Airfield **NOTAMS** should be checked to confirm the current status of the airfield.*

Project Contact Information

Tristan Durfee, DYT Airport Manager - Airport Authority - tdurfee@duluthairport.com

Mark Papko, Director of Operations - Airport Authority - mpapko@duluthairport.com

Ryan Falch, Project Manager - SEH - rfalch@sehinc.com



Duluth Sky Harbor Airport 5000 Minnesota Ave Duluth, MN 55802 USA
(218) 733-0078
tdurfee@duluthairport.com
<http://www.skyharbor.duluthairport.com>

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DULUTH BUILDING AND CONSTRUCTION TRADES COUNCIL

2002 LONDON ROAD

LABOR CENTER

DULUTH, MINN. 55812



Officers

Jack Carlson

President

Dan Olson

Vice President

Don Smith

Secretary

Stan Paczynski

Treasurer

March 18, 2024

RE: Traffic Control Tower
Duluth Airport Authority

Boilermakers #647

Bricklayers #1

Carpenters #361

Cement Masons #633

Elevator #9

IBEW #242

Insulators #49

Ironworkers #512

Laborers #1091

Millwrights #1348

Operators #49

Painters #106

Pipefitters #11

Roofers #96

Sheetmetal #10

Sprinklerfitters #669

Teamsters #346

To Whom it may concern:

Hello everyone, my name is Jack Carlson, I am the Business Representative for the International Union of Painters & Allied Trades Local Union 106 (IUPAT) and the President of the Duluth Building & Construction Trades Council (DBT).

I am writing to you today to give my support to Tom Warner and the Duluth Airport Authority.

This is a much-needed project that the airport needs funding assistance with. The need to modernize the traffic control tower is a very important one.

Many folks in Duluth and surrounding areas rely on using this airport. Not only is it much needed for safety concerns, but this project will also provide many construction jobs. A lot of the individuals that I represent rely on these local projects with good pay and benefits, this puts food on local families' tables.

This project will have a Project Labor Agreement on it (PLA). Projects with PLAs on them get done on time, under budget and are built with the best quality craftsmanship within our trades.

Tom & his team have been tremendous partners and getting this project off the ground.

I will support this project and the Duluth Airport Authority 100%.

Sincerely

Jack Carlson, President
Duluth Building Trades



Planning & Development Division
Planning & Economic Development Department

Room 160
411 West First Street
Duluth, Minnesota 55802

 218-730-5580

 planning@duluthmn.gov

March 18, 2024

Duluth Airport Authority
Attn: Mark Papko
4701 Grinden Drive
Duluth, MN 55811

Copy sent via email to: mpapko@duluthairport.com

Dear Applicant,

Your request for Rezoning from Mixed Use Business Park (MU-B) to Airport (AP) for an area adjacent to the Duluth International Airport, north of Airport Road, east and west of Stebner Road, north and south of Lackland Street, and south of Malstrom Street (PL 24-029) will be heard by the City of Duluth's Planning Commission at its meeting on **Tuesday, April 9, 2024, at 5:00 p.m.**, in the Council Chambers on the third floor of Duluth City Hall.

We request that you or your representative be present at this meeting to answer any questions from the Commissioners. Although the meeting will begin at 5:00 p.m., we are unable to predict at exactly what time the Planning Commission will hear this item, as that is dependent on the agenda and the number of speakers.


Minnesota Statute 15.99 requires the City of Duluth to approve or deny your application within 60 days. This letter officially notifies you that the City of Duluth is extending the required time deadline for your application from 60 days to 120 days, as allowed by State statute. This extension is being made in order to allow City staff time to prepare the necessary reports and findings, and to enable the Planning Commission to fully consider your request and issue an action. While we anticipate a decision being made at the meeting on March April 9, the deadline for final agency action is July 4, 2024 (120 days)

Please note that a staff report on this matter, including more detailed information such as neighbor and public agency comments and staff conclusions, will be posted online with a link sent to you no later than the Friday preceding the meeting.

Finally, since you are required to post a sign for public notice, please review the information on the City website for the signage at <https://duluthmn.gov/media/5606/sign-notice-language-and-examples.pdf>. Ensure that you provide evidence that the signs were in place two weeks prior to the date of the public hearing; please send me a photo of the sign on the site by Tuesday March 26, 2024.

If you have any questions about this process, please feel free to call me at 218-730-5326, or email at jkelly@duluthmn.gov.

Sincerely,


John Kelley
Planner II

IV. - E.

From: Robinson, Martin <Martin.Robinson@tsa.dhs.gov>

Sent: Tuesday, April 2, 2024 11:13 AM

To: Tom Werner <twerner@duluthairport.com>; mmapko@dukuthairport.com; Matt Snell <MSnell@duluthairport.com>

Cc: Petersen, Brian <brian.petersen@tsa.dhs.gov>

Subject: TSA LEO reimbursement and Canine program

Good Afternoon,

I am writing this afternoon to advise you that funding for the LEO Reimbursement (LEO RP) and the Canine Stipend for Law Enforcement (LEO) teams has been eliminated in the TSA FY 2024 enacted budget. Currently, existing OTAs for both programs will be funded through April 30, 2024. The programs, in consultation with Contracting and Procurement and Chief Counsel, will be sharing formal guidance to all current program participants later this week. For both programs please be aware of the following.

- TSA will no longer process new or pending requests to be added to the program.
- Airports should ensure timely submission of outstanding reimbursement or stipend invoices and advise Federal Security Directors regarding certification and approval of payment.
- Airports should work with the LEO RP and Canine Stipend offices to troubleshoot outstanding reimbursement payments and issues related to processing of payments.
 - o Participating airport operators will be eligible to receive services through April 30, 2024.
 - o Participating airport operators will not be reimbursed for any costs associated with either program incurred after the April 30, 2024, OTA termination date.
 - o Airport operators will still be responsible for ensuring a law enforcement officer presence and response to security incidents at the checkpoints and in and around airports, in accordance with federal regulation.
 - o FSDs will work with local Police Chiefs or Airport Security Coordinators (ASCs) to amend Airport Security Plans (ASP) as required by the Code of Federal Regulations.

For Canine Stipends for Law Enforcement (LEO) teams;

- Law Enforcement Agencies with current canine agreements will convert to a new Other Transaction Agreement (OTA) which will outline what costs the participants will bear associated with the maintenance, care and operations of the canine teams.
- Participants will continue receiving explosives magazines, canine explosives training aids, evaluations, training support, student classes, and canine replacements. In turn, the participants will still have the responsibility to maintain training standards and response times and other obligations outlined in the current agreement.
- The elimination of the Canine Stipend does not exempt the LEO agencies from providing law enforcement services to their respective airport, mass transit, or maritime locations, as they have responsibility for and oversight of law enforcement canine operations at these respective locations.

Should you have additional questions please contact the LEO Reimbursable program office at leo.reimbursements@tsa.dhs.gov .

Should you have additional questions regarding Canine Stipend please contact Timothy Bartlett- Branch Chief, National Explosives Detection Canine Team Program at (312) 446-5182.

Thank you for your continued partnership as we work through this development.

Marty Robinson
TSA Federal Security Director
State of Minnesota
202-657-7365



Construction Notice

Duluth International Airport (DLH)

April 8, 2024

Taxiway A - Phase 3 Reconstruction

Following the Duluth Air Show in May, Taxiway A (Phase 3) and Taxiway C, south of Taxiway A, will be reconstructed. Much of the existing bituminous pavement has been in place since the 1970s, and the most recent Minnesota Department of Transportation (MnDOT) pavement condition assessment completed in 2021 rated the condition fair to very poor..

Taxiway A Phase 3 will reconstruct approximately 1,130 feet of taxiway between Taxiway A4 and Runway 3/21, and Taxiway C between Runway 9/27 and Taxiway A, to meet the criteria for TDG 5 based on the anticipated aircraft fleet mix. The taxiway will be 75' wide with 25' bituminous shoulders.

Taxiway C, south of Taxiway A, will be reconstructed to be 50' wide, with 20' wide bituminous shoulders to satisfy the TDG 3 design criteria based on the fleet mix that is anticipated to use this taxiway. Runway connectors will be reconstructed and realigned to meet current FAA design standards, which include right-angle intersections with the runway.

Taxiway lighting will also be upgraded to LED medium-intensity lighting during this project.

In addition to the pavement reconstruction, portions of the Tower Ramp and Taxiway C will be removed to align with geometric pavement revisions outlined in the Airport's Master Plan. The realignment of Taxiway C at the Taxiway A intersection will

Project Phasing Documents

- [Phase 3 \(A, A-1,B\). \[PDF\]](#)
- [Phase 3 \(C, C-1\). \[PDF\]](#)

Anticipated Project Schedule - Subject to change

- TWY A Phase 3A: May 21 - July 30
- TWY A Phase 3A-1 (RWY 3/21 Closure) - Dates TBD
- TWY A Phase 3B (RWY 9/27 Closure) - Dates TBD
- TWY C Phase 3C: July 31 - October 14
- TWY C Phase 3C-1 (RWY 3/21 Closure): Dates TBD
- [Project Schedule \(April 4, 2024\). \[PDF\]](#)

Runway 27 PAPI Replacement

The Runway 27 Precision Approach Path Indicator (PAPI) replacement is scheduled for this summer. The PAPI will be replaced in the same location as the existing system. This project will run concurrently with Phase 3A; Runway 9/27 RSA work will occur during the planned 60-hour runway closure.

Anticipated Project Schedule - Subject to change

- Runway 27 PAPI Replacement: June 10 - July 26

PLEASE NOTE

Dates are subject to change.

Airfield [NOTAMs](#) should be checked to confirm the current status of the airfield.

Project Contact Information

Mark Papko, Director of Operations - Airport Authority - mpapko@duluthairport.com

Adinda Van Espen, Project Manager - SEH - avanespen@sehinc.com

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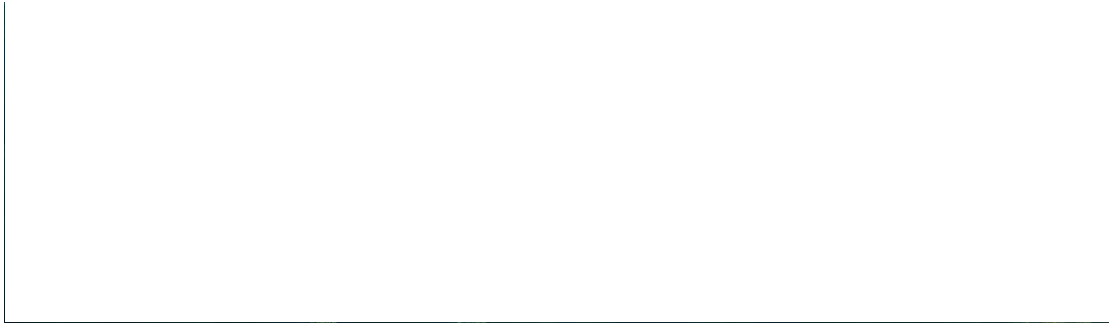
(218) 727-2968

daa@duluthairport.com



IV. - G.

ADVERTISEMENT



Duluth International Airport to hold open house for air traffic control tower project



An open house is being held on April 10, 2024, from 5:30 p.m. to 7 p.m.

By [Jason Van Horn](#)

Published: Apr. 9, 2024 at 6:48 PM CDT | Updated: 21 hours ago



DULUTH, Minn. (Northern News Now) - The Duluth International Airport will start replacing its air traffic control tower, the third oldest tower in the nation, next year.

This Wednesday, the airport is holding an open house for community members to learn just how badly they say this upgrade is needed.

An open house is being held on April 10, 2024, from 5:30 p.m. to 7 p.m. Anyone is invited to stop by, ask questions, and provide feedback.

DLH's air traffic control tower was built in the 1950s and is now deteriorating, and doesn't meet FAA standards for line-of-sight requirements.





CONCENTRATE

The Duluth Airport Authority was recently awarded a \$10 million federal grant for the project and are also seeking state funding. Construction work on the actual tower will begin in 2025 and wrap up in 2026.

[Click here](#) to download the Northern News Now app or our Northern News Now First Alert weather app.

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Missing 8-year-old found dead in home

KBJR6





DULUTH AIRPORT AUTHORITY

April 8, 2024

TO: Duluth Airport Authority (DAA) Board of Directors

FROM: Executive Director

RE: Revised Air Carrier Incentive Policy and Program

The attached Air Carrier Incentive Policy supersedes the 2018 Community Air Service Development Incentive Policy and is compliant with the guidelines set forth by Federal Aviation Administration's (FAA) Air Carrier Incentive Program guidance issued December 7, 2023. The general principles of that guidance include:

- Discrimination between carriers participating in an Air Carrier Incentive Program (ACIP) and non-participating carriers must be justified and time limited.
- A sponsor may not use airport revenues to subsidize air carriers.
- A sponsor may not cross-charge non-participating carriers or other aeronautical users to subsidize ACIP carriers.
- The terms of an ACIP should be made public.
- Use of airport funds for an ACIP must not adversely affect airport operations or maintenance.

The purpose of the Air Carrier Incentive Program (ACIP) is to maximize available commercial air service that supports economic growth, stability, and quality of life in the region. It identifies airport destinations, incentivized by the DAA for new service. The promotional incentives to airlines aim to:

- Increase travel using DLH and/or
- Promote air carrier competition at DLH.

The ACIP shall be updated at the discretion of the DAA. The program shall be approved by the DAA Board of Directors. Once adopted it'll be posted on DLH's website for 30 days before becoming active.

The ACIP is available to any commercial airline who does or is willing to provide regularly scheduled service to and from DLH. There is no obligation to provide incentives to commercial airlines for those destinations not listed in the ACIP.



DULUTH AIRPORT AUTHORITY

A yet to be drafted incentive agreement shall be executed between the air carrier and the DAA detailing the incentives available pertaining to the new service being offered and the terms governing their use. The agreement is subject to board approval.

Please direct questions to the undersigned.

Tom Werner, A.A.E.
Executive Director
Duluth Airport Authority

OPERATING POLICY # 30

DULUTH AIRPORT AUTHORITY AIR CARRIER INCENTIVE POLICY

Initial Implementation Date: June 2018

Revised: April 16, 2024

SUPERSEDES

This Air Carrier Incentive Policy supersedes the 2018 Community Air Service Development Incentive Policy and is compliant with the guidelines set forth by Federal Aviation Administration's (FAA) Air Carrier Incentive Program guidance issued December 7, 2023. The general principles of that guidance include:

- Discrimination between carriers participating in an Air Carrier Incentive Program (ACIP) and non-participating carriers must be justified and time limited.
- A sponsor may not use airport revenues to subsidize air carriers.
- A sponsor may not cross-charge non-participating carriers or other aeronautical users to subsidize ACIP carriers.
- The terms of an ACIP should be made public.
- Use of airport funds for an ACIP must not adversely affect airport operations or maintenance.

DEFINITIONS

Incentives: are a fee reduction or waiver of landing fees, terminal rent and fees, or the use of airport revenue for acceptable marketing costs. Marketing of any new service may be paid by Duluth Airport Authority (DAA) either directly to the marketing provider or be provided to the air carrier only after the carrier has submitted a marketing plan to the DAA Executive Director, paid the marketing provider and submitted an invoice with supporting documentation to the DAA.

New Service is defined as:

- Non-stop service where non-stop service has not been offered for a minimum of twenty-four (24) consecutive months.
- New entrant carrier serving Duluth International Airport (DLH) who has not offered scheduled service for at least twenty-four (24) consecutive months.
- Seasonal nonstop service, where non-stop service is not currently offered for less than seven months of the calendar year and has not been offered for a minimum of twenty-four (24) consecutive months.
- A *Significant Increase* in capacity on preexisting service to a specific airport destination provided by:
 - An incumbent is defined by the number of seats and/or frequencies increased per week in the ACIP.
 - A new air carrier is defined by the minimum number of seats and/or frequencies per week in the ACIP.

AIR CARRIER INCENTIVE PROGRAM

The ACIP maximizes available commercial air service that supports economic growth, stability, and quality of life in the region. It identifies airport destinations, incentivized by the DAA for new service. The promotional incentives to airlines aim to:

- Increase travel using DLH and/or
- Promote air carrier competition at DLH.

The ACIP shall be updated at the discretion of the DAA. The program is approved by the DAA Board of Directors. Once adopted it shall be posted on DLH's website for 30 days before becoming active.

ELIGIBILITY:

The ACIP is available to any commercial airline who does or is willing to provide regularly scheduled service to and from DLH. There is no obligation to provide incentives to commercial airlines for those destinations not listed in the ACIP.

LENGTH OF PROGRAM

Use of an incentive limited to new service is not in itself unjust discrimination and therefore compliant with FAA grant assurances provided that qualifying incentives are limited to:

- One (1) year for routes already served and meeting the definition of Significant Increase in service. Incentives are limited to the new capacity added and not the existing capacity in the case of an incumbent carrier significantly increasing capacity on the route.
- Two (2) consecutive years for nonstop service to an airport destination not currently provided.
- Three (3) consecutive years for nonstop service to an airport destination not currently served seasonally.

Any agreed to incentives require the air carrier to provide the new service for no less than applicable durations provided above. Discontinuing the new service early will subject the air carrier to incentive recoupment per the terms of the Incentive Agreement.

In the event the length of program offered causes any violation of grant assurances or other similar covenants, rules, or regulations, the ACIP and the Incentive Agreement shall be amended to provide for compliance to any such requirement.

LIMITED BUDGET

Due to limited budget for new service to an airport destination not currently served from DLH, the DAA may restrict incentives to one carrier, the first air carrier that establishes the new service. This restriction will be noted on the ACIP.

AIR CARRIER INCENTIVE AGREEMENT

An incentive agreement shall be executed between the air carrier and the DAA detailing the incentives available pertaining to the new service being offered and the terms governing their use.

Duluth Airport Authority Air Carrier Incentive Program for the Duluth International Airport

Expires: Carrier must sign an incentive agreement no later than December 31, 2025

Service Type	New/Underserved Market (Airport Code)	Incentive Available Landing Fees	Incentive Available Terminal Rents/Fees	Incentive Available Marketing/ Promotional Support	Significant Increase in Service (Routes Already in Service)	Budgetary Limitation
Seasonal	PHX, AZA (Phoenix/Mesa, AZ)	100% waiver for 36 mos	100% waiver for 36 mos	The DAA will spend a minimum of \$50,000 over 36 mos that either exclusively promotes the new service or mentions the service within a broader context. No less frequently than quarterly, the air carrier shall provide reporting on: past performance, advanced bookings, load factors, etc to the DAA to assist DAA with its marketing efforts.		Limited to the first air carrier. If service is provided by an air carrier already serving DLH the following provisions apply: a) landing fee waivers shall apply to the incremental increase in service. b) terminal rent/fee waivers shall apply to the incremental increase of passengers in the joint use cost allocation formula. c) on the day the route is launched.
Year-round	DTW (Detroit, MI)	100% waiver for 24 mos	100% waiver for 24 mos	The DAA will spend a minimum of \$30,000 over 24 mos that either exclusively promotes the new service or mentions the service within a broader context. No less frequently than quarterly, the air carrier shall provide reporting on: past performance, advanced bookings, load factors, etc to the DAA to assist DAA with its marketing efforts.		Limited to the first air carrier. If service is provided by an air carrier already serving DLH the following provisions apply: a) landing fee waivers shall apply to the incremental increase in service. b) terminal rent/fee waivers shall apply to the incremental increase of passengers in the joint use cost allocation formula. c) on the day the route is launched.
Seasonal	LAS (Las Vegas, NV)	100% waiver for 36 mos	100% waiver for 36 mos	The DAA will spend a minimum of \$50,000 over 36 mos that either exclusively promotes the new service or mentions the service within a broader context. No less frequently than quarterly, the air carrier shall provide reporting on: past performance, advanced bookings, load factors, etc to the DAA to assist DAA with its marketing efforts.		Limited to the first air carrier. If service is provided by an air carrier already serving DLH the following provisions apply: a) landing fee waivers shall apply to the incremental increase in service. b) terminal rent/fee waivers shall apply to the incremental increase of passengers in the joint use cost allocation formula. c) on the day the route is launched.
Year-round	ORD (Chicago, IL)	100% waiver for 12 mos. See DLH Air Carrier Incentive Policy for applicability.	100% waiver for 12 mos. See DLH Air Carrier Incentive Policy for applicability.	The DAA will spend a minimum of \$30,000 over 12 mos that either exclusively promotes the new service or mentions the service within a broader context. No less frequently than quarterly, the air carrier shall provide reporting on: past performance, advanced bookings, load factors, etc to the DAA to assist DAA with its marketing efforts.	<i>Incumbent Carrier</i> - 1,064 increase in weekly seats during incentive period. <i>New Entrant Carrier</i> - 1,064 weekly seats minimum during incentive period	Limited to the first air carrier. If service is provided by an air carrier already serving DLH the following provisions apply: a) landing fee waivers shall apply to the incremental increase in service. b) terminal rent/fee waivers shall apply to the incremental increase of passengers in the joint use cost allocation formula. c) on the day the route is launched.
Seasonal	PIE (Tampa/St Petersburg, FL)	100% waiver for 36 mos	100% waiver for 36 mos	The DAA will spend a minimum of \$50,000 over 36 mos that either exclusively promotes the new service or mentions the service within a broader context. No less frequently than quarterly, the air carrier shall provide reporting on: past performance, advanced bookings, load factors, etc to the DAA to assist DAA with its marketing efforts.		Limited to the first air carrier. If service is provided by an air carrier already serving DLH the following provisions apply: a) landing fee waivers shall apply to the incremental increase in service. b) terminal rent/fee waivers shall apply to the incremental increase of passengers in the joint use cost allocation formula. c) on the day the route is launched.
Seasonal	MCO, SFB (Orlando/Sanford, FL)	100% waiver for 36 mos	100% waiver for 36 mos	The DAA will spend a minimum of \$50,000 over 36 mos that either exclusively promotes the new service or mentions the service within a broader context. No less frequently than quarterly, the air carrier shall provide reporting on: past performance, advanced bookings, load factors, etc to the DAA to assist DAA with its marketing efforts.		Limited to the first air carrier. If service is provided by an air carrier already serving DLH the following provisions apply: a) landing fee waivers shall apply to the incremental increase in service. b) terminal rent/fee waivers shall apply to the incremental increase of passengers in the joint use cost allocation formula. c) on the day the route is launched.
Seasonal	VPS (Destin, FL)	100% waiver for 36 mos	100% waiver for 36 mos	The DAA will spend a minimum of \$50,000 over 36 mos that either exclusively promotes the new service or mentions the service within a broader context. No less frequently than quarterly, the air carrier shall provide reporting on: past performance, advanced bookings, load factors, etc to the DAA to assist DAA with its marketing efforts.		Limited to the first air carrier. If service is provided by an air carrier already serving DLH the following provisions apply: a) landing fee waivers shall apply to the incremental increase in service. b) terminal rent/fee waivers shall apply to the incremental increase of passengers in the joint use cost allocation formula. c) on the day the route is launched.

*The Duluth Airport Authority reserves the right to amend the ACIP at its discretion. New ACIPs shall be posted on the Duluth Airport Authority's website for 30 days prior to becoming active.

VII. - B.

Resolution to Accept and Approve the MnDOT Grant Agreement No. 1056458 for Air Service Marketing State Project No. A6901-SM032 and to authorize the Duluth Airport Authority's President and Secretary to Execute the Grant and any amendments.

Executive Summary

Terms:

- July 1, 2024-June 30, 2025

Overview:

- This year's grant amount is \$5,084.21 more than last year. State share, and our share detailed below:

FY24 Grant Amount

State: \$ 77,843.00
Grantee: \$ 33,361.29
Total: \$111,204.29

FY25 Grant Amount

State: \$81,402.00
Grantee: \$34,886.57
Total: \$116,288.50

- To be used on advertising, marketing and public relations efforts of the DAA

**STATE OF MINNESOTA
STATE AIRPORTS FUND
FY2025 GRANT AGREEMENT – AIR SERVICE MARKETING**

This agreement is between the State of Minnesota, acting through its Commissioner of Transportation ("State"), and DULUTH INTERNATIONAL AIRPORT ("Grantee").

RECITALS

1. Minnesota Statutes Chapter 360 authorizes State to provide financial assistance to eligible airport sponsors for the acquisition, construction, improvement, marketing, maintenance, or operation of airports and other air navigation facilities.
2. Grantee owns, operates, controls, or desires to own an airport ("Airport") in the state system, and Grantee desires financial assistance from the State for an airport improvement project ("Project").
3. Grantee represents that it is duly qualified and agrees to perform all services described in this agreement to the satisfaction of the State. Pursuant to [Minn.Stat.§16B.98](#), Subd.1, Grantee agrees to minimize administrative costs as a condition of this agreement.

AGREEMENT TERMS

1 Term of Agreement, Survival of Terms, and Incorporation of Exhibits

- 1.1 **Effective Date.** This agreement will be effective on the date the State obtains all required signatures under [Minn.Stat.§16B.98](#), Subd. 5, whichever is later. As required by [Minn.Stat.§16B.98](#) Subd. 7, no payments will be made to Grantee until this agreement is fully executed. Grantee must not begin work under this agreement until this agreement is fully executed and Grantee has been notified by the State's Authorized Representative to begin the work.
- 1.2 **Expiration Date.** This agreement will expire on **June 30, 2025** or when all obligations have been satisfactorily fulfilled, whichever occurs first.
- 1.3 **Survival of Terms.** All clauses which impose obligations continuing in their nature and which must survive in order to give effect to their meaning will survive the expiration or termination of this agreement, including, without limitation, the following clauses: 8. Liability; 9. State Audits; 10. Government Data Practices and Intellectual Property; 11. Workers Compensation; 12. Publicity and Endorsement; 13. Governing Law, Jurisdiction, and Venue; and 15 Data Disclosure.
- 1.4 **Plans, Specifications, Descriptions.** Grantee has provided the State with a detailed work plan and budget of the Project (State Project No. A6901-SM032), which are on file with the State's Office of Aeronautics and are incorporated into this Agreement as Exhibit A.
- 1.5 **Exhibits.** Exhibit A is attached and incorporated into this agreement.

2 Grantee's Duties

- 2.1 Grantee will complete the Project in accordance with Exhibit A.
- 2.2 Grantee will notify State's Authorized Representative in advance of any meetings taking place relating to the Project.
- 2.3 Grantee will comply with all required grants management policies and procedures set forth through [Minn.Stat.§16B.97](#), Subd. 4 (a) (1).

3 Time

- 3.1 Grantee must comply with all the time requirements described in this agreement. In the performance of this grant agreement, time is of the essence.

4 Cost and Payment

- 4.1 **Cost Participation.** Costs for the Project will be proportionate and allocated as follows:

State:	\$81,402.00
Grantee:	<u>\$34,886.57</u>
Total:	\$116,288.57

4.2 **Work Period.** State will pay Grantee for work done under section 2.1 during the period of **July 1, 2024**, through **June 30, 2025**.

4.3 **Eligible Costs.** Costs for the following activities related to commercial passenger air service at the Grantee's airport are eligible for reimbursement under this Agreement: (1) advertising of service; (2) public relations activities intended to educate the public on the value of the airport and its commercial passenger air service; (3) marketing studies; or (4) service improvement activities such as route analysis, service studies, and other activities intended to preserve or increase service from an existing or new-entry air carrier. This grant may not be used to reimburse: (1) an activity that promotes an airport within the service area of another airport; (2) a promotional activity that features one specific air carrier at an airport when more than one air carrier serves the airport; (3) administrative costs associated with the marketing program or with the routine operation of the airport; or (4) payments to air carriers as fare subsidies, service subsidies, or seat guarantees. State's Authorized Representative has sole discretion over, and will make the final determination regarding, the eligibility of any submitted cost. Grantee is encouraged to submit questions regarding cost eligibility to State's Authorize Representative prior to incurring the expenditure.

4.4 **Travel Expenses.** Reimbursement for travel and subsistence expenses actually and necessarily incurred by Grantee as a result of this agreement will not exceed \$0.00 provided that Grantee will be reimbursed for travel and subsistence expenses in the same manner and in no greater amount than provided in the current "Commissioner's Plan" promulgated by the Commissioner of Minnesota Management and Budget (MMB). Grantee will not be reimbursed for travel and subsistence expenses incurred outside Minnesota unless it has received the State's prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state.

4.5 **Sufficiency of Funds.** Pursuant to Minnesota Rules 8800.2500, the Grantee certifies that (1) it presently has available sufficient unencumbered funds to pay its share of the Project; (2) the Project will be completed without undue delay; and (3) the Grantee has the legal authority to engage in the Project as proposed.

4.6 **Total Obligation.** The total obligation of the State for all compensation and reimbursements to Grantee under this agreement will not exceed **\$81,402.00**.

4.7 **Payment**

4.7.1 **Invoices.** Grantee will submit invoices for payment. The State's Authorized Representative, as named in this agreement, will review each invoice against the approved grant budget and grant expenditures to-date before approving payment. The State will promptly pay Grantee after Grantee presents an itemized invoice for the services actually performed and the State's Authorized Representative accepts the invoiced services. Invoices will be submitted timely and according to the following schedule:

Payment Schedule - FY2025		
No.	Program Work Period	Date
1	July - September	10/15/2024
2	October - December	1/15/2025
3	January - March	4/15/2025
4	April - June	7/15/2025

4.7.2 **All Invoices Subject to Audit.** All invoices are subject to audit, at State's discretion.

4.7.3 **State's Payment Requirements.** State will promptly pay all valid obligations under this agreement as required by Minnesota Statutes §16A.124. State will make undisputed payments no later than 30 days after receiving Grantee's invoices for services performed. If an invoice is incorrect, defective or otherwise improper, State will notify Grantee within ten days of discovering the error. After State receives the corrected invoice, State will pay Grantee within 30 days of receipt of such invoice.

4.7.4 **Grantee Payment Requirements.** Grantee must pay all contractors under this agreement promptly. Grantee will make undisputed payments no later than 30 days after receiving an invoice. If an invoice is incorrect, defective, or otherwise improper, Grantee will notify the contractor within ten days of discovering the error. After Grantee receives the corrected invoice, Grantee will pay the contractor within 30 days of receipt of such invoice.

4.7.5 **Grant Monitoring Visit and Financial Reconciliation.** If State's total obligation is greater than \$50,000 in section 4.6, above, during the period of performance the State will make at least one monitoring visit and conduct annual financial reconciliations of Recipient's expenditures. The State's Authorized Representative

will notify Recipient's Authorized Representative where and when any monitoring visit and financial reconciliation will take place, which State employees and/or contractors will participate, and which Recipient staff members should be present. Recipient will be provided notice prior to any monitoring visit or financial reconciliation. Following a monitoring visit or financial reconciliation, Recipient will take timely and appropriate action on all deficiencies identified by State. At least one monitoring visit and one financial reconciliation must be completed prior to final payment being made to Recipient.

- 4.7.6 **Closeout.** The State will determine, at its sole discretion, whether a closeout audit is required prior to final payment approval. If a closeout audit is required, final payment will be held until the audit has been completed. Monitoring of any capital assets acquired with grant funds will continue following grant closeout.

5 Conditions of Payment

All services provided by Grantee under this agreement must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state, or local law. In addition, Grantee will not receive payment for Airport's failure to pass periodic inspections by a representative of the State's Office of Aeronautics.

6 Authorized Representatives

- 6.1 The State's Authorized Representative is:

Danielle Walchuk, Planning Program Coordinator, 395 John Ireland Blvd, Mail Stop 410 St. Paul, MN 55155 Ph: (651) 234-7183, danielle.walchuk@state.mn.us, or their successor. State's Authorized Representative has the responsibility to monitor Grantee's performance and the authority to accept the services provided under this agreement. If the services are satisfactory, the State's Authorized Representative will certify acceptance on each invoice submitted for payment.

- 6.2 Grantee's Authorized Representative is:

Natalie Baker, Director of Communications & Marketing, Duluth International Airport, Duluth MN 55811 Ph: (218) 625-7768, nbaker@duluthairport.com, or their successor. If Grantee's Authorized Representative changes at any time during this agreement, Grantee will immediately notify the State.

7 Assignment Amendments, Waiver, and Grant Agreement Complete

- 7.1 **Assignment.** The Grantee may neither assign nor transfer any rights or obligations under this agreement without the prior written consent of the State and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this agreement, or their successors in office.
- 7.2 **Amendments.** Any amendments to this agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original agreement, or their successors in office.
- 7.3 **Waiver.** If the State fails to enforce any provision of this agreement, that failure does not waive the provision or the State's right to subsequently enforce it.
- 7.4 **Grant Agreement Complete.** This grant agreement contains all negotiations and agreements between the State and Grantee. No other understanding regarding this agreement, whether written or oral, may be used to bind either party.
- 7.5 **Electronic Records and Signatures.** The parties agree to contract by electronic means. This includes using electronic signatures and converting original documents to electronic records.
- 7.6 **Certification.** By signing this Agreement, the Grantee certifies that it is not suspended or debarred from receiving federal or state awards.

8 Liability

In the performance of this agreement, and to the extent permitted by law, Grantee must indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this agreement by Grantee or Grantee's agents or employees. This clause will not be construed to bar any legal remedies Grantee may have for the State's failure to fulfill its obligations under this agreement.

9 State Audits

Under Minn. Stat. § 16B.98, Subd.8, the Grantee's books, records, documents, and accounting procedures and

practices of Grantee, or other party relevant to this grant agreement or transaction, are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later. Grantee will take timely and appropriate action on all deficiencies identified by an audit.

10 Government Data Practices and Intellectual Property Rights

10.1 Government Data Practices. Grantee and State must comply with the Minnesota Government Data Practices Act, [Minn. Stat. Ch. 13](#), as it applies to all data provided by the State under this grant agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this agreement. The civil remedies of [Minn. Stat. §13.08](#) apply to the release of the data referred to in this clause by either Grantee or the State. If Grantee receives a request to release the data referred to in this section 10.1, Grantee must immediately notify the State. The State will give Grantee instructions concerning the release of the data to the requesting party before the data is released. Grantee's response to the request shall comply with applicable law.

10.2 Intellectual Property Rights.

10.2.1 Intellectual Property Rights. State owns all rights, title and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trademarks and service marks in the Works and Documents created and paid for under this agreement. "Works" means all inventions, improvements, discoveries (whether or not patentable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes and disks conceived, reduced to practice, created or originated by Grantee, its employees, agents and subcontractors, either individually or jointly with others in the performance of this agreement. Works includes Documents. "Documents" are the originals of any databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks or other materials, whether in tangible or electronic forms, prepared by Grantee, its employees, agents or subcontractors, in the performance of this agreement. The Documents will be the exclusive property of State, and Grantee upon completion or cancellation of this agreement must immediately return all such Documents to State. To the extent possible, those Works eligible for copyright protection under the United States Copyright Act will be deemed to be "works made for hire." Grantee assigns all right, title and interest it may have in the Works and the Documents to State. Grantee must, at the request of State, execute all papers and perform all other acts necessary to transfer or record the State's ownership interest in the Works and Documents.

10.2.2 Obligations

10.2.2.1 Notification. Whenever any invention, improvement or discovery (whether or not patentable) is made or conceived for the first time or actually or constructively reduced to practice by Grantee, including its employees and subcontractors, in the performance of this agreement, Grantee will immediately give State's Authorized Representative written notice thereof and must promptly furnish State's Authorized Representative with complete information and/or disclosure thereon.

10.2.2.2 Representation. Grantee must perform all acts, and take all steps necessary to ensure that all intellectual property rights in the Works and Documents are the sole property of State and that neither Grantee nor its employees, agents or subcontractors retain any interest in and to the Works and Documents. Grantee represents and warrants that the Works and Documents do not and will not infringe upon any intellectual property rights of other persons or entities. Notwithstanding Clause 8, Grantee will indemnify; defend, to the extent permitted by the Attorney General; and hold harmless State, at Grantee's expense, from any action or claim brought against State to the extent that it is based on a claim that all or part of the Works or Documents infringe upon the intellectual property rights of others. Grantee will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs and damages, including but not limited to, attorney fees. If such a claim or action arises, or in Grantee's or State's opinion is likely to arise, Grantee must, at State's discretion, either procure for State the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing Works or Documents as necessary and appropriate to obviate the infringement claim. This remedy of State will be in addition to and not exclusive of other remedies provided by law.

11 Workers Compensation

The Grantee certifies that it is in compliance with [Minn. Stat. §176.181](#), Subd. 2, pertaining to workers' compensation

insurance coverage. The Grantee's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State's obligation or responsibility.

12 Publicity and Endorsement

12.1 **Publicity.** Any publicity regarding the subject matter of this agreement must identify the State as the sponsoring agency and must not be released without prior written approval from the State's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this grant agreement. All projects primarily funded by state grant appropriation must publicly credit the State of Minnesota, including on the Grantee's website when practicable.

12.2 **Endorsement.** The Grantee must not claim that the State endorses its products or services.

13 Governing Law, Jurisdiction, and Venue

Minnesota law, without regard to its choice-of-law provisions, governs this agreement. Venue for all legal proceedings out of this agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

14 Termination; Suspension

14.1 **Termination by the State or Commissioner of Administration.** The State or Commissioner of Administration may unilaterally terminate this agreement at any time, with or without cause, upon written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

14.2 **Termination for Cause.** The State may immediately terminate this grant agreement if the State finds that there has been a failure to comply with the provisions of this agreement, that reasonable progress has not been made, that fraudulent or wasteful activity has occurred, that Grantee has been convicted of a criminal offense relating to a state grant agreement, or that the purposes for which the funds were granted have not been or will not be fulfilled. The State may take action to protect the interests of the State of Minnesota, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.

14.3 **Termination for Insufficient Funding.** The State may immediately terminate this agreement if:

14.3.1 It does not obtain funding from the Minnesota Legislature; or

14.3.2 If funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Grantee. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the agreement is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The State will provide the Grantee notice of the lack of funding within a reasonable time of the State's receiving that notice.

14.4 **Suspension.** The State may immediately suspend this agreement in the event of a total or partial government shutdown due to the failure to have an approved budget by the legal deadline. Work performed by the Grantee during a period of suspension will be deemed unauthorized and undertaken at risk of non-payment.

15 Data Disclosure

Under [Minn. Stat. § 270C.65](#), Subd. 3, and other applicable law, Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

16 **Fund Use Prohibited.** The Grantee will not utilize any funds received pursuant to this Agreement to compensate, either directly or indirectly, any contractor, corporation, partnership, or business, however organized, which is disqualified or debarred from entering into or receiving a State contract. This restriction applies regardless of whether the disqualified or debarred party acts in the capacity of a general contractor, a subcontractor, or as an equipment or

material supplier. This restriction does not prevent the Grantee from utilizing these funds to pay any party who might be disqualified or debarred after the Grantee's contract award on this Project. For a list of disqualified or debarred vendors, see www.mmd.admin.state.mn.us/debarredreport.asp.

- 17 **Discrimination Prohibited by Minnesota Statutes §181.59.** Grantee will comply with the provisions of Minnesota Statutes §181.59 which requires that every contract for or on behalf of the State of Minnesota, or any county, city, town, township, school, school district or any other district in the state, for materials, supplies or construction will contain provisions by which Contractor agrees: 1) That, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no Contractor, material supplier or vendor, will, by reason of race, creed or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates; 2) That no Contractor, material supplier, or vendor, will, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause 1 of this section, or on being hired, prevent or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed or color; 3) That a violation of this section is a misdemeanor; and 4) That this contract may be canceled or terminated by the state of Minnesota, or any county, city, town, township, school, school district or any other person authorized to grant contracts for employment, and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this Agreement.
- 18 **Limitation.** Under this Agreement, the State is only responsible for receiving and disbursing funds. Nothing in this Agreement will be construed to make the State a principal, co-principal, partner, or joint venturer with respect to the Project(s) covered herein. The State may provide technical advice and assistance as requested by the Grantee, however, the Grantee will remain responsible for providing direction to its contractors and consultants and for administering its contracts with such entities. The Grantee's consultants and contractors are not intended to be third party beneficiaries of this Agreement.
- 19 **Title VI/Non-discrimination Assurances.** Grantee agrees to comply with all applicable US DOT Standard Title VI/Non-Discrimination Assurances contained in DOT Order No. 1050.2A, and in particular Appendices A and E, which can be found at: https://edocs-public.dot.state.mn.us/edocs_public/DMResultSet/download?docId=11149035. Grantee will ensure the appendices and solicitation language within the assurances are inserted into contracts as required. State may conduct a review of the Grantee's compliance with this provision. The Grantee must cooperate with State throughout the review process by supplying all requested information and documentation to State, making Grantee staff and officials available for meetings as requested, and correcting any areas of non-compliance as determined by State.
- 20 **Additional Provisions**
[Intentionally left blank.]

[The remainder of this page has intentionally been left blank.]

STATE ENCUMBRANCE VERIFICATION

Individual certifies that funds have been encumbered as required by Minn. Stat. § 16A.15 and § 16C.05.

Signed: _____

Date: _____

SWIFT Contract/PO No(s). _____

GRANTEE

The Grantee certifies that the appropriate person(s) have executed the grant agreement on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

DEPARTMENT OF TRANSPORTATION

By: _____
(with delegated authority)

Title: _____

Date: _____

**DEPARTMENT OF TRANSPORTATION
CONTRACT MANAGEMENT**

By: _____

Date: _____

RESOLUTION

AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT OF TRANSPORTATION GRANT AGREEMENT FOR AIR SERVICE MARKETING

It is resolved by the Duluth Airport Authority as follows:

1. That the state of Minnesota Agreement No. MnDOT Contract No. 1056458,
"Grant Agreement for Air Service Marketing," for State Project No. A6901-SM032 at the
Duluth International Airport is accepted.
2. That the _____ and _____ are
(Title) (Title)
authorized to execute this Agreement and any amendments on behalf of the
Duluth Airport Authority.

CERTIFICATION

STATE OF MINNESOTA

COUNTY OF _____

I certify that the above Resolution is a true and correct copy of the Resolution adopted by the

(Name of the Recipient)

at an authorized meeting held on the _____ day of _____, 20____

as shown by the minutes of the meeting in my possession.

Signature: _____
(Clerk or Equivalent)

CORPORATE SEAL

/OR/

NOTARY PUBLIC

My Commission Expires: _____



MEMORANDUM

To: Duluth Airport Authority Board of Directors

From: Mark Papko,

Date: April 10th, 2024

Re: Summary of Consultant Selection Process

The Duluth Airport Authority (DAA) intends to construct and new Air Traffic Control Tower at Duluth International Airport. To accomplish this the Duluth Airport Authority completed a competitive request for proposals in accordance with current local regulations and requirements of the Duluth Airport Authority. The specific scope of products and services requested include:

1. Construction Manager at Risk Services
 - a. Pre-construction services
 - b. Construction services
 - c. Post-construction services
 - d. Project Closeout

The following is a timeline of key dates:

In-person and virtual Pre-Bid + Tour of Future DLH ATCT Site (Both are optional but strongly encouraged)	January 11, 2024 at 10:00 am in 3 rd Floor Conference Room at Duluth International Airport Terminal Building
RFP Questions Due	January 18, 2024 (4pm)
RFP Questions Answered By	January 22, 2024
RFP Due Date	February 2, 2024 @ 3:00pm CST
RFP Presentation/Interview	February 7 – February 14, 2024
RFP Approval - Authority Board	February 20, 2024
Agreement - Effective	March 19, 2024

The DAA received four qualified written proposals at which point the top three firms were advanced to the in-person interview/presentation portion. The grading criteria for the firm's written proposal is shown below:

Qualifications and competence of the firm	10%	Provide firm biography, location, and history of the firm
Personnel Qualifications	15%	Identification of key personnel meet the demanding management of complex multi-phase construction projects on time and on budget and their related
Project Experience	20%	Experience with airport related projects, working with multiple lines of business of FAA, familiarity with FAA funded projects, and familiarity with state bond funded projects.
Project understanding, approach, and methodology	25%	Indicate ability to complete an ATCT while working with local, state, and federal agencies. Include approach to using subcontractors. Include DBE and Buy American approach.
Construction Management Fees	30%	Firm's history and experience of performance in assisting clients with local, state, and federal engagement in high value and/or sensitive projects.

The grading criteria for the in-person interview/presentation is shown below:

<u>Evaluation Criteria</u>	<u>Weight %</u>	<u>Definition</u>
Overview of Services/ Presentation and Interview Compliance	15%	Firm outlined the overview of their firm's services, background, experience in similar projects, etc.
Qualifications and Fit	15%	Firm's team that would be working on the DLH ATCT is present, providing a understanding and willingness to work with and respond to the needs of the DAA concerning the project.
Explanation and Breakdown of CM Fee	30%	Firm's overall fee, breakdown of profit percentage, explanation of General Conditions cost, and offering an all encompassing scope.
Responses to Questions	40%	Firm was able to provide sound response and justification with relevant examples to all of the DAA's questions during the interview

Grading criteria from the written portion (worth 50% of total overall grade) and the in-person interview/presentation portion (worth 50% of total overall grade) were tallied together to find the most qualified firm.

Based on final scoring the RFP selection committee selected Hoffmann + Uhlhorn Construction, Inc. (H+U Construction) to move forward for final selection and contract award.

For questions regarding this procurement action please contact the undersigned.

Mark Papko, A.A.E
 Director of Operations



DULUTH AIRPORT AUTHORITY

Duluth International Airport

Construction Manager at Risk
Request for Proposals
Issued: January 2, 2024
Proposals Due: February 2, 2024

REQUEST FOR PROPOSALS FOR CONSTRUCTION MANAGER AT RISK

1. Introduction

In accordance with Federal Aviation Administration (FAA) Advisory Circular 150/5100-14E and the policies and procedures of the Duluth Airport Authority (DAA) or "Authority", notice is hereby given that a Request for Proposals (RFP) for Construction Manager at Risk (CMaR) services is requested from firms to render services required in connection with projects at the Duluth International Airport (DLH). It is the intent of the DAA to select and negotiate with one prime airport construction manager at risk for the duration of the project identified below (or 5 years, with ability to extend).

This RFP is for Construction Manager at Risk services of a New Air Traffic Control Tower (ATCT) and TRACON/base building at the Duluth International Airport. The project team consists of the design team, the DAA's Operations Director and the CMaR who shall provide a Guaranteed Maximum Price (GMP) for the project. The Authority reserves the right to modify this approach at any time. Should the approach or delivery method change, the selected CMaR firm may be excluded as a construction contractor due to involvement in design.

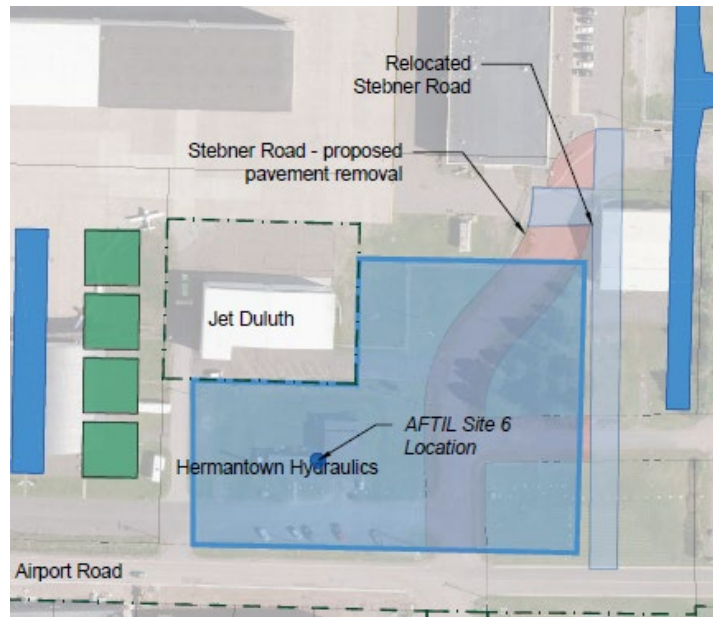
2. Background

Duluth International Airport's Air Traffic Control Tower is over 70 years old making it the 3rd oldest in the country. In addition to its age, the tower does not meet current design standards including line-of-sight, American with Disabilities Act compliance and is experiencing general deteriorating conditions.

The DLH ATCT is operated by the FAA but owned and maintained by the DAA, making this a unique facility, not commonly found at airports in the United States. The airport will leverage a mix of funding sources to complete this project including competitive funding through the FAA's Airport Terminal Program (ATP), State of Minnesota Bonding/Cash, as well as local DAA cash reserves. The early estimated cost of the ATCT replacement is 66 million dollars; this includes 44 million for pre-design work, design, ATCT construction, and several enabling projects and 22 million for specific FAA equipment, design, etc.

In September of 2022, the DAA completed the FAA's Airway Facilities Tower Integration Laboratory (AFTIL) process to determine the location of the new tower. The selected site, known as Site 6, was chosen, and the Final Siting Report was issued July 24, 2023. FAA distributed the requirements document workbook (RDWB) which specifies design requirements for the building. This document, along with the Technical Facilities Design Standard (TFDS) Version 2.1, are currently being used by the design team for project development.

REQUEST FOR PROPOSALS FOR CONSTRUCTION MANAGER AT RISK



3. Current Status and Looking Forward

In January 2023, the DAA began the Environmental Assessment and Preliminary Design to include utility locates, topographic surveys, civil site preliminary design, stormwater analysis, architectural, structural, mechanical, and electrical design considerations, schematic design report and project closeout documentation. The DAA expects to receive a Finding of No Significant Impact (FONSI) by the end of January 2024.

The DAA applied for the Federal Fiscal Year 2024 Notice of Funding Opportunity for the Airport Terminal Program. If successful and determined by the limitations imposed on the DAA by funding availability, construction shall happen in multiple phases. However, the duration of this contract will remain consistent throughout the project, regardless of size or timing of funding tranches.

The ATCT will include a 440 square foot cab with a top of tower height of 153 feet and a cab finish floor elevation of 119 feet. An approximately 18,000 square-foot adjacent TRACON/base office building will also be constructed. The project will include enabling and site preparation projects, including but not limited to parking lot, fencing, utility, building demolition, and road realignment. The project design intends to meet LEED Silver criteria, but is subject to change pending project development, budget, and funding.

The design team has compiled a project information package. The draft exhibits are attached to this RFP as an appendix for the bidder's background information. A 10% submittal package will be included in an Addendum to this RFP on or around January 26, 2024.

The overall approximate cost of the project, including construction costs, design fees, soft costs, contingencies, FAA reviews and coordination, and equipment is 66 million dollars.

The project schedule is anticipated as follows:

Design:

- 10% Documents issued 1/26/24
- 35% Documents issued 3/29/2024
- 70% Document issued 6/7/23
- 100 % Document issued 8/23/2024
- Bid Phase starting October 2024

REQUEST FOR PROPOSALS FOR CONSTRUCTION MANAGER AT RISK

- Construction start December 2024
- Construction complete July 31, 2026

4. Scope of Services

The CMaR will be expected to provide the following services, although a final decision on the scope of work will be made during the contract negotiations.

- Pre-Construction Services
 - Develop a Construction Management plan including cost and time parameters, protocol, and a complete management information system.
 - Project Budget
 - Be responsible for budget management in cooperation with input from the DAA and project design team. Provide continual monitoring of budget from design through implementation.
 - Prepare full quantitative estimates for design development and construction documents phases corresponding to anticipated bid package breakdowns that aligned with funding tranches.
 - Provide value engineering and constructability reviews of the contract documents
 - **Provide a GMP for the project at the 70% design phase. CMaR will be required to engage subcontractors to solicit pricing for the main trade work. GMP must be submitted to the DAA and City of Duluth no later than June 19, 2024 for final approval by June 29, 2024**
 - Negotiate and implement the terms of a Project Labor Agreement (PLA) with the Duluth Building and Construction Trade Council. The PLA will need FAA General Council review and concurrence, and it's expected the CMaR firm will lead those discussions.
 - Prepare, implement, and maintain contracts, purchase orders, insurance certificates and bonds with all sub-contractors and suppliers
 - Prepare, submit, and coordinate city and building permitting documents including but not limited to any and all Buy American requirements.
 - CMaR is responsible for meeting Buy American provisions. In the event the contractor cannot source American-made materials and equipment without significant impact to the project, the contractor will submit Buy American waiver documents to DAA and FAA for review and approval once the subcontractor bids are done and materials are known.
 - Assist and/or lead tracking and submission of LEED/Minnesota B3 required items to obtain certification. Contractor to provide input during the design phase in collaboration with the design team.
- Construction Services
 - Provide comprehensive construction phase administration including on-going full-time site supervision, coordination, project management and inspection of work
 - Obtain approvals from regulatory agencies
 - Establish and maintain a project financial status reporting system
 - Monitor and enforce the construction schedule

REQUEST FOR PROPOSALS FOR CONSTRUCTION MANAGER AT RISK

- Develop and maintain submittals, shop drawings, samples and change directive logs. Indicate any electronic or web-based project management systems your firm provides for these processes
- Analyze, negotiate, and process change orders and other change directives
- Prepare project construction reports, minutes, and schedules
- Develop and implement a quality assurance plan
- Maintain record document set
- Assist in punch list preparation, substantial completion, and final completion inspection
- Review, make recommendations and process contractor payment applications
- Monitor contractor safety programs
- Managing prevailing wage reporting
- Assist in grant and sustainability/LEED/B3 reporting
- **Post-Construction Services**
 - Assist in reviewing and preparing all close-out documents including warranties, operating and maintenance manuals, schedule and coordinate Owner training of system components
 - Manage transfer of building operation to Owner
 - Monitor and follow up on any warranty issues throughout the one-year warranty period
- **Project Closeout:**
 - Project close out services to include all basic services rendered after the completion of a construction contract including final inspections, punch list and a report of the completed project for FAA submission. This will include as-builts built drawings (prepared from contractor's redlines), summary of material testing, change orders, grant amendment, final financial summary, and obtaining release of liens from all contractors.
- **General:**
 - CMaR firm will be required to comply with AC 150/5370-10H General Provisions included in Appendix C.
 - CMaR firm will be required to comply with current FAA Airport Improvement Program federal contract provisions, included in Appendix D. CMaR firm will incorporate any updates to this document during the life of the project.

5. Proposals Format/Layout

All Proposals statements shall be limited to 40 single-sided pages (or 20 double-sided pages). The proposal cover, tabs, and back cover are not considered part of the page count.

Generally, the format for the Proposal shall be as follows:

Part I. Executive Summary

Prefacing the submittal document, the Construction Management at Risk firm shall provide an Executive Summary of three (3) pages or less, which gives, in brief, concise terms, a summation of the submittal document.

The Executive Summary shall include a brief statement of why your firm would be the best choice to provide

REQUEST FOR PROPOSALS FOR CONSTRUCTION MANAGER AT RISK

the requested services, and signature of authorized officer of the firm who has legal authority in such transactions. Also, include name, address and telephone number of person, or persons, in your organization authorized to negotiate contract terms and render binding decisions.

Part II. Firm/Corporate Information

- Provide a brief profile and history of the firm including how long the firm has been in business and a summary of the types of projects the firm specializes in including relevant experience to provide the requested services for similar projects.
- List the location of the office(s) to perform the work.
- Type of organization (individual, partnership, corporation, etc)

Part III. Personnel Information

- Prepare an organization chart that identifies all key personnel, including names and titles, that would perform work for this project.
- Identify staff roles, including but not limited to Corporate Management/project executive, project management, estimator, scheduler, project superintendent, and safety manager
- Include the following information for each resume
 - Name
 - Project Role
 - Firm Role/Title
 - Years of Experience
 - Education
 - Similar Relevant Experience/Projects

Part IV. Project Understanding, Methodology and Approach

- Project Understanding - Describe your firm's understanding of this project in its entirety, including your firm's understanding of the work involved and any identified significant challenges that could impact the progress of the work.
- Approach and Methodology – Describe your firm's approach and methodology to providing CMaR services for this project. Specifically address the following item:
 - Describe your firm's relationship with and utilization of local contractors, sub-contractors, and suppliers. Summarize the firm's experience working with trade labor under the terms of a PLA. Provide specific examples or references. Also share your ability to comply with DBE requirements and past record of compliance.
 - Describe your firm's approach to sub-contractor engagement, bid review, and recommendation.
 - Describe your firm's approach to project schedule development and management.
 - Describe your firm's approach to project estimating and cost management.
 - Describe your firm's experience with Minnesota B3, sustainable construction, LEED design and construction, and documentation.
 - Describe your firm's project safety program and any significant violations of your firm's program or State regulations in the past 5 years.
 - Provide your firm's Disadvantaged Business Enterprise (DBE) utilization plan and FAA Buy American requirement compliance in relation to the proposed project.
 - Describe your firm's communication processes during pre-construction and construction phases. How does your firm handle communication for construction meetings and submittals?
 - Describe your firm's construction coordination and quality control processes.
 - Describe any unique qualifications, tools, or processes of your firm's that will be employed for the benefit of this project.
- Describe your firm's management approach and methods for developing and implementing the scope of work with the airport, including how to effectively coordinate with multiple stakeholders.
- Describe your proposed methodology for determining the best value design incorporating aesthetics and building materials.

REQUEST FOR PROPOSALS FOR CONSTRUCTION MANAGER AT RISK

- List any challenges you have identified with the project and how your firm would work to manage them effectively.

Part V. Demonstrated Experience

- Describe your firm's recent relevant experience and qualifications to provide the requested services, specifically Construction Manager at Risk services. Bidders who have experience with airport construction are preferred and may or may not score higher.
- Provide at least five (5) (but not limited to) previous projects completed by your firm or currently in progress that are similar in scope to this proposed project (with 3 completed within the last 5 years), or that you feel give your firm the required experience needed for this project. Do not use more than two pages per project. At a minimum, please provide the following details for each project:
 1. Project name, description, and scope
 2. Project location
 3. Owner name & contact person with telephone and email for referral purposes
 4. Your firm's role in the project delivery, i.e. Prime or sub
 5. Project delivery method, i.e. CMaR, CMA, Design-Bid-Build
 6. Significant project challenges encountered and your efforts to overcome them
 7. Your CMaR Fees
 8. Proposed construction budget vs. actual
 9. Proposed design & construction schedules vs. actual
- List and describe any current or ongoing litigation, arbitration and/or claims filed by your firm against any project owner because of a contract dispute.
- List and describe any current or ongoing litigation, arbitration and/or claims claim filed against your firm.
- List and describe termination from any projects or cancelled Master Agreements prior to original contract end date in the last ten years.

Part VI. Fee Proposal

The Fee Proposal shall be submitted in a separate sealed envelope marked with "Fee Proposal", the project name and proposing firm's name. CMaR fees include preconstruction services, construction management fee, and general conditions, and will all be evaluated with the CMaR selection.

- The Preconstruction Services Fee consists of cost and profit and is submitted as a lump sum on the Appendix B Fee Summary Spreadsheet attachment.
- General Conditions consists of known construction costs like mobilization, project office, utilities, project administration, permits, staging, equipment, and clean-up. These costs are submitted as a lump sum.
- Provide your firm's proposed CMaR Fee as a percentage of estimated construction cost (\$44M). Construction Management Fee consists of field supervision & subcontract administration and is submitted as a percentage of the overall estimated cost of the project, but once established it is written into the contract as a lump sum or fixed fee that would not be increased or decreased with fluctuations in actual project construction costs. The fee would be subject to equitable adjustments for approved delays. It is understood that while this percentage is fixed, the actual fee may be adjusted at time of GMP submission based on construction costs.
- Provide your firm's Hourly Rate Schedule for team roles listed above and other roles you anticipate on this project.
- Provide your firm's anticipated expenses or other related costs/overhead.

Pricing submitted under the RFP for the CMaR delivery is not negotiated. The fees and general conditions submitted are final as they are a competed factor of award. See attached Appendix B, CMaR Fee Summary Spread Sheet. Submit a completed version of Appendix B with each firm's proposal.

6. Submission Guidelines

REQUEST FOR PROPOSALS FOR CONSTRUCTION MANAGER AT RISK

All proposals must be received at the address below no later than 3:00 p.m. local time February 2, 2024. All proposals must be addressed to:

Duluth Airport Authority
RFP Construction Manager at Risk Services
Attn: Mark Papko
4701 Grinden Drive
Duluth, MN 55811

All proposals must be submitted in a sealed envelope clearly marked with RFP Airport Construction Manager at Risk Services. All submittals shall include one (1) complete, original statement marked "ORIGINAL"; six (6) complete copies of the original statement; and other related documentation required by this RFP as well as one (1) electronic copy (USB drive). Any RFP submittal not received by the deadline may not be considered.

All questions concerning this RFP shall be submitted to Mr. Mark Papko via email on or before January 18, 2024. Mr. Papko will respond to all parties who attended the pre-bid no later than January 22, 2024 with the list of questions and responses regardless of author.

Mr. Mark Papko
Director of Operations
mpapko@duluthairport.com

7. Timeline of Events

In-person and virtual Pre-Bid + Tour of Future DLH ATCT Site (Both are optional but strongly encouraged)	January 11, 2024 at 10:00 am in 3 rd Floor Conference Room at Duluth International Airport Terminal Building
RFP Questions Due	January 18, 2024 (4pm)
RFP Questions Answered By	January 22, 2024
RFP Due Date	February 2, 2024 @ 3:00pm CST
RFP Presentation/Interview	February 7 – February 14, 2024
RFP Approval - Authority Board	February 20, 2024
Agreement - Effective	March 19, 2024

8. Scoring Criteria

Statements submitted by the established deadline will be evaluated based upon the following criteria:

Qualifications and competence of the firm	10%	Provide firm biography, location, and history of the firm
Personnel Qualifications	15%	Identification of key personnel meet the demanding management of complex multi-phase construction projects on time and on budget and their related experience.

REQUEST FOR PROPOSALS FOR CONSTRUCTION MANAGER AT RISK

Project Experience	20%	Experience with airport related projects, working with multiple lines of business of FAA, familiarity with FAA funded projects, and familiarity with state bond funded projects.
Project understanding, approach, and methodology	25%	Indicate ability to complete an ATCT while working with local, state, and federal agencies. Include approach to using subcontractors. Include DBE and Buy American approach.
Construction Management Fees	30%	Firm's history and experience of performance in assisting clients with local, state, and federal engagement in high value and/or sensitive projects.

Following submittal, the Statements of Proposals will be reviewed and evaluated. Based upon the written submissions in response to this RFP, the DAA will rank the firms in each criterion that it feels are most qualified to provide the required services. **At its sole discretion, the DAA may interview up to 3 top ranked proposers, or make its final selection based entirely upon the written response to the RFP.** Interview scoring will be based on the same percentages described above.

9. Selection and Negotiation

The length of this Construction Manager Agreement will be for the duration of the project, or five (5) year term from the date of contract execution. The DAA has the option to extend the contract for an additional year(s), as needed to complete the required scope of work.

Based on a combination of the evaluation of the Statement of Proposals and results of the presentation and interview, the Selection Committee shall select the highest ranked CMaR firm.

Each firm is charged with the responsibility of making an on-site inspection of the Airport and its environs at its sole discretion. Failure on the part of any firm to make such examination and on-site inspection shall not constitute a ground for declaration by a firm that it did not understand the conditions with respect to its SOQ. All firms are responsible for costs associated with the preparation of materials in response to this RFP, and the DAA assumes no responsibility for any such costs.

Contract terms will be based on AIA Document A133 2009, Standard Form of Agreement between the Owner and Construction Manager as Constructor where the basis of payment is the Cost of Work Plus a Fee with a GMP. See Appendix C for a sample A133 2009 form.

10. Insurance Requirements.

The CMaR shall provide and maintain at its sole expense a valid policy of insurance covering general liability, auto liability professional liability, arising from the acts or omissions of the Provider, its agent(s) and employees as well as workers compensation in the following amounts:

- | | |
|---------------------|-------------------------------------------|
| • Line of Insurance | Current Minimum Limits Required |
| • General Liability | \$2M per occurrence/\$3M annual aggregate |
| • Auto Liability | \$1M combined single limit/\$3M aggregate |

REQUEST FOR PROPOSALS FOR CONSTRUCTION MANAGER AT RISK

- Professional Liability \$2M per claim/\$3M annual aggregate
- Workers' Compensation \$1M/\$1M/\$M

11. Mandatory Disclosures.

By submitting a proposal, each Bidder understands, represents, and acknowledges that:

1. Their proposal has been developed by the Bidder independently and has been submitted without collusion with and without agreement, understanding, or planned common course of action with any other vendor or suppliers of materials, supplies, equipment, or services described in the Request for Proposals, designed to limit independent bidding or competition, and that the contents of the proposal have not been communicated by the Bidder or its employees or agents to any person not an employee or agent of the Bidder.
 2. There is no conflict of interest. A conflict of interest exists if a Bidder has any interest that would actually conflict, or has the appearance of conflicting, in any manner or degree with the performance of work on the project. If there are potential conflicts, identify the municipalities, developers, and other public or private entities with whom your company is currently, or have been, employed and which may be affected.
 3. It is not currently under suspension or debarment by the State of Minnesota, any other state or the federal government.
 4. The company is either organized under Minnesota law or has a Certificate of Authority from the Minnesota Secretary of State to do business in Minnesota, in accordance with the requirements in M.S. 303.03.
1. Minnesota Department of Human Rights Affirmative Action Certification:
 - A. Under MN Statute §473.144, DAA may not accept any bid or proposal for a contract or execute a contract for goods or services in excess of \$100,000 with any business having more than forty (40) full-time employees within Minnesota on a single working day during the previous twelve (12) months, unless the firm or business has an affirmative action plan for the employment of minority persons, women, and qualified disabled individuals that has been approved by the Commissioner of the Minnesota Department of Human Rights. Further, DAA may not accept any bid or proposal for a contract or execute a contract for goods or services in excess of \$100,000 with any business having more than forty (40) full-time employees on a single working day during the previous twelve (12) months in the state where the business has its primary place of business, unless the business has a certificate of compliance issued by the Commissioner of the State of Minnesota Department of Human Rights or the business certifies to DAA that it is in compliance with federal affirmative action requirements. Each firm submitting a proposal must transmit documentation indicating the firm's compliance or exemption from the above requirements.
 2. Minnesota Government Data Practices Act
 - B. Data supplied in response to this RFP by businesses, firms and individuals is governed by the Minnesota Government Data Practices Act in that:
 1. The information requested will be used to evaluate each proposer's Proposals.
 2. The proposer is not legally required to supply this information; however, failure to supply the information requested may result in that SOQ receiving lesser consideration and a determination by DAA that the SOQ is non-responsive.
 3. The public is authorized to receive the information that is not classified by law as private, confidential, or non-public data. The proposer is responsible to clearly identify any data classified by law as private, confidential or non-public data and to provide the specific basis for the classification when the data is submitted to DAA.

REQUEST FOR PROPOSALS FOR CONSTRUCTION MANAGER AT RISK

The DAA reserves the right to reject any and all Statement of Proposals or to re- advertise for additional Statement of Proposals.



Complex Projects Solved

PROPOSAL

FEBRUARY 2, 2024



PROPOSAL FOR CONSTRUCTION MANAGER AT RISK SERVICES

**DULUTH AIRPORT AUTHORITY
AIR TRAFFIC CONTROL TOWER + BASE BUILDING**

Duluth Airport Authority
RFP Construction Manager at Risk Services
Attn: Mark Papko
4701 Grinden Drive
Duluth, MN 55811

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Appendix: Other Related Documentation	Appendix



Complex Projects Solved

PROPOSAL

CONSOLIDATED LOADING DOCK FACILITY
MSP Airport - Minneapolis, MN
New Construction



PART I. EXECUTIVE SUMMARY



Duluth Airport Authority

RFP Construction Manager at Risk Services
Attn: Mark Papko
4701 Grinden Drive
Duluth, MN 55811

RE: PROPOSAL FOR CONSTRUCTION MANAGEMENT AT RISK (CMaR) SERVICES FOR THE DULUTH INTERNATIONAL AIRPORT AIR TRAFFIC CONTROL TOWER (ATCT)

Dear Mr. Papko and Selection Committee:

Thank you for the opportunity to propose as your Construction Manager at Risk (CMaR) for your upcoming project! Over the past 40 years, H+U Construction (H+U) has built or improved over 20 million square-feet of space throughout Minnesota including numerous aviation projects. Your project aligns perfectly with our company's strengths including its need for maintaining scope within budget, use of the Construction Management delivery method, and need for expedited preconstruction services.

Although constructing an Air Traffic Control Tower is likely a once in a lifetime opportunity for most all involved, H+U has extensive experience completing projects at operational airports and similar facilities. Below are several reasons we feel that H+U Construction is ideally suited to serve as your CMaR partner for this exciting project:

- + **This is What We Do!** - More than 80% Of H+U's projects are completed as a Construction Manager, either as Adviser or At-Risk, for public sector clients within Minnesota. The services you've requested are the core of what we do as a firm.
- + **Aviation Experience** - Much of H+U's proposed team has been serving aviation clients on a full-time basis for years. We understand what it takes to work within an operational airport, navigate funding requirements, and engage stakeholders every step of the way.
- + **Right-Sized Firm** - Working with a mid-sized firm, you can expect that your project will receive close personal attention from our firm's leadership. And with two partners as proposed team members, your can be sure that our performance will be monitored by those who care about your opinion, repeat business, and overall success.

We are excited about earning the opportunity to work with the Duluth Airport Authority (DAA) and help bring your new ATCT to reality. The following proposal contains further details on our firm's background, personnel, project understanding and approach, relevant experience, and a fee proposal included as a separate attachment.

H+U Construction acknowledges receipt of the following Addenda:

- + Addendum No. 1 issued on January 15, 2024
- + Addendum No. 2 issued on January 18, 2024
- + Addendum No. 3 issued on January 25, 2024
- + Addendum No. 4 issued on January 26, 2024

Please feel free to contact me with any questions regarding the enclosed proposal.

Respectfully,

A handwritten signature in black ink, appearing to read 'Joe Uhlhorn'.

Joe Uhlhorn, Project Executive/Partner
H+U Construction
Phone: 651.335.4634
Email: juhlhorn@hu-construction.com



PART I. EXECUTIVE SUMMARY



Vision: To be a **world-class aviation center** that drives economic development and connects the region to the global economy.

Proposal Summary:

Our team is excited at the opportunity to serve DAA, and to provide DAA with the expertise, flexibility, value, and attitudes that will help make your new tower construction a success. We have familiarized ourselves with the airport, your design team, and the project to develop a thorough understanding of goals and expectations, and believe we are the best fit to deliver your new Air Traffic Control Tower and Base Building for the following reasons, many of which are also discussed within our proposal.

- + **This Is What We Do!:** Nearly all of H+U's work is completed as a Construction Manager for public clients within the state of Minnesota. H+U Construction (then Bossardt Corporation) helped pioneer the Construction Management delivery method, and was the first firm in the state founded to focus exclusively on Construction Management services. Today, we've expanded our focus to include General Contracting and consulting services, but public-sector Construction Management still comprises a significant majority of our work.
- + **Aviation Experience:** Many of H+U's team members are exclusively dedicated to serving airport clients, and have been for years. We are familiar with aviation design standards, funding sources, operational requirements, and the administrative requirements that accompany your project, including but not limited to: B3, LEED, Buy-American, PLA, Form 7460, Uniform Municipal Contracting Statutes, and various other administrative requirements that will accompany this project.
- + **Right Sized Firm:** H+U is a mid-sized Construction Manager who executes large-scale projects. DAA will benefit from the close personal involvement of our firm's top leadership, the flexibility this provides regarding how we serve our clients, and the personal accountability of partners in our firm. DAA will not deal with middle-management; you will be dealing directly with partners who have a personal stake in the success of your project and maintaining a continued relationship with DAA.
- + **Team Expertise:** H+U's team has been assembled to ensure that all areas of the project are expertly covered. We've proposed a combination of team members who have specific expertise working in and around operational airports, providing CMaR services to public clients, and with significant experience working within the City of Duluth. We believe this combination of team members will provide expertise in each area of your unique project.
- + **Duluth Area Experience:** H+U is very familiar with the Duluth contracting community. Our firm has completed more than \$140 million of construction within Duluth since 2010, and has had as many as eight (8) full-time Project Managers and Superintendents working within Duluth at one time, including our proposed Sr. Project Manager and Preconstruction Director. Additionally, many of our team members live within driving distance of the Airport, including our proposed Superintendents and Project Manager.
- + **True Owner's Advocate:** H+U is one of the few professional Construction Management firms that does not have contractual relationships with any subcontractors, suppliers, labor groups, or financial firms. This allows us to fully represent our clients' interests when reviewing change order pricing, openly soliciting subcontractor interest, and pursue the procurement strategies that benefit our clients.
- + **Continued Commitment:** More than 91% of our clients who've completed more than one sizable project in the past 10-years, have become repeat clients. This is a testament to our services, and the fact that "we never say goodbye". If selected to serve as your Construction Manager, H+U will remain committed to the quality of your facilities for years to come, and remain engaged to address any warranty or operational concerns after construction.

Complex Projects Solved

PROPOSAL

Part II, Firm/Corporate
Information

GATE 269
MSP Airport - Minneapolis, MN
New Construction



PART II. FIRM/CORPORATE INFORMATION



BUILDING LEGACIES

Build with purpose.
Build for the greater good.

- + Provide a brief profile and history of the firm including how long the firm has been in business and a summary of the types of projects the firm specializes in including relevant experience to provide the requested services for similar projects.

Originally founded as Bossardt Corporation in 1983, Hoffmann + Uhlhorn Construction, Inc. (dba H+U Construction) is a Minnesota-based construction and consulting firm with over 40 years of experience in helping our clients navigate the complexities of construction. More than 80% of our work is as a Construction Manager (CM) for public projects within Minnesota, having built or improved more than 20,000,000 square-feet of space throughout the state.

H+U was founded as the first firm in the State of Minnesota to specialize in Construction Management services, and has completed publicly funded projects as a Construction Manager ranging in size up to \$140M, and multi-year building programs valued in excess of \$1B.

Aviation is H+U Construction's largest market sector and is expected to make up over 55% of our firm's workload in 2024. The Aviation market is followed by Education (K-12 and Higher Education) which will make up 25%, municipal which will make up 15%, and services for other market sectors totaling less than 5% of H+U's revenue in 2024. Over the past 5-years, the Aviation market has made up between 35% and 55% of H+U's annual workload.

H+U specializes in complex projects, which is where our company's tag line, "Complex Projects Solved" originated. Nearly all of our work is completed for public clients who are bound by the same or very similar procurement and bidding requirements that will come with your new Air Traffic Control Tower (ATCT). We frequently work with the FAA and our clients to help secure project funding, approvals, contribute to FAA Form 7460 submittals, compile and submit Buy American documentation, and ensure that our projects comply with Project Labor Agreements. While no two projects or clients are identical, there is very little about your ATCT project is significantly different from our "typical" projects.

When H+U isn't serving as a Construction Manager, we serve as an Owner's Project Manager. Nearly every member of our team has seen projects from both sides - serving as a Construction Manager and as an Owner's Project Manager. This perspective is important as it allows our team to understand not only how, but also why things need to be done in certain ways.

- + List the location of the office(s) to perform the work.

Principal and Branch Office Location:

5555 W 78th Street Suite A
Minneapolis, MN 55439

H+U Construction is headquartered in Minneapolis, with additional offices located at the MSP International Airport, and various satellite offices located at each of our project sites. If selected to serve the DAA, your projects would be supported by full-time staff on the DLH campus during construction, with additional project management office space located either within leased space within the DLH campus, or nearby.

- + Type of organization (individual, partnership, corporation, etc)

S-Corporation

Complex Projects Solved

PROPOSAL

Part III. Personnel
Information



PART III. PERSONNEL INFORMATION

- + Prepare an organization chart that identifies all key personnel, including names and titles, that would perform work for this project.
- + Identify staff roles, including but not limited to Corporate Management/project executive, project management, estimator, scheduler, project superintendent, and safety manager

Our firm’s leadership has similar expectations of our staff, and themselves; as do our clients. H+U is a professional organization, staffed by technical experts, who understand that our professionalism has to be reflected in our day-to-day communications, deliverables, and by being highly responsive to our clients’ needs. And this professionalism is a large part of why more than 91% of our clients have become repeat clients over the past 10-years.

All proposed team members currently office from either our Minneapolis headquarters, our MSP Airport office location, or their respective job sites. If selected by DAA, H+U expects to lease office space on the Duluth International Airport campus or nearby. Supervision staff will be stationed at the airport on a full-time basis during construction, with Project Management team members spending a minimum of one day per week on-site.

The Duluth Airport Authority would be served by the following team members, and others as needed. Resume and background information for each individual listed below can be found on the following pages.



“ Our teamwork philosophy spreads far beyond our office walls. ”

JOE UHLHORN

Project Executive

Joe has over 15 years of construction industry experience and serves as a partner in H+U Construction. He holds a Bachelor's degree in Finance and Economics from the University of St. Thomas, and has led more than \$600 Million in construction projects, serving as a Construction Manager during his 8-years at H+U Construction.

As the Project Executive, Joe will be your continuous contact from the preconstruction through warranty phases. His responsibilities will include budget oversight, subcontractor negotiations, risk management, meeting attendance, regular site visits, and facilitation of regular DAA meetings. Joe will be involved in the entire project, and take both personal and corporate responsibility for the overall budget, schedule, and quality of your project. Joe is a hands-on leader who will lead any conflict resolution efforts, and ensure that the DAA's interests are represented throughout the project.



SELECT PROJECT EXPERIENCE

- + **Metropolitan Airports Commission, Consolidated Loading Dock Facility:** New 22,000/SF; \$9.2M Loading Dock Facility and Offices at MSP Airport
- + **Metropolitan Airports Commission, DHL Freight Facility:** 20,160/SF; \$5.6M Freight Distribution Center Addition at MSP Airport
- + **Thief River Falls Airport, New Cargo Hangar:** New 30,000/SF; \$12.75M Cargo Hangar and Office (ongoing)
- + **Delta Air Lines and Endeavor Air, Hangar Expansion:** Restroom Addition at Endeavor Air Hangar at MSP Airport
- + **Wipaire, Inc.:** \$3.7M Airplane Float Manufacturing Facility Renovation at Flemming Field in St. Paul
- + **Loring Green Condominiums, Minneapolis, MN:** Transformational Project at Two High-Rise Buildings
- + **Prince of Peace Lutheran Church, Burnsville Campus Expansion:** \$17M Multi-Phase Additions and Renovations Including Warehouse, Vehicle Maintenance/Storage/Shop Space, Sitework and Parking Lot Improvements
- + **Minneapolis Park + Recreation Board, Water Works:** \$15M; 3-Acre Park and 7,000/SF Historical Restoration, Renovation, and Site Redevelopment Project
- + **Three Rivers Park District, Mississippi Gateway Regional Park:** New \$20M Park Master Plan (ongoing)
- + **Washington County, Ravine Landing at Cottage Grove Ravine Regional Park:** New \$4M Trailhead Building
- + **City of Minneapolis, Nicollet Mall Reconstruction:** 12-Blocks of Above-grade Improvements
- + **City of Marshall, Red Baron Arena:** New \$16M Ice Arena and Expo Center

EDUCATION

University of St. Thomas - St. Paul, MN
BS, Finance and Economics

AREAS OF EXPERTISE

Project Management
 Contract Enforcement
 Conflict Resolution
 Accounting
 GMP Development
 Bid Marketing
 Community Engagement

MEMBERSHIPS + AFFILIATIONS

Minnesota Council of Airports (MCOA)
 Association of Women Contractors (AWC)
 Minnesota Builders Exchange Member (MBEX)
 Minnesota Construction Association (MCA)

ANDY HOFFMANN

Preconstruction Director + President

Andy has 26 years of industry experience, including over 16 years with H+U where he is currently the firm's President/Partner. Andy has led H+U's preconstruction team since 2012, where he's become a regional leader in the preconstruction field, and has personally overseen preconstruction efforts for projects totaling more than \$2.5 Billion, including several large projects with the Duluth Public Schools, and dozens of projects with the Metropolitan Airports Commission.

Andy will lead our preconstruction services as he works to create disruption avoidance plans that balance construction efficiency with safety and any continued facility needs of the DAA, develop cost options, provide design input, analyzes subcontractor bids, and prepare the Guaranteed Maximum Price. He will remain involved during construction, to ensure that your overall expectations are being met, and that your project is a success.

SELECT PROJECT EXPERIENCE

- + **Thief River Falls Airport, New Cargo Hangar:** New 30,000/SF; \$12.75M Cargo Hangar and Office (ongoing)
- + **Metropolitan Airports Commission, Consolidated Loading Dock Facility:** Preconstruction Services for New 22,000/SF; \$9.2M Loading Dock Facility and Offices at MSP Airport
- + **Metropolitan Airports Commission, DHL Freight Facility:** 20,160/SF; \$5.6M Freight Distribution Center Addition at MSP Airport
- + **Metropolitan Airports Commission, Terminal 2 Expansion:** Preconstruction Services for \$240M Expansion
- + **Metropolitan Airports Commission, Safety + Security Center:** Preconstruction Services for new \$210M Public Safety facility
- + **Faribault Municipal Airport (sub-consultant):** Cost Estimating for Building Replacements
- + **Wipaire, Inc.:** \$3.7M Airplane Float Manufacturing Facility Renovation at Flemming Field in St. Paul
- + **Delta Air Lines and Endeavor Air, Hangar Expansion:** Restroom Addition at Endeavor Air Hangar at MSP
- + **Metropolitan Airports Commission, Various Projects:** More than 30 Maintenance-related Projects Including Roofing, Parking Structure Rehabilitation, MEP Improvements, and Safety and Security Upgrades
- + **Duluth Public Schools, Laura MacArthur Elementary School:** New \$20M School and Demolition of Existing School
- + **Duluth Public Schools, East High School:** \$65M Conversion of Ordean Middle School to become the New East High School
- + **Duluth Public Schools, Meyers Wilkins Elementary:** \$19M Elementary School Additions and Renovations
- + **Duluth Public Schools, Denfeld High School:** \$45M High School Additions and Renovations



EDUCATION

Minnesota State University, Mankato - Mankato, MN
BS, Construction Management

AREAS OF EXPERTISE

Pre-construction Services
Cost Estimating
Value Engineering
Construction Phasing
Public Bid Procedure
Bid Marketing

MEMBERSHIPS + AFFILIATIONS

Minnesota Council of Airports (MCOA)
Bloomington Park Commission, Vice Chair (2021 - 2024)
Construction Management Association of America (CMAA) Board of Directors, 2012-2018
Minnesota Construction Association (MCA)
Association of Women Contractors (AWC)

TODD IVERSON, LEED AP®

Senior Project Manager

Todd ("Ike") has been with H+U Construction for over 24 years and has nearly 35 years of construction industry experience, including several addition and renovation projects for Duluth Public Schools. Todd will be an active participant in the preconstruction phase, working alongside our Project Executive and Preconstruction Director just as he has done for dozens of past projects.

Once the project moves into construction, Todd will lead our team's day-to-day project management where he will enforce contract requirements, manage the master budget, lead construction meetings, and coordinate between H+U's field and office team members. Our clients know Todd as someone whose communication is concise, prompt, and well organized. Contractors know Todd as someone who will proactively address contentious matters, and firmly but fairly enforce contract requirements.



SELECT PROJECT EXPERIENCE

- + **Duluth Public Schools, Laura MacArthur Elementary School:** New \$20M School and Demolition of Existing School
- + **Duluth Public Schools, East High School:** \$65M Conversion of Ordean Middle School to become the New East High School
- + **Duluth Public Schools, Meyers Wilkins Elementary:** \$19M Elementary School Additions and Renovations
- + **Duluth Public Schools, Denfeld High School:** \$45M High School Additions and Renovations
- + **City of Lake Elmo, City Center:** New \$13.4M City Hall and Public Works Addition
- + **City of Newport, City Hall + Fire Station:** New \$7.5M City Hall and Fire Station
- + **City of Roseville, Fire Station:** New Green Globes Certified \$9.4M Fire Station
- + **City of Stillwater, City Hall:** \$2.9M Renovation of City Hall and Police Squad Bays
- + **Saint Paul Public Schools, Various Projects:** Seven (7) Projects Totaling \$170M Since 2015
- + **Prior Lake-Savage Public Schools, Prior Lake High School:** Various Additions and Renovations Totaling \$41M
- + **Prior Lake-Savage Public Schools, Various Projects:** \$75M of Projects Since 2003, Including Jeffers Pond Elementary, Hidden Oaks Pool Addition, and New High School
- + **Jordan Public Schools, Jordan CERC and Middle School:** New \$34.6M Community Center and Middle School Renovation
- + **Burnsville-Eagan-Savage Public Schools, Burnsville High School:** Various Additions Totaling \$52M
- + **Minneapolis Park + Recreation Board, Water Works:** \$15M Park and Historic Building Reconstruction
- + **Eastern Carver County Schools, Chanhassen High School:** New \$92M High School

EDUCATION

University of Wisconsin-Stout - Menomonie, WI
BS, Construction Management

AREAS OF EXPERTISE

Public Bid Procedure
 Quality Assurance
 Construction Phasing
 Cost Management
 Contract Enforcement
 Conflict Resolution
 Project Closeout

MEMBERSHIPS + AFFILIATIONS

Minnesota Construction Association (MCA) Member

Minnesota Educational Facilities Management Professionals (MASMS) Member

CERTIFICATIONS

LEED AP
 Procore

THOMAS WALSH

Project Manager

Tom has been serving H+U's aviation clients for the past 2 years, and has over 7 years of experience serving aviation clients across the country as a specialty contractor and as subcontractor to H+U's aviation team. Tom's career has included experience as a tradesman, foreman, estimator, and Project Manager, giving him a valuable combination of relevant field and office experience.

Tom's day-to-day responsibilities will include budget maintenance, enforcement of subcontract requirements, and an initial review of any cost and/or pay requests submitted by subcontractors. He will work with our Project Executive to help compile our team's Buy American paperwork, track TGB goals, provide certified payroll reports when requested, and ensure that submittals are received and approved in a timely manner. Tom is expected to visit the site regularly, and will be stationed in Duluth on a part time basis during construction to help coordinate between our field and office staff.

SELECT PROJECT EXPERIENCE

- + **Metropolitan Airports Commission, Safety + Security Center:** \$36M Phase-1 of a New Public Safety Facility
- + **Metropolitan Airports Commission, Terminal 2 Expansion:** Estimating Support for \$240M T2 Expansion
- + **Metropolitan Airports Commission, 2023 Electrical Substation Upgrades:** \$7M; 10,000 S/F Renovation to Terminal 1 Basement Level at MSP Airport
- + **Metropolitan Airports Commission, 2023 VAV Replacement:** \$1.5M; 100,000 S/F Renovation to E Concourse Basement and Gate Level at MSP Airport
- + **Metropolitan Airports Commission, 2023 Delivery Nodes Ph1:** \$400,000; 3,000 S/F Renovation to MSP Airport Terminal 1, E and F Concourse and Basement Level
- + **Metropolitan Airports Commission, 2022 Folded Plate Repairs:** \$10M; 25,000 S/F Renovation to Terminal 1 Roof Level at MSP Airport
- + **Metropolitan Airports Commission, 2022 Electrical Substation Upgrades:** \$3.5M; 10,000 S/F Renovation to Terminal 1 Basement Level at MSP Airport
- + **Metropolitan Airports Commission, 2022 B Concourse Heating Upgrades:** \$5.7M; 20,000 S/F Renovation to B Concourse at MSP Airport
- + **Metropolitan Airports Commission, 2022 VAV Replacement:** \$500,000; 100,000 S/F Renovation to E Concourse Basement Level at MSP Airport
- + **Metropolitan Airports Commission, 2021 Electrical Substation Upgrades:** \$750,000; 10,000 S/F Renovation to Terminal 1 Basement Level at MSP Airport
- + **Metropolitan Airports Commission, 2018 BHS Upgrades*:** \$6M; 100,000 S/F Renovation to Terminal 1 Ticketing & Baggage Level at MSP Airport

**Experience prior to joining H+U Construction*



EDUCATION

Millwright 548
Apprenticeship

Forest Lake Senior High

AREAS OF EXPERTISE

Cost Estimating
Communication
Safety + Security Planning
Contractor Coordination
Site Logistics
Construction Phasing
Scheduling
Project Closeout

CERTIFICATIONS

OSHA 30-Hour
OSHA 10-Hour
CPR Certified
First Aid Training
Commercial Drivers License
Procore Project Management

MEMBERSHIPS + AFFILIATIONS

Minnesota Council of Airports (MCOA)

TIM MEINERT

Senior Project Superintendent / Director of Field Operations

Tim has been with H+U Construction for nearly 7 years where he serves as the Director of Field Operations and a Senior Project Superintendent on select projects. He has 30 years of construction industry experience and a Bachelors degree in Civil Engineering from Texas Christian University. Tim is a hands on leader, who has served in a similar capacity for the Metropolitan Airports Commission, Delta Airlines, and other H+U clients. He also brings a great deal of aviation experience to from his time in similar roles at the San Antonio International Airport, 934th Air Force Base, and various other military and air field clients across the country.

Tim will become engaged in your project during the preconstruction phase, and be responsible for overseeing the performance of H+U's on-site staff and subcontractors during construction. He will be a regular fixture on-site, and take proactive steps to ensure that schedules, quality expectations, safety, and security protocols are strictly adhered to. Tim will assist with the preparation of staging plans, review disruption avoidance procedures, and actively participate in project coordination meetings while overseeing the work on-site.



SELECT PROJECT EXPERIENCE

- + Thief River Falls Airport, New Cargo Hangar:** New 30,000/SF; \$12.75M Cargo Hangar and Office (ongoing)
- + Metropolitan Airports Commission, DHL Freight Facility:** 20,160/SF; \$5.6M Freight Distribution Center and Administrative Addition at MSP Airport Campus
- + Metropolitan Airports Commission, Consolidated Loading Dock Facility:** New 22,000/SF; \$9.2M Loading Dock Facility and Offices at MSP Airport
- + Metropolitan Airports Commission, Card Access Modifications:** \$1.5M Card Access Modifications at MSP Airport
- + Metropolitan Airports Commission, Safety + Security Center:** \$36M Phase-1 of a New Public Safety Facility
- + Metropolitan Airports Commission, IT Upgrades:** \$3.5M IT Upgrades at MSP Airport
- + Metropolitan Airports Commission, Various MEP & Technology Projects:** Eighteen (18) projects valued from \$200K to \$3.5M
- + Delta Air Lines and Endeavor Air, Hangar Expansion:** Restroom Addition at Endeavor Air Hangar at MSP Airport
- + United States Air Force, 934th Airlift Wing*:** New \$9M Oxygen Storage Building
- + United States Air Force, 934th Airlift Wing*:** \$2.4M Building 831 Roof Replacement
- + San Antonio International Airport, Service Center*:** New \$3.2M Hangar Service Center
- + San Antonio International Airport, Tram Tunnel*:** New \$31M Tram Tunnel System

**Experience prior to joining H+U Construction*

EDUCATION

Texas Christian University, Fort Worth, Texas
BS, Civil Engineering; Minor, Construction Management

AREAS OF EXPERTISE

Communication
 Safety + Security Planning
 Contractor Coordination
 Site Logistics
 Construction Phasing
 Scheduling
 Project Closeout

CERTIFICATIONS

OSHA 30-Hour
 OSHA 10-Hour
 CPR Certified
 First Aid Training
 Commercial Drivers License
 Procore Project Management

MEMBERSHIPS + AFFILIATIONS

Minnesota Council of Airports (MCOA)

LUKE SPENCER

Project Superintendent

Luke has more than 20 years of construction expertise, including many years serving as a Concrete Foreman where he oversaw the completion of many Cast-In-Place (CIP) concrete structures similar to the system shown in EXP's Basis of Design document. His combination of expertise with CIP structures, experience serving as a Superintendent for relevant CMaR aviation projects, and years of experience constructing the Duluth skyline make Luke an ideal candidate to serve as your Project Superintendent.

As your Project Superintendent, Luke will be among the most visible members of our team, working full-time at the jobsite from the start of construction through punchlist completion. He will be responsible for coordinating and scheduling work, enforcing quality standards, and site safety. He will ensure that the site is kept free of debris, and that our operations comply with the approved FAA Form 7460's crane height, lighting, and other restrictions at all times.

SELECT PROJECT EXPERIENCE

- + **Thief River Falls Airport Cargo Hangar, Thief River Falls:** New 30,000/SF; \$12.75M Cargo Hangar and Office (ongoing)
- + **MSP Airport Orange Terminal, Minneapolis*:** New 8-Story; 1,300,000/SF Parking Ramp at MSP Airport Terminal 2
- + **Essentia Health Hospital, Duluth*:** New 12-Story; 928,000/SF Hospital
- + **Maurices Corporate Headquarters, Duluth*:** New 11-Story, 450,000/SF LEED Silver Office Tower
- + **Ameriprise Financial Center, Minneapolis*:** New 31-story, 541,000/SF Office Tower
- + **8200 Tower, Minneapolis*:** New 11-story, 277,000/SF LEED Gold Office Building
- + **Skyscape Condominiums, Minneapolis*:** New 27-Story, 462,000/SF Condominium Tower
- + **Thrivent Financial Corporate Headquarters, Minneapolis*:** New 8-story, 264,000/SF Office Tower
- + **RBC Gateway Tower, Minneapolis*:** New 40-Story, 1,200,000/SF Office Tower

**Experience prior to joining H+U Construction*



EDUCATION

United States Marine Corps ,
Camp Pendleton , California

Cambridge High School,
Cambridge, Minnesota

AREAS OF EXPERTISE

Project Management
Safety + Security Planning
Contractor Coordination
Site Logistics
Construction Phasing
Scheduling
Project Closeout
Concrete Practices

CERTIFICATIONS

OSHA 30-Hour
OSHA 10-Hour
NRMCA Certified Concrete
Technician
ACI Certified Concrete
Technician

PART III. PERSONNEL INFORMATION



DEXTER SILVERS

Preconstruction Manager

Dexter has 10 years of preconstruction experience and a Bachelors Degree in Civil Engineering from the University of Minnesota, Duluth. Dexter will work with H+U's Preconstruction Director to tailor unit costs for the materials each estimate, draft work scope descriptions for subcontracts to be publicly bid, provide ongoing design review, and join our Preconstruction Director at all relevant design team meetings. He will solicit quotes to help inform and expedite H+U's draft GMP by June 19th, and provide input through the remaining design phase to ensure that the scope of work is maintained within the GMP. During construction, Dexter will be available to review any noteworthy design changes and applicable costs or credits for merit and to ensure that the values are appropriate.



JOELLE KWIATKOWSKI

Cost Estimator

Joelle has 8 years of cost estimating experience including 4 years with H+U and a Bachelor's degree in Construction Management from Minnesota State University, Mankato. Joelle serves as a full-time cost estimator, with day-to-day responsibilities including quantity take-offs, reviewing plans for errors and omissions, value engineering, and assessing bid costs to continually improve and maintain H+U's cost database. Her past experience has included both bidding projects as a General Contractor and performing cost estimates as a consultant, giving Joelle a valuable combination of real-world and technical expertise. Joelle will work to support our Preconstruction Director and Manager during the preconstruction phase by providing material quantity take-offs, performing plan review, and identifying cost reducing concepts for your consideration.



LISA KNOX

Project Administrator

Lisa has 11 years of experience in the construction industry as a Project Administrator and has served as Project Administrator for 30 airport projects. Lisa will assist with the preparation of contracts, submittals, insurance, and closeout documents as well as tracking all change orders, preparing/reviewing meeting minutes, assembling certified payroll reports, and assisting with the overall project documentation and communications. Lisa is also proficient in the use of our Procore construction management software. She will serve as our lead for implementing Procore systems across the project team, and will provide training to any DAA or design team representatives, so that all stakeholders can benefit from the real-time communication and documentation tools available through Procore.



KASEY CLOWE, CSP, MD, MHSA, SMS, STSC

Safety Director, OSHA + Environmental Compliance Systems (OECS)

Kasey has over 25 years of experience serving as Safety Director of commercial construction projects, where his work included being directly responsible for managing the safety and risk associated with reputable projects and company operations including US Bank Stadium, Target Field, TCO Performance Center, and many high-rise buildings across the country. On this project, Kasey and his team will provide a site specific safety plan during the preconstruction phase that will identify safety concerns and recommendations for operating the project safely. During construction, Kasey will work with our Superintendent on any safety concerns and provide ongoing safety inspections at the site.

Complex Projects Solved

PROPOSAL

THIEF RIVER FALLS REGIONAL AIRPORT
AIR CARGO HANGAR
Thief River Falls, MN
New Construction



Part IV. Project
Understanding, Methodology
+ Approach



**A once in
a lifetime
opportunity.**

+ Project Understanding - Describe your firm's understanding of this project in its entirety, including your firm's understanding of the work involved and any identified significant challenges that could impact the progress of the work.

Constructing a new Air Traffic Control Tower is a once in a lifetime opportunity for most members of the aviation community, and an opportunity that will leave a lasting impression on the Duluth skyline. It will provide significant improvements over the existing tower, which is the 3rd oldest in the nation. Below are specific observations our team has made that we believe outline a good understanding of some of the project's constraints, challenges, and items that will require special planning and care during construction:

Building and Cab Demolition:

The scope of work for your new ATCT will include demolition of the existing Hermantown Hydraulics building, with the demolition of the existing tower building being completed outside of the CMAr's scope. The CMAr will be responsible for removing the existing tower Cab only, which must be completed immediately once the new ATCT is online to eliminate a lien of sight conflict.

Bidding and Procurement:

All work will be competitively bid per State and Federal regulations; i.e. public bidding. H+U has never failed to meet our State's uniform municipal contracting statutes or federal procurement requirements. We expect to competitively procure all labor and materials, and will avoid any "grey" areas in the procurement requirements as we do not seek to self-perform trade labor. Many competitors use a "loophole" in the State statutes by self-performing work on a Time & Material basis, which allows them to establish and bill against a labor budget without competitively bidding. We believe this presents a conflict of interest and leaves Owners like DAA susceptible to being overcharged since it eliminates the checks and balances that ensure a fair value is received.

B3 and LEED:

We know that the new ATCT will comply with all B3 requirements and meet the LEED scoring criteria for a Silver certification. H+U Construction is no stranger to sustainable construction, having constructed two of the first 10 LEED Certified buildings in the State of Minnesota, and dozens of B3 projects. Our staff is currently serving on two projects at the MSP Airport that are pursuing LEED Gold certifications; the Safety & Security Center and Terminal 2 Expansion. We also have several ongoing B3 projects including the new Thief River Falls Regional Airport Hangar, Mississippi Gateway Regional Park Redevelopment outside of Minneapolis, and several University of Minnesota projects.

GMP Understanding:

We understand that a GMP must be provided on or before June 19th, 2024, with 70% of the design completed in order to secure project funding. We have confirmed that this date does not conflict with any current obligations, and will lock down our preconstruction team for the weeks preceding the GMP submission to ensure that this critical date is met.

“Mission: The Duluth Airport Authority is committed to delivering a superior airport experience in a safe and secure environment, while enriching the region's economy.”



Project Labor Agreement:

The Airport Authority has agreed to implement a Project Labor Agreement (PLA), which we believe will provide a noteworthy benefit to the project, by limiting concerns with wage rate compliance, providing well trained and equipped labor, and ensuring that any potential labor disputes do not impact the project.

Proximity to the Airfield:

This presents the added challenge of ensuring that the airfield remains clear of debris such as construction waste, packaging, and other ancillary materials that are easily dispersed by the wind or construction traffic. H+U's Superintendents will ensure that the construction area remains free of debris and is cleaned on a daily basis. We will install 8' construction fences as a secondary method of containing any a construction debris as well as providing a continuous security barrier around the site.

Funding:

The project will have multiple funding sources with funds coming from the State and Federal government, with the Federal funding being approved in two parts over the course of up to 3 years. With these funding sources, much or all of the project costs will be reimbursed to DAA as opposed to being granted all at once. Under this approach, many of our clients seek outside financing to bridge the gap between issuing payments and receiving reimbursement. While this may not be a concern for DAA, it is something to plan for.

Specification Coordination:

The specifications for this project will incorporate technical details as well as requirements from multiple governmental agencies. Close coordination of the requirements from the City of Duluth, State of Minnesota, and FAA need to be considered. H+U has completed several projects that have multiple governmental requirements and has the experience to ensure this is done correctly.

Coordination of Government Furnished Equipment (GFE):

Identifying the equipment to be furnished by the FAA early in the design process is critical. We will work with the design team, DLH, and FAA to ensure all rough-in work is provided and incorporated into the design.

Groundwater and Dewatering:

Groundwater was encountered at various levels during the Geotechnical investigation. This usually means the water is perched on impermeable soils or bedrock. Since the tower will most likely require excavating to a depth of at least 8 feet we believe groundwater will be encountered prior to installation of the MAT foundation. We understand \$40,000 was included in the estimate for dewatering and we believe that will be adequate provided the water tables do not rise and the water can be managed with sumps, and pumps. If water tables do rise and heavy infiltration into the excavation is encountered, shallow dewatering wells may need to be installed at a significant cost to the project.

PART IV. PROJECT UNDERSTANDING, METHODOLOGY + APPROACH



We believe construction projects are **far greater** than the sum of their parts.

Approach and Methodology - Describe your firm's approach and methodology to providing CMaR services for this project. Specifically address the following items:

- + Describe your firm's relationship with and utilization of local contractors, sub-contractors, and suppliers. Summarize the firm's experience working with trade labor under the terms of a PLA. Provide specific examples or references. Also share your ability to comply with DBE requirements and past record of compliance.**

Local Labor:

H+U fully appreciates the benefits of working with local contractors. Those benefits include better quality, and providing a direct impact to the local economy. H+U's local relationships span many decades and dozens of large-scale public projects across northern Minnesota; nearly all of which were completed using either Prevailing Wage or Project Labor Agreements (PLA). We frequently work with Duluth-based subcontractors across the state, and have never experienced issues soliciting competitive bids from local contractors in Duluth.

Project Labor Agreements:

Nearly all of H+U's work in the Aviation, K-12 Education, and Higher-Education markets is completed under a PLA. The most relevant client's we've served under PLA's include Duluth Public Schools during construction of the "Red Plan" projects, all projects at MSP Airport within the past 6-years, and St. Paul Public Schools where we've completed 9-projects totaling over \$270M over the past 10-years.

Before executing the PLA, we would recommend confirming that the FAA provided labor will comply with the PLA. It is unlikely that the federally sourced labor is supplied by a non-union contractor, but this must be confirmed to avoid schedule disruptions near the end of the project.

DBE Requirements:

H+U has completed dozens of projects with DBE goals, and has never failed to meet or show a good faith effort toward a subcontracting goal. Our firm puts a great deal of effort into tracking a database of subcontractors, and maintaining current certifications in order to target qualified DBE contractors in our bid marketing efforts. We are actively involved with the Association of Women Contractors (AWC), University of Minnesota's Supplier Diversity Expo, and Minnesota Women in Construction and Real Estate (MNCREW). Our Partners have also worked with the DBE Learning Hub to provide seminars focused on educating disadvantaged subcontractors how to navigate public bidding requirements.





H+U personally contacts **hundreds of qualified bidders**, with an average of approximately 5+ bids per contract

+ Describe your firm's approach to sub-contractor engagement, bid review, and recommendation.

Nearly every project we manage involves publicly bidding work. Although we cannot completely control who wins work, there are steps we take as a Construction Manager to cater to local subcontractors and qualify bids.

We will solicit local subcontractors with personal phone calls from our team to make sure they are aware of the project. During the design phase we will request input from the ownership team about any specific subcontractors they would like targeted. We can't control who sees public advertising for the project, but we can control who we market the project to.

H+U will also tailor the work scopes to fit local subcontractors' capabilities. For example we may split some large contracts into multiple subcontracts to make it easier for certain local subcontractors to bid. One of the downfalls of the public bid process is that the Owner cannot limit bidders to only reputable and qualified subcontractors. H+U uses several methods to review bids received on the project are from qualified subcontractors.

Bid Marketing:

We will facilitate the bid advertisement process and list the project locally in approved Plan Rooms, construction industry publications, and approved local newspapers. We also use computer-based bid solicitation software that includes over 2,000 qualified contractors and subcontractors. The electronic notification system notifies the subcontractors about your project. The program sends a customized "Invitation to Bid" to each subcontractor detailing the bid date, when and where bid documents are available and any special bidding requirements. Our project team will hold Pre-Bid Conferences to clarify subcontractor questions and, in conjunction with the Architect, clarify design details. At bid openings, we will organize and manage the entire process as directed by DAA.

BID MARKETING EFFORTS

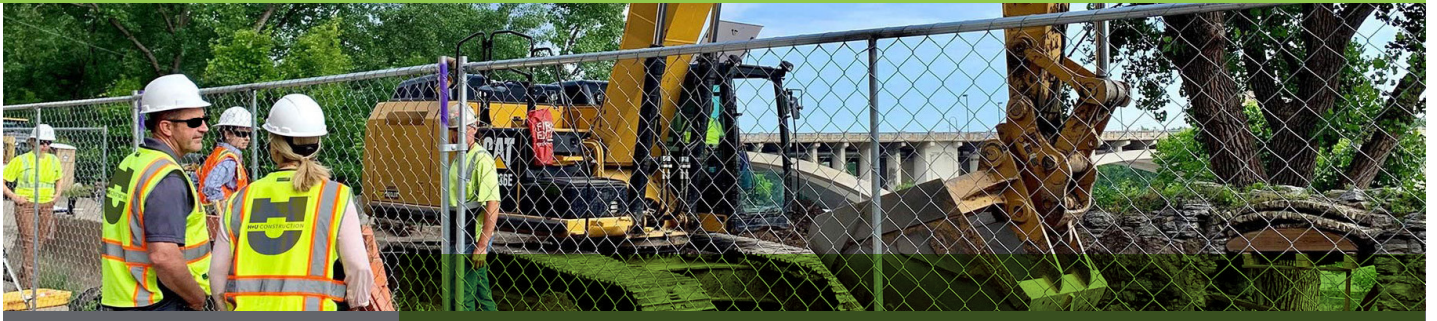
As an example of our bid marketing efforts, H+U made over 300 bid marketing phone calls leading up to the recent City of Newport City Hall + Public Safety Facility Pre-Bid Meeting which was attended by 40 perspective bidders. After reviewing the list of attendees, we began targeting our bid marketing efforts towards divisions of work that were not represented at the Pre-Bid meeting. The end result of these efforts was a total of 153 bids for 23 contracts, with bids received from every applicable trade.

Subcontractor Selection:

After the bids are opened an extensive bid analysis is performed. A Pre-Award Meeting is conducted with each apparent low bidder to make sure that the low bids are acceptable, FAA Form 7460 restrictions are accounted for, and that the schedule outlined in the bid documents is clearly understood. We then prepare a recommendation for the contract award to be presented to DAA for approval.

Once contracts have been approved by the DAA, we will prepare and issue contracts, procure subcontractor bonds, insurance certificates, subcontractor safety plan, Buy American waivers (where applicable), and any other required documentation before beginning construction. During construction, our team will be responsible for documenting any contract changes and keeping DAA informed of the overall program and individual project status.

PART IV. PROJECT UNDERSTANDING, METHODOLOGY + APPROACH



500+ Multi-million-dollar projects completed on-schedule + on-budget.

+ Describe your firm's approach to project schedule development and management.

In over 40 years of operation and with more than 500 projects completed, H+U Construction has never had to delay the opening date of a new or renovated public building. This is a statistic that we are extremely proud of, and one that we strive to maintain year-after-year.

Our team will work with your stakeholders and design team to prepare and maintain a Master Schedule that identifies the timelines for this project. This schedule will serve as a roadmap for the project from design to closeout. We will solicit subcontractor and supplier input during development of the initial schedule, review with the Design Team, and solicit feedback from DAA to identify any areas that will require added coordination and/or notice during construction. At different points during design and construction, our team will prepare the following types of schedules for use in bidding, and coordination during design and construction:

Critical Path, Milestone, and Look-Ahead Schedules will be developed for the project. These schedules will be used to monitor progress, identify timelines for use in bidding and communicate our upcoming activities.

Microsoft Project Scheduling software is used to create and update the progress of Critical Path Schedules. These highly technical schedules are used to document progress, schedule recovery timelines, and identify phasing sequences for various areas of each site. Critical Path Schedules will be used to review the project.

Milestone Schedules will be used to communicate general construction timelines with subcontractors during the bid phase. Milestone dates will be written into the contract documents and subcontractors will be contractually obligated to operate within these timelines.

Look-Ahead Schedules will be prepared for the project on a weekly basis. These schedules will identify the type and location of work that will take place over the following weeks. Look-Ahead Schedules are used to coordinate the activities of various contractors and communicate upcoming activities with the Duluth Airport Authority.

Schedule Management:

Our bid documents will outline the milestone schedule for the project. Contractors will be held to the established schedule and any delays caused by contractors will be documented and discussed. If schedules are compressed by performance issues of a specific contractor, they will be held accountable for costs associated with needed accelerations of other trades. Controlling the schedule also involves clear communication to the contractors. Look ahead schedules will be discussed at weekly meetings to prevent surprises and allow contractors to prepare for upcoming work and sequencing needs. Coordination among the trades on site is part of our Superintendent's duties and he will manage the work so that the project progresses as planned and is delivered on time.

We use a cloud-based project management system, Procore, to help manage all aspects of the project including milestones and timeline progress. Procore also maintains a digital plan set managed by H+U and allows all team members to work from the most up-to-date set of plans which reduces errors and the potential for schedule delays and re-work. Any critical information will also be relayed in person if possible and/or via phone/video calls from our team to DAA, design team, and subcontractors.



H+U has budgeted and/or estimated more than **\$2.5 Billion** of airport improvements within the past 3-years.

+ Describe your firm's approach to project estimating and cost management.

Project Estimating:

A common misconception is that construction funds are determined once a project is bid, when in fact, more than 90% of construction costs are determined before designs are 60% complete. The materials and systems that will go into your building are what determines the cost, much of which is determined in the early design phase. Once a project enters the final design and/or bidding phase, it is often either too late, or too costly to redesign a project to meet either a budget or a need. Many of H+U's most valuable services are provided in the pre-construction phase, as our team works to understand the costs, and propose savings, or value enhancing options. The critical Cost Control steps outlined in further detail below are what will keep your project on-budget, on-schedule, and set up for success.

As the CMaR on this project, H+U understands the responsibility of maintaining the budget and schedule. During preconstruction, we will work with DAA and the design team to ensure that the design is meeting DAA's needs, but not exceeding the established budget. If we determine the budget is in jeopardy, we will consult the design team and make recommendations on areas that must be addressed.

Cost Management:

H+U's estimating process is distinguished from other construction managers by several important factors. First, we communicate - we don't rely on a database for everything. This means we will contact specific trades to receive relevant, project specific, current pricing as needed. Second, we achieve a high level of estimating accuracy by applying the technical expertise of our entire Estimating Resources Group. Each member of our team has a background and technical knowledge in a specific building trade, which helps us to provide not only precise estimates, but also identify constructability issues, value engineering options, and schedule concerns as they apply to specific trades.

H+U will rely on the Mechanical, Electrical, and Low Voltage experts at Paulson & Clark Engineering to prepare Mechanical and Electrical (MEP) estimates, just as they have been doing for our team at MSP Airport for the past 6 years. Our approach to engineering estimates is to "trust but verify", so as an added layer of review, our team will share MEP estimates with trusted subcontractors to provide an added layer of review and confidence with regards to specialty estimates. H+U expects to provide the following estimates for your new ATCT:

Schematic Design (SD) Estimate: These estimates are typically completed at 30% design, and are not specifically called out in the RFP's Scope of Services, but given the expedited design timeline, we believe an SD estimate should be developed immediately upon selection of a CMaR to help on-board, enhance our understanding of the project, and start looking at schedule concepts. H+U will complete an SD estimate based on the 10% or most recent documents immediately upon your CMaR selection.

Design Development (DD) Estimate: Typically completed at 60% design, we would expect to complete a DD estimate at 70% design to serve as the foundation of our GMP. The DD estimate will include a reasonable design contingency to account for undefined design details and specifications, but will set an achievable GMP that will be tracked against the design as plans and details progress. Once the project has been bid, the GMP will be reduced to account for any unused design contingency.

Construction Document (CD) Estimate: The CD estimate will be developed after the GMP is established but prior to bidding, in order to identify any scope changes, help finalize the division of work between contracts, and identify any necessary design clarifications.

PRE CONSTRUCTION SERVICES

The backbone of what we do.

COST ESTIMATING

H+U expects to provide extremely detailed cost estimates consisting of 300 to 400 individual line items.



STAKEHOLDER ENGAGEMENT

H+U expects to participate at stakeholder meetings, provide progress updates, and engage others as requested.



VALUE ENGINEERING

Our value engineering and value management process will begin with the 10% drawings and continues through the GMP estimating, bidding, construction, and post-construction phases.



WORKFORCE PARTICIPATION

H+U's Workforce Participation Plan outlines the steps we'll take to maximize local participation in this project.



CONSTRUCTABILITY REVIEW

H+U will ensure that what is designed can be built without unnecessary RFIs or costs slowing down the Construction Phase.



FAA PROCUREMENT

H+U Construction has extensive experience contracting with Public Agencies and worked with the FAA on several aviation projects, including at MSP and Thief River Falls Airports.



PLAN REVIEW

During the preconstruction phase, our team will invest hundreds of hours estimating and reviewing the plans to minimize design conflicts, reduce construction delays, and ensure we're set up for success in construction.



PUBLIC MEETING ATTENDANCE

H+U will attend public meetings as requested where we can hear and address questions of the Community.



OVER THE PAST 3 YEARS, H+U HAS AVERAGED OVER \$800M ANNUALLY IN COST ESTIMATES FOR AIRPORT CLIENTS.

"SUCCESSFUL CONSTRUCTION PROJECTS DON'T HAPPEN ON ACCIDENT; SUCCESS IS SOMETHING YOU HAVE TO PLAN FOR."

ANDY HOFFMANN, PRECONSTRUCTION DIRECTOR



PART IV. PROJECT UNDERSTANDING, METHODOLOGY + APPROACH



Build with **purpose**. Build for the **greater good**.

+ Describe your firm's experience with Minnesota B3, sustainable construction, LEED design and construction, and documentation.

H+U's experience in green construction has included dozens of B3 projects, 2 of the first 10 LEED Certified buildings in the state of Minnesota, the first Green Globes Certified Fire Station in the nation, and the first "New Construction" building in the state of Minnesota to receive a 3 Green Globe Rating, equivalent to LEED Gold. But our experience is not just historical, it's also recent and ongoing.

H+U is currently serving on two large-scale projects at MSP Airport that are seeking LEED Gold, and several others that are B3 compliant including the new Thief River Falls Regional Airport Cargo Hangar, Mississippi Gateway Regional Park Redevelopment, and two projects for the University of Minnesota.

During design, we will assist with the evaluation of cost for LEED points, and help to determine the most efficient path towards LEED Silver. We will also estimate costs for specific components where requested, to aid in any B3 variance requests just as we've done many times in the past.

H+U will facilitate the construction phase requirements, and include relevant language in the scope of each contract being bid to ensure that we're able to efficiently track construction waste recycling, monitor indoor air quality, and review low VOC product data submittals prior to approval.

With the new ATCT being largely constructed of steel and concrete, the use of recycled or carbon capture materials will present a challenge, as both materials create a sizable carbon footprint. We expect that the design team will mandate recycled content in the structural steel, reuse of recycled aggregates, and identify regional materials that can be sourced for the project.

We would also expect that concrete mix designs include a fly ash additive to reduce the building's carbon footprint, but would recommend that the design team consider a product called CarbonCure, which injects and encases carbon within the concrete to limit the carbon footprint that is inherent in concrete.





H+U has had
ZERO lost
time injuries
within the
past 10 years.

+ Describe your firm's project safety program and any significant violations of your firm's program or State regulations in the past 5 years.

At H+U, safety is the first topic discussed at all on-site meetings, because we believe workers should go home in the same condition they arrived in. H+U is proud to report that we have not had a lost time injury in over a decade, a willful citation in over 5 years, and we maintain an EMR rating of 0.86 which is significantly better than the industry average of 1.0.

H+U's safety program requires that all workers on-site participate in a safety orientation program with our Project Superintendent, our project team requests an OSHA consultation prior to construction, and that we review/maintain a copy of each subcontractor's safety plan on-site. Upon completion of the orientation program, each participant will receive a hardhat sticker that must be worn at all times on-site to signify that they have completed the orientation.

Our team will take a proactive approach to safety on your project, carefully analyzing the needs of our work site, and custom tailor a safety program to meet the unique needs of this project. H+U's Health + Safety Director will ensure that safety procedures are clearly documented and continually reviewed and improved. He will visit the site to conduct a safety audit on a monthly basis, and our Superintendent staff will monitor site safety on a daily basis.

A copy of H+U Construction's written safety program is available upon request.



OUR SAFETY COMMITMENT

Our goal at H+U Construction is to have every member go home in the same condition that they came to work. In order for that to happen, we provide a rigorous health and safety program that includes continuous training, ongoing job site inspections, and a variety of timely safety initiatives. Safety is at the forefront of everything we do as an organization. It is a commitment we make to ourselves, our families, fellow employees, and our clients.

+ Provide your firm's Disadvantaged Business Enterprise (DBE) utilization plan and FAA Buy American requirement compliance in relation to the proposed project.

H+U has a long history of engaging and mentoring DBE firms, including our work with the City of Minneapolis, where our proposed Project Executive and Preconstruction Director helped to develop the processes and procedures for DBE engagement that are now in use for all publicly bid Construction Management projects. Our team will engage select DBE contractors early in the estimating process to solicit feedback and groom them to bid the work. We will specifically focus our bid marketing efforts towards DBE firms, conduct in-person and/or virtual 1-on-1 meetings to explain the bidding process to them, and develop subcontract work scopes that reflect a scope of work that matches local DBE firm's competencies.

H+U has never failed to meet or successfully receive applicable waivers for Buy American requirements. Our Project Executive, Joe Uhlhorn, will be accountable for collecting the applicable documents, compiling the Buy American submittal, and including any necessary waivers; just as he recently did for our ongoing Hangar project at the Thief River Falls Regional Airport.



More than
91% repeat
clients over
the past 10
years.

+ Describe your firm's communication processes during pre-construction and construction phases. How does your firm handle communication for construction meetings and submittals?

Our philosophy of Construction Management is one in which the Owner is served by a firm which leads the construction process from concept through completion, navigating the team through every step of the way. H+U Construction acts as the Owner's advocate - representing your best interests throughout the project.

Early in the preconstruction phase, our staff will work with the design team and DAA to develop a Project Management Plan and establish a meeting schedule. This plan will ultimately be incorporated into our Project Management program, Procure, which will distribute meeting minutes, submittals, Requests for Information, Pay Applications, schedule updates, etc. to the proper contacts at various intervals during construction. H+U's Project Administrator, Lisa Knox, will serve as the Procure Administrator, and provide training for any users who are not familiar with the program including design team or DAA staff, subcontractors, and various other stakeholders. The permissions and documents accessible to various stakeholders can be customized to share only the relevant information with the proper contacts. Procure will also house H+U's daily reports, observation reports, track punchlist completion, and maintain a current plan set, to a comprehensive record of the project.

While emails, and software are extremely useful tools, there is no substitution for the valuable discussions that take place over the phone and in face-to-face meetings. While we appreciate that virtual meetings are effective meeting tools, please know that our team is always open to meeting in person, either at your office, our field office locations, or on-site. We customize all our clients' deliverables, meetings, and communication plans to meet their unique needs and technology abilities.

+ Describe your firm's construction coordination and quality control processes.

During construction, H+U's Project Manager and Superintendent will lead meetings. The meetings will follow a scheduled format addressing important topics such as Owner coordination items, schedule, safety, and other project status updates. The DAA, design team, and subcontractors with upcoming or in-progress work are requested to attend the meetings so that everyone's thoughts and concerns can be heard. We will establish a set meeting time and date as soon as subcontracts are awarded and usually schedule these meetings weekly for approximately 1 hour. Meeting minutes will be posted on Procure for review and documentation.

QA/QC control begins in the design phase as your H+U team begins the design review process and develops the criteria for a project-specific QA/QC program. With input from our trade specific resources, we will identify critical installations that must exceed industry standards, high performance material requirements, and any considerations brought forth by our team, DAA, the design team, or potential bidders. These special requirements will be incorporated into the bid documents and carefully monitored by our on-site team during construction.

H+U will administer daily inspections of all work completed to verify that it is in accordance with the plans and specifications. Subcontractors who do not promptly correct work that is found to be defective shall be back charged for the cost of corrections performed by others. Inspections required by the specifications shall be administered by the responsible parties identified and observed by the installing contractor with a H+U representative present.

PART IV. PROJECT UNDERSTANDING, METHODOLOGY + APPROACH



H+U innovates, using technology to our clients' benefit.

+ Describe any unique qualifications, tools, or processes of your firm's that will be employed for the benefit of this project.

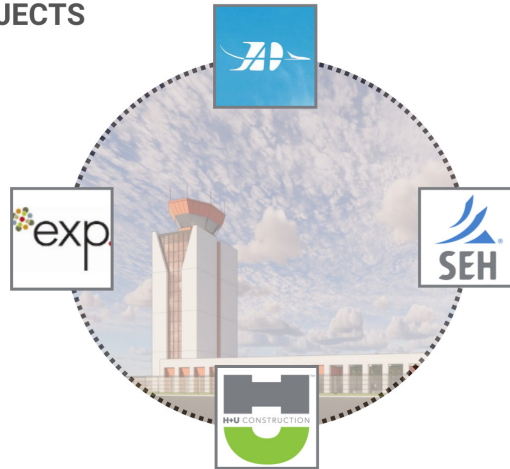
H+U Construction helped to pioneer the use of the Construction Management delivery in Minnesota, and developed many of the practices that are today considered industry standard. We are experts in the practice of professional construction management, and believe that we are the most qualified to oversee the Duluth Airport Authority's construction of the new Air Traffic Control Tower & Base Building at Duluth International Airport for the following reasons:

- 1. Competitive Procurement:** A major difference between H+U and a majority of the firms attending the pre-proposal meeting is that H+U competitively bids every aspect of our projects, and does not propose with the intent of self-performing work that could otherwise be competitively bid. This allows us to better represent our clients' interests without compromising our own, and eliminates any incentive for our firm to exhaust General Conditions and/or trade labor budgets.
- 2. Airport Experience:** H+U has a great deal of experience completing projects at operational airports, including many projects directly adjacent to the airfield. Our team will not have a learning curve, because this project type is typical for our firm.
- 3. This is What We Do!:** We've been serving public clients as a Construction Manager for 40+ years, and developed many of the practices that are today considered industry standard. B3, publicly bidding subcontracts, and working within the public realm are all "status-quo" for our entire team.
- 4. Right Size Firm:** Working with a mid-sized firm, you can expect that your project will receive close personal attention from our firm's leadership. And, with an average project size of \$10.8M over the past 3-years, you can be sure that H+U has the ability to complete projects of a similar scale.
- 5. Risk Management:** H+U was among the first firms in the nation, and was the first firm in the state of Minnesota, to specialize in Construction Management services. Everything from our specifications, to our project management software, and procurement strategies, has been tailored to serve this specific project type under this specific contracting method.
- 6. Communication + Documentation:** Maintaining open lines of communication is critical to the success of any construction project. H+U has many tools to assist with communication and coordination, including our cloud-based project management program; Procore, which is used to share documents, track submittals, issue RFIs, store progress photos, document field observations, and track design changes during construction. We provide the Owner, consultants, and contractors with varying degrees of access to Procore, so the project team can access all the information they need, with real time updates and immediate tracking.
- 7. Innovative Technology:** H+U constantly seeks innovative ways to improve by using technology to our firm's and clients' benefit. We could build a project-specific website to include construction project updates, similarly to what we have developed for the Metropolitan Airports Commission. This could be public or password protected to include as much or as little information and progress updates as desired and approved by the DAA and involved project partners.

+ Sample custom website:



TOGETHER //
COMPLEX PROJECTS
SOLVED.



+ Describe your firm's management approach and methods for developing and implementing the scope of work with the airport, including how to effectively coordinate with multiple stakeholders.

Our team will begin evaluating the scope of work and determining construction Means and Methods while developing the Schematic Estimate. While the scope of work is contractually tied to the design documents prepared by EXP, the methods implemented to construct the ATCT will be determined by H+U. Once the Schematic Estimate has been completed, H+U will meet with the design team and DAA to review our anticipated construction methods, site staging and utilization areas, construction parking plan, and schedule milestones. We will solicit feedback from your stakeholders and make revisions as needed, before specifying these plans within the bid documents and accounting for the applicable costs within the GMP.

Our team specializes in completing complex projects within sensitive operational areas. These projects require that we coordinate with police, operations, tenants, and often airlines to ensure that our work does not interfere with the critical operations of an airport. We start by planning in the design phase for any utility service disruptions, outlining a detailed staging plan for FAA form 7460, and soliciting the input of contractors, suppliers, and our own in-house staff to anticipate potential disruptions before preparing our Disruption Avoidance Plan.

We will communicate our upcoming work with DAA at regular project coordination meetings, and provide daily updates through our cloud-based project management software, Procore. Procore provides our team and clients with a real-time dashboard, hosts all meeting minutes and schedule updates, stores pictures, and ensures that all stakeholders have access to the information they need, as well as a direct line to our on-site staff.

+ Describe your proposed methodology for determining the best value design incorporating aesthetics and building materials.

H+U's first order of business will be to develop a Schematic Design Estimate based on the 10% documents and/or more recent progress drawings. Once the estimate has been completed and reviewed with the design team, our staff will develop a list of alternative building materials and assemblies that may either add value or reduce construction costs.

This list can serve as a menu of options for consideration by DAA and the design team. Some options may be simple to implement, for example changing flooring types to Terrazzo at a cost of roughly \$25/sf, Tile at a cost of roughly \$22/sf, or Polished Concrete at a cost of \$5/sf to \$10/sf depending on the desired aesthetic. Other concepts you may wish to consider could require additional study to price and/or design, including alternative structural, mechanical, or stormwater management systems.

H+U, in conjunction with the design team, can help to explain the pros, cons, and costs of each system you'd like to consider to help your stakeholders make an informed decisions and determine what products or systems will provide the greatest value to for project.

PART IV. PROJECT UNDERSTANDING, METHODOLOGY + APPROACH

+ List any challenges you have identified with the project and how your firm would work to manage them effectively.

Our understanding of the project has identified several challenges in the Project Understanding section of this proposal. Below are several additional considerations, and our approach to addressing them.

Coordination of Government Furnished Equipment (GFE):

GFE provided equipment presents several challenges with regards to design and construction. GFE is typically procured during construction and the specific make/model of equipment is not identified until long after design has been completed and bid. This makes it difficult to coordinate the design with the specific equipment needs including conduit locations and sizes, roof and floor penetrations, and general equipment sizes or layouts. To combat this, we would like to host a series of meetings between the FAA and design team roughly 9-months prior to the GFE installation, with the goal of having the design team and electrical subcontractor review GFE product data before updating (if necessary) the applicable layouts within the design documents. H+U will communicate with DAA, the design team, and FAA to ensure that these meetings are held at proper intervals - if held too early, there may be insufficient or incomplete information, but if held too late in the construction process, changes may impact materials that have already been installed which could result in added costs.

Groundwater/Dewatering:

Groundwater was encountered at various levels during the Geotechnical investigation. This often means the groundwater is perched on impermeable soils or bedrock. Assuming the structure will require deep foundations, we believe groundwater will be encountered prior to installation of the MAT foundation. We understand \$40,000 was included in the FAA estimate for dewatering which should be sufficient to cover the cost of sumps and pumps. If water tables rise and heavy infiltration into the excavation is encountered, shallow dewatering wells may need to be installed at a noteworthy cost to the project. Additionally, the Phase-II Environmental Assessment notes that contingencies should be put in place to account for any previously unidentified conditions which could include underground tanks or asbestos containing materials. We would recommend that the bid form includes unit costs for addressing potential contaminants in either the groundwater or soils, in order to minimize delays during construction and establish competitive costs for addressing these contaminants, if encountered.

Crane and Construction Sequencing:

We believe the tower can be constructed without the erection of a permanent crane, which the FAA may object to. A crawler crane can be used to lower steel and other building components into the tower during construction, allowing for restricted hours of operation if required by the FAA. Furthermore, we believe that the FAA Form 7460 submittal should list a maximum crane height of 165' and an area of operation extending up to 80' away from the ATCT which will be confirmed once structural loads can be determined later in the design phase. Concrete pumping may be completed without the use of a crane or pump truck, by installing a temporary concrete pump and pipe inside the elevator tower. As the concrete forms rise, the pipe will be extended to reach new heights, allowing greater flexibility with the hours of crane and/or pump truck operation.

Compliance with B3 and LEED:

H+U and the design team will be required to monitor two programs and ensure systems, materials, and construction methods comply with the greater of B3 and LEED requirements throughout the design to ensure compliance with both while also complying with FAA regulations. While both programs offer environmental and sustainability benefits, we believe tracking compliance with two programs will create questions that need to be clarified with both programs immediately. H+U will participate in any meetings with these program administrators.

Wage Rates:

Since the project is expected to receive both state and federal funding, the project's wage rates must comply with the greater of Davis Bacon and Prevailing Wages. H+U's team members have encountered this same situation on past projects, and will ensure that the specifications include both wages but clearly identify that the greater of the two will be required for the ATCT project.

Complex Projects Solved

PROPOSAL

WIPAIRE, INC. HEADQUARTERS
Fleming Field - South St. Paul Airport
Renovation



Part V. Demonstrated
Experience

PART V. DEMONSTRATED EXPERIENCE



Metropolitan Airports Commission Safety + Security Center, MSP Airport

Describe your firm's recent relevant experience and qualifications to provide the requested services, specifically Construction Manager at Risk services. Bidders who have experience with airport construction are preferred and may or may not score higher.

H+U frequently serves airports, cities, counties, and education clients as a CMaR. Our firm was a founding member of the 10,000-member Construction Management Association of America (CMAA), and helped to pioneer the use of Construction Management across the Midwest. Within the past year, H+U has served as a CMaR for the Thief River Falls Airport Authority, City of Lake Elmo, University of Minnesota, Delta Airlines, City of Appleton, City of Minnetonka, Wipaire, Inc. (St. Paul Flemming Field), and a variety of private clients.

In addition to our firm's CMaR experience, we also serve as "Construction Coordinator" at MSP Airport; a hybrid role with a scope of services similar to an Owner's Project Manager and CM-Advisor, where we not only provide comprehensive preconstruction services and oversee construction, but are also responsible for coordination between design consultants, Police, Building Officials, FAA, Airport Operations, Testing Agencies, and various other stakeholders.

+ Provide at least five (5) (but not limited to) previous projects completed by your firm or currently in progress that are similar in scope to this proposed project (with 3 completed within the last 5 years), or that you feel give your firm the required experience needed for this project. Do not use more than two pages per project.

Examples of relevant projects are included on the following pages.

+ List and describe any current or ongoing litigation, arbitration and/or claims filed by your firm against any project owner because of a contract dispute.

H+U Construction is not involved with any current or ongoing litigation, arbitration, or claims against any project owner or clients.

+ List and describe any current or ongoing litigation, arbitration and/or claims claim filed against your firm.

H+U is expecting to arbitrate a case with a subcontractor, where the subcontractor has submitted a claim against H+U Construction for additional compensation related to a small stormwater basin that they believe is not clearly defined within the design. The subcontractor has not clearly stated the value of their claim, but it is expected to be in the range of \$30,000.

+ List and describe termination from any projects or cancelled Master Agreements prior to original contract end date in the last ten years.

H+U Construction has never been terminated from a project or had a Master Agreement canceled.

PART V. DEMONSTRATED EXPERIENCE

After serving as the Cost Estimating Consultant for Thief River Falls Regional Airport's new Air Cargo Hangar, H+U Construction was hired to serve as the Construction Manager at Risk (CMaR) for the new building construction on a greenfield site south of the terminal which is currently in the construction phase.

project name:

TVF Air Cargo Hangar

project location:

Thief River Falls, MN

owner and primary contact:

Thief River Falls Regional Airport (TVF)

Name: Mr. Joe Hedrick, Airport Manager

Phone: (218) 681-7680 x7 (O)

(218) 684-1013 (C)

Email: TVFairport@mncable.net

firm's role:

CMaR

project delivery method:

CMaR

CMaR Fees:

\$611,613 (Fee and CM Staff)

proposed construction budget:

\$13,581,945 (GMP)

actual construction cost:

\$13,100,000 (projected)

proposed design + construction schedule:

11/2020 (design start), 4/24/23 -

6/1/24 (construction)

actual design + construction schedule:

11/2020 (design start), 5/1/23 - 6/1/24

(construction)

project description, scope, challenges:

- + H+U was initially hired by SEH to provide pre-design cost estimating services, before being selected to serve as the Airport Authority's Construction Manager.
- + The project received a combination of state federal funding for specific components. H+U was charged with determining the cost of various spaces and what portions of which spaces were eligible for federal funding.
- + Our team developed front-end specifications, including modified FAA specifications, adapted to accommodate the Construction Manager At-Risk delivery method. We facilitated specification review meetings with the FAA to ensure modifications to their specifications were acceptable, and modified our standard division 00 and 01 specifications to adopt FAA's requirements.
- + Since the project is partially funded by the State of Minnesota General Obligation Bonding Funds, it must comply with the State's B3 requirements, which H+U is very familiar with.
- + The project includes a two-bay hangar, support and storage spaces, and an office. Work is being coordinated with an adjacent apron project that will connect to the new hangar once the building is complete.
- + H+U invested a great deal of effort into developing the most economical design possible. Hangar doors, code requirements, structural designs, and even hangar finishes were reviewed with alternates proposed to keep the project within budget, while still complying with state and federal regulations.



PART V. DEMONSTRATED EXPERIENCE

Gate 269 set a new standard for perimeter gates at MSP Airport, and serves as a template for future gate projects at MSP. The project extended beyond the building to incorporate general perimeter security improvements and new screening equipment. The project not only set a new standard in terms of perimeter gate security, but also incorporated innovative sustainable technologies.

project name:

Gate 269

project location:

MSP Airport, Minneapolis, MN

owner and primary contact:

Metropolitan Airports Commission (MAC)

Name: Shona Mosites

Phone: 612-280-9853

Email: shona.mosites@mspmac.org

firm's role:

Construction Coordinator

project delivery method:

Design-Bid-Build

CMaR Fees:

\$260,000

proposed construction budget:

\$6,960,000

actual construction cost:

\$6,703,126

proposed design + construction schedule:

1/2021 (design start), 3/28/22 -

5/15/23 (construction)

actual design + construction schedule:

1/2021 (design start), 3/28/22 -

5/22/23 (construction)

project description, scope, challenges:

- + H+U's team was tasked with estimating a wide variety of innovative sustainability concepts from around the world, with the goal of developing a Net-Zero gate that could be used as a template for future gates at MSP.
- + Gate 269 is the fourth building in the nation to be served by a Darcy Solutions Geothermal System; a new system developed in Minnesota that incorporates a horizontal geothermal well as opposed to a vertical well field and consuming significantly less space on site.
- + In order to preserve funds for the sustainable aspects of the project, H+U was tasked with reducing costs in other areas. Our team developed \$780,000 in owner-approved reductions by recommending an alternative structural system, modifying select finishes, changing roofing products, and switching to a more durable and cost effective masonry system.
- + In addition to the building, which made up roughly 45% of the total budget, the project also upgraded utilities in the area, modified perimeter fencing, realigned roadways, and improved stormwater retention systems.
- + All work was completed under a Project Labor Agreement.



PART V. DEMONSTRATED EXPERIENCE

The Consolidated Loading Dock Facility (CLDF) was the second project H+U served on at the MSP campus. The new building is located in the center of the campus and serves as a landmark at MSP, situated between runways and visible from Terminal 2.

project name:

Consolidated Loading Dock Facility

project location:

MSP Airport, Minneapolis, MN

owner and primary contact:

Metropolitan Airports Commission (MAC)

Name: Mr. Puneet Vedi

Phone: 612-726-8133

Email: puneet.vedi@mspmac.org

firm's role:

Construction Coordinator

project delivery method:

Design-Bid-Build

CMAA Fees:

\$622,500 (Construction Coordinator Fees)

proposed construction budget:

\$9,221,091

actual construction cost:

\$9,186,484

proposed design + construction schedule:

8/14/17 (design start), 6/25/18 - 9/6/19

(construction)

actual design + construction schedule:

8/14/17 (design start), 6/28/18 -

8/31/19 (construction)

project description, scope, challenges:

- + The new CLDF site was selected for operational reasons, but is situated atop a contaminated site. Before construction could begin, hazardous soils were removed and replaced with a large stormwater basin to offset the amount of soil that would need to be imported to balance the site.
- + In addition to the high degree of coordination required for "typical" projects, our team was also tasked with coordinating construction around the needs of an adjacent FedEx facility, where we leased space to house H+U's field office and contractor parking.
- + With H+U's initial estimate exceeding the project budget, our team was tasked with developing \$1.5M in cost reducing options. Our team evaluated four truss and girder designs to identify the system that fit within budget, scrutinized interior finishes, reviewed precast concrete finish options, and recommended loading dock revisions to keep the project within budget, before bidding within 0.4% of H+U's final estimate.
- + AOA fencing was relocated temporarily, allowing the project to be built airside in an effort to reduce badging and screening costs for the bidders.
- + All work was completed under a Project Labor Agreement.



PART V. DEMONSTRATED EXPERIENCE

Design work began for the new Safety + Security Center (SSC) in late 2018 and was nearly complete when Covid-19 hit in early 2020. For funding reasons, the project was divided into two phases, with the first phase scheduled for completion in March of 2024 and the second phase set to break ground in May of this year.

project name:

MAC Safety + Security Center

project location:

MSP Airport, Minneapolis, MN

owner and primary contact:

Metropolitan Airports Commission (MAC)

Name: Mr. Puneet Vedi

Phone: 612-726-8133

Email: puneet.vedi@mspmac.org

firm's role:

Construction Coordinator

project delivery method:

Design-Bid-Build

CMaR Fees:

\$6,500,000 (Construction Coordinator Fees)

proposed construction budget:

\$211,000,000 (Phase 1 & 2)

actual construction cost:

Pending (Phase-2 bids on 2/13/24)

proposed design + construction schedule:

11/2018 (design start), 3/21/22 -

1/6/27 (construction)

actual design + construction schedule:

11/2018 (design start), 3/21/22 -

1/6/27 (construction)

project description, scope, challenges:

- + Phase-1 is nearing completion and consists of a new \$36M, ARFF which is on schedule to be completed this March, Phase-2 will break ground in May and include a new \$175M Airside Operations Center, EOC, ECC, and Airport Police Headquarters.
- + Much like your new ATCT, the project is seeking a LEED Certification (Gold), is federally funded, will be built under a PLA, and is constructed primarily of a steel and concrete structure.
- + Members of H+U's proposed preconstruction team have been serving the project since 2017, as the building has undergone significant scope, schedule, and phasing changes to accommodate the MSP tower, adapt to operational improvements, be divided into two phases, and undergo significant redesign to pursue a LEED Certification late in design.
- + H+U has helped to facilitate senior stakeholder meetings for the project since 2017, where we have been tasked with pricing various stakeholder requests, sustainable concepts, and help explain the pros and cons of various features being considered.
- + Once completed, the new SSC will be among the state's most complex, resilient, redundant, and sustainable facilities in the state.



PART V. DEMONSTRATED EXPERIENCE

DHL, one of the world's leading international express services providers moved its service center facility in Minneapolis to a new, more central airport location to accommodate increased e-commerce demand. The new DHL freight facility at MSP Airport was built to better serve importers and exporters in the area.

project name:

MAC DHL Express Service Point Facility Expansion

project location:

MSP Airport, Minneapolis, MN

owner and primary contact:

Metropolitan Airports Commission (MAC)

Name: Mr. Puneet Vedi

Phone: 612-726-8133

Email: puneet.vedi@mspmac.org

firm's role:

Construction Coordinator

project delivery method:

\$299,000 (Construction Coordinator Fees)

CMAA Fees:

\$5,565,619

proposed construction budget:

\$5,298,296

actual construction cost:

\$6,167,516

proposed design + construction schedule:

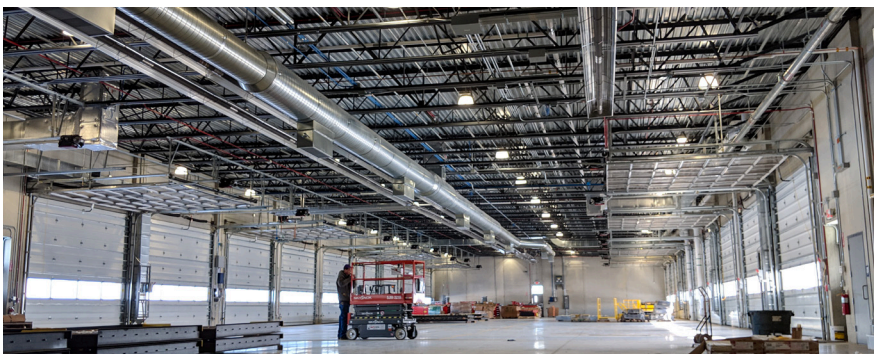
6/20/17 (design start), 4/1/18 - 1/21/19 (construction)

actual design + construction schedule:

6/20/17 (design start), 5/16/18 - 1/22/19 (construction)

project description, scope, challenges:

- + H+U began serving the project during the pre-design phase, where we worked with MAC, DHL, and leasing agents to develop budgets, schedules, alternates, phasing plans, security protocols, and \$624,000 in value engineering options.
- + All work was completed while the building remained fully operational, and without any noted delays in the shipping process. AOA fence was temporarily relocated during construction, to keep all construction activities landside.
- + H+U proposed appropriate deviations from MAC Design standards to maintain the project within budget during the design phase, which MAC allowed since the building is operated by DHL.
- + With multiple contractors who had not worked at MSP or any airport previously, H+U worked to ensure that the contractors would be successful by organizing team meetings with airport code officials, police, and trades staff to on-board the team and ensured that security protocols, 7460 restrictions, etc. were understood.
- + Work was completed on-schedule, just prior to the 2018 holiday shipping season. The project was also completed below budget, which returned savings to the Owner and resulted in lower lease costs for DHL.
- + This project was served by several of our proposed team members including our Project Executive, Preconstruction Director, and Sr. Project Superintendent.



PART V. DEMONSTRATED EXPERIENCE

H+U provided Construction Management services for the Duluth Public School District's \$140 million building program which included additions and extensive renovations to Denfeld High School, Myers-Wilkins Elementary School, Laura MacArthur Elementary as well as Duluth East High School which include a new athletic complex.

project name:

Duluth East High School

project location:

Duluth, MN

owner and primary contact:

Duluth Public Schools

Name: Kerry Leider, former Facilities Dir.

Phone: 218-343-2894

Email: kerry.m.leider@gmail.com

firm's role:

Construction Manager-Advisor

project delivery method:

Construction Manager-Advisor

CMaR Fees:

\$4,200,000

proposed construction budget:

\$65,000,000

actual construction cost:

\$63,370,400

proposed design + construction schedule:

1/2009 (design start) 6/8/09 - 8/1/11

(construction)

actual design + construction schedule:

1/2009 (design start) 6/8/09 - 7/29/11

(construction)

project description, scope, challenges:

- + East High School was served by two of H+U's proposed team members; Andy Hoffmann and Todd Iverson who also served on H+U's Denfeld High School and Meyers-Wilkins Elementary teams while Andy lived in Duluth.
- + With the north side of the building largely built below grade, it was constructed with the largest mat footing our firm has ever completed, spanning over 35' wide in areas and roughly 200' long, to support a cast in place foundation wall over 30' tall and more than 4' thick at its base.
- + East High School was designed to meet LEED Silver requirements, but stakeholders elected not to certify the building as a cost savings measure.
- + A complicated project, our team demolished the existing Ordean Middle School down to its structure, before doubling the building's size and completely renovating the interior.
- + The project was completed under a PLA, and our proposed Preconstruction Director personally led preconstruction meetings with union officials and contractors to review the PLA requirements, discuss assignment of labor, and ensure that the PLA was strictly adhered to.
- + Also pictured below is the 120' tall clock tower at Denfeld High School, which our team fully restored as part of a \$45M addition and renovation to the historic building.



Complex Projects Solved

PROPOSAL

Part VI. Fee Proposal

MSP TERMINAL 2 VARIOUS PROJECTS
MSP Airport - Minneapolis, MN
Renovations + Additions



PART VI. FEE PROPOSAL

The Fee Proposal shall be submitted in a separate sealed envelope marked with "Fee Proposal", the project name and proposing firm's name. CMAr fees include preconstruction services, construction management fee, and general conditions, and will all be evaluated with the CMAr selection.

As requested in the RFP instructions, our Fee Proposal is included in a separate envelop and electronically as a separate PDF file.



WHY H+U?



What makes H+U Construction different from our competition? It's our people, their commitment to a job well done, their dedication to our clients, and the determination to be the best they can be through continuous learning and refinement of their skills in Construction Management.

Our teamwork philosophy spreads far beyond our office walls and runs deep between our collaborative work with all our partners, clients, architects, engineers, contractors, owners, and communities we work with - resulting in strong, long-lasting relationships.



20M+ S/F OF SPACE BUILT IN MINNESOTA



Complex Projects Solved

PROPOSAL

Appendix: Other Related
Documentation

MAC SAFETY + SECURITY CENTER
MSP Airport - Minneapolis, MN
New Construction



11. MANDATORY DISCLOSURES

1. Their proposal has been developed by the Bidder independently and has been submitted without collusion with and without agreement, understanding, or planned common course of action with any other vendor or suppliers of materials, supplies, equipment, or services described in the Request for Proposals, designed to limit independent bidding or competition, and that the contents of the proposal have not been communicated by the Bidder or its employees or agents to any person not an employee or agent of the Bidder.

This proposal has been developed independently by H+U Construction.

2. There is no conflict of interest. A conflict of interest exists if a Bidder has any interest that would actually conflict, or has the appearance of conflicting, in any manner or degree with the performance of work on the project. If there are potential conflicts, identify the municipalities, developers, and other public or private entities with whom your company is currently, or have been, employed and which may be affected.

H+U Construction has no known potential conflicts of interest that would actually conflict, or has the appearance of conflicting, in any manner or degree with the performance of work on the project.

3. It is not currently under suspension or debarment by the State of Minnesota, any other state or the federal government.

H+U Construction is not currently under suspension or debarment by the State of Minnesota, any other state or the federal government.

4. The company is either organized under Minnesota law or has a Certificate of Authority from the Minnesota Secretary of State to do business in Minnesota, in accordance with the requirements in M.S. 303.03.

H+U Construction is organized under Minnesota law.

1. Minnesota Department of Human Rights Affirmative Action Certification:

A. Under MN Statute §473.144, DAA may not accept any bid or proposal for a contract or execute a contract for goods or services in excess of \$100,000 with any business having more than forty (40) full-time employees within Minnesota on a single working day during the previous twelve (12) months, unless the firm or business has an affirmative action plan for the employment of minority persons, women, and qualified disabled individuals that has been approved by the Commissioner of the Minnesota Department of Human Rights. Further, DAA may not accept any bid or proposal for a contract or execute a contract for goods or services in excess of \$100,000 with any business having more than forty (40) full-time employees on a single working day during the previous twelve (12) months in the state where the business has its primary place of business, unless the business has a certificate of compliance issued by the Commissioner of the State of Minnesota Department of Human Rights or the business certifies to DAA that it is in compliance with federal affirmative action requirements. Each firm submitting a proposal must transmit documentation indicating the firm's compliance or exemption from the above requirements.

As evidence of compliance with the Minnesota Department of Human Rights, we have provided copies of our current Workforce Certificate of Compliance and Equal Pay Certificate on the following pages.



October 13, 2023

SENT ELECTRONICALLY BY EMAIL

HOFFMANN + UHLHORN CONSTRUCTION INC DBA H+U CONSTRUCTION
5555 W 78TH ST STE A
MINNEAPOLIS MN 55439
ATTN: Joseph Uhlhorn

Re: Workforce Certificate of Compliance Approval

Congratulations! The Minnesota Department of Human Rights (MDHR) has approved your Workforce Certificate of Compliance. This certificate will provide your business the opportunity to bid on state and metropolitan agency contracts that are \$100,000 or more. To ensure compliance with your certificate, the Office of Equity and Inclusion for Minnesota Businesses is tasked with oversight of your progress in executing your Affirmative Action Plan.

The Office of Equity and Inclusion for Minnesota Businesses is excited to partner with your organization in creating and implementing policies that foster equity, diversity, and inclusion. The Office of Equity and Inclusion will support your affirmative action plan commitments by providing trainings, toolkits, and technical guidance to ensure that your workforce reflects the communities it is a part of and to prevent workplace discrimination.

The following resources are included in this packet to guide you through the implementation process:

- ❖ Workforce Certificate of Compliance
- ❖ Affirmative Action Plan (AAP) implementation checklist
- ❖ Annual Compliance Report help guide
- ❖ Equity and Inclusion Quick Card
- ❖ Community Referral organizations
- ❖ "Your Rights" Poster

Keep in mind, in order to assess your organization's good faith efforts in implementing the Affirmative Action Plan and to evaluate compliance with equal employment opportunity laws, MDHR will periodically request supporting documentation from you.

AN EQUAL OPPORTUNITY EMPLOYER
540 Fairview Ave N, Suite 201 ☎ St. Paul, MN 55104 ☎ Tel 651.539.1100
MN Relay 711 or 1.800.627.3529 ☎ Toll Free 1.800.657.3704 ☎ mn.gov/mdhr

Rev 10/14/2021

APPENDIX: OTHER RELATED DOCUMENTATION



WORKFORCE CERTIFICATE OF COMPLIANCE

The Commissioner of the Minnesota Department of Human Rights by the signature below attests that **HOFFMANN + UHLHORN CONSTRUCTION INC DBA H+U CONSTRUCTION** is hereby certified as a contractor under the Minnesota Human Rights Act, § 363A.

Certificate start date: **10/13/2023**

Certificate expiration date: **10/12/2027**

Minnesota Department of Human Rights

FOR THE DEPARTMENT BY:

A handwritten signature in black ink, appearing to read 'R. Lucero', written over a faint horizontal line.

Rebecca Lucero, Commissioner

AN EQUAL OPPORTUNITY EMPLOYER

540 Fairview Ave N, Suite 201 ☞ St. Paul, MN 55104 ☞ Tel 651.539.1100
MN Relay 711 or 1.800.627.3529 ☞ Toll Free 1.800.657.3704 ☞ mn.gov/mdhr



November 18, 2022

SENT ELECTRONICALLY BY EMAIL

Hoffmann + Uhlhorn Construction Inc DBA H+U Construction
5555 W 78th St
Ste A
Golden Valley MN 55439
ATTN: Joseph Uhlhorn CFO Partner

Re: Equal Pay Certificate of Compliance Approval

Congratulations! The Minnesota Department of Human Rights (MDHR) has reviewed and approved your business's application for an Equal Pay Certificate of Compliance. This certificate allows you to execute contracts of \$500,000 or more for state and metropolitan agencies.

The Office of Equity and Inclusion for Minnesota Businesses is excited to partner with your organization in creating and implementing policies that foster equity, diversity, and inclusion. The Office of Equity and Inclusion will support your equal pay commitments by providing trainings, toolkits, and technical guidance to ensure that your workforce reflects the communities it is a part of and to prevent workplace discrimination.

The Office of Equity and Inclusion for Minnesota Businesses is tasked with oversight of your good faith efforts to comply with equal pay laws and may periodically request information from you.

Through our partnership, MDHR is committed in its goal of creating a world where everyone can lead full lives, rich with dignity and joy.

If you have any questions, contact the Office of Equity and Inclusion at compliance.mdhr@state.mn.us or 651-539-1095.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Lucero'.

Rebecca Lucero, Commissioner
Minnesota Department of Human Rights

AN EQUAL OPPORTUNITY EMPLOYER

540 Fairview Ave N, Suite 201 • St. Paul, MN 55104 • Tel 651.539.1100
MN Relay 711 or 1.800.627.3529 • Toll Free 1.800.657.3704 • mn.gov/mdhr



EQUAL PAY CERTIFICATE OF COMPLIANCE

The Commissioner of the Minnesota Department of Human Rights by the signature below attests that **Hoffmann + Uhlhorn Construction Inc DBA H+U Construction** is hereby certified as a contractor under the Minnesota Human Rights Act, § 363A.44.

Certificate start date: **November 18, 2022**

Certificate expiration date: **November 17, 2026**

Minnesota Department of Human Rights

FOR THE DEPARTMENT BY:

A handwritten signature in black ink, appearing to read 'R. Lucero', written over a horizontal line.

Rebecca Lucero, Commissioner

AN EQUAL OPPORTUNITY EMPLOYER

540 Fairview Ave N, Suite 201 • St. Paul, MN 55104 • Tel 651.539.1100
MN Relay 711 or 1.800.627.3529 • Toll Free 1.800.657.3704 • mn.gov/mdhr

2. Minnesota Government Data Practices Act

B. Data supplied in response to this RFP by businesses, firms and individuals is governed by the Minnesota Government Data Practices Act in that:

1. The information requested will be used to evaluate each proposer's Proposals.
2. The proposer is not legally required to supply this information; however, failure to supply the information requested may result in that SOQ receiving lesser consideration and a determination by DAA that the SOQ is non-responsive.
3. The public is authorized to receive the information that is not classified by law as private, confidential, or non-public data. The proposer is responsible to clearly identify any data classified by law as private, confidential or non-public data and to provide the specific basis for the classification when the data is submitted to DAA.

H+U Construction has no data contained in this RFP response that is classified by law as private, confidential or non-public data.

SECTION 20 PROPOSAL REQUIREMENTS AND CONDITIONS

20-01 Advertisement (Notice to Bidders). Included as part of the Construction Manager at Risk Request for Proposals

20-02 Qualification of bidders. Each bidder shall submit evidence of competency and evidence of financial responsibility to perform the work to the Owner at the time of bid opening.

Evidence of competency, unless otherwise specified, shall consist of statements covering the bidder's past experience on similar work, and a list of equipment and a list of key personnel that would be available for the work.

Each bidder shall furnish the Owner satisfactory evidence of their financial responsibility. Evidence of financial responsibility, unless otherwise specified, shall consist of a confidential statement or report of the bidder's financial resources and liabilities as of the last calendar year or the bidder's last fiscal year. Such statements or reports shall be certified by a public accountant. At the time of submitting such financial statements or reports, the bidder shall further certify whether their financial responsibility is approximately the same as stated or reported by the public accountant. If the bidder's financial responsibility has changed, the bidder shall qualify the public accountant's statement or report to reflect the bidder's true financial condition at the time such qualified statement or report is submitted to the Owner.

Unless otherwise specified, a bidder may submit evidence that they are prequalified with the State Highway Division and are on the current "bidder's list" of the state in which the proposed work is located. Evidence of State Highway Division prequalification may be submitted as evidence of financial responsibility in lieu of the certified statements or reports specified above.

If selected, H+U Construction will provide satisfactory evidence of our Company's financial strength and capabilities to deliver this project. This will include reviewed financial statements and performance and payment bonds for the GMP amount.

APPENDIX: OTHER RELATED DOCUMENTATION

A4.3.2 Certification of Compliance with FAA Buy American Preference – Construction Projects

As a matter of bid responsiveness, the bidder or offeror must complete, sign, date, and submit this certification statement with its proposal. The bidder or offeror must indicate how it intends to comply with 49 USC § 50101, BABA and other related Made in America Laws, U.S. statutes, guidance, and FAA policies, by selecting one of the following certification statements. These statements are mutually exclusive. Bidder must select one or the other (i.e., not both) by inserting a checkmark (✓) or the letter “X”.

- Bidder or offeror hereby certifies that it will comply with 49 USC § 50101, BABA and other related U.S. statutes, guidance, and policies of the FAA by:
- Only installing iron, steel and manufactured products produced in the United States;
 - Only installing construction materials defined as: an article, material, or supply – other than an item of primarily iron or steel; a manufactured product; cement and cementitious materials; aggregates such as stone, sand, or gravel; or aggregate binding agents or additives that are or consist primarily of non-ferrous metals; plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables); glass (including optic glass); lumber or drywall that have been manufactured in the United States.
 - Installing manufactured products for which the FAA has issued a waiver as indicated by inclusion on the current FAA Nationwide Buy American Waivers Issued listing; or
 - Installing products listed as an Excepted Article, Material or Supply in Federal Acquisition Regulation Subpart 25.108.

By selecting this certification statement, the bidder or offeror agrees:

- To provide to the Airport Sponsor or the FAA evidence that documents the source and origin of the iron, steel, and/or manufactured product.
 - To faithfully comply with providing U.S. domestic products.
 - To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.
 - Certify that all construction materials used in the project are manufactured in the U.S.
- The bidder or offeror hereby certifies it cannot comply with the 100 percent Buy American Preferences of 49 USC § 50101(a) but may qualify for a Type 3 or Type 4 waiver under 49 USC § 50101(b). By selecting this certification statement, the apparent bidder or offeror with the apparent low bid agrees:
- To submit to the Airport Sponsor or FAA within 15 calendar days of being selected as the responsive bidder, a formal waiver request and required documentation that supports the type of waiver being requested.
 - That failure to submit the required documentation within the specified timeframe is cause for a non-responsive determination that may result in rejection of the proposal.
 - To faithfully comply with providing U.S. domestic products at or above the approved U.S. domestic content percentage as approved by the FAA.
 - To furnish U.S. domestic product for any waiver request that the FAA rejects.
 - To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.

Required Documentation

Type 2 Waiver (Nonavailability) – The iron, steel, manufactured goods or construction materials or manufactured goods are not available in sufficient quantity or quality in the United States. The required documentation for the Nonavailability waiver is:

- Completed Content Percentage Worksheet and Final Assembly Questionnaire
- Record of thorough market research, consideration where appropriate of qualifying alternate items, products, or materials including;
- A description of the market research activities and methods used to identify domestically manufactured items capable of satisfying the requirement, including the timing of the research and conclusions reached on the availability of sources.

APPENDIX: OTHER RELATED DOCUMENTATION

Type 3 Waiver – The cost of components and subcomponents produced in the United States is more than 60 percent of the cost of all components and subcomponents of the “facility/project.” The required documentation for a Type 3 waiver is:

- a) Completed Content Percentage Worksheet and Final Assembly Questionnaire including;
- b) Listing of all manufactured products that are not comprised of 100 percent U.S. domestic content (excludes products listed on the FAA Nationwide Buy American Waivers Issued listing and products excluded by Federal Acquisition Regulation Subpart 25.108; products of unknown origin must be considered as non-domestic products in their entirety).
- c) Cost of non-domestic components and subcomponents, excluding labor costs associated with final assembly and installation at project location.
- d) Percentage of non-domestic component and subcomponent cost as compared to total “facility” component and subcomponent costs, excluding labor costs associated with final assembly and installation at project location.

Type 4 Waiver (Unreasonable Costs) - Applying this provision for iron, steel, manufactured goods or construction materials would increase the cost of the overall project by more than 25 percent. The required documentation for this waiver is:

- a) A completed Content Percentage Worksheet and Final Assembly Questionnaire from
- b) At minimum two comparable equal bids and/or offers;
- c) Receipt or record that demonstrates that supplier scouting called for in Executive Order 14005, indicates that no domestic source exists for the project and/or component;
- d) Completed waiver applications for each comparable bid and/or offer.

False Statements: Per 49 USC § 47126, this certification concerns a matter within the jurisdiction of the FAA and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code.

February 2, 2024

Date

Hoffmann + Uhlhorn Construction, Inc.
Company Name



Signature

Project Executive/CFO/Partner
Title

APPENDIX: OTHER RELATED DOCUMENTATION

A4.3.3 Certification of Compliance with FAA Buy American Preference – Equipment/Building Projects

As a matter of bid responsiveness, the bidder or offeror must complete, sign, date, and submit this certification statement with their proposal. The bidder or offeror must indicate how they intend to comply with 49 USC § 50101, and other Made in America Laws, U.S. statutes, guidance, and FAA policies by selecting one on the following certification statements. These statements are mutually exclusive. Bidder must select one or the other (not both) by inserting a checkmark (✓) or the letter "X".

- Bidder or offeror hereby certifies that it will comply with 49 USC § 50101, BABA and other related U.S. statutes, guidance, and policies of the FAA by:
- Only installing steel and manufactured products produced in the United States;
 - Only installing construction materials defined as: an article, material, or supply – other than an item of primarily iron or steel; a manufactured product; cement and cementitious materials; aggregates such as stone, sand, or gravel; or aggregate binding agents or additives that are or consist primarily of non-ferrous metals; plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables); glass (including optic glass); lumber or drywall that have been manufactured in the United States.
 - Installing manufactured products for which the FAA has issued a waiver as indicated by inclusion on the current FAA Nationwide Buy American Waivers Issued listing; or
 - Installing products listed as an Excepted Article, Material or Supply in Federal Acquisition Regulation Subpart 25.108.

By selecting this certification statement, the bidder or offeror agrees:

- To provide to the Airport Sponsor or FAA evidence that documents the source and origin of the steel and manufactured product.
 - To faithfully comply with providing U.S. domestic product.
 - To furnish U.S. domestic product for any waiver request that the FAA rejects.
 - To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.
- The bidder or offeror hereby certifies it cannot comply with the 100 percent Buy American Preferences of 49 USC § 50101(a) but may qualify for a Type 3 waiver under 49 USC § 50101(b). By selecting this certification statement, the apparent bidder or offeror with the apparent low bid agrees:
- To submit to the Airport Sponsor or FAA within 15 calendar days of being selected as the responsive bidder, a formal waiver request and required documentation that supports the type of waiver being requested.
 - That failure to submit the required documentation within the specified timeframe is cause for a non-responsive determination that may result in rejection of the proposal.
 - To faithfully comply with providing U.S. domestic products at or above the approved U.S. domestic content percentage as approved by the FAA.
 - To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.

Required Documentation

Type 2 Waiver (Nonavailability) - The iron, steel, manufactured goods or construction materials are not available in sufficient quantity or quality in the United States. The required documentation for the Nonavailability waiver is:

- Completed Content Percentage Worksheet and Final Assembly Questionnaire
- Record of thorough market research, consideration where appropriate of qualifying alternate items, products, or materials including;
- A description of the market research activities and methods used to identify domestically manufactured items capable of satisfying the requirement, including the timing of the research and conclusions reached on the availability of sources.

APPENDIX: OTHER RELATED DOCUMENTATION

Type 3 Waiver – The cost of the item components and subcomponents produced in the United States is more than 60 percent of the cost of all components and subcomponents of the “item”. The required documentation for a Type 3 waiver is:

- a) Completed Content Percentage Worksheet and Final Assembly Questionnaire including;
- b) Listing of all product components and subcomponents that are not comprised of 100 percent U.S. domestic content (Excludes products listed on the FAA Nationwide Buy American Waivers Issued listing and products excluded by Federal Acquisition Regulation Subpart 25.108 (products of unknown origin must be considered as non-domestic products in their entirety).
- c) Cost of non-domestic components and subcomponents, excluding labor costs associated with final assembly at place of manufacture.
- d) Percentage of non-domestic component and subcomponent cost as compared to total “item” component and subcomponent costs, excluding labor costs associated with final assembly at place of manufacture.

Type 4 Waiver (Unreasonable Costs) - Applying this provision for iron, steel, manufactured goods or construction materials, would increase the cost of the overall project by more than 25 percent. The required documentation for this waiver is:


- a) Completed Content Percentage Worksheet and Final Assembly Questionnaire from
- b) At minimum two comparable equal bidders and/or offerors;
- c) Receipt or record that demonstrates that supplier scouting called for in Executive Order 14005, indicates that no domestic source exists for the project and/or component;
- d) Completed waiver applications for each comparable bid and/or offer.

False Statements: Per 49 USC § 47126, this certification concerns a matter within the jurisdiction of the FAA and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code.

February 2, 2024

Date
Hoffmann + Uhlhorn Construction, Inc.

Company Name



Signature
Project Executive/CFO/Partner

Title

A12 Disadvantaged Business Enterprise

A12.3.1 Solicitation Language (Solicitations that include a Contract Goal)

Bid Information Submitted as a matter of **responsiveness**:

The Owner's award of this contract is conditioned upon Bidder or Offeror satisfying the good faith effort requirements of 49 CFR § 26.53.

As a condition of responsiveness, the Bidder or Offeror must submit the following information with its proposal on the forms provided herein:

- 1) The names and addresses of Disadvantaged Business Enterprise (DBE) firms that will participate in the contract;
- 2) A description of the work that each DBE firm will perform;
- 3) The dollar amount of the participation of each DBE firm listed under (1);
- 4) Written statement from Bidder or Offeror that attests their commitment to use the DBE firm(s) listed under (1) to meet the Owner's project goal
- 5) Written confirmation from each listed DBE firm that it is participating in the contract in the kind and amount of work provided in the prime contractor's commitment; and
- 6) If Bidder or Offeror cannot meet the advertised project DBE goal, evidence of good faith efforts undertaken by the Bidder or Offeror as described in appendix A to 49 CFR part 26. The documentation of good faith efforts must include copies of each DBE and non-DBE subcontractor quote submitted to the bidder when a non-DBE subcontractor was selected over a DBE for work on the contract.

Bid Information submitted as a matter of **responsibility**:

The Owner's award of this contract is conditioned upon Bidder or Offeror satisfying the good faith effort requirements of 49 CFR § 26.53.

As a condition of responsibility, every Bidder or Offeror must submit the following information on the forms provided herein within five days after bid opening.

- 1) The names and addresses of Disadvantaged Business Enterprise (DBE) firms that will participate in the contract;
- 2) A description of the work that each DBE firm will perform;
- 3) The dollar amount of the participation of each DBE firm listed under (1);
- 4) Written statement from Bidder or Offeror that attests their commitment to use the DBE firm(s) listed under (1) to meet the Owner's project goal;
- 5) Written confirmation from each listed DBE firm that it is participating in the contract in the kind and amount of work provided in the prime contractor's commitment; and
- 6) If Bidder or Offeror cannot meet the advertised project DBE goal, evidence of good faith efforts undertaken by the Bidder or Offeror as described in appendix A to 49 CFR part 26. The documentation of good faith efforts must include copies of each DBE and non-DBE subcontractor quote submitted to the bidder when a non-DBE subcontractor was selected over a DBE for work on the contract.

A12.3.2 Solicitation Language (Race/Gender Neutral Means)

The requirements of 49 CFR part 26 apply to this contract. It is the policy of the Owner to practice nondiscrimination based on race, color, sex, or national origin in the award or performance of this contract. The Owner encourages participation by all firms qualifying under this solicitation regardless of business size or ownership.

A12.3.3 Prime Contracts (Contracts Covered by a DBE Program)

Contract Assurance (49 CFR § 26.13; mandatory text provided) –

The Contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to:

- 1) Withholding monthly progress payments;

APPENDIX: OTHER RELATED DOCUMENTATION

A24 Tax Delinquency and Felony Convictions

A24.3 Certification of Offeror/Bidder Regarding Tax Delinquency and Felony Convictions

The applicant must complete the following two certification statements. The applicant must indicate its current status as it relates to tax delinquency and felony conviction by inserting a checkmark (✓) in the space following the applicable response. The applicant agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification in all lower tier subcontracts.

Certifications

- 1) The applicant represents that it is is not a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.
- 2) The applicant represents that it is is not a corporation that was convicted of a criminal violation under any Federal law within the preceding 24 months.

Note

If an applicant responds in the affirmative to either of the above representations, the applicant is ineligible to receive an award unless the Sponsor has received notification from the agency suspension and debarment official (SDO) that the SDO has considered suspension or debarment and determined that further action is not required to protect the Government's interests. The applicant therefore must provide information to the owner about its tax liability or conviction to the Owner, who will then notify the FAA Airports District Office, which will then notify the agency's SDO to facilitate completion of the required considerations before award decisions are made.

Term Definitions

Felony conviction: Felony conviction means a conviction within the preceding twenty four (24) months of a felony criminal violation under any Federal law and includes conviction of an offense defined in a section of the U.S. Code that specifically classifies the offense as a felony and conviction of an offense that is classified as a felony under 18 USC § 3559.

Tax Delinquency: A tax delinquency is any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.



CONSTRUCTION MANAGEMENT + GENERAL CONTRACTING + OWNER REPRESENTATION + CONSTRUCTION CONSULTING

5555 West 78th Street, Suite A / Minneapolis, MN 55439 / info@hu-construction.com / www.hu-construction.com



AIA® Document A133® – 2019

Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price

AGREEMENT made as of the 9th day of April in the year 2024
(In words, indicate day, month, and year.)

BETWEEN the Owner:
(Name, legal status, address, and other information)

Duluth Airport Authority
4701 Grinden Drive
Duluth, MN 55811

and the Construction Manager:
(Name, legal status, address, and other information)

Hoffmann + Uhlhorn Construction, Inc.
5555 W 78th Street, Suite A
Minneapolis, MN 55439

for the following Project:
(Name, location, and detailed description)

Air Traffic Control Tower and Base Building
Site 6, Duluth International Airport
Duluth, MN

The Architect:
(Name, legal status, address, and other information)

EXP U.S. Services, Inc.
205 North Michigan Avenue
Suite 3600
Chicago, IL 60601

The Owner and Construction Manager agree as follows.

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201™–2017, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

TABLE OF ARTICLES

1	INITIAL INFORMATION
2	GENERAL PROVISIONS
3	CONSTRUCTION MANAGER'S RESPONSIBILITIES
4	OWNER'S RESPONSIBILITIES
5	COMPENSATION AND PAYMENTS FOR PRECONSTRUCTION PHASE SERVICES
6	COMPENSATION FOR CONSTRUCTION PHASE SERVICES
7	COST OF THE WORK FOR CONSTRUCTION PHASE
8	DISCOUNTS, REBATES, AND REFUNDS
9	SUBCONTRACTS AND OTHER AGREEMENTS
10	ACCOUNTING RECORDS
11	PAYMENTS FOR CONSTRUCTION PHASE SERVICES
12	DISPUTE RESOLUTION
13	TERMINATION OR SUSPENSION
14	MISCELLANEOUS PROVISIONS
15	SCOPE OF THE AGREEMENT

EXHIBIT A GUARANTEED MAXIMUM PRICE AMENDMENT

EXHIBIT B INSURANCE AND BONDS

ARTICLE 1 INITIAL INFORMATION

§ 1.1 This Agreement is based on the Initial Information set forth in this Section 1.1.

(For each item in this section, insert the information or a statement such as "not applicable" or "unknown at time of execution.")

§ 1.1.1 The Owner's program for the Project, as described in Section 4.1.1:

(Insert the Owner's program, identify documentation that establishes the Owner's program, or state the manner in which the program will be developed.)

The Owner's program for the project is outlined in DAA's Construction Manager at Risk Request for Proposals dated January 4, 2024, and subsequent addenda 1-4 issued and related to the RFP. The Owner's program will continue to be developed throughout the preconstruction phase of the work.

§ 1.1.2 The Project's physical characteristics:

(Identify or describe pertinent information about the Project's physical characteristics, such as size; location; dimensions; geotechnical reports; site boundaries; topographic surveys; traffic and utility studies; availability of public and private utilities and services; legal description of the site, etc.)

The physical characteristics of the Project are outlined in addenda 4 of the RFP issued January 26, 2024.

§ 1.1.3 The Owner's budget for the Guaranteed Maximum Price, as defined in Article 6:

(Provide total and, if known, a line item breakdown.)

Init.

/

The estimated cost of the ATCT replacement is \$66M; this includes \$44M for predesign work, design, ATCT construction and several enabling projects and \$22M for specific FAA equipment, design, etc.

§ 1.1.4 The Owner’s anticipated design and construction milestone dates:

.1 Design phase milestone dates, if any:

10% documents issued 1/26/2024
35% documents issued 3/29/2024
70% documents issued 6/7/2024
100% documents issued 8/23/2024

.2 Construction commencement date:

The construction commencement date is expected in the Spring of 2025 but work may commence earlier depending on funding and site preparation needs.

.3 Substantial Completion date or dates:

July 31, 2026

.4 Other milestone dates:

A GMP, or multiple GMP’s will be established at a TBD date depending on funding. Preliminary guidance in the RFP requires submittal of a GMP no later than June 19, 2024, but this may change based on State, Local, or Federal funding receipts.

§ 1.1.5 The Owner’s requirements for accelerated or fast-track scheduling, or phased construction, are set forth below:
(Identify any requirements for fast-track scheduling or phased construction.)

Construction phasing will be determined based on funding receipts.

§ 1.1.6 The Owner’s anticipated Sustainable Objective for the Project:
(Identify and describe the Owner’s Sustainable Objective for the Project, if any.)

The Owner anticipates complying with LEED and State of MN B3 sustainable objectives.

(Paragraph deleted)

§ 1.1.7 Other Project information:
(Identify special characteristics or needs of the Project not provided elsewhere.)

Other project information is provided in DAA’s Construction Manager at Risk Request for Proposals dated January 4, 2024, and subsequent addenda 1-4 issued and related to the RFP.

§ 1.1.8 The Owner identifies the following representative in accordance with Section 4.2:
(List name, address, and other contact information.)

Mark Papko, A.A.E
Director of Operations
Duluth Airport Authority
4701 Grinden Drive
Duluth, MN 55811
(218) 727 – 2968 - Main
(218) 625-7767 - Direct
mpapko@duluthairport.com

§ 1.1.9 The persons or entities, in addition to the Owner’s representative, who are required to review the Construction Manager’s submittals to the Owner are as follows:
(List name, address and other contact information.)

TBD

§ 1.1.10 The Owner shall retain the following consultants and contractors:
(List name, legal status, address, and other contact information.)

.1 Geotechnical Engineer:

Braun Intertec Corporation

.2 Civil Engineer:

SEH

.3 Other, if any:

(List any other consultants retained by the Owner, such as a Project or Program Manager.)

§ 1.1.11 The Architect’s representative:
(List name, address, and other contact information.)

EXP U.S. Services, Inc.

§ 1.1.12 The Construction Manager identifies the following representative in accordance with Article 3:
(List name, address, and other contact information.)

Joe Uhlhorn
Project Executive
5555 W 78th Street, Suite A
Minneapolis, MN 55439
651-335-4634
juhlhorn@hu-construction.com

§ 1.1.13 The Owner's requirements for the Construction Manager's staffing plan for Preconstruction Services, as required under Section 3.1.9:

(List any Owner-specific requirements to be included in the staffing plan.)

As provided in Hoffmann + Uhlhorn Construction's RFP response dated February 2, 2024

§ 1.1.14 The Owner's requirements for subcontractor procurement for the performance of the Work:

(List any Owner-specific requirements for subcontractor procurement.)

The Owner will procure the work using the Construction Management at Risk delivery method. Trade work by the Construction Manager's subcontractors will be procured to comply with Federal, Municipal, and State requirements.

§ 1.1.15 Other Initial Information on which this Agreement is based:

None

§ 1.2 The Owner and Construction Manager may rely on the Initial Information. Both parties, however, recognize that such information may materially change and, in that event, the Owner and the Construction Manager shall appropriately adjust the Project schedule, the Construction Manager's services, and the Construction Manager's compensation. The Owner shall adjust the Owner's budget for the Guaranteed Maximum Price and the Owner's anticipated design and construction milestones, as necessary, to accommodate material changes in the Initial Information.

§ 1.3 Neither the Owner's nor the Construction Manager's representative shall be changed without ten days' prior notice to the other party.

ARTICLE 2 GENERAL PROVISIONS

§ 2.1 The Contract Documents

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract and are as fully a part of the Contract as if attached to this Agreement or repeated herein. Upon the Owner's acceptance of the Construction Manager's Guaranteed Maximum Price proposal, the Contract Documents will also include the documents described in Section 3.2.3 and identified in the Guaranteed Maximum Price Amendment and revisions prepared by the Architect and furnished by the Owner as described in Section 3.2.8. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. If anything in the other Contract Documents, other than a Modification, is inconsistent with this Agreement, this Agreement shall govern. An enumeration of the Contract Documents, other than a Modification, appears in Article 15.

§ 2.2 Relationship of the Parties

The Construction Manager accepts the relationship of trust and confidence established by this Agreement and covenants with the Owner to cooperate with the Architect and exercise the Construction Manager's skill and judgment in furthering the interests of the Owner to furnish efficient construction administration, management services, and supervision; to furnish at all times an adequate supply of workers and materials; and to perform the Work in an expeditious and economical manner consistent with the Owner's interests. The Owner agrees to furnish or approve, in a timely manner, information required by the Construction Manager and to make payments to the Construction Manager in accordance with the requirements of the Contract Documents.

§ 2.3 General Conditions

§ 2.3.1 For the Preconstruction Phase, AIA Document A201™–2017, General Conditions of the Contract for Construction, shall apply as follows: Section 1.5, Ownership and Use of Documents; Section 1.7, Digital Data Use and Transmission; Section 1.8, Building Information Model Use and Reliance; Section 2.2.4, Confidential Information; Section 3.12.10, Professional Services; Section 10.3, Hazardous Materials; Section 13.1, Governing Law. The term "Contractor" as used in A201–2017 shall mean the Construction Manager.

§ 2.3.2 For the Construction Phase, the general conditions of the contract shall be as set forth in A201–2017, which document is incorporated herein by reference. The term "Contractor" as used in A201–2017 shall mean the Construction Manager.

ARTICLE 3 CONSTRUCTION MANAGER'S RESPONSIBILITIES

The Construction Manager's Preconstruction Phase responsibilities are set forth in Sections 3.1 and 3.2, and in the applicable provisions of A201-2017 referenced in Section 2.3.1. The Construction Manager's Construction Phase responsibilities are set forth in Section 3.3. The Owner and Construction Manager may agree, in consultation with the Architect, for the Construction Phase to commence prior to completion of the Preconstruction Phase, in which case, both phases will proceed concurrently. The Construction Manager shall identify a representative authorized to act on behalf of the Construction Manager with respect to the Project.

§ 3.1 Preconstruction Phase

§ 3.1.1 Extent of Responsibility

The Construction Manager shall exercise reasonable care in performing its Preconstruction Services. The Owner and Architect shall be entitled to rely on, and shall not be responsible for, the accuracy, completeness, and timeliness of services and information furnished by the Construction Manager. The Construction Manager, however, does not warrant or guarantee estimates and schedules except as may be included as part of the Guaranteed Maximum Price. The Construction Manager is not required to ascertain that the Drawings and Specifications are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Construction Manager shall promptly report within 10 days to the Architect and Owner any nonconformity discovered by or made known to the Construction Manager as a request for information in such form as the Architect may require. Necessary changes shall be made to the Contract Documents to incorporate any required changes.

§ 3.1.2 The Construction Manager shall provide a preliminary evaluation of the Owner's program, schedule and construction budget requirements, each in terms of the other.

§ 3.1.3 Consultation

§ 3.1.3.1 The Construction Manager shall schedule and conduct meetings with the Architect and Owner to discuss such matters as procedures, progress, coordination, and scheduling of the Work.

§ 3.1.3.2 The Construction Manager shall advise the Owner and Architect on proposed site use and improvements, selection of materials, building systems, and equipment. The Construction Manager shall also provide recommendations to the Owner and Architect, consistent with the Project requirements, on constructability; availability of materials and labor; time requirements for procurement, installation and construction; prefabrication; and factors related to construction cost including, but not limited to, costs of alternative designs or materials, preliminary budgets, life-cycle data, and possible cost reductions. It is understood that recommendations on possible cost reductions (Value Engineering) are not professional services, and that Value Engineering may come with corresponding tradeoffs to quality, look, durability, etc. The Construction Manager shall consult with the Architect regarding professional services to be provided by the Construction Manager during the Construction Phase.

§ 3.1.3.3 The Construction Manager shall assist the Owner and Architect in establishing protocols for the development, use, transmission, and exchange of digital data.

§ 3.1.4 Project Schedule

When Project requirements in Section 4.1.1 have been sufficiently identified, the Construction Manager shall prepare and periodically update a Project schedule for the Architect's review and the Owner's acceptance. The Construction Manager shall obtain the Architect's approval for the portion of the Project schedule relating to the performance of the Architect's services. The Project schedule shall coordinate and integrate the Construction Manager's services, the Architect's services, other Owner consultants' services, and the Owner's responsibilities; and identify items that affect the Project's timely completion. The updated Project schedule shall include the following: submission of the Guaranteed Maximum Price proposal; components of the Work; times of commencement and completion required of each Subcontractor; ordering and delivery of products, including those that must be ordered in advance of construction; and the occupancy requirements of the Owner.

§ 3.1.5 Phased Construction

The Construction Manager, in consultation with the Architect, shall provide recommendations with regard to accelerated or fast-track scheduling, procurement, and sequencing for phased construction. The Construction Manager shall take into consideration cost reductions, cost information, constructability, provisions for temporary facilities, and procurement and construction scheduling issues.

§ 3.1.6 Cost Estimates

§ 3.1.6.1 Based on the preliminary design and other design criteria prepared by the Architect, the Construction Manager shall prepare, for the Architect's review and the Owner's approval, preliminary estimates of the Cost of the Work or the cost of program requirements using area, volume, or similar conceptual estimating techniques. If the Architect or Construction Manager suggests alternative materials and systems, the Construction Manager shall provide cost evaluations of those alternative materials and systems.

§ 3.1.6.2 As the Architect progresses with the preparation of the Schematic Design, Design Development and Construction Documents, the Construction Manager shall prepare and update, at 10%, 35%, 70% and 90% design an estimate of the Cost of the Work with increasing detail and refinement. The Construction Manager shall include in the estimate those costs to allow for the further development of the design, price escalation, and market conditions, until such time as the Owner and Construction Manager agree on a Guaranteed Maximum Price for the Work. The estimate shall be provided for the Architect's review and the Owner's approval. The Construction Manager shall inform the Owner and Architect in the event that the estimate of the Cost of the Work exceeds the latest approved Project budget, and make recommendations for corrective action. The Construction Manager will coordinate its estimating efforts with the Architect and Owner.

§ 3.1.6.3 If the Architect is providing cost estimating services as a Supplemental Service, and a discrepancy exists between the Construction Manager's cost estimates and the Architect's cost estimates, the Construction Manager and the Architect shall work together to reconcile the cost estimates.

§ 3.1.7 As the Architect progresses with the preparation of the Schematic Design, Design Development and Construction Documents, the Construction Manager shall consult with the Owner and Architect and make recommendations regarding constructability and schedules, for the Architect's review and the Owner's approval.

§ 3.1.8 The Construction Manager shall provide recommendations and information to the Owner and Architect regarding equipment, materials, services, and temporary Project facilities.

§ 3.1.9 The Construction Manager shall provide a staffing plan for Preconstruction Phase services for the Owner's review and approval.

§ 3.1.10 If the Owner identified a Sustainable Objective in Article 1, the Construction Manager shall fulfill its Preconstruction Phase responsibilities.

§ 3.1.11 Subcontractors and Suppliers

§ 3.1.11.1 If the Owner has provided requirements for subcontractor procurement in section 1.1.14, the Construction Manager shall provide a subcontracting plan, addressing the Owner's requirements, for the Owner's review and approval.

§ 3.1.11.2 The Construction Manager shall develop bidders' interest in the Project.

§ 3.1.11.3 The processes described in Article 9 shall apply if bid packages will be issued during the Preconstruction Phase.

§ 3.1.12 Procurement

The Construction Manager shall prepare, for the Architect's review and the Owner's acceptance, a procurement schedule for items that must be ordered in advance of construction. The Construction Manager shall expedite and coordinate the ordering and delivery of materials that must be ordered in advance of construction. If the Owner agrees to procure any items prior to the establishment of the Guaranteed Maximum Price, the Owner shall procure the items on terms and conditions acceptable to the Construction Manager. Upon the establishment of the Guaranteed Maximum Price, the Owner shall assign all contracts for these items to the Construction Manager and the Construction Manager shall thereafter accept responsibility for them.

§ 3.1.13 Compliance with Laws

The Construction Manager shall comply with applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to its performance under this Contract, and with equal employment opportunity programs, and other programs as may be required by governmental and quasi-governmental authorities.

§ 3.1.14 Other Preconstruction Services

Insert a description of any other Preconstruction Phase services to be provided by the Construction Manager, or reference an exhibit attached to this document

(Describe any other Preconstruction Phase services, such as providing cash flow projections, development of a project information management system, early selection or procurement of subcontractors, etc.)

Other Preconstruction Services that are not listed in this contract but were included in the RFP will be provided by the Construction Manager.

§ 3.2 Guaranteed Maximum Price Proposal

§ 3.2.1 At a time to be mutually agreed upon by the Owner and the Construction Manager, the Construction Manager shall prepare a Guaranteed Maximum Price proposal for the Owner's and Architect's review, and the Owner's acceptance. The Guaranteed Maximum Price in the proposal shall be the sum of the Construction Manager's estimate of the Cost of the Work, the Construction Manager's contingency described in Section 3.2.4, and the Construction Manager's Fee described in Section 6.1.2.

§ 3.2.2 To the extent that the Contract Documents are anticipated to require further development, the Guaranteed Maximum Price includes the costs attributable to such further development consistent with the Contract Documents and reasonably inferable therefrom. Such further development does not include changes in scope, systems, kinds and quality of materials, finishes, or equipment, all of which, if required, shall be incorporated by Change Order.

§ 3.2.3 The Construction Manager shall include with the Guaranteed Maximum Price proposal a written statement of its basis, which shall include the following:

- .1 A list of the Drawings and Specifications, including all Addenda thereto, and the Conditions of the Contract;
- .2 A list of the clarifications and assumptions made by the Construction Manager in the preparation of the Guaranteed Maximum Price proposal, including assumptions under Section 3.2.2;
- .3 A statement of the proposed Guaranteed Maximum Price, including a statement of the estimated Cost of the Work organized by trade categories or systems, including allowances; the Construction Manager's contingency set forth in Section 3.2.4; and the Construction Manager's Fee;
- .4 The anticipated date of Substantial Completion upon which the proposed Guaranteed Maximum Price is based; and
- .5 A date by which the Owner must accept the Guaranteed Maximum Price.

§ 3.2.4 In preparing the Construction Manager's Guaranteed Maximum Price proposal, the Construction Manager shall include a contingency for the Construction Manager's exclusive use to cover those costs that are considered reimbursable as a Cost of Work but not otherwise allocated to a line item in the Guaranteed Maximum Price or included in a change order. The Construction Manager's Contingency is separate from the Owner's contingency carried outside the Guaranteed Maximum Price. The Construction Manager will provide monthly updates to the Owner indicating use of contingency.

§ 3.2.5 The Construction Manager shall meet with the Owner and Architect to review the Guaranteed Maximum Price proposal. In the event that the Owner or Architect discover any inconsistencies or inaccuracies in the information presented, they shall promptly notify the Construction Manager, who shall make appropriate adjustments to the Guaranteed Maximum Price proposal, its basis, or both.

§ 3.2.6 If the Owner notifies the Construction Manager that the Owner has accepted the Guaranteed Maximum Price proposal in writing before the date specified in the Guaranteed Maximum Price proposal, the Guaranteed Maximum Price proposal shall be deemed effective without further acceptance from the Construction Manager. Following acceptance of a Guaranteed Maximum Price, the Owner and Construction Manager shall execute the Guaranteed Maximum Price Amendment amending this Agreement, a copy of which the Owner shall provide to the Architect. The Guaranteed Maximum Price Amendment shall set forth the agreed upon Guaranteed Maximum Price with the information and assumptions upon which it is based.

§ 3.2.7 The Construction Manager shall not incur any cost to be reimbursed as part of the Cost of the Work prior to the execution of the Guaranteed Maximum Price Amendment, unless the Owner provides prior written authorization for such costs.

§ 3.2.8 The Owner shall authorize preparation of revisions to the Contract Documents that incorporate the agreed-upon assumptions and clarifications contained in the Guaranteed Maximum Price Amendment. The Owner shall promptly furnish such revised Contract Documents to the Construction Manager. The Construction Manager shall notify the Owner and Architect of any inconsistencies between the agreed-upon assumptions and clarifications contained in the Guaranteed Maximum Price Amendment and the revised Contract Documents.

§ 3.2.9 The Construction Manager shall include in the Guaranteed Maximum Price all sales, consumer, use and similar taxes for the Work provided by the Construction Manager that are legally enacted, whether or not yet effective, at the time the Guaranteed Maximum Price Amendment is executed.

§ 3.3 Construction Phase

§ 3.3.1 General

§ 3.3.1.1 For purposes of Section 8.1.2 of A201–2017, the date of commencement of the Work shall mean the date of commencement of the Construction Phase.

§ 3.3.1.2 The Construction Phase shall commence upon the Owner’s execution of the Guaranteed Maximum Price Amendment or, prior to acceptance of the Guaranteed Maximum Price proposal, by written agreement of the parties. The written agreement shall set forth a description of the Work to be performed by the Construction Manager, and any insurance and bond requirements for Work performed prior to execution of the Guaranteed Maximum Price Amendment.

§ 3.3.2 Administration

§ 3.3.2.1 The Construction Manager shall schedule and conduct meetings to discuss such matters as procedures, progress, coordination, scheduling, and status of the Work. The Construction Manager shall prepare and promptly distribute minutes of the meetings to the Owner and Architect.

§ 3.3.2.2 Upon the execution of the Guaranteed Maximum Price Amendment, the Construction Manager shall prepare and submit to the Owner and Architect a construction schedule for the Work and a submittal schedule in accordance with Section 3.10 of A201–2017.

§ 3.3.2.3 Monthly Report

The Construction Manager shall record the progress of the Project. On a monthly basis, or otherwise as agreed to by the Owner, the Construction Manager shall submit written progress reports to the Owner and Architect, showing percentages of completion and other information required by the Owner.

§ 3.3.2.4 Daily Logs

The Construction Manager shall keep, and make available to the Owner and Architect, a daily log containing a record for each day of weather, portions of the Work in progress, number of workers on site, identification of equipment on site, problems that might affect progress of the work, accidents, injuries, and other information reasonably required by the Owner.

§ 3.3.2.5 Cost Control

The Construction Manager shall develop a system of cost control for the Work, including regular monitoring of actual costs for activities in progress and estimates for uncompleted tasks and proposed changes. The Construction Manager shall identify variances between actual and estimated costs and report the variances to the Owner and Architect, and shall provide this information in its monthly reports to the Owner and Architect, in accordance with Section 3.3.2.3 above.

ARTICLE 4 OWNER’S RESPONSIBILITIES

§ 4.1 Information and Services Required of the Owner

§ 4.1.1 The Owner shall provide information with reasonable promptness, regarding requirements for and limitations on the Project, including a written program which shall set forth the Owner’s objectives, constraints, and criteria, including schedule, space requirements and relationships, flexibility and expandability, special equipment, systems, sustainability and site requirements.

§ 4.1.2 Prior to the execution of the Guaranteed Maximum Price Amendment, the Construction Manager may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner’s

obligations under the Contract. After execution of the Guaranteed Maximum Price Amendment, the Construction Manager may request such information as set forth in A201-2017 Section 2.2.

§ 4.1.3 The Owner shall establish and periodically update the Owner's budget for the Project, including (1) the budget for the Cost of the Work as defined in Article 7, (2) the Owner's other costs, and (3) reasonable contingencies related to all of these costs. If the Owner significantly increases or decreases the Owner's budget for the Cost of the Work, the Owner shall notify the Construction Manager and Architect. The Owner and the Architect, in consultation with the Construction Manager, shall thereafter agree to a corresponding change in the Project's scope and quality.

§ 4.1.4 **Structural and Environmental Tests, Surveys and Reports.** During the Preconstruction Phase, the Owner shall furnish the following information or services with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness after receiving the Construction Manager's written request for such information or services. The Construction Manager shall be entitled to rely on the accuracy of information and services furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 4.1.4.1 The Owner shall furnish tests, inspections, and reports, required by law and as otherwise agreed to by the parties, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.

§ 4.1.4.2 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a written legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions and other necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.

§ 4.1.4.3 The Owner, when such services are requested, shall furnish services of geotechnical engineers, which may include test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, seismic evaluation, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsoil conditions, with written reports and appropriate recommendations.

§ 4.1.5 During the Construction Phase, the Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness after receiving the Construction Manager's written request for such information or services.

§ 4.1.6 If the Owner identified a Sustainable Objective in Article 1, the Owner shall fulfill its responsibilities as required.

§ 4.2 Owner's Designated Representative

The Owner shall identify a representative authorized to act on behalf of the Owner with respect to the Project. The Owner's representative shall render decisions promptly and furnish information expeditiously, so as to avoid unreasonable delay in the services or Work of the Construction Manager. Except as otherwise provided in Section 4.2.1 of A201-2017, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 4.2.1 **Legal Requirements.** The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests. The Owner shall advise the Construction Manager of any special legal requirements relating specifically to the Project that differ from those generally applicable to construction in the jurisdiction of the Project.

§ 4.3 Architect

The Owner shall retain an Architect to provide services, duties and responsibilities as described in AIA Document B133™-2019, Standard Form of Agreement Between Owner and Architect, Construction Manager as Constructor Edition, including any additional services requested by the Construction Manager that are necessary for the Preconstruction and Construction Phase services under this Agreement. The Owner shall provide the Construction

Manager with a copy of the scope of services in the executed agreement between the Owner and the Architect, and any further modifications to the Architect's scope of services in the agreement.

ARTICLE 5 COMPENSATION AND PAYMENTS FOR PRECONSTRUCTION PHASE SERVICES

§ 5.1 Compensation

§ 5.1.1 For the Construction Manager's Preconstruction Phase services described in Sections 3.1 and 3.2, the Owner shall compensate the Construction Manager as follows:

(Insert amount of, or basis for, compensation and include a list of reimbursable cost items, as applicable.)

Preconstruction Phase Services will be compensated to a maximum of \$60,000.

§ 5.1.2 The hourly billing rates for Preconstruction Phase services of the Construction Manager and the Construction Manager's Consultants and Subcontractors, if any, are set forth below.

(If applicable, attach an exhibit of hourly billing rates or insert them below.)

Preconstruction Phase Services will be compensated based on rates provided in the attached "Exhibit D - Fee Proposal"

Individual or Position	Rate
------------------------	------

§ 5.1.2.1 Hourly billing rates for Preconstruction Phase services include all costs to be paid or incurred by the Construction Manager, as required by law or collective bargaining agreements, for taxes, insurance, contributions, assessments and benefits and, for personnel not covered by collective bargaining agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, and shall remain unchanged unless the parties execute a Modification.

§ 5.1.3 If the Preconstruction Phase services covered by this Agreement have not been completed by December 31, 2024, through no fault of the Construction Manager, the Construction Manager's compensation for Preconstruction Phase services shall be equitably adjusted. The Construction Manager's Preconstruction Phase Services shall end with the execution of the Guaranteed Maximum Price Amendment at which time Construction Phase Services will begin.

§ 5.2 Payments

§ 5.2.1 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed.

§ 5.2.2 Payments are due and payable upon presentation of the Construction Manager's invoice. Amounts unpaid forty-five days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Construction Manager.

(Insert rate of monthly or annual interest agreed upon.)

8 % annually

ARTICLE 6 COMPENSATION FOR CONSTRUCTION PHASE SERVICES

§ 6.1 Contract Sum

§ 6.1.1 The Owner shall pay the Construction Manager the Contract Sum in current funds for the Construction Manager's performance of the Contract after execution of the Guaranteed Maximum Price Amendment. The Contract Sum is the Cost of the Work as defined in Article 7 plus the Construction Manager's Fee.

§ 6.1.2 The Construction Manager's Fee:

(State a lump sum, percentage of Cost of the Work or other provision for determining the Construction Manager's Fee.)

The Construction Manager's Fee will be calculated by multiplying the Cost of the Work by 1.00%. The Construction Manager's Fee amount will be determined with the GMP Amendment. The Construction Manager's Fee will become a fixed amount with the GMP Amendment and will not be reduced.

§ 6.1.3 The method of adjustment of the Construction Manager's Fee for changes in the Work:

The Construction Manager's Fee will be increased by multiplying the Cost of Work of any additive changes in the work by 1.00%.

§ 6.1.4 Limitations, if any, on a Subcontractor's overhead and profit for increases in the cost of its portion of the Work:

N/A

§ 6.1.5 Rental rates for Construction Manager-owned equipment shall not exceed eighty-five percent of the standard rental rate paid at the place of the Project.

§ 6.1.6 Liquidated damages, if any:
(Insert terms and conditions for liquidated damages, if any.)

None

§ 6.1.7 Other:
(Insert provisions for bonus, cost savings or other incentives, if any, that might result in a change to the Contract Sum.)

All savings on the project, defined as the difference between the GMP less the Cost of the Work and the Construction Manager's Fee, shall be 100% returned to the Owner.

§ 6.2 Guaranteed Maximum Price

The Construction Manager guarantees that the Contract Sum shall not exceed the Guaranteed Maximum Price set forth in the Guaranteed Maximum Price Amendment, subject to additions and deductions by Change Order as provided in the Contract Documents. Costs which would cause the Guaranteed Maximum Price to be exceeded shall be paid by the Construction Manager without reimbursement by the Owner.

§ 6.3 Changes in the Work

§ 6.3.1 The Owner may, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions. The Owner shall issue such changes in writing. The Construction Manager may be entitled to an equitable adjustment in the Contract Time as a result of changes in the Work.

§ 6.3.1.1 The Architect may order minor changes in the Work as provided in Article 7 of AIA Document A201-2017, General Conditions of the Contract for Construction.

§ 6.3.2 Adjustments to the Guaranteed Maximum Price on account of changes in the Work subsequent to the execution of the Guaranteed Maximum Price Amendment may be determined by any of the methods listed in Article 7 of AIA Document A201-2017, General Conditions of the Contract for Construction.

§ 6.3.3 Adjustments to subcontracts awarded on the basis of a stipulated sum shall be determined in accordance with Article 7 of A201-2017, as they refer to "cost" and "fee," and not by Articles 6 and 7 of this Agreement. Adjustments to subcontracts awarded with the Owner's prior written consent on the basis of cost plus a fee shall be calculated in accordance with the terms of those subcontracts.

§ 6.3.4 In calculating adjustments to the Guaranteed Maximum Price, the terms "cost" and "costs" as used in Article 7 of AIA Document A201-2017 shall mean the Cost of the Work as defined in Article 7 of this Agreement and the term "fee" shall mean the Construction Manager's Fee as defined in Section 6.1.2 of this Agreement.

§ 6.3.5 If no specific provision is made in Section 6.1.3 for adjustment of the Construction Manager's Fee in the case of changes in the Work, or if the extent of such changes is such, in the aggregate, that application of the adjustment provisions of Section 6.1.3 will cause substantial inequity to the Owner or Construction Manager, the Construction Manager's Fee shall be equitably adjusted on the same basis that was used to establish the Fee for the original Work, and the Guaranteed Maximum Price shall be adjusted accordingly.

ARTICLE 7 COST OF THE WORK FOR CONSTRUCTION PHASE

§ 7.1 Costs to Be Reimbursed

§ 7.1.1 The term Cost of the Work shall mean costs necessarily incurred by the Construction Manager in the proper performance of the Work. The Cost of the Work shall include only the items set forth in Sections 7.1 through 7.7.

§ 7.1.2 Where, pursuant to the Contract Documents, any cost is subject to the Owner's prior approval, the Construction Manager shall obtain such approval in writing prior to incurring the cost.

§ 7.1.3 Costs shall be at rates not higher than the standard rates paid at the place of the Project, except with prior approval of the Owner.

§ 7.2 Labor Costs

§ 7.2.1 Wages or salaries of construction workers directly employed by the Construction Manager to perform the construction of the Work at the site or, with the Owner's prior approval, at off-site workshops.

§ 7.2.2 Wages or salaries of the Construction Manager's supervisory and administrative personnel when stationed at the site and performing Work, with the Owner's prior approval.

§ 7.2.2.1 Wages or salaries of the Construction Manager's supervisory and administrative personnel when performing Work and stationed at a location other than the site, but only for that portion of time required for the Work, and limited to the personnel and activities listed below:

(Identify the personnel, type of activity and, if applicable, any agreed upon percentage of time to be devoted to the Work.)

Wages or salaries of the Construction Manager's supervisory and administrative personnel will be reimbursed at the rates and positions provided in "Exhibit D - Fee Proposal." Wage rates for those positions provided in "Exhibit D – Fee Proposal" will remain fixed until July 31, 2026 at which time they will increase 5%.

§ 7.2.3 Wages and salaries of the Construction Manager's supervisory or administrative personnel engaged at factories, workshops or while traveling, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work.

§ 7.2.4 Costs paid or incurred by the Construction Manager, as required by law or collective bargaining agreements, for taxes, insurance, contributions, assessments and benefits and, for personnel not covered by collective bargaining agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Sections 7.2.1 through 7.2.3.

§ 7.2.5 If agreed rates for labor costs, in lieu of actual costs, are provided in this Agreement, the rates shall remain unchanged throughout the duration of this Agreement, unless the parties execute a Modification.

§ 7.3 Subcontract Costs

Payments made by the Construction Manager to Subcontractors in accordance with the requirements of the subcontracts and this Agreement.

§ 7.4 Costs of Materials and Equipment Incorporated in the Completed Construction

§ 7.4.1 Costs, including transportation and storage at the site, of materials and equipment incorporated, or to be incorporated, in the completed construction.

§ 7.4.2 Costs of materials described in the preceding Section 7.4.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the Owner's property at the completion of the Work or, at the Owner's option, shall be sold by the Construction Manager. Any amounts realized from such sales shall be credited to the Owner as a deduction from the Cost of the Work.

§ 7.5 Costs of Other Materials and Equipment, Temporary Facilities and Related Items

§ 7.5.1 Costs of transportation, storage, installation, dismantling, maintenance, and removal of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site and fully consumed in the performance of the Work. Costs of materials, supplies, temporary facilities, machinery, equipment, and tools, that are not fully consumed, shall be based on the cost or

value of the item at the time it is first used on the Project site less the value of the item when it is no longer used at the Project site. Costs for items not fully consumed by the Construction Manager shall mean fair market value.

§ 7.5.2 Rental charges for temporary facilities, machinery, equipment, and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site, and the costs of transportation, installation, dismantling, minor repairs, and removal of such temporary facilities, machinery, equipment, and hand tools. Rates and quantities of equipment owned by the Construction Manager, or a related party as defined in Section 7.8, shall be subject to the Owner's prior approval. The total rental cost of any such equipment may not exceed the purchase price of any comparable item.

§ 7.5.3 Costs of removal of debris from the site of the Work and its proper and legal disposal.

§ 7.5.4 Costs of the Construction Manager's site office, including general office equipment and supplies.

§ 7.5.5 Costs of materials and equipment suitably stored off the site at a mutually acceptable location, subject to the Owner's prior approval.

§ 7.6 Miscellaneous Costs

§ 7.6.1 Premiums for that portion of insurance and bonds required by the Contract Documents that can be directly attributed to this Contract.

§ 7.6.1.1 Costs for self-insurance, for either full or partial amounts of the coverages required by the Contract Documents, with the Owner's prior approval.

§ 7.6.1.2 Costs for insurance through a captive insurer owned or controlled by the Construction Manager, with the Owner's prior approval.

§ 7.6.2 Sales, use, or similar taxes, imposed by a governmental authority, that are related to the Work and for which the Construction Manager is liable.

§ 7.6.3 Fees and assessments for the building permit, and for other permits, licenses, and inspections, for which the Construction Manager is required by the Contract Documents to pay.

§ 7.6.4 Fees of laboratories for tests required by the Contract Documents; except those related to defective or nonconforming Work for which reimbursement is excluded under Article 13 of AIA Document A201–2017 or by other provisions of the Contract Documents, and which do not fall within the scope of Section 7.7.3.

§ 7.6.5 Royalties and license fees paid for the use of a particular design, process, or product, required by the Contract Documents.

§ 7.6.5.1 The cost of defending suits or claims for infringement of patent rights arising from requirements of the Contract Documents, payments made in accordance with legal judgments against the Construction Manager resulting from such suits or claims, and payments of settlements made with the Owner's consent, unless the Construction Manager knew that the required design, process, or product was an infringement of a copyright or a patent, and the Construction Manager failed to promptly furnish such information to the Architect as required by Article 3 of AIA Document A201–2017. The costs of legal defenses, judgments, and settlements shall not be included in the Cost of the Work used to calculate the Construction Manager's Fee or subject to the Guaranteed Maximum Price.

§ 7.6.6 Costs for communications services, electronic equipment, and software, directly related to the Work and located at the site, with the Owner's prior approval.

§ 7.6.7 Costs of document reproductions and delivery charges.

§ 7.6.8 Deposits lost for causes other than the Construction Manager's negligence or failure to fulfill a specific responsibility in the Contract Documents.

§ 7.6.9 Legal, mediation and arbitration costs, including attorneys' fees, other than those arising from disputes between the Owner and Construction Manager, reasonably incurred by the Construction Manager after the execution of this Agreement in the performance of the Work and with the Owner's prior approval, which shall not be unreasonably withheld.

§ 7.6.10 Expenses incurred in accordance with the Construction Manager's standard written personnel policy for relocation and temporary living allowances of the Construction Manager's personnel required for the Work, with the Owner's prior approval.

§ 7.6.11 That portion of the reasonable expenses of the Construction Manager's supervisory or administrative personnel incurred while traveling in discharge of duties connected with the Work.

§ 7.7 Other Costs and Emergencies

§ 7.7.1 Other costs incurred in the performance of the Work, with the Owner's prior approval.

§ 7.7.2 Costs incurred in taking action to prevent threatened damage, injury, or loss, in case of an emergency affecting the safety of persons and property, as provided in Article 10 of AIA Document A201–2017.

§ 7.7.3 Costs of repairing or correcting damaged or nonconforming Work executed by the Construction Manager, Subcontractors, or suppliers, provided that such damaged or nonconforming Work was not caused by the negligence of, or failure to fulfill a specific responsibility by, the Construction Manager, and only to the extent that the cost of repair or correction is not recovered by the Construction Manager from insurance, sureties, Subcontractors, suppliers, or others.

§ 7.7.4 The costs described in Sections 7.1 through 7.7 shall be included in the Cost of the Work, notwithstanding any provision of AIA Document A201–2017 or other Conditions of the Contract which may require the Construction Manager to pay such costs, unless such costs are excluded by the provisions of Section 7.9.

§ 7.7.5 Costs for non-labor items specified in "Exhibit D – Fee Proposal" will be reimbursed at the rates provided in the Exhibit.

§ 7.8 Related Party Transactions

§ 7.8.1 For purposes of this Section 7.8, the term "related party" shall mean (1) a parent, subsidiary, affiliate, or other entity having common ownership of, or sharing common management with, the Construction Manager; (2) any entity in which any stockholder in, or management employee of, the Construction Manager holds an equity interest in excess of ten percent in the aggregate; (3) any entity which has the right to control the business or affairs of the Construction Manager; or (4) any person, or any member of the immediate family of any person, who has the right to control the business or affairs of the Construction Manager.

§ 7.8.2 If any of the costs to be reimbursed arise from a transaction between the Construction Manager and a related party, the Construction Manager shall notify the Owner of the specific nature of the contemplated transaction, including the identity of the related party and the anticipated cost to be incurred, before any such transaction is consummated or cost incurred. If the Owner, after such notification, authorizes the proposed transaction in writing, then the cost incurred shall be included as a cost to be reimbursed, and the Construction Manager shall procure the Work, equipment, goods, or service, from the related party, as a Subcontractor, according to the terms of Article 9. If the Owner fails to authorize the transaction in writing, the Construction Manager shall procure the Work, equipment, goods, or service from some person or entity other than a related party according to the terms of Article 9.

§ 7.9 Costs Not To Be Reimbursed

§ 7.9.1 The Cost of the Work shall not include the items listed below:

- .1 Salaries and other compensation of the Construction Manager's personnel stationed at the Construction Manager's principal office or offices other than the site office, except as specifically provided in Section 7.2, or as may be provided in Article 14;
- .2 Bonuses, profit sharing, incentive compensation, and any other discretionary payments, paid to anyone hired by the Construction Manager or paid to any Subcontractor or vendor, unless the Owner has provided prior approval;
- .3 Expenses of the Construction Manager's principal office and offices other than the site office;
- .4 Overhead and general expenses, except as may be expressly included in Sections 7.1 to 7.7;

- .5 The Construction Manager's capital expenses, including interest on the Construction Manager's capital employed for the Work;
- .6 Except as provided in Section 7.7.3 of this Agreement, costs due to the negligence of, or failure to fulfill a specific responsibility of the Contract by, the Construction Manager, Subcontractors, and suppliers, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable;
- .7 Any cost not specifically and expressly described in Sections 7.1 to 7.7;
- .8 Costs, other than costs included in Change Orders approved by the Owner, that would cause the Guaranteed Maximum Price to be exceeded; and
- .9 Costs for services incurred during the Preconstruction Phase.

ARTICLE 8 DISCOUNTS, REBATES, AND REFUNDS

§ 8.1 Cash discounts obtained on payments made by the Construction Manager shall accrue to the Owner if (1) before making the payment, the Construction Manager included the amount to be paid, less such discount, in an Application for Payment and received payment from the Owner, or (2) the Owner has deposited funds with the Construction Manager with which to make payments; otherwise, cash discounts shall accrue to the Construction Manager. Trade discounts, rebates, refunds, and amounts received from sales of surplus materials and equipment shall accrue to the Owner, and the Construction Manager shall make provisions so that they can be obtained.

§ 8.2 Amounts that accrue to the Owner in accordance with the provisions of Section 8.1 shall be credited to the Owner as a deduction from the Cost of the Work.

ARTICLE 9 SUBCONTRACTS AND OTHER AGREEMENTS

§ 9.1 Those portions of the Work that the Construction Manager does not customarily perform with the Construction Manager's own personnel shall be performed under subcontracts or other appropriate agreements with the Construction Manager. The Owner may designate specific persons from whom, or entities from which, the Construction Manager shall obtain bids. The Construction Manager shall obtain bids from Subcontractors, and from suppliers of materials or equipment fabricated especially for the Work, who are qualified to perform that portion of the Work in accordance with applicable Federal, State, and Local requirements. The Construction Manager shall deliver such bids to the Architect and Owner with an indication as to which bids the Construction Manager intends to accept. The Owner then has the right to review the Construction Manager's list of proposed subcontractors and suppliers in consultation with the Architect and, subject to Section 9.1.1, to object to any subcontractor or supplier. Any advice of the Architect, or approval or objection by the Owner, shall not relieve the Construction Manager of its responsibility to perform the Work in accordance with the Contract Documents. The Construction Manager shall not be required to contract with anyone to whom the Construction Manager has reasonable objection.

§ 9.1.1 When a specific subcontractor or supplier (1) is recommended to the Owner by the Construction Manager; (2) is qualified to perform that portion of the Work; and (3) has submitted a bid that conforms to the requirements of the Contract Documents without reservations or exceptions, but the Owner requires that another bid be accepted, then the Construction Manager may require that a Change Order be issued to adjust the Guaranteed Maximum Price by the difference between the bid of the person or entity recommended to the Owner by the Construction Manager and the amount of the subcontract or other agreement actually signed with the person or entity designated by the Owner.

§ 9.2 Subcontracts or other agreements shall conform to the applicable payment provisions of this Agreement, and shall not be awarded on the basis of cost plus a fee without the Owner's prior written approval. If a subcontract is awarded on the basis of cost plus a fee, the Construction Manager shall provide in the subcontract for the Owner to receive the same audit rights with regard to the Subcontractor as the Owner receives with regard to the Construction Manager in Article 10.

ARTICLE 10 ACCOUNTING RECORDS

The Construction Manager shall keep full and detailed records and accounts related to the Cost of the Work, and exercise such controls, as may be necessary for proper financial management under this Contract and to substantiate all costs incurred. The accounting and control systems shall be satisfactory to the Owner. The Owner and the Owner's auditors shall, during regular business hours and upon reasonable notice, be afforded access to, and shall be permitted to audit and copy, the Construction Manager's records and accounts, including complete documentation supporting accounting entries, books, job cost reports, correspondence, instructions, drawings, receipts, subcontracts, Subcontractor's proposals, Subcontractor's invoices, purchase orders, vouchers, memoranda, and other data relating to this Contract. The Construction Manager shall preserve these records for a period of three years after final payment, or for such longer period as may be required by law.

ARTICLE 11 PAYMENTS FOR CONSTRUCTION PHASE SERVICES

§ 11.1 Progress Payments

§ 11.1.1 Based upon Applications for Payment submitted to the Architect by the Construction Manager, and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum, to the Construction Manager, as provided below and elsewhere in the Contract Documents.

§ 11.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

§ 11.1.3 Provided that an Application for Payment is received by the Architect not later than the 10th day of a month, the Owner shall make payment of the amount certified to the Construction Manager not later than the 10th day of the following month. If an Application for Payment is received by the Architect after the application date fixed above, payment of the amount certified shall be made by the Owner not later than forty-five days after the Architect receives the Application for Payment.

(Federal, state or local laws may require payment within a certain period of time.)

§ 11.1.4 With each Application for Payment, the Construction Manager shall submit payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached, and any other evidence required by the Owner or Architect to demonstrate that payments already made by the Construction Manager on account of the Cost of the Work equal or exceed progress payments already received by the Construction Manager, plus payrolls for the period covered by the present Application for Payment, less that portion of the progress payments attributable to the Construction Manager's Fee.

§ 11.1.5 Each Application for Payment shall be based on the most recent schedule of values submitted by the Construction Manager in accordance with the Contract Documents. The schedule of values shall allocate the entire Guaranteed Maximum Price among: (1) the various portions of the Work; (2) any contingency for costs that are included in the Guaranteed Maximum Price but not otherwise allocated to another line item or included in a Change Order; and (3) the Construction Manager's Fee.

§ 11.1.5.1 The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. The schedule of values shall be used as a basis for reviewing the Construction Manager's Applications for Payment.

§ 11.1.5.2 The allocation of the Guaranteed Maximum Price under this Section 11.1.5 shall not constitute a separate guaranteed maximum price for the Cost of the Work of each individual line item in the schedule of values.

(Paragraph deleted)

§ 11.1.6 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage of completion shall be the lesser of (1) the percentage of that portion of the Work which has actually been completed, or (2) the percentage obtained by dividing (a) the expense that has actually been incurred by the Construction Manager on account of that portion of the Work and for which the Construction Manager has made payment or intends to make payment prior to the next Application for Payment, by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values.

§ 11.1.7 In accordance with AIA Document A201–2017 and subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

§ 11.1.7.1 The amount of each progress payment shall first include:

- .1 That portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage of completion of each portion of the Work by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the most recent schedule of values;
- .2 That portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction or, if approved in writing in advance by the Owner, suitably stored off the site at a location agreed upon in writing;

- .3 That portion of Construction Change Directives that the Architect determines, in the Architect’s professional judgment, to be reasonably justified; and
- .4 The Construction Manager’s Fee, computed upon the Cost of the Work described in the preceding Sections 11.1.7.1.1, 11.1.7.1.2, and 11.1.7.1.3 at the rate stated in Section 6.1.2 or, if the Construction Manager’s Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum fee as the Cost of the Work included in Sections 11.1.7.1.1, 11.1.7.1.2, and 11.1.7.1.3 bears to a reasonable estimate of the probable Cost of the Work upon its completion.

§ 11.1.7.2 The amount of each progress payment shall then be reduced by:

- .1 The aggregate of any amounts previously paid by the Owner;
- .2 The amount, if any, for Work that remains uncorrected and for which the Architect has previously withheld a Certificate for Payment as provided in Article 9 of AIA Document A201–2017;
- .3 Any amount for which the Construction Manager does not intend to pay a Subcontractor or material supplier, unless the Work has been performed by others the Construction Manager intends to pay;
- .4 For Work performed or defects discovered since the last payment application, any amount for which the Architect may withhold payment, or nullify a Certificate of Payment in whole or in part, as provided in Article 9 of AIA Document A201–2017;
- .5 The shortfall, if any, indicated by the Construction Manager in the documentation required by Section 11.1.4 to substantiate prior Applications for Payment, or resulting from errors subsequently discovered by the Owner’s auditors in such documentation; and
- .6 Retainage withheld pursuant to Section 11.1.8.

§ 11.1.8 Retainage

§ 11.1.8.1 For each progress payment made prior to Substantial Completion of the Work, the Owner may withhold the following amount, as retainage, from the payment otherwise due:

(Insert a percentage or amount to be withheld as retainage from each Application for Payment. The amount of retainage may be limited by governing law.)

Retainage of 5% will be withheld from progress payments.

§ 11.1.8.1.1 The following items are not subject to retainage:

(Insert any items not subject to the withholding of retainage, such as general conditions, insurance, etc.)

There shall be no retainage withheld on the Construction Managers Fee and General Condition Costs.

§ 11.1.8.2 Reduction or limitation of retainage, if any, shall be as follows:

(If the retainage established in Section 11.1.8.1 is to be modified prior to Substantial Completion of the entire Work, insert provisions for such modification.)

The Owner and Construction Manager may agree to reductions of limitations on retainage during the project.

§ 11.1.8.3 Except as set forth in this Section 11.1.8.3, upon Substantial Completion of the Work, the Construction Manager may submit an Application for Payment that includes the retainage withheld from prior Applications for Payment pursuant to this Section 11.1.8. The Application for Payment submitted at Substantial Completion shall not include retainage as follows:

(Insert any other conditions for release of retainage, such as upon completion of the Owner’s audit and reconciliation, upon Substantial Completion.)

150% of the estimated cost of incomplete work and any unsettled Claims may be withheld by the Owner.

§ 11.1.9 If final completion of the Work is materially delayed through no fault of the Construction Manager, the Owner shall pay the Construction Manager any additional amounts in accordance with Article 9 of AIA Document A201–2017.

§ 11.1.10 Except with the Owner’s prior written approval, the Construction Manager shall not make advance payments to suppliers for materials or equipment which have not been delivered and suitably stored at the site.

§ 11.1.11 The Owner and the Construction Manager shall agree upon a mutually acceptable procedure for review and approval of payments to Subcontractors, and the percentage of retainage held on Subcontracts, and the Construction Manager shall execute subcontracts in accordance with those agreements.

§ 11.1.12 In taking action on the Construction Manager's Applications for Payment the Architect shall be entitled to rely on the accuracy and completeness of the information furnished by the Construction Manager, and such action shall not be deemed to be a representation that (1) the Architect has made a detailed examination, audit, or arithmetic verification, of the documentation submitted in accordance with Section 11.1.4 or other supporting data; (2) that the Architect has made exhaustive or continuous on-site inspections; or (3) that the Architect has made examinations to ascertain how or for what purposes the Construction Manager has used amounts previously paid on account of the Contract. Such examinations, audits, and verifications, if required by the Owner, will be performed by the Owner's auditors acting in the sole interest of the Owner.

§ 11.2 Final Payment

§ 11.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Construction Manager when

- .1 the Construction Manager has fully performed the Contract, except for the Construction Manager's responsibility to correct Work as provided in Article 12 of AIA Document A201–2017, and to satisfy other requirements, if any, which extend beyond final payment;
- .2 the Construction Manager has submitted a final accounting for the Cost of the Work and a final Application for Payment; and
- .3 a final Certificate for Payment has been issued by the Architect in accordance with Section 11.2.2.2.

§ 11.2.2 Within 30 days of the Owner's receipt of the Construction Manager's final accounting for the Cost of the Work, the Owner shall conduct an audit of the Cost of the Work or notify the Architect that it will not conduct an audit.

§ 11.2.2.1 If the Owner conducts an audit of the Cost of the Work, the Owner shall, within 10 days after completion of the audit, submit a written report based upon the auditors' findings to the Architect.

§ 11.2.2.2 Within seven days after receipt of the written report described in Section 11.2.2.1, or receipt of notice that the Owner will not conduct an audit, and provided that the other conditions of Section 11.2.1 have been met, the Architect will either issue to the Owner a final Certificate for Payment with a copy to the Construction Manager, or notify the Construction Manager and Owner in writing of the Architect's reasons for withholding a certificate as provided in Article 9 of AIA Document A201–2017. The time periods stated in this Section 11.2.2 supersede those stated in Article 9 of AIA Document A201–2017. The Architect is not responsible for verifying the accuracy of the Construction Manager's final accounting.

§ 11.2.2.3 If the Owner's auditors' report concludes that the Cost of the Work, as substantiated by the Construction Manager's final accounting, is less than claimed by the Construction Manager, the Construction Manager shall be entitled to request mediation of the disputed amount without seeking an initial decision pursuant to Article 15 of AIA Document A201–2017. A request for mediation shall be made by the Construction Manager within 60 days after the Construction Manager's receipt of a copy of the Architect's final Certificate for Payment. Failure to request mediation within this 60-day period shall result in the substantiated amount reported by the Owner's auditors becoming binding on the Construction Manager. Pending a final resolution of the disputed amount, the Owner shall pay the Construction Manager the amount certified in the Architect's final Certificate for Payment.

§ 11.2.3 The Owner's final payment to the Construction Manager shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

§ 11.2.4 If, subsequent to final payment, and at the Owner's request, the Construction Manager incurs costs, described in Sections 7.1 through 7.7, and not excluded by Section 7.9, to correct defective or nonconforming Work, the Owner shall reimburse the Construction Manager for such costs, and the Construction Manager's Fee applicable thereto, on the same basis as if such costs had been incurred prior to final payment, but not in excess of the Guaranteed Maximum Price. If adjustments to the Contract Sum are provided for in Section 6.1.7, the amount of those adjustments shall be recalculated,

taking into account any reimbursements made pursuant to this Section 11.2.4 in determining the net amount to be paid by the Owner to the Construction Manager.

§ 11.3 Interest

Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

(Insert rate of interest agreed upon, if any.)

| 8 % annual

ARTICLE 12 DISPUTE RESOLUTION

§ 12.1 Initial Decision Maker

§ 12.1.1 Any Claim between the Owner and Construction Manager shall be resolved in accordance with the provisions set forth in this Article 12 and Article 15 of A201–2017. However, for Claims arising from or relating to the Construction Manager’s Preconstruction Phase services, no decision by the Initial Decision Maker shall be required as a condition precedent to mediation or binding dispute resolution, and Section 12.1.2 of this Agreement shall not apply.

§ 12.1.2 The Architect will serve as the Initial Decision Maker pursuant to Article 15 of AIA Document A201–2017 for Claims arising from or relating to the Construction Manager’s Construction Phase services, unless the parties appoint below another individual, not a party to the Agreement, to serve as the Initial Decision Maker.

(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)

§ 12.2 Binding Dispute Resolution

For any Claim subject to, but not resolved by mediation pursuant to Article 15 of AIA Document A201–2017, the method of binding dispute resolution shall be as follows:

(Check the appropriate box.)

| Arbitration pursuant to Article 15 of AIA Document A201–2017

Litigation in a court of competent jurisdiction

Other: *(Specify)*

If the Owner and Construction Manager do not select a method of binding dispute resolution, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.

ARTICLE 13 TERMINATION OR SUSPENSION

§ 13.1 Termination Prior to Execution of the Guaranteed Maximum Price Amendment

§ 13.1.1 If the Owner and the Construction Manager do not reach an agreement on the Guaranteed Maximum Price, the Owner may terminate this Agreement upon not less than seven days’ written notice to the Construction Manager, and the Construction Manager may terminate this Agreement, upon not less than seven days’ written notice to the Owner.

§ 13.1.2 In the event of termination of this Agreement pursuant to Section 13.1.1, the Construction Manager shall be compensated for Preconstruction Phase services and Work performed prior to receipt of a notice of termination, in accordance with the terms of this Agreement. In no event shall the Construction Manager’s compensation under this Section exceed the compensation set forth in Section 5.1.

§ 13.1.3 Prior to the execution of the Guaranteed Maximum Price Amendment, the Owner may terminate this Agreement upon not less than seven days' written notice to the Construction Manager for the Owner's convenience and without cause, and the Construction Manager may terminate this Agreement, upon not less than seven days' written notice to the Owner, for the reasons set forth in Article 14 of A201–2017.

§ 13.1.4 In the event of termination of this Agreement pursuant to Section 13.1.3, the Construction Manager shall be equitably compensated for Preconstruction Phase services and Work performed prior to receipt of a notice of termination. In no event shall the Construction Manager's compensation under this Section exceed the compensation set forth in Section 5.1.

§ 13.1.5 If the Owner terminates the Contract pursuant to Section 13.1.3 after the commencement of the Construction Phase but prior to the execution of the Guaranteed Maximum Price Amendment, the Owner shall pay to the Construction Manager an amount calculated as follows, which amount shall be in addition to any compensation paid to the Construction Manager under Section 13.1.4:

- .1 Take the Cost of the Work incurred by the Construction Manager to the date of termination;
- .2 Add the Construction Manager's Fee computed upon the Cost of the Work to the date of termination at the rate stated in Section 6.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion; and
- .3 Subtract the aggregate of previous payments made by the Owner for Construction Phase services.

§ 13.1.6 The Owner shall also pay the Construction Manager fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Construction Manager that the Owner elects to retain and that is not otherwise included in the Cost of the Work under Section 13.1.5.1. To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Construction Manager shall, as a condition of receiving the payments referred to in this Article 13, execute and deliver all such papers and take all such steps, including the legal assignment of such subcontracts and other contractual rights of the Construction Manager, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Construction Manager under such subcontracts or purchase orders. Publicly bid subcontracts, purchase orders and rental agreements entered into by the Construction Manager will contain provisions allowing for assignment to the Owner as described above.

§ 13.1.6.1 If the Owner accepts assignment of subcontracts, purchase orders or rental agreements as described above, the Owner will reimburse or indemnify the Construction Manager for all costs arising under the subcontract, purchase order or rental agreement, if those costs would have been reimbursable as Cost of the Work if the contract had not been terminated. If the Owner chooses not to accept assignment of any subcontract, purchase order or rental agreement that would have constituted a Cost of the Work had this agreement not been terminated, the Construction Manager will terminate the subcontract, purchase order or rental agreement and the Owner will pay the Construction Manager the costs necessarily incurred by the Construction Manager because of such termination.

§ 13.2 Termination or Suspension Following Execution of the Guaranteed Maximum Price Amendment

§ 13.2.1 Termination

The Contract may be terminated by the Owner or the Construction Manager as provided in Article 14 of AIA Document A201–2017.

§ 13.2.2 Termination by the Owner for Cause

§ 13.2.2.1 If the Owner terminates the Contract for cause as provided in Article 14 of AIA Document A201–2017, the amount, if any, to be paid to the Construction Manager under Article 14 of AIA Document A201–2017 shall not cause the Guaranteed Maximum Price to be exceeded, nor shall it exceed an amount calculated as follows:

- .1 Take the Cost of the Work incurred by the Construction Manager to the date of termination;
- .2 Add the Construction Manager's Fee, computed upon the Cost of the Work to the date of termination at the rate stated in Section 6.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion;
- .3 Subtract the aggregate of previous payments made by the Owner; and
- .4 Subtract the costs and damages incurred, or to be incurred, by the Owner under Article 14 of AIA Document A201–2017.

§ 13.2.2.2 The Owner shall also pay the Construction Manager fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Construction Manager that the Owner elects to retain and that is not otherwise included in the Cost of the Work under Section 13.2.2.1.1. To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Construction Manager shall, as a condition of receiving the payments referred to in this Article 13, execute and deliver all such papers and take all such steps, including the legal assignment of such subcontracts and other contractual rights of the Construction Manager, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Construction Manager under such subcontracts or purchase orders.

§ 13.2.3 Termination by the Owner for Convenience

If the Owner terminates the Contract for convenience in accordance with Article 14 of AIA Document A201–2017, then the Owner shall pay the Construction Manager a termination fee as follows:

(Insert the amount of or method for determining the fee, if any, payable to the Construction Manager following a termination for the Owner's convenience.)

§ 13.3 Suspension

The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201–2017; in such case, the Guaranteed Maximum Price and Contract Time shall be increased as provided in Article 14 of AIA Document A201–2017, except that the term "profit" shall be understood to mean the Construction Manager's Fee as described in Sections 6.1 and 6.3.5 of this Agreement.

ARTICLE 14 MISCELLANEOUS PROVISIONS

§ 14.1 Terms in this Agreement shall have the same meaning as those in A201–2017. Where reference is made in this Agreement to a provision of AIA Document A201–2017 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 14.2 Successors and Assigns

§ 14.2.1 The Owner and Construction Manager, respectively, bind themselves, their partners, successors, assigns and legal representatives to covenants, agreements, and obligations contained in the Contract Documents. Except as provided in Section 14.2.2 of this Agreement, and in Section 13.2.2 of A201–2017, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 14.2.2 The Owner may, without consent of the Construction Manager, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Construction Manager shall execute all consents reasonably required to facilitate the assignment.

§ 14.3 Insurance and Bonds

§ 14.3.1 Preconstruction Phase

The Construction Manager shall maintain the following insurance for the duration of the Preconstruction Services performed under this Agreement. If any of the requirements set forth below exceed the types and limits the Construction Manager normally maintains, the Owner shall reimburse the Construction Manager for any additional cost.

§ 14.3.1.1 Commercial General Liability with policy limits of not less than two-million dollars (\$ 2,000,000) for each occurrence and three-million (\$ 3,000,000) in the aggregate for bodily injury and property damage.

§ 14.3.1.2 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Construction Manager with policy limits of not less than one-million dollars (\$ 1,000,000) per accident for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles, along with any other statutorily required automobile coverage.

§ 14.3.1.3 The Construction Manager may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess or umbrella liability insurance, provided that such primary and excess or umbrella liability insurance policies result in the same or greater coverage as the coverages required under Sections 14.3.1.1 and 14.3.1.2, and in no event shall any excess or umbrella liability insurance provide narrower

coverage than the primary policy. The excess policy shall not require the exhaustion of the underlying limits only through the actual payment by the underlying insurers.

§ 14.3.1.4 Workers' Compensation at statutory limits and Employers Liability with policy limits not less than one-million dollars (\$ 1,000,000) each accident, one-million dollars (\$ 1,000,000) each employee, and one-million (\$ 1,000,000) policy limit.

§ 14.3.1.5 Professional Liability covering negligent acts, errors and omissions in the performance of professional services, with policy limits of not less than two-million (\$ 2,000,000) per claim and three-million (\$ 3,000,000) in the aggregate.

§ 14.3.1.6 Other Insurance

(List below any other insurance coverage to be provided by the Construction Manager and any applicable limits.)

Coverage

Limits

§ 14.3.1.7 Additional Insured Obligations. To the fullest extent permitted by law, the Construction Manager shall cause the primary and excess or umbrella policies for Commercial General Liability and Automobile Liability to include the Owner as an additional insured for claims caused in whole or in part by the Construction Manager's negligent acts or omissions. The additional insured coverage shall be primary and non-contributory to any of the Owner's insurance policies and shall apply to both ongoing and completed operations.

§ 14.3.1.8 The Construction Manager shall provide certificates of insurance to the Owner that evidence compliance with the requirements in this Section 14.3.1.

§ 14.3.2 Construction Phase

After execution of the Guaranteed Maximum Price Amendment, the Owner and the Construction Manager shall purchase and maintain insurance as set forth in AIA Document A133™–2019, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price, Exhibit B, Insurance and Bonds, and elsewhere in the Contract Documents.

§ 14.3.2.1 The Construction Manager shall provide bonds as set forth in AIA Document A133™–2019 Exhibit B.

§ 14.4 Notice in electronic format, pursuant to Article 1 of AIA Document A201–2017, may be given to the email address of the representatives identified in Article 1.

§ 14.5 Other provisions:

ARTICLE 15 SCOPE OF THE AGREEMENT

§ 15.1 This Agreement represents the entire and integrated agreement between the Owner and the Construction Manager and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Construction Manager.

§ 15.2 The following documents comprise the Agreement:

- .1 AIA Document A133™–2019, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price
- .2 AIA Document A133™–2019, Exhibit A, Guaranteed Maximum Price Amendment, if executed
- .3 AIA Document A133™–2019, Exhibit B, Insurance and Bonds
- .4 AIA Document A201™–2017, General Conditions of the Contract for Construction
- .5

Removed

Init.

.6 Other Exhibits:
(Check all boxes that apply.)

AIA Document E234™–2019, Sustainable Projects Exhibit, Construction Manager as Constructor Edition, dated as indicated below:
(Insert the date of the E234-2019 incorporated into this Agreement.)

Supplementary and other Conditions of the Contract:

Document	Title	Date	Pages
----------	-------	------	-------

.7 Other documents, if any, listed below:
(List here any additional documents that are intended to form part of the Contract Documents. AIA Document A201–2017 provides that the advertisement or invitation to bid, Instructions to Bidders, sample forms, the Construction Manager’s bid or proposal, portions of Addenda relating to bidding or proposal requirements, and other information furnished by the Owner in anticipation of receiving bids or proposals, are not part of the Contract Documents unless enumerated in this Agreement. Any such documents should be listed here only if intended to be part of the Contract Documents.)

Exhibit D – Fee Proposal

This Agreement is entered into as of the day and year first written above.

DULUTH AIRPORT AUTHORITY

HOFFMANN+UHLHORN CONSTRUCTION, INC.

OWNER (Signature)

CONSTRUCTION MANAGER (Signature)

(Printed name and title)

Joseph A. Uhlhorn, CFO+Partner
(Printed name and title)

Additions and Deletions Report for **AIA® Document A133® – 2019**

This Additions and Deletions Report, as defined on page 1 of the associated document, reproduces below all text the author has added to the standard form AIA document in order to complete it, as well as any text the author may have added to or deleted from the original AIA text. Added text is shown underlined. Deleted text is indicated with a horizontal line through the original AIA text.

Note: This Additions and Deletions Report is provided for information purposes only and is not incorporated into or constitute any part of the associated AIA document. This Additions and Deletions Report and its associated document were generated simultaneously by AIA software at 17:45:37 ET on 04/09/2024.

PAGE 1

AGREEMENT made as of the 9th day of April in the year 2024

...

Duluth Airport Authority
4701 Grinden Drive
Duluth, MN 55811

...

Hoffmann + Uhlhorn Construction, Inc.
5555 W 78th Street, Suite A
Minneapolis, MN 55439

...

Air Traffic Control Tower and Base Building
Site 6, Duluth International Airport
Duluth, MN

...

EXP U.S. Services, Inc.
205 North Michigan Avenue
Suite 3600
Chicago, IL 60601

PAGE 2

The Owner's program for the project is outlined in DAA's Construction Manager at Risk Request for Proposals dated January 4, 2024, and subsequent addenda 1-4 issued and related to the RFP. The Owner's program will continue to be developed throughout the preconstruction phase of the work.

...

The physical characteristics of the Project are outlined in addenda 4 of the RFP issued January 26, 2024.

PAGE 3

The estimated cost of the ATCT replacement is \$66M; this includes \$44M for predesign work, design, ATCT construction and several enabling projects and \$22M for specific FAA equipment, design, etc.

...

10% documents issued 1/26/2024
35% documents issued 3/29/2024
70% documents issued 6/7/2024
100% documents issued 8/23/2024

...

The construction commencement date is expected in the Spring of 2025 but work may commence earlier depending on funding and site preparation needs.

...

July 31, 2026

...

A GMP, or multiple GMP's will be established at a TBD date depending on funding. Preliminary guidance in the RFP requires submittal of a GMP no later than June 19, 2024, but this may change based on State, Local, or Federal funding receipts.

...

Construction phasing will be determined based on funding receipts.

...

The Owner anticipates complying with LEED and State of MN B3 sustainable objectives.

§ 1.1.6.1 If the Owner identifies a Sustainable Objective, the Owner and Construction Manager shall complete and incorporate AIA Document E234™ 2019, Sustainable Projects Exhibit, Construction Manager as Constructor Edition, into this Agreement to define the terms, conditions and services related to the Owner's Sustainable Objective. If E234 2019 is incorporated into this agreement, the Owner and Construction Manager shall incorporate the completed E234 2019 into the agreements with the consultants and contractors performing services or Work in any way associated with the Sustainable Objective.

...

Other project information is provided in DAA's Construction Manager at Risk Request for Proposals dated January 4, 2024, and subsequent addenda 1-4 issued and related to the RFP.

...

Mark Papko, A.A.E
Director of Operations
Duluth Airport Authority
4701 Grinden Drive
Duluth, MN 55811
(218) 727 - 2968 - Main
(218) 625-7767 - Direct
mpapko@duluthairport.com

PAGE 4

TBD

...

Braun Intertec Corporation

...

SEH

...

EXP U.S. Services, Inc.

...

Joe Uhlhorn
Project Executive
5555 W 78th Street, Suite A
Minneapolis, MN 55439
651-335-4634
juhlhorn@hu-construction.com

PAGE 5

As provided in Hoffmann + Uhlhorn Construction's RFP response dated February 2, 2024

...

The Owner will procure the work using the Construction Management at Risk delivery method. Trade work by the Construction Manager's subcontractors will be procured to comply with Federal, Municipal, and State requirements.

...

None
PAGE 6

The Construction Manager shall exercise reasonable care in performing its Preconstruction Services. The Owner and Architect shall be entitled to rely on, and shall not be responsible for, the accuracy, completeness, and timeliness of services and information furnished by the Construction Manager. The Construction Manager, however, does not warrant or guarantee estimates and schedules except as may be included as part of the Guaranteed Maximum Price. The Construction Manager is not required to ascertain that the Drawings and Specifications are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Construction Manager shall promptly report within 10 days to the Architect and Owner any nonconformity discovered by or made known to the Construction Manager as a request for information in such form as the Architect may require. Necessary changes shall be made to the Contract Documents to incorporate any required changes.

...

§ 3.1.3.2 The Construction Manager shall advise the Owner and Architect on proposed site use and improvements, selection of materials, building systems, and equipment. The Construction Manager shall also provide recommendations to the Owner and Architect, consistent with the Project requirements, on constructability; availability of materials and labor; time requirements for procurement, installation and construction; prefabrication; and factors related to construction cost including, but not limited to, costs of alternative designs or materials, preliminary budgets, life-cycle data, and possible cost reductions. It is understood that recommendations on possible cost reductions (Value Engineering) are not professional services, and that Value Engineering may come with corresponding tradeoffs to quality, look, durability, etc. The Construction Manager shall consult with the Architect regarding professional services to be provided by the Construction Manager during the Construction Phase.

§ 3.1.3.3 The Construction Manager shall assist the Owner and Architect in establishing building information modeling and digital data protocols for the Project, using AIA Document E203™ – 2013, Building Information

~~Modeling and Digital Data Exhibit, to establish the protocols for the development, use, transmission, and exchange of digital data.~~

PAGE 7

~~§ 3.1.6.2 As the Architect progresses with the preparation of the Schematic Design, Design Development and Construction Documents, the Construction Manager shall prepare and update, at appropriate intervals agreed to by the Owner, Construction Manager and Architect, 10%, 35%, 70% and 90% design an estimate of the Cost of the Work with increasing detail and refinement. The Construction Manager shall include in the estimate those costs to allow for the further development of the design, price escalation, and market conditions, until such time as the Owner and Construction Manager agree on a Guaranteed Maximum Price for the Work. The estimate shall be provided for the Architect's review and the Owner's approval. The Construction Manager shall inform the Owner and Architect in the event that the estimate of the Cost of the Work exceeds the latest approved Project budget, and make recommendations for corrective action. The Construction Manager will coordinate its estimating efforts with the Architect and Owner.~~

...

~~§ 3.1.10 If the Owner identified a Sustainable Objective in Article 1, the Construction Manager shall fulfill its Preconstruction Phase responsibilities as required in AIA Document E234™ 2019, Sustainable Projects Exhibit, Construction Manager as Constructor Edition, attached to this Agreement.~~responsibilities.

PAGE 8

Other Preconstruction Services that are not listed in this contract but were included in the RFP will be provided by the Construction Manager.

...

~~§ 3.2.4 In preparing the Construction Manager's Guaranteed Maximum Price proposal, the Construction Manager shall include a contingency for the Construction Manager's exclusive use to cover those costs that are included in the Guaranteed Maximum Price but not otherwise allocated to another line item or included in a Change Order. considered reimbursable as a Cost of Work but not otherwise allocated to a line item in the Guaranteed Maximum Price or included in a change order. The Construction Manager's Contingency is separate from the Owner's contingency carried outside the Guaranteed Maximum Price. The Construction Manager will provide monthly updates to the Owner indicating use of contingency.~~

PAGE 9

The Construction Manager shall keep, and make available to the Owner and Architect, a daily log containing a record for each day of weather, portions of the Work in progress, number of workers on site, identification of equipment on site, problems that might affect progress of the work, accidents, injuries, and other information reasonably required by the Owner.

PAGE 10

~~§ 4.1.6 If the Owner identified a Sustainable Objective in Article 1, the Owner shall fulfill its responsibilities as required in AIA Document E234™ 2019, Sustainable Projects Exhibit, Construction Manager as Constructor Edition, attached to this Agreement.~~required.

...

§ 4.2.1 Legal Requirements. The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests. The Owner shall advise the Construction Manager of any special legal requirements relating specifically to the Project that differ from those generally applicable to construction in the jurisdiction of the Project.

PAGE 11

Preconstruction Phase Services will be compensated to a maximum of \$60,000.

...

Preconstruction Phase Services will be compensated based on rates provided in the attached "Exhibit D - Fee Proposal"

...

§ 5.1.3 If the Preconstruction Phase services covered by this Agreement have not been completed ~~within (—) months of the date of this Agreement, by December 31, 2024,~~ through no fault of the Construction Manager, the Construction Manager's compensation for Preconstruction Phase services shall be equitably adjusted. The Construction Manager's Preconstruction Phase Services shall end with the execution of the Guaranteed Maximum Price Amendment at which time Construction Phase Services will begin.

...

§ 5.2.2 Payments are due and payable upon presentation of the Construction Manager's invoice. Amounts unpaid (—) ~~forty-five~~ days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Construction Manager.

...

8 % annually

...

The Construction Manager's Fee will be calculated by multiplying the Cost of the Work by 1.00%. The Construction Manager's Fee amount will be determined with the GMP Amendment. The Construction Manager's Fee will become a fixed amount with the GMP Amendment and will not be reduced.

PAGE 12

The Construction Manager's Fee will be increased by multiplying the Cost of Work of any additive changes in the work by 1.00%.

...

N/A

§ 6.1.5 Rental rates for Construction Manager-owned equipment shall not exceed eighty-five percent (—%) of the standard rental rate paid at the place of the Project.

...

None

...

All savings on the project, defined as the difference between the GMP less the Cost of the Work and the Construction Manager's Fee, shall be 100% returned to the Owner.

PAGE 13

Wages or salaries of the Construction Manager's supervisory and administrative personnel will be reimbursed at the rates and positions provided in "Exhibit D - Fee Proposal." Wage rates for those positions provided in "Exhibit D - Fee Proposal" will remain fixed until July 31, 2026 at which time they will increase 5%.

PAGE 14

§ 7.6.5.1 The cost of defending suits or claims for infringement of patent rights arising from requirements of the Contract Documents, payments made in accordance with legal judgments against the Construction Manager resulting from such suits or claims, and payments of settlements made with the Owner's consent, unless the Construction Manager ~~had reason to believe~~ knew that the required design, process, or product was an infringement of a copyright

or a patent, and the Construction Manager failed to promptly furnish such information to the Architect as required by Article 3 of AIA Document A201–2017. The costs of legal defenses, judgments, and settlements shall not be included in the Cost of the Work used to calculate the Construction Manager’s Fee or subject to the Guaranteed Maximum Price.

PAGE 15

§ 7.7.5 Costs for non-labor items specified in "Exhibit D – Fee Proposal" will be reimbursed at the rates provided in the Exhibit.

PAGE 16

§ 9.1 Those portions of the Work that the Construction Manager does not customarily perform with the Construction Manager’s own personnel shall be performed under subcontracts or other appropriate agreements with the Construction Manager. The Owner may designate specific persons from whom, or entities from which, the Construction Manager shall obtain bids. The Construction Manager shall obtain bids from Subcontractors, and from suppliers of materials or equipment fabricated especially for the Work, who are qualified to perform that portion of the Work in accordance with the requirements of the Contract Documents, applicable Federal, State, and Local requirements. The Construction Manager shall deliver such bids to the Architect and Owner with an indication as to which bids the Construction Manager intends to accept. The Owner then has the right to review the Construction Manager’s list of proposed subcontractors and suppliers in consultation with the Architect and, subject to Section 9.1.1, to object to any subcontractor or supplier. Any advice of the Architect, or approval or objection by the Owner, shall not relieve the Construction Manager of its responsibility to perform the Work in accordance with the Contract Documents. The Construction Manager shall not be required to contract with anyone to whom the Construction Manager has reasonable objection.

PAGE 17

§ 11.1.3 Provided that an Application for Payment is received by the Architect not later than the 10th day of a month, the Owner shall make payment of the amount certified to the Construction Manager not later than the 10th day of the following month. If an Application for Payment is received by the Architect after the application date fixed above, payment of the amount certified shall be made by the Owner not later than (—)forty-five days after the Architect receives the Application for Payment.

...

~~§ 11.1.5.3 When the Construction Manager allocates costs from a contingency to another line item in the schedule of values, the Construction Manager shall submit supporting documentation to the Architect.~~

PAGE 18

- .4 The Construction Manager’s Fee, computed upon the Cost of the Work described in the preceding Sections ~~11.1.7.1.1 and 11.1.7.1.2~~ 11.1.7.1.1, 11.1.7.1.2, and 11.1.7.1.3 at the rate stated in Section 6.1.2 or, if the Construction Manager’s Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum fee as the Cost of the Work included in Sections ~~11.1.7.1.1 and 11.1.7.1.2~~ 11.1.7.1.1, 11.1.7.1.2, and 11.1.7.1.3 bears to a reasonable estimate of the probable Cost of the Work upon its completion.

...

Retainage of 5% will be withheld from progress payments.

...

There shall be no retainage withheld on the Construction Managers Fee and General Condition Costs.

...

The Owner and Construction Manager may agree to reductions of limitations on retainage during the project.

...

150% of the estimated cost of incomplete work and any unsettled Claims may be withheld by the Owner.

PAGE 19

§ 11.2.2.3 If the Owner's auditors' report concludes that the Cost of the Work, as substantiated by the Construction Manager's final accounting, is less than claimed by the Construction Manager, the Construction Manager shall be entitled to request mediation of the disputed amount without seeking an initial decision pursuant to Article 15 of AIA Document A201–2017. A request for mediation shall be made by the Construction Manager within ~~30~~ 60 days after the Construction Manager's receipt of a copy of the Architect's final Certificate for Payment. Failure to request mediation within this ~~30-day~~ 60-day period shall result in the substantiated amount reported by the Owner's auditors becoming binding on the Construction Manager. Pending a final resolution of the disputed amount, the Owner shall pay the Construction Manager the amount certified in the Architect's final Certificate for Payment.

PAGE 20

8 % annual

...

Arbitration pursuant to Article 15 of AIA Document A201–2017

PAGE 21

§ 13.1.6 The Owner shall also pay the Construction Manager fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Construction Manager that the Owner elects to retain and that is not otherwise included in the Cost of the Work under Section 13.1.5.1. To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Construction Manager shall, as a condition of receiving the payments referred to in this Article 13, execute and deliver all such papers and take all such steps, including the legal assignment of such subcontracts and other contractual rights of the Construction Manager, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Construction Manager under such subcontracts or purchase orders. ~~All Subcontracts, Publicly bid subcontracts,~~ purchase orders and rental agreements entered into by the Construction Manager will contain provisions allowing for assignment to the Owner as described above.

PAGE 22

§ 14.3.1.1 Commercial General Liability with policy limits of not less than two-million dollars (\$ 2,000,000) for each occurrence and three-million (\$ 3,000,000) in the aggregate for bodily injury and property damage.

§ 14.3.1.2 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Construction Manager with policy limits of not less than one-million dollars (\$ 1,000,000) per accident for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles, along with any other statutorily required automobile coverage.

PAGE 23

§ 14.3.1.4 Workers' Compensation at statutory limits and Employers Liability with policy limits not less than one-million dollars (\$ 1,000,000) each accident, one-million dollars (\$ 1,000,000) each employee, and one-million (\$ 1,000,000) policy limit.

§ 14.3.1.5 Professional Liability covering negligent acts, errors and omissions in the performance of professional services, with policy limits of not less than two-million (\$ 2,000,000) per claim and three-million (\$ 3,000,000) in the aggregate.

...

§ 14.3.2.1 The Construction Manager shall provide bonds as set forth in AIA Document A133™–2019 Exhibit ~~B~~, and elsewhere in the Contract Documents.

§ 14.4 Notice in electronic format, pursuant to Article 1 of AIA Document A201–2017, may be given in accordance with AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit, if completed, or as otherwise set forth below:

(If other than in accordance with AIA Document E203–2013, insert requirements for delivering notice in electronic format such as name, title, and email address of the recipient and whether and how the system will be required to generate a read receipt for the transmission.) to the email address of the representatives identified in Article 1.

...

.5 ~~AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit, dated as indicated below:~~

~~(Insert the date of the E203–2013 incorporated into this Agreement.)~~

~~Removed~~

PAGE 24

Exhibit D – Fee Proposal

This Agreement is entered into as of the day and year first written above.

DULUTH AIRPORT AUTHORITY
INC.

HOFFMANN+UHLHORN CONSTRUCTION,

...

Joseph A. Uhlhorn, CFO+Partner

Certification of Document's Authenticity

AIA® Document D401™ – 2003

I, _____, hereby certify, to the best of my knowledge, information and belief, that I created the attached final document simultaneously with its associated Additions and Deletions Report and this certification at 17:45:37 ET on 04/09/2024 under Order No. 4104243742 from AIA Contract Documents software and that in preparing the attached final document I made no changes to the original text of AIA® Document A133™ – 2019, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price, other than those additions and deletions shown in the associated Additions and Deletions Report.

(Signed)

(Title)

(Dated)



AIA[®] Document A133[®] – 2019 Exhibit B

Insurance and Bonds

This Insurance and Bonds Exhibit is part of the Agreement, between the Owner and the Construction Manager, dated the 9th day of April in the year 2024
(In words, indicate day, month and year.)

for the following **PROJECT:**
(Name and location or address)

Air Traffic Control Tower and Base Building
Site 6, Duluth International Airport
Duluth, MN

THE OWNER:
(Name, legal status, and address)

Duluth Airport Authority
4701 Grinden Drive
Duluth, MN 55811

THE CONSTRUCTION MANAGER:
(Name, legal status, and address)

Hoffmann + Uhlhorn Construction, Inc.
5555 W 78th Street, Suite A
Minneapolis, MN 55439

TABLE OF ARTICLES

- B.1 GENERAL**
- B.2 OWNER'S INSURANCE**
- B.3 CONSTRUCTION MANAGER'S INSURANCE AND BONDS**
- B.4 SPECIAL TERMS AND CONDITIONS**

ARTICLE B.1 GENERAL

The Owner and Construction Manager shall purchase and maintain insurance, and provide bonds, as set forth in this Exhibit. As used in this Exhibit, the term General Conditions refers to AIA Document A201TM-2017, General Conditions of the Contract for Construction.

ARTICLE B.2 OWNER'S INSURANCE

§ B.2.1 General

Prior to commencement of the Work, the Owner shall secure the insurance, and provide evidence of the coverage, required under this Article B.2 and, upon the Construction Manager's request, provide a copy of the property insurance policy or policies required by

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

This document is intended to be used in conjunction with AIA Document A201TM-2017, General Conditions of the Contract for Construction. Article 11 of A201TM-2017 contains additional insurance provisions.

Section B.2.3. The copy of the policy or policies provided shall contain all applicable conditions, definitions, exclusions, and endorsements.

§ B.2.2 Liability Insurance

The Owner shall be responsible for purchasing and maintaining the Owner’s usual general liability insurance.

§ B.2.3 Required Property Insurance

§ B.2.3.1 Unless this obligation is placed on the Construction Manager pursuant to Section B.3.3.2.1, the Owner shall purchase and maintain, from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located, property insurance written on a builder’s risk "all-risks" completed value or equivalent policy form and sufficient to cover the total value of the entire Project on a replacement cost basis. The Owner’s property insurance coverage shall be no less than the amount of the initial Contract Sum, plus the value of subsequent Modifications and labor performed and materials or equipment supplied by others. The property insurance shall be maintained until Substantial Completion and thereafter as provided in Section B.2.3.1.3, unless otherwise provided in the Contract Documents or otherwise agreed in writing by the parties to this Agreement. This insurance shall include the interests of the Owner, Construction Manager, Subcontractors, and Sub-subcontractors in the Project as insureds. This insurance shall include the interests of mortgagees as loss payees.

§ B.2.3.1.1 Causes of Loss. The insurance required by this Section B.2.3.1 shall provide coverage for direct physical loss or damage, and shall not exclude the risks of fire, explosion, theft, vandalism, malicious mischief, collapse, earthquake, flood, or windstorm. The insurance shall also provide coverage for ensuing loss or resulting damage from error, omission, or deficiency in construction methods, design, specifications, workmanship, or materials. Sub-limits, if any, are as follows:

(Indicate below the cause of loss and any applicable sub-limit.)

Cause of Loss	Sub-Limit
---------------	-----------

§ B.2.3.1.2 Specific Required Coverages. The insurance required by this Section B.2.3.1 shall provide coverage for loss or damage to falsework and other temporary structures, and to building systems from testing and startup. The insurance shall also cover debris removal, including demolition occasioned by enforcement of any applicable legal requirements, and reasonable compensation for the Architect’s and Construction Manager’s services and expenses required as a result of such insured loss, including claim preparation expenses. Sub-limits, if any, are as follows:

(Indicate below type of coverage and any applicable sub-limit for specific required coverages.)

Coverage	Sub-Limit
----------	-----------

§ B.2.3.1.3 Unless the parties agree otherwise, upon Substantial Completion, the Owner shall continue the insurance required by Section B.2.3.1 or, if necessary, replace the insurance policy required under Section B.2.3.1 with property insurance written for the total value of the Project that shall remain in effect until expiration of the period for correction of the Work set forth in Section 12.2.2 of the General Conditions.

§ B.2.3.1.4 Deductibles and Self-Insured Retentions. If the insurance required by this Section B.2.3 is subject to deductibles or self-insured retentions, the Owner shall be responsible for all loss not covered because of such deductibles or retentions.

§ B.2.3.2 Occupancy or Use Prior to Substantial Completion. The Owner’s occupancy or use of any completed or partially completed portion of the Work prior to Substantial Completion shall not commence until the insurance company or companies providing the insurance under Section B.2.3.1 have consented in writing to the continuance of coverage. The Owner and the Construction Manager shall take no action with respect to partial occupancy or use that would cause cancellation, lapse, or reduction of insurance, unless they agree otherwise in writing.

§ B.2.3.3 Insurance for Existing Structures

If the Work involves remodeling an existing structure or constructing an addition to an existing structure, the Owner shall purchase and maintain, until the expiration of the period for correction of Work as set forth in Section 12.2.2 of

the General Conditions, "all-risks" property insurance, on a replacement cost basis, protecting the existing structure against direct physical loss or damage from the causes of loss identified in Section B.2.3.1, notwithstanding the undertaking of the Work. The Owner shall be responsible for all co-insurance penalties.

§ B.2.4 Optional Extended Property Insurance.

The Owner shall purchase and maintain the insurance selected and described below.

(Select the types of insurance the Owner is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance. For each type of insurance selected, indicate applicable limits of coverage or other conditions in the fill point below the selected item.)

- § B.2.4.1 Loss of Use, Business Interruption, and Delay in Completion Insurance**, to reimburse the Owner for loss of use of the Owner's property, or the inability to conduct normal operations due to a covered cause of loss.
- § B.2.4.2 Ordinance or Law Insurance**, for the reasonable and necessary costs to satisfy the minimum requirements of the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of the Project.
- § B.2.4.3 Expediting Cost Insurance**, for the reasonable and necessary costs for the temporary repair of damage to insured property, and to expedite the permanent repair or replacement of the damaged property.
- § B.2.4.4 Extra Expense Insurance**, to provide reimbursement of the reasonable and necessary excess costs incurred during the period of restoration or repair of the damaged property that are over and above the total costs that would normally have been incurred during the same period of time had no loss or damage occurred.
- § B.2.4.5 Civil Authority Insurance**, for losses or costs arising from an order of a civil authority prohibiting access to the Project, provided such order is the direct result of physical damage covered under the required property insurance.
- § B.2.4.6 Ingress/Egress Insurance**, for loss due to the necessary interruption of the insured's business due to physical prevention of ingress to, or egress from, the Project as a direct result of physical damage.
- § B.2.4.7 Soft Costs Insurance**, to reimburse the Owner for costs due to the delay of completion of the Work, arising out of physical loss or damage covered by the required property insurance: including construction loan fees; leasing and marketing expenses; additional fees, including those of architects, engineers, consultants, attorneys and accountants, needed for the completion of the construction, repairs, or reconstruction; and carrying costs such as property taxes, building permits, additional interest on loans, realty taxes, and insurance premiums over and above normal expenses.

§ B.2.5 Other Optional Insurance.

The Owner shall purchase and maintain the insurance selected below.

(Select the types of insurance the Owner is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance.)

§ B.2.5.1 Cyber Security Insurance for loss to the Owner due to data security and privacy breach, including costs of investigating a potential or actual breach of confidential or private information. *(Indicate applicable limits of coverage or other conditions in the fill point below.)*

§ B.2.5.2 Other Insurance
(List below any other insurance coverage to be provided by the Owner and any applicable limits.)

Coverage

Limits

ARTICLE B.3 CONSTRUCTION MANAGER'S INSURANCE AND BONDS

§ B.3.1 General

§ B.3.1.1 Certificates of Insurance. The Construction Manager shall provide certificates of insurance acceptable to the Owner evidencing compliance with the requirements in this Article B.3 at the following times: (1) prior to commencement of the Work; (2) upon renewal or replacement of each required policy of insurance; and (3) upon the Owner's written request. An additional certificate evidencing continuation of commercial liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment and thereafter upon renewal or replacement of such coverage until the expiration of the periods required by Section B.3.2.1 and Section B.3.3.1. The certificates will show the Owner as an additional insured on the Construction Manager's Commercial General Liability and excess or umbrella liability policy or policies.

§ B.3.1.2 Deductibles and Self-Insured Retentions. The Construction Manager shall disclose to the Owner any deductible or self-insured retentions applicable to any insurance required to be provided by the Construction Manager.

§ B.3.1.3 Additional Insured Obligations. To the fullest extent permitted by law, the Construction Manager shall cause the commercial general liability coverage to include (1) the Owner, the Architect, and the Architect's consultants as additional insureds for claims caused in whole or in part by the Construction Manager's negligent acts or omissions during the Construction Manager's operations; and (2) the Owner as an additional insured for claims caused in whole or in part by the Construction Manager's negligent acts or omissions for which loss occurs during completed operations. The additional insured coverage shall be primary and non-contributory to any of the Owner's general liability insurance policies and shall apply to both ongoing and completed operations. To the extent commercially available, the additional insured coverage shall be no less than that provided by Insurance Services Office, Inc. (ISO) forms CG 20 10 07 04, CG 20 37 07 04, and, with respect to the Architect and the Architect's consultants, CG 20 32 07 04.

§ B.3.2 Construction Manager's Required Insurance Coverage

§ B.3.2.1 The Construction Manager shall purchase and maintain the following types and limits of insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Construction Manager shall maintain the required insurance until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, unless a different duration is stated below: *(If the Construction Manager is required to maintain insurance for a duration other than the expiration of the period for correction of Work, state the duration.)*

§ B.3.2.2 Commercial General Liability

§ B.3.2.2.1 Commercial General Liability insurance for the Project written on an occurrence form with policy limits of not less than two-million dollars (\$ 2,000,000) each occurrence, three-million (\$ 3,000,000) general aggregate, and

Init.

three-million (\$ 3,000,000) aggregate for products-completed operations hazard, providing coverage for claims including

- .1 damages because of bodily injury, sickness or disease, including occupational sickness or disease, and death of any person;
- .2 personal injury and advertising injury;
- .3 damages because of physical damage to or destruction of tangible property, including the loss of use of such property;
- .4 bodily injury or property damage arising out of completed operations; and
- .5 the Construction Manager's indemnity obligations under Section 3.18 of the General Conditions.

§ B.3.2.2 The Construction Manager's Commercial General Liability policy under this Section B.3.2.2 shall not contain an exclusion or restriction of coverage for the following:

- .1 Claims by one insured against another insured, if the exclusion or restriction is based solely on the fact that the claimant is an insured, and there would otherwise be coverage for the claim.
- .2 Claims for property damage to the Construction Manager's Work arising out of the products-completed operations hazard where the damaged Work or the Work out of which the damage arises was performed by a Subcontractor.
- .3 Claims for bodily injury other than to employees of the insured.
- .4 Claims for indemnity under Section 3.18 of the General Conditions arising out of injury to employees of the insured.
- .5 Claims or loss excluded under a prior work endorsement or other similar exclusionary language.
- .6 Claims or loss due to physical damage under a prior injury endorsement or similar exclusionary language.
- .7 Claims related to residential, multi-family, or other habitational projects, if the Work is to be performed on such a project.
- .8 Claims related to roofing, if the Work involves roofing.
- .9 Claims related to exterior insulation finish systems (EIFS), synthetic stucco or similar exterior coatings or surfaces, if the Work involves such coatings or surfaces.
- .10 Claims related to earth subsidence or movement, where the Work involves such hazards.
- .11 Claims related to explosion, collapse and underground hazards, where the Work involves such hazards.

§ B.3.2.3 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Construction Manager, with policy limits of not less than one-million (\$ 1,000,000) per accident, for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles along with any other statutorily required automobile coverage.

§ B.3.2.4 The Construction Manager may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess or umbrella liability insurance, provided such primary and excess or umbrella insurance policies result in the same or greater coverage as the coverages required under Section B.3.2.2 and B.3.2.3, and in no event shall any excess or umbrella liability insurance provide narrower coverage than the primary policy. The excess policy shall not require the exhaustion of the underlying limits only through the actual payment by the underlying insurers.

§ B.3.2.5 Workers' Compensation at statutory limits.

§ B.3.2.6 Employers' Liability with policy limits not less than one-million (\$ 1,000,000) each accident, one-million (\$ 1,000,000) each employee, and one-million (\$ 1,000,000) policy limit.

§ B.3.2.7 If the Construction Manager is required to furnish professional services as part of the Work, the Construction Manager shall procure Professional Liability insurance covering performance of the professional services, with policy limits of not less than two-million (\$ 2,000,000) per claim and three-million (\$ 3,000,000) in the aggregate.

§ B.3.2.8 If the Work involves the transport, dissemination, use, or release of pollutants, the Construction Manager shall procure Pollution Liability insurance, with policy limits of not less than two-million (\$ 2,000,000) per claim and two-million (\$ 2,000,000) in the aggregate.

§ B.3.2.9 Coverage under Sections B.3.2.8 and B.3.2.9 may be procured through a Combined Professional Liability and Pollution Liability insurance policy, with combined policy limits of not less than two-million (\$ 2,000,000) per claim and three-million (\$ 3,000,000) in the aggregate.

(Paragraphs deleted)

§ B.3.3 Construction Manager's Other Insurance Coverage

§ B.3.3.1 Insurance selected and described in this Section B.3.3 shall be purchased from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Construction Manager shall maintain the required insurance until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, unless a different duration is stated below:

(If the Construction Manager is required to maintain any of the types of insurance selected below for a duration other than the expiration of the period for correction of Work, state the duration.)

None

§ B.3.3.2 The Construction Manager shall purchase and maintain the following types and limits of insurance in accordance with Section B.3.3.1.

(Select the types of insurance the Construction Manager is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance. Where policy limits are provided, include the policy limit in the appropriate fill point.)

- § B.3.3.2.1 Property insurance of the same type and scope satisfying the requirements identified in Section B.2.3, which, if selected in this Section B.3.3.2.1, relieves the Owner of the responsibility to purchase and maintain such insurance except insurance required by Section B.2.3.1.3 and Section B.2.3.3. The Construction Manager shall comply with all obligations of the Owner under Section B.2.3 except to the extent provided below. The Construction Manager shall disclose to the Owner the amount of any deductible, and the Owner shall be responsible for losses within the deductible. Upon request, the Construction Manager shall provide the Owner with a copy of the property insurance policy or policies required. The Owner shall adjust and settle the loss with the insurer and be the trustee of the proceeds of the property insurance in accordance with Article 11 of the General Conditions unless otherwise set forth below:
(Where the Construction Manager's obligation to provide property insurance differs from the Owner's obligations as described under Section B.2.3, indicate such differences in the space below. Additionally, if a party other than the Owner will be responsible for adjusting and settling a loss with the insurer and acting as the trustee of the proceeds of property insurance in accordance with Article 11 of the General Conditions, indicate the responsible party below.)
- § B.3.3.2.2 **Railroad Protective Liability Insurance**, with policy limits of not less than (\$) per claim and (\$) in the aggregate, for Work within fifty (50) feet of railroad property.
- § B.3.3.2.3 **Asbestos Abatement Liability Insurance**, with policy limits of not less than (\$) per claim and (\$) in the aggregate, for liability arising from the encapsulation, removal, handling, storage, transportation, and disposal of asbestos-containing materials.
- § B.3.3.2.4 Insurance for physical damage to property while it is in storage and in transit to the construction site on an "all-risks" completed value form.
- § B.3.3.2.5 Property insurance on an "all-risks" completed value form, covering property owned by the Construction Manager and used on the Project, including scaffolding and other equipment.

[]

§ B.3.3.2.6 Other Insurance

(List below any other insurance coverage to be provided by the Construction Manager and any applicable limits.)

Coverage

Limits

§ B.3.4 Performance Bond and Payment Bond

The Construction Manager shall provide surety bonds, from a company or companies lawfully authorized to issue surety bonds in the jurisdiction where the Project is located, as follows:

(Specify type and penal sum of bonds.)

Type	Penal Sum (\$0.00)
Payment Bond	100% of Contract Sum
Performance Bond	100% of Contract Sum

Payment and Performance Bonds shall be AIA Document A312™, Payment Bond and Performance Bond, or contain provisions identical to AIA Document A312™, current as of the date of this Agreement.

ARTICLE B.4 SPECIAL TERMS AND CONDITIONS

Special terms and conditions that modify this Insurance and Bonds Exhibit, if any, are as follows:

None

Additions and Deletions Report for AIA® Document A133® – 2019 Exhibit B

This Additions and Deletions Report, as defined on page 1 of the associated document, reproduces below all text the author has added to the standard form AIA document in order to complete it, as well as any text the author may have added to or deleted from the original AIA text. Added text is shown underlined. Deleted text is indicated with a horizontal line through the original AIA text.

Note: This Additions and Deletions Report is provided for information purposes only and is not incorporated into or constitute any part of the associated AIA document. This Additions and Deletions Report and its associated document were generated simultaneously by AIA software at 17:50:34 ET on 04/09/2024.

PAGE 1

This Insurance and Bonds Exhibit is part of the Agreement, between the Owner and the Construction Manager, dated the 9th day of April in the year 2024

...

Air Traffic Control Tower and Base Building
Site 6, Duluth International Airport
Duluth, MN

...

(Name, legal status, and address)

Duluth Airport Authority
4701 Grinden Drive
Duluth, MN 55811

...

Hoffmann + Uhlhorn Construction, Inc.
5555 W 78th Street, Suite A
Minneapolis, MN 55439

PAGE 3

- § B.2.4.7 **Soft Costs Insurance**, to reimburse the Owner for costs due to the delay of completion of the Work, arising out of physical loss or damage covered by the required property insurance: including construction loan fees; leasing and marketing expenses; additional fees, including those of architects, engineers, consultants, attorneys and accountants, needed for the completion of the construction, repairs, or reconstruction; and carrying costs such as property taxes, building permits, additional interest on loans, realty taxes, and insurance premiums over and above normal expenses.

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§ B.3.2.2.1 Commercial General Liability insurance for the Project written on an occurrence form with policy limits of not less than two-million dollars (\$ 2,000,000) each occurrence, three-million (\$ 3,000,000) general aggregate, and three-million (\$ 3,000,000) aggregate for products-completed operations hazard, providing coverage for claims including

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§ B.3.2.3 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Construction Manager, with policy limits of not less than one-million (\$ 1,000,000) per accident, for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles along with any other statutorily required automobile coverage.

...

§ B.3.2.6 Employers' Liability with policy limits not less than one-million (\$ 1,000,000) each accident, one-million (\$ 1,000,000) each employee, and one-million (\$ 1,000,000) policy limit.

§ B.3.2.7 Jones Act, and the Longshore & Harbor Workers' Compensation Act, as required, if the Work involves hazards arising from work on or near navigable waterways, including vessels and docks. If the Construction Manager is required to furnish professional services as part of the Work, the Construction Manager shall procure Professional Liability insurance covering performance of the professional services, with policy limits of not less than two-million (\$ 2,000,000) per claim and three-million (\$ 3,000,000) in the aggregate.

§ B.3.2.8 If the Construction Manager is required to furnish professional services as part of the Work, the Construction Manager shall procure Professional Liability insurance covering performance of the professional services. Work involves the transport, dissemination, use, or release of pollutants, the Construction Manager shall procure Pollution Liability insurance, with policy limits of not less than (\$) per claim and (\$ two-million (\$ 2,000,000) per claim and two-million (\$ 2,000,000) in the aggregate.

§ B.3.2.9 If the Work involves the transport, dissemination, use, or release of pollutants, the Construction Manager shall procure Pollution Liability insurance, with Coverage under Sections B.3.2.8 and B.3.2.9 may be procured through a Combined Professional Liability and Pollution Liability insurance policy, with combined policy limits of not less than two-million (\$ 2,000,000) per claim and three-million (\$ 3,000,000) in the aggregate.

§ B.3.2.10 Coverage under Sections B.3.2.8 and B.3.2.9 may be procured through a Combined Professional Liability and Pollution Liability insurance policy, with combined policy limits of not less than (\$) per claim and (\$) in the aggregate.

§ B.3.2.11 Insurance for maritime liability risks associated with the operation of a vessel, if the Work requires such activities, with policy limits of not less than (\$) per claim and (\$) in the aggregate.

§ B.3.2.12 Insurance for the use or operation of manned or unmanned aircraft, if the Work requires such activities, with policy limits of not less than (\$) per claim and (\$) in the aggregate.

PAGE 6

None
PAGE 7

Payment Bond

100% of Contract Sum

Performance Bond

100% of Contract Sum

...

None

PRECONSTRUCTION PHASE SERVICES



CONSTRUCTION MANAGER AT RISK FEE SUMMARY
24-4403 AIR TRAFFIC CONTROL TOWER & BASE BUILDING

Bidder: Hoffmann + Uhlhorn Construction, Inc. (H+U Construction)

Preconstruction Services				
Description	Quantity	Unit	Unit Cost	Total
Project Director	140	HR	\$180	\$25,200
Preconstruction Director	80	HR	\$180	\$14,400
Preconstruction Manager	160	HR	\$150	\$24,000
Cost Estimator	240	HR	\$110	\$26,400
Safety Manager	20	HR	\$135	\$2,700
Senior Project Manager	40	HR	\$140	\$5,600
Project Manager	140	HR	\$120	\$16,800
Assistant Project Manager	0	HR	\$105	\$0
Project Administrator	40	HR	\$85	\$3,400
Project Accountant	0	HR	\$85	\$0
Senior Superintendent	20	HR	\$140	\$2,800
Project Superintendent	20	HR	\$120	\$2,400
Preconstruction Phase Services (labor):				\$123,700
Preconstruction Discount:				\$(63,700)
Total Lump Sum Preconstruction Services:				\$60,000

CONSTRUCTION PHASE SERVICES



CONSTRUCTION MANAGER AT RISK FEE SUMMARY
24-4403 AIR TRAFFIC CONTROL TOWER & BASE BUILDING

Bidder: Hoffmann + Uhlhorn Construction, Inc. (H+U Construction)

General Conditions				
Description (Labor)	Quantity	Unit	Unit Cost	Total
Project Director	320	HR	\$180	\$57,600
Preconstruction Director	0	HR	\$180	\$0
Preconstruction Manager	0	HR	\$150	\$0
Cost Estimator	0	HR	\$110	\$0
Safety Manager	160	HR	\$135	\$21,600
Senior Project Manager	800	HR	\$140	\$112,000
Project Manager	3460	HR	\$120	\$415,200
Assistant Project Manager	1600	HR	\$105	\$168,000
Project Administrator	400	HR	\$85	\$34,000
Project Accountant	160	HR	\$85	\$13,600
Senior Superintendent	2000	HR	\$140	\$280,000
Project Superintendent	3460	HR	\$120	\$415,200
General Conditions (labor):				\$1,517,200

Description (Non-Labor)	Quantity	Unit	Unit Cost	Total
Field Office Trailer - 12'x60	20	MO	\$1200	\$24,000
Field Computer/Printer/Fax/Furniture	20	MO	\$400	\$8,000
Superintendent Vehicle/Small	40	MO	\$1400	\$56,000
Superintendent Cell Phone & Data	40	MO	\$250	\$10,000
Per Diem	20	MO	\$2500	\$50,000
Office Staff Mileage	20	MO	\$500	\$10,000
Performance and Payment Bonds	\$44,000,000	% COST	0.485%	\$213,400
General Conditions (non-labor):				\$371,400

Total General Conditions: \$1,888,600



MEMORANDUM

To: Duluth Airport Authority Board of Directors

From: Mark Papko,

Date: April 10th, 2024

Re: Summary of Contractor Selection Process

The Duluth Airport Authority (DAA), owners and operators of the Duluth International Airport and Sky Harbor Airport, requested proposals for comprehensive Heating, Ventilation, and Cooling/Building Automated Systems (HVAC/BAS) and Facilities Services to include but not limited to boiler checks, preventative maintenance on mechanical systems, controls maintenance and customer service. The site locations these services were requested at include:

Duluth Airport Terminal
4701 Grinden Dr.
Duluth, MN 55811

ATC - Tower
4525 Airport Approach Rd.
Duluth, MN 55811

Parking Ramp – Duluth Airport
4701 Grinden Dr.
Duluth, MN 55801

Hangar 104*
4923 Airport Approach Rd.
Duluth, MN 55811

SRE
4875 Malstrom Rd.
Duluth Mn, 55811

Building 311
4464 Ralston Dr.
Duluth, MN 55811

Hangar 103
4960 Airport Approach Rd
Duluth, MN 55811

Sky Harbor Airport Terminal and Hangar *
5000 Minnesota Ave
Duluth, MN 55811

Sky Harbor SRE*
5000 Minnesota Ave
Duluth, MN 55811

The following is a timeline of key dates:

Request for Qualifications Issued	November 1, 2023
Mandatory Pre-Bid Meeting	November 13, 2023 @ Noon CST

Deadline to Submit Questions	November 24, 2023
Final Response to Questions	November 30, 2023
Deadline for SOQ Submissions	December 11, 2023 @ 2:00PM CST
Anticipated Contract Execution	April 2024

The DAA received one qualified written proposal. The grading criteria for the firm's written proposal is shown below:

1. Business Qualifications and Experience (20 points): Proposer's successful experience providing this type of business service at campuses of similar size, general experience of the company, and/or experience of the project manager and assigned technicians, to include the following:
 - a. State of Minnesota Chief C Engineer – Minimum Qualification
 - b. Journeyman HVAC Technician – Minimum Qualification
 - c. Number of geothermal systems installed.
 - d. Number of geothermal systems of similar size currently being serviced by your company.
 - e. Technician's experience with equipment similar to existing equipment
2. Ability to Perform Proposed Service (20 points): Proposer's experience and relative experience with equipment like existing Airport equipment.
3. Operations Plan (10 points): Proposer's ability to effectively provide local project management technicians to oversee the detailed task schedule, along with shop location and availability of parts.
4. Hours Proposed (10 points): Proposer's number of proposed hours per year, availability of technicians with required Airport security requirements.
5. Cost of Service (20 points): Proposer's quoted price based on the value of service offered within the cost structure.
6. Familiarity with Airports (20 points): airport operations, airport security measures, passenger and tenants needs in an aviation environment, or like facilities with unique 24/7 operations.

Based on final scoring the selection committee selected Jamar to move forward for final selection and contract award.

For questions regarding this procurement action please contact the undersigned.

Mark Papko, A.A.E

Director of Operations



DULUTH AIRPORT AUTHORITY

**Duluth International Airport and Sky Harbor Airport
Solicitation XXXXX**

Mechanical Services Request for Qualifications

Issued: Nov. 1st, 2023

Proposals Due: Dec. 11th, 2023

**Duluth Airport Authority
Request For Qualifications
Duluth International Airport
HVAC/BAS and Facilities Services**

I. INVITATION

The Duluth Airport Authority (DAA), owners and operators of the Duluth International Airport and Sky Harbor Airport, (hereinafter referred to as "Airport") are requesting proposals for comprehensive Heating, Ventilation, and Cooling/Building Automated Systems (HVAC/BAS) and Facilities Services to include but not limited to boiler checks, preventative maintenance on mechanical systems, controls maintenance and customer service.

Proposer must have a minimum of 10 years of experience in HVAC/BAS and Facilities Services. Proposer will be required to service geothermal systems at main terminal building. The airport campus contains multiple buildings with an array of heating and cooling systems. Companies with no prior experience in these areas shall not be considered. Experience working on or near an active airfield is desired, but not required.

The following properties will be included in the scope of work:

Duluth Airport Terminal
4701 Grinden Dr.
Duluth, MN 55811

ATC - Tower
4525 Airport Approach Rd.
Duluth, MN 55811

Parking Ramp – Duluth Airport
4701 Grinden Dr.
Duluth, MN 55801

Hangar 104*
4923 Airport Approach Rd.
Duluth, MN 55811

SRE
4875 Malstrom Rd.
Duluth Mn, 55811

Building 311
4464 Ralston Dr.
Duluth, MN 55811

Hangar 103
4960 Airport Approach Rd
Duluth, MN 55811

Sky Harbor Airport Terminal and Hangar *
5000 Minnesota Ave
Duluth, MN 55811

Sky Harbor SRE*
5000 Minnesota Ave
Duluth, MN 55811

*Currently under or potentially under construction/renovation

All proposers shall attend the mandatory property orientation at 12:00pm local time on November 13th, 2023, to review and familiarize themselves with the equipment and systems to be maintained and operated. Prospective proposers should only contact the City of Duluth, MN Purchasing Department. Any contact with Airport staff, governmental officials, Authority members, lobbyists or anyone else regarding this opportunity is strictly prohibited and failure to follow these rules will subject the prospective proposer to disqualification.

Responses to the Request for Qualifications will be accepted until 2:00 p.m. local time, December 11th, 2023. It is the sole responsibility of the Proposer to see that the proposal is received before the submission deadline. The proposers shall bear all risks associated with delays in the U.S. mail or delivery service. Late proposals will not be considered.

Selection committee will review proposals and notify respondents if additional information is required to aid in the evaluation of written proposals. Selection committee reserves the right to interview any and all respondents as an additional step in the evaluation process.

Announcement of the selected respondent will be made by December 29th, 2023.

II. REQUESTS FOR CLARIFICATION/INFORMATION

Any requests for clarification or additional information deemed necessary by any respondent to prepare a proper proposal must be emailed to the City of Duluth, MN Purchasing Department at purchasing@duluthmn.gov, on or before November 24th, 2023. The firm shall acknowledge receipt of any addendum that may be necessary in their proposal.

Responses to questions will be issued in an addendum by the City of Duluth, MN Purchasing Department on November 30th, 2023.

All questions and requests for information will be answered no later than November 30, 2023. Answers to all questions will be provided to the proposers that attended the mandatory property orientation at 12:00pm on November 13th, 2023 via addendum on November 30, 2023.

Description	Date and Time
Request for Qualifications Issued	November 1, 2023
Mandatory Pre-Bid Meeting	November 13, 2023 @ Noon CST
Deadline to Submit Questions	November 24, 2023
Final Response to Questions	November 30, 2023
Deadline for SOQ Submissions	December 11, 2023 @ 2:00PM CST
Anticipated Contract Execution	January 2024

IV. CONTRACTOR RESPONSIBILITIES

1. Successful Contractor will perform comprehensive HVAC/BAS/Geo-thermal and Facilities Services to include but not limited to, boiler checks, preventative maintenance on mechanical systems, controls maintenance and customer service at DAA operated/owned facilities.
2. Successful Contractor shall have at least 10 years' HVAC/BAS experience
3. Successful Contractor will provide a list of the service personnel and contract support to be used, their responsibilities and qualifications.
4. Successful Contractor shall use trained personnel directly employed and supervised by the contractor. Service personnel must be qualified to keep the equipment properly maintained.

5. Successful Contractor shall have possession of or access to the manufacturer's specified maintenance and repair procedures and complete parts lists for all equipment.
6. Successful Contractor's representative shall report to the Airport Facilities Manager daily when on the job prior to performing services. One individual shall be responsible for reporting the number of technicians working on the job daily and for the completion and submission of reports. The contractor shall again report when leaving the campus and submit performance reports.
7. Successful Contractor will perform all planned preventive maintenance service work under specifications contained within this document during regular working hours of the regular workday. Regular working hours are 7:00 am – 5:00 pm, Monday through Friday.
8. Successful Contractor will inform the Airport if, for some unknown reasons, equipment must be shut down for an extended period and the measures being taken to put the equipment back into service
9. Successful Contractor will be required to assume total responsibility for all services offered in their proposal.
10. Successful Contractor will be considered the prime contractor and the sole point of contact with regard to all contractual matters.
11. Successful Contractor will be responsible for compliance with all applicable codes, laws, statutes and permitting requirements.
12. Successful Contractor will be responsible for compliance with all applicable airport security and badging requirements .

VI. CONTRACT TERM

The contract shall be for five (5) consecutive one (1) year terms beginning on January 1, 2024 or as close to this as possible to be mutually agreed upon.

VII. PROPOSAL FORMAT

Proposer shall submit one (1) original and three (3) copies of the complete proposal. Proposal shall include in order the following information enclosed within each section.

1. Table of Contents
2. Executive Summary Cover Letter submitted on company's letterhead
3. Organization Information about the firm including:
 - a. Name of Firm and Location of principal and branch office
 - b. Length of time in business and year established
 - c. Contact Information
 - d. Type of firm and ownership (Corporation, Partnership, Joint Venture, Other)
 - e. History of Firm – Indicate the number of employees, etc.

4. Legal Status- A statement that the Responder is not currently disbarred or suspended by the federal government, the State of Minnesota or any of its departments or agencies or another government entity.
5. Key Personnel- Experience of the individual or team that would oversee the proposed work. Resume should include relevant experience, training and an indication of the nature and extent of the individual's involvement in previous HVAC/BAS and Facilities Services.
 - a. It is mandatory that the Proposer must have a minimum of ten (10) years of successful experience in air conditioning/heating maintenance, building automation system maintenance and facilities services at a multi-building campus. Any qualified provider failing to comply with this provision will not be considered for this contract.
 - b. The qualified provider shall have in its employment enough trained mechanics and control technicians so that calls of any emergency nature can be answered immediately with the arrival to the job site no later than one (1) hours after the call was entered. The qualified provider must employ a sufficient number of trained mechanics and technicians that comply with Airport security requirements to cover vacations, sickness, or other absences.
6. Proposed Service
 - a. Indicate your proposed service, which will state how you will provide services per the information in this RFQ.
 - b. Indicate plans for record keeping and quality assurance.
 - c. Include a generic task schedule for preventative maintenance that will be completed at all of the locations listed above in Section I.
 - d. Include a list of equipment that is not covered because of its obsolescence or other reasons.
 - e. List and itemize the number of estimated hours proposed to accomplish the proposed services.
7. Monthly Cost of the Services- The DAA understands that interpretation of the services will differ amongst the proposers. Please provide an itemized list of the general services to be performed by the proposer in your monthly cost of services breakout.
8. Essay- Describe in a short essay why your firm is the most qualified to handle the diverse set of HVAC/BAS and Facilities Services required by the DAA.
9. References- Provide three commercial references for whom you've provided similar services to in the previous 10 years.
10. Supplementary Information- Present any additional information you feel is important for the DAA to understanding your qualifications.
11. Potential Conflict of Interest- A conflict of interest exists if a firm/team has any interest that would actually conflict, or has the appearance of conflicting, in any manner or degree with the performance of work on the project. Either certify: (i) your firm/team is unaware of any potential conflict of interest, or (ii) indicate the potential conflict(s) and

the nature of such conflict. If there are potential conflicts, identify the municipalities, developers, and other public or private entities with whom your firm/team is currently, or have been, employed and which may be affected.

VIII. INSURANCE & INDEMNIFICATION REQUIREMENTS

A. Proposer Liability Insurance

- a. Insurance: Proposer shall carry and maintain in full force and effect during the term of this Agreement the minimum amounts of insurance set forth below. The Proposer shall carry workers' compensation insurance on all of its employees employed on the Project. Proposer may request the Authority to approve alternative types of insurance providing at least equal protection. All such insurance shall be in at least the following amounts and shall be in a form reasonably acceptable to the Authority, shall name the Authority and the City of Duluth as additional insureds on Proposer's commercial general liability insurance for claims caused in whole or in part by the negligent acts or omissions of the Proposer occurring through completion of Proposer's services under this Agreement and shall provide for thirty (30) days' written notice to the Authority of any cancellation or modification thereof. Appropriate certificates of insurance evidencing the existence thereof shall be delivered to the Authority prior to the execution of this agreement. All insurance required under this Agreement shall be taken out and maintained in responsible insurance companies organized under the laws of the states of the United States and authorized to do business in the State of Minnesota. All insurance policies required below shall be primary and shall not require contribution from any coverage maintained by the Authority and/or the City.
 - i. Commercial general liability insurance, including contractual, completed operations, premises and operations and products liability coverage in an amount of not less than \$1,500,000 combined single limit or \$1,500,000 bodily injury per occurrence; \$1,500,000 property damage per occurrence and \$1,500,000 in aggregate.
 - ii. Owned, non-owned and hired vehicles in an amount not less than \$1,500,000 combined single limit or \$1,500,000 bodily injury per occurrence; \$1,500,000 per occurrence.
 - iii. Worker's Compensation insurance in accordance with the laws of the State of Minnesota.
- b. Insurance Primary. All insurance policies required above shall be primary and shall not require contribution from any coverage maintained by Authority and/or City.
- c. Insurance Not Limitation: It is understood that the specified amounts of insurance stated in this paragraph shall in no way limit the liability of Proposer under this Section.
- d. Disclaimer: Authority does not represent or guarantee that these types or limits of coverage are adequate to protect the Proposer's interests and liabilities. It shall be the obligation and responsibility of Proposer to insure, as it deems prudent, its own personal property, against damage. Authority does not have insurance coverage for Proposer's property.

B. Indemnification

- a. Proposer shall indemnify, save, hold harmless, and defend Authority and the City of Duluth (the "City"), their officials, agents and employees, successors and assigns, individually or collectively from and against any and all claims including a

claim for contribution or indemnity, demands, causes of action, loss, injury, liability, costs and expenses of whatsoever kind or nature (including but not limited to reasonable attorneys' fees, disbursements, court costs, and expert fees) and damages for or related to injury to or death of persons or damage to property to the extent caused by any negligent or wrongful act or omission of the Proposer or its employees or consultant under this Agreement, and on ten (10) days' written notice from the Authority, the Proposer shall appear and defend all claims and lawsuits against the Authority and/or the City growing out of any such injury or damage.

IX. PROPOSAL SUBMITTAL

Each proposal must be submitted in a sealed envelope bearing the following information on the outside:

1. Name of Company
2. Address of Company: and
3. The words "HVAC/BAS and Facilities Services"

Duluth Airport Authority
Solicitation 22-4406
HVAC/BAS and Facilities Services
Request for Qualifications
Attn: Mark Papko
4701 Grinden Drive
Duluth, MN 55811

It is the sole responsibility of the Proposer to see that the submittal is received before the deadline. The Proposer shall bear all risks associated with delays in the U.S. mail or delivery service. Late proposals will not be considered.

The Airport reserves the right to accept any proposal that it deems the most advantageous, even though such proposal may not offer the highest financial return. The Airport also reserves the right to reject any and all proposal or to negotiate for modification of any proposal.

X. SELECTION CRITERIA

All proposals will be thoroughly reviewed through a phased evaluation process which will evaluate the merits of the proposals received in accordance with the evaluation factors stated herein and formulate a recommendation. One or more respondents may be invited to make an in-person presentation before the Committee to demonstrate their capabilities. The Duluth Airport Authority will select the proposal that it believes most closely meets the objectives stated herein. The evaluation of all proposals will be made by a selection committee comprised of three to five (3-5) members. The Airport will select the proposal that it believes most closely meets the objectives stated herein.

The selection committee will evaluate each proposal using the weighed criteria listed below:

1. Business Qualifications and Experience (20 points): Proposer's successful experience providing this type of business service at campuses of similar size, general experience of the company, and/or experience of the project manager and assigned technicians, to include the following:
 - a. State of Minnesota Chief C Engineer – Minimum Qualification
 - b. Journeyman HVAC Technician – Minimum Qualification
 - c. Number of geothermal systems installed
 - d. Number of geothermal systems of similar size currently being serviced by your company
 - e. Technician's experience with equipment similar to existing equipment
2. Ability to Perform Proposed Service (20 points): Proposer's experience and relative experience with equipment like existing Airport equipment.
3. Operations Plan (10 points): Proposer's ability to effectively provide local project management technicians to oversee the detailed task schedule, along with shop location and availability of parts.
4. Hours Proposed (10 points): Proposer's number of proposed hours per year, availability of technicians with required Airport security requirements.
5. Cost of Service (20 points): Proposer's quoted price based on the value of service offered within the cost structure.
6. Familiarity with Airports (20 points): airport operations, airport security measures, passenger and tenants needs in an aviation environment, or like facilities with unique 24/7 operations.

The selection committee members will award a single score to each proposal, and the proposal with the highest score will be deemed the successful respondent. DAA staff will then begin the contract negotiations with the successful respondent and present contract to the DAA Board of Directors for their approval.

XI. MISCELLANEOUS INFORMATION AND CONTRACTUAL REQUIREMENTS

1. Statistical information contained in these documents is for informational purposes only. The Airport is not responsible for any inaccuracies or interpretations of said data.
2. The Airport reserves the right to postpone the proposal submittal due date and/or Agreement start dates.
3. The committee's evaluation will be tabulated and proposers will be ranked according to the numerical score received. The designated evaluation committee will recommend an award to the Duluth Airport Authority Board.
4. Based on the results of this evaluation, the qualifying statement determined to be the most advantageous for the HVAC SOQ, taking into account all of the evaluation factors, may be selected by the DAA for further action, such as proposal submission and contract negotiations. If, however, DAA decides that no statement is sufficiently advantageous to the DAA, the DAA may, at its sole discretion, take whatever further

action that is deemed necessary to fulfill its needs. If, for any reason, a statement is selected and it is not possible to finalize a contract with the Respondent, the DAA may begin contract preparation with the next qualified Respondent or determine that no such alternate statement exists.

5. During the performance of this contract, the Proposer, for itself, its assigns and successors in interest, hereinafter referred to as the "Proposer" agrees as follows:
6. Compliance with Regulations The Proposer shall comply with applicable Regulations relative to non-discrimination in Federally assisted programs of the Department of Transportation, hereinafter referred to as "DOT", Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time, hereinafter referred to as the "Regulations", which are herein incorporated by reference and made a part of this contract.
7. Non-discrimination The Proposer, with regard to the work performed by it during this contract, shall not discriminate on the grounds of race, color, national origin, sex, disabilities, or veteran's status in the selection and retention of subconsultants, subcontractors, including procurement of materials and leases of equipment. The Proposer shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.
8. Solicitations for Subcontractors, including procurement of materials and equipment In all solicitations either by competitive bidding or negotiation made by the Proposer for consulting services to be performed under a subcontract, each potential consulting subcontractor shall be notified by the Proposer of the Proposer's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, national origin, sex, disabilities, or veterans status.
9. Information and Reports The Proposer shall provide all information and reports required by the Regulations of directives issues pursuant thereto and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor of the Federal Aviation Administration (FAA) to be pertinent to ascertain compliance with such regulations, orders, and instructions. Where any information required of the Proposers is in the exclusive possession of another who fails or refuses to furnish this information, the Proposer shall so certify to the Sponsor or the FAA, as appropriate, and shall set forth what efforts it has made to obtain the information.
10. Sanctions for Noncompliance In the event of the Proposer's noncompliance with the non-discrimination provisions of this contract, the Sponsor shall impose such contract sanctions as it, or the FAA, may determine to be appropriate, including, but not limited to:
 - a. Withholding of payments to the Proposer under the contract until the Proposer complies, and/or;
 - b. Cancellation, termination or suspension of the contract, in whole or in part.
11. Debarment The Proposer must not be currently under suspension or debarment by the State of Minnesota, any other state, or the federal government.

12. Incorporations of Provisions The Proposer shall include the provisions of paragraphs 1 through 5 in every consulting subcontract, unless exempt by the Regulations or directive issued pursuant thereto. The Proposer shall take such action with respect to any consulting subcontract as the Sponsor or the FAA may direct as a means of enforcing such provisions including sanctions of noncompliance. Provided, however, that in the event a Proposer becomes involved in, or is threatened with, litigation with a consulting subcontractor as a result of such direction, the Proposer may request the Authority to enter into such litigation to protect the interests of the Authority and, in addition, the Proposer may request the United States to enter into such litigation to protect the interests of the United States.

13. Minority Business Enterprise (MBE) Assurances Policy

It is the policy of the DOT that minority business enterprises as defined in 49 CFR Part 23 have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal funds under this contract and the Proposer hereby agrees to abide by these requirements to the extent applicable to the Proposer's professional services under this contract.



THE JAMAR COMPANY | 4701 MIKE COLALILLO DR. | DULUTH, MN 55807-2762 | PH 218.628.1027 | FX 218.628.1174

April 3, 2024

Duluth Airport Authority
4701 Grinden Drive
Duluth, MN 55811

Attn: Mr. Mark Papko
Contract: 24-S-0039-2
Subject: HVAC/BAS Facilities Services
Location: Duluth International & Sky Harbor Airports

Mark,

Enclosed please find our proposal illustrating our qualifications and capabilities toward providing a maintenance program for your HVAC-R and BAS control systems throughout your facilities encompassing both preventive maintenance and operational service.

In addition, we wish to touch briefly on some of our more unique qualities and values:

Our business philosophy is built on long-term relationships based on the principles of trust, integrity, and excellence.

This philosophy allows us to think with a long-term perspective and confidently act as an advocate for our customers. We believe we create the greatest value when we help our customers achieve their business objectives and believe your philosophy to be similar.

We will provide preventive HVAC-R, BAS controls and mechanical system maintenance of your equipment with our MSCA Star-Qualified HVAC service technicians. Our trained technicians will perform regular preventive maintenance (PM) service to ensure reliable service, operational (O) service to verify the operation of specified equipment in accordance with manufacturer's specifications and optimize equipment to operate at the best economic performance level.

Our Duluth location and the commitment of our personnel will allow us to support your facilities for years to come. With 12 MSCA Star-Qualified HVAC service technicians and six controls service technicians available in northern Wisconsin and Minnesota, we can perform scheduled preventative maintenance inspections, both scheduled and unscheduled repairs and installations and provide local technical support. Our emergency service, available 24/7, 365 days a year, provides service within a one-hour response time.

SPECIALTY CONTRACTOR SERVICES

Jamar is an Equal Opportunity / Affirmative Action Employer

The Jamar Company is pleased to provide the following proposal to furnish, as specified below, all the **labor, small tools, licenses, badge fees, transportation and fuel** required to perform the subject project for a **Lump Sum** price of **\$156,816.00 (ONE HUNDRED FIFTY-SIX THOUSAND EIGHT HUNDRED SIXTEEN DOLLARS)**.

1. Our proposal is based on **providing** the following:
 - A. Journeyman level (*MSCA*) technicians, (20) hours per week, for comprehensive HVAC / BAS for airport facilities services per RFP (*Rand Lally – Lead*)
 - B. BAS Systems continuous commissioning (4) hours per week, certified controls technicians (*note: continuous commissioning is an ongoing process to resolve operating problems, improve comfort, optimize energy use and identify retrofits for existing buildings and central plant facilities. CC focuses on optimizing and improving overall system control and operations. Integrated approaches are used to implement these optimal solutions and to ensure persistence of the improved operational schedules. Implementation of a CC process can typically decrease building energy consumption by 20%.*)
 - C. Properly licensed engineer for daily / weekly / monthly boiler operational and safety checks as scheduled by the Chief Engineer John Kontny CB037969 (*in accordance with Minnesota Rule 5225.110*)-Rand Lally 1st Class C Engineer 1C088698.
 - D. Preventive maintenance on mechanical and Building Automation Systems (BAS) per RFP and manufacturer's recommendations.
 - E. Preventive maintenance frequencies, tasking and proof of service coordinated through our automated Astea scheduling software.
 - F. Labor for daily interactions during facilities operational checks for five (5) sites and comfort adjustments (*customer service*) for all Duluth Airport Authority tenants and patrons
 - G. Daily operation of geothermal system (*note: switchback weather dependent*)
 - H. Jamar will cover the annual cost of the subcontractor for the water treatment testing, chemicals, and side stream filtration system filters.
 - I. World class communication and collaboration with Airport Authority Facilities Team
 - J. A minimum of (10) qualified technicians, available 24/7/365 for emergency calls, with a one (1) hour or less response time (*note: as well as serving back-up to Mr. Lally in the event of vacation or illness*)
 - K. Badge requirement costs for Jamar employees are paid by Jamar.
 - L. Operations support i.e. Sr. Project Managers with extensive airport experience.
 - M. Insurance requirements
 - N. Our technicians will check in with the facilities manager or site contact daily to address any issues, give updates on projects and communicate the status.
 - O. Trucks, small tools as needed for all maintenance and daily site checks.

COST BREAKDOWN:**Terminal: \$6265.00**

- Daily - Geothermal Operational Checks
- Daily - Boiler Operational Checks
- Daily - Building Automation System Operational Checks & adjustments
- Daily – Facilities Team Check-in (address issues)
- Weekly – Facilities Preventive Maintenance on Equipment and Control Systems
- Weekly – Boiler Safety Checks – pH testing
- Weekly – Geothermal Chemistry Checks
- Monthly -Boiler Comprehensive Operational Checks
- Monthly – Facilities Preventive Maintenance on Equipment and Control Systems

Snow Removal Facility: \$1603.00

- Daily - Boiler Operational Checks
- Daily - Building Automation System Operational Checks & adjustments
- Daily – Facilities Team Check-in (address issues)
- Weekly – Facilities Preventive Maintenance on Equipment and Control Systems
- Weekly – Boiler Safety Checks – pH testing
- Monthly -Boiler Comprehensive Operational Checks
- Monthly – Facilities Preventive Maintenance on Equipment, Control Systems & CO/NOx systems

H103: \$960.00

- Daily - Boiler Operational Checks
- Daily - Building Automation System Operational Checks & adjustments
- Daily – Facilities Team Check-in (address issues)
- Weekly – Facilities Preventive Maintenance on Equipment and Control Systems
- Weekly – Boiler Safety Checks – pH testing
- Monthly -Boiler Comprehensive Operational Checks
- Monthly – Facilities Preventive Maintenance on Equipment and Control Systems

OTB (Tower): \$3180.00

- Daily - Boiler Operational Checks
- Daily - Building Automation System Operational Checks & adjustments
- Daily – Facilities Team Check-in (address issues)
- Weekly – Facilities Preventive Maintenance on Equipment and Control Systems
- Weekly – Boiler Safety Checks – pH testing

-
- Monthly -Boiler Comprehensive Operational Checks
 - Monthly – Facilities Preventive Maintenance on Equipment and Control Systems

Hanger 311: \$1060.00

- Daily - Boiler Operational Checks
- Daily - Building Automation System Operational Checks & adjustments
- Daily – Facilities Team Check-in (address issues)
- Weekly – Facilities Preventive Maintenance on Equipment and Control Systems
- Weekly – Boiler Safety Checks – pH testing
- Monthly -Boiler Comprehensive Operational Checks
- Monthly – Facilities Preventive Maintenance on Equipment and Control Systems

2. Our proposal is based on **excluding** the following:

- A. Materials.
- B. Repair labor.
- C. Glycol.
- D. Fire protection or fire alarm work.
- E. Temporary services including heat, water, or utilities.
- F. Tools and equipment other than small tools
- G. Any other mechanical work not listed above.

3. Our proposal is based on the following general **exceptions and / or clarifications**:

- A. At the Airport Authority's request, Jamar will maintain additional structures or buildings under this agreement with related hours and price adjustments made to this contract as new structures are added to our scope of work.
- B. Additional work, performed by Jamar due to changes in out-of-scope items, will be performed on a lump sum or time and material basis, at your option.

4. Our proposal is based on preventive maintenance work to be conducted between the hours of 7:00 am and 5:00 pm, Monday through Friday, excluding holidays, weekends, or overtime periods.

- A. This agreement would take effect May 1st, 2024, with an annual increase of 3.5% and continue for (5) consecutive one-year terms. The agreement will automatically be renewed on a year-to-year basis after the (5) consecutive terms, the agreement can be canceled at the end of any annual term by either party giving a 90-day notice in writing that they don't want to continue the agreement.

5. Our proposal does not include work with or the removal or disposal of any hazardous material. Removal and disposal of hazardous material, required to complete specified work, is a customer / owner responsibility.

-
6. Payment Terms: net 30 days (*note: all invoices not paid in 30 days will be charged 1½% interest per month on the unpaid balance as well as any fees incurred resulting from collection efforts*).
 7. Please incorporate the above terms into all related purchase orders and/or contracts.

We appreciate the opportunity to provide pricing for this project and look forward to discussing this project further with you. If there is any other way we can be of assistance, please contact me at (218) 269-9455.

signature on last page

- A. Payments:** Invoices are to be rendered on a progress basis for materials delivered to the jobsite and work completed through the date. Owner agrees to pay such progress billing in full. Terms of payment are net thirty (30) days from date of invoice. Owner agrees that payment to Contractor shall not be contingent upon settlement of any insurance claim of Owner. Final payment shall be in all cases due and payable within thirty (30) days after final invoice date. For special order materials, Owner agrees to pay Contractor in accordance with any special vendor payment stipulations. All invoices not paid in 30 days will be charged 1½% interest per month on the unpaid balance as well as any fees incurred resulting from collection efforts.
 - B. Default:** In case of any default by Owner, Contractor may declare the price for all unpaid installments, plus materials purchased and work performed but not invoiced, to be immediately due and payable. Default by the Owner shall consist of failure to pay any installment invoice when due, no demand necessary. A service charge will be assessed and added to the price on all payments past due and owed by the Owner under this contract at a monthly rate of 1½%, or if such rate is prohibited under applicable law, then at the maximum rate permitted under applicable law. Owner shall pay any reasonable attorney and collection fees incurred on the collection of past due accounts.
 - C. Defects and Guarantees:** The Contractor agrees to make good without cost to the Owner any and all defects due to faulty workmanship for which written notice is received by Contractor within the period of one year (1) from date of substantial completion of the project.
 - D. Losses:** Any loss or damage from any cause, not by the fault of the Contractor, to the materials on site or work in place shall be borne by the Owner. Owner assumes no responsibility whatsoever on account of damage to or theft of Contractor's tools and/or equipment, unless said tools and equipment are damaged or stolen by negligence of the Owner. Owner and Contractor waive claims against each other for consequential damages arising out of this Contract. Consequential damages include, but are not limited to, loss of use, income, profit, business and reputation.
 - E. Changes to Scope:** Changes, alterations, and additions to the plans, specifications, schedule or scope of work described in this Contract shall be approved in writing by Contractor and Owner. For any changes to this Contract, there shall be a corresponding increase or decrease in contract price, the value of which shall be agreed upon prior to performance of said work and an equitable adjustment of time to complete, if warranted. If no agreement is reached prior to performance of additional work, and Contractor is directed by Owner to continue with said work so as to avoid delays, then price based on a time-and-material basis will be considered as accepted and payable by the Owner and invoiced as a change to this Contract.
 - F. Termination of Contract:** In the event the Contract between the Owner and the Contractor should be terminated prior to its completion, then the Owner and the Contractor agree that an equitable settlement for work performed under this agreement prior to such termination, will be handled as a Change to Scope of the Contract as provided by Paragraph I above. If no agreement is reached, through no fault of Contractor, then this Contract shall be considered in default, and shall be handled in accordance with Paragraph E.
 - G. Insurance Requirements:** Contractor shall procure and maintain the following insurance limits:

Workers Compensation	Statutory Limits
Employer's Liability including "Stop Gap"	\$1,000,000 each accident
Commercial General Liability	\$2,000,000 each occurrence
	\$2,000,000 products/completed operations aggregate
	\$4,000,000 general aggregate (per project)
Commercial Automobile Liability	\$2,000,000 Bodily Injury and Property Damage
	Combined Single Limit
- A certificate of insurance will be provided upon request. If insurance coverage is required above the levels listed above, they can be provided with additional premium costs paid for by the Owner, with a change to the Contract in accordance with Paragraph I.
- H. Indemnification:** To the fullest extent permitted by law, the Contractor agrees that it shall defend, indemnify, and hold harmless Owner, its officers, employees, and agents, from and against any and all costs or expenses, claims or liabilities, including but not limited to, reasonable attorneys fees and expenses, whether asserted by Contractor or any third party. Said obligations to defend, indemnify, and hold harmless shall include, but not be limited to the obligation to defend, indemnify, and hold harmless Owner in all matters where claims of liability against Owner arise out of, relate to, are attributable to, are passive or derivative of, or vicarious to the negligent, intentional, or wrongful acts or omissions of the Contractor, including but not limited to the failure to supervise, breach of warranty, the failure to warn, the failure to prevent such act or omission by Contractor, its employees, or its agents, and any other source of liability. Said obligations to defend, indemnify, and hold harmless shall be triggered upon the assertion of a claim for damages against Owner. On ten days' written notice from Owner, the Contractor shall appear and defend all lawsuits against Owner growing out of such injuries or damages. Contractor shall not be required to indemnify Owner for amounts found by a fact finder to have arisen out of the intentional, willful, or wanton acts or omission of Owner. This Section, in its entirety, shall survive the termination of this Agreement if any amount of work has been performed by Contractor. Nothing in this provision shall affect the limitations of liability of Owner as set forth in Minnesota Statutes Chapter 466.
 - I. The Contractor understands this provision may affect its rights and may shift liability and specifically agrees to the same.**

- J. Arbitration:** At Contractor's discretion, any disputes arising under this Contract shall be resolved by binding arbitration to be administered by the American Arbitration Association in accordance with the Construction Industry Arbitration Rules in effect on the date of the Contract. The hearing shall be held in the jurisdiction of Duluth, MN.
- K. Entire Agreement:** This Contract represents the entire agreement of the parties and it supersedes all prior negotiations, representations or agreements, whether oral or written.
- L. Amendment:** This Contract may be amended only by a written instrument signed by both parties.
- M. Notice:** All notices required hereunder shall be in writing and deemed to have been given when delivered personally or one (1) business day after being sent by overnight carrier or three (3) business days after being sent by U.S. Mail. All notices should be sent to the addresses listed above, unless changed by written notice
- N. Non-Discrimination**
- The Lessee for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant with the land that:
 - No person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination in the use of said facilities; and
 - In the construction of any improvement on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and
 - That the Lessee shall use the premises in compliance with all of the requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
- O. Laws, Rules and Regulations**
- Lessee agrees to observe and comply with all the laws, ordinances, rules and regulations of the United States of America, State of Minnesota, the City of Duluth, and their respective agencies which are applicable to its business at the Airport including all laws relating to unlawful discrimination, and further agrees to observe and comply with all Airport rules and regulations in existence at the execution of this agreement and which may, from time to time, be promulgated by the Authority governing conduct on and operations at the Airport and the use of its facilities, as administered by the Executive Director. Further, Lessee agrees to fulfill its responsibilities pursuant to the Airport Security Plan approved by the Federal Aviation Administration and any amendments thereto.

signature on next page

In Witness whereof, the Contractor and Owner signify their understanding and agreement with the terms hereof by signing below:

THE JAMAR COMPANY

DULUTH AIRPORT AUTHORITY

Signature: _____

Signature: _____

Name: John Kontny

Name: _____

Its: Sr. Project Mgr. / Business Development

Its: _____

Date: April 3, 2024

Date: _____

Federal Tax ID: 41-1509431

State Tax ID: 3186956

The Jamar Company is an equal opportunity employer and federal contractor or subcontractor. Consequently, the parties agree that, as applicable, they will abide by the requirements of 41 CFR 60-1.4(a), 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a) and that these laws are incorporated herein by reference. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. These regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability. The parties also agree that, as applicable, they will abide by the requirements of Executive Order 13496 (29 CFR Part 471, Appendix A to Subpart A), relating to the notice of employee rights under federal labor laws.

Duluth Airport Authority
Short Elliott Hendrickson Inc. (SEH) Work Order 2024-5 for Drainage Master Plan Study at the Duluth International Airport

Terms:

- Estimated start date of April 17, 2024
- Estimated end date of September 1, 2024

Fiscal Impact:

- Proposal amount is \$139,600.00. The FAA share for AIP/AIG grants is \$125,640. The MnDOT State share is \$6,980.00, and the DAA share is \$6,980.00. The scope will be split into two FAA grants.

Agreement Overview:

This work order includes planning level services for the airport-wide drainage master plan study at the Duluth International Airport (DLH). The contract provisions included in the Master Agreement (dated 03/27/2023) between the DAA and SEH remain in effect for this work order.

Background:

A stormwater management plan is a comprehensive planning tool used when planning future projects, finding potential funding sources, and identifying areas of needed infrastructure improvement. These plans summarize existing stormwater infrastructure so that data is available in a single, concise location that can be referenced and updated as improvements are made to the airport property. Additionally, stormwater management plans provide a summary of existing stormwater best management practices (BMPs), which treat stormwater runoff and are installed to meet state and local regulatory requirements for land development.

This plan will further identify future facility locations as the airport continues to improve pavement surfaces and construct supporting infrastructure. In addition to reducing future infrastructure design costs, development of a stormwater management plan will aid in State and City of Duluth permitting; the City of Duluth requires a stormwater permit for any new or reconstructed impervious surfaces greater than 3,000 square feet, meaning most airport projects are required to go through this permitting process.

The FAA eligible areas are anticipated to be funded at 90 percent by the Federal Aviation Administration (FAA), the remaining 10% is anticipated to be covered at 5% from the DAA and another 5% from MnDOT.

**WORK ORDER
No. 2024-5
Between**

**The Duluth Airport Authority (DAA) (Owner) and
Short Elliott Hendrickson Inc. (SEH) (Consultant)**

Dated: April 16, 2024

**DRAINAGE MASTER PLAN STUDY
DULUTH INTERNATIONAL AIRPORT (DLH)**

This work order includes planning level services for the airport-wide drainage master plan study at Duluth International Airport (DLH). The contract provisions included in the Master Agreement (dated 3-21-2023) between the DAA and SEH remain in effect for this work order.

Estimated start date is April 17, 2024; estimated end date is September 1, 2024.

Compensation by the Owner to the Consultant shall be a lump sum amount of \$139,600.00. Schedule A (\$111,680) is AIP grant eligible. Schedule B (\$27,920) is AIG grant eligible.

A description of the services to be provided is included in Attachments A. A detailed estimate of labor cost and expenses is included in Attachment B.

Point of Contact: Shawn McMahon, PE

APPROVED:

**Duluth Airport Authority
(DAA)**

**Short Elliott Hendrickson
Inc.**



Title: _____

Title: Principal

Date: _____

Date: April 16, 2024

Title: _____

Date: _____

ATTACHMENT A

Duluth International Airport (DLH)

Stormwater Management Plan

Scope of Work

General – A stormwater management plan is a comprehensive planning tool used when planning future projects, finding potential funding sources, and identifying areas of needed infrastructure improvement. These plans summarize existing stormwater infrastructure so that data is available in a single, concise location that can be referenced and updated as improvements are made to the airport property. Additionally, stormwater management plans provide a summary of existing stormwater best management practices (BMPs), which treat stormwater runoff and are installed to meet state and local regulatory requirements for land development. Some existing BMPs may offer more treatment capacity than what they are currently being used for, and therefore can be used in future development to treat new or reconstructed impervious areas. This plan will further identify future BMP locations as the airport continues to improve pavement surfaces and construct supporting infrastructure. Additional BMPs will be needed if existing BMPs no longer have the capacity to treat new and reconstructed surfaces as required by the state and local governments. These proposed BMPs may be associated with a preliminary cost, so the airport can budget for stormwater improvements and apply for additional funding, if applicable. These proposed BMPs will be regional treatment structures, meaning one large structure will be able to treat multiple projects and project phases, reducing overall design cost and future maintenance costs. In addition to reducing design costs, development of a stormwater management plan will aid in State and City of Duluth permitting; the City of Duluth requires a stormwater permit for any new or reconstructed impervious surfaces greater than 3,000 square feet, meaning most airport projects are required to go through this permitting process.

See attached **Figure 1 “Airport Drainage”** for reference.

(Design, construction administration, and permitting scope items will be included in subsequent work orders.)

Proposed project schedule:

April 16, 2024 – DAA Board to consider Stormwater Management Plan contract

May 2024 – Grant application submittal

July 2024 – Submit Engineer’s Design Report/Preliminary planning study data

October 2024 – Final stormwater management plan

Project Deliverables – The project deliverables of this scope include the following:

1. Project formulation
2. Collect and review available data
3. Identify needs, goals, and future projects
4. Develop stormwater management implementation plan
5. Report
6. Quality control reviews
7. Meetings
8. Project management

This work scope includes:

Work Element 1: Project Formulation

Task 1.1 – Scoping, Review, and Coordination – Short Elliott Hendrickson (SEH and/or Consultant) will coordinate with the Duluth Airport Authority (DAA) (sponsor) to develop the appropriate scope of work. Additional coordination will include task definition and establishment of project goals and objectives. The scope of work will be presented to FAA, MnDOT Office of Aeronautics, and City of Duluth for review and will be updated based on input received.

Task 1.2 – Project Formulation – SEH will complete cost breakdowns and eligibility determinations for the approved scope of work. SEH will coordinate the appropriate CATEX documentation and submit for FAA review.

Task 1.3 – FAA Grant Initiation/Pre-application Documentation – SEH will complete the project and grant pre-application documentation, associated preliminary cost breakdowns and preliminary eligibility determinations.

Task 1.4 – FAA Grant Submittal – SEH will compile the required FAA grant documentation and submit to MnDOT Aeronautics and FAA for an FAA grant.

Work Element 2: Collect and Review Available Information

Task 2.1 – Existing Data Collection – SEH will compile relevant information from existing survey data, storm sewer mapping, as-built plans, and previous project data into one comprehensive map. Other relevant information such as outside stormwater studies provided by the airport may be used, if available.

Task 2.2 – Topographic Survey – As required to support assembly of the stormwater management plan, SEH will perform field surveying efforts to better confirm airfield stormwater drainage patterns throughout the airfield. Specifically, SEH will survey and/or confirm structures, inverts, and pipe layouts throughout the airfield. SEH will complete the survey work and provide escorting and oversight during the survey. It is anticipated the field collection work will take 10 working days to acquire.

Task 2.3 – Inventory Collection – SEH will compile a list of all drainage structures and facilities, and report the condition and remaining useful life.

Task 2.4 – Photographs – SEH will complete a site visit to acquire visual data/photographs for documentation in the report.

Task 2.5 – Data Compilation – SEH will compile the data obtained through investigative efforts, to include the existing data and newly surveyed information.

Work Element 3: Identify Needs, Goals, and Future Projects

Task 3.1 – Identify Needs – SEH will work with the airport to identify primary goals and needs for stormwater management. This discussion will be based on known airport

improvement projects planned in the near and distant future, and any stormwater issues on the airfield.

Task 3.2 – Summary of Stormwater Requirements –The airport is under the jurisdiction of both the City of Duluth and the State of Minnesota. The City of Duluth requires stormwater management for any project that results in a new and reconstructed impervious surface greater than 3,000 square feet. Stormwater management includes treating stormwater runoff for pollutant removal through infiltration, filtration, or retention (wet pond) and rate control, which requires stormwater modeling to ensure water leaves the proposed site at a rate that matches preconstruction runoff rates. The State of Minnesota requires stormwater management when a project results in one acre or more of new and reconstructed impervious surfaces. The State requires only stormwater treatment. To meet the requirements of both agencies, the more stringent of the two design requirements must be met.

Task 3.3 – Airport Operational Safety Considerations – The report will discuss stormwater improvements in relation to the airfield. FAA standards and requirements will be incorporated into the plan.

Task 3.4 – Drainage Design/Capacity Analysis – SEH will complete required designs, calculations, and modeling of the entire drainage system across the airfield. Delineation of the drainage area and stormwater runoff calculations will be determined to confirm current drainage and stormwater treatment features. Stormwater retention ponds will be evaluated for capacity. To meet both the City of Duluth and State of Minnesota design criteria, preliminary BMP sizing will be performed using HydroCAD. HydroCAD is a stormwater modeling program that quantifies how much water is running off a site in both existing and future conditions. A BMP can be assessed in this program to determine its efficacy in meeting rate control requirements, and volumes can easily be found within the model to determine the water quality functionality. These values will not be to final design detail, but will assist in cost estimating and space planning.

Task 3.5 – Stormwater Credits – SEH will calculate the existing and required stormwater credits for current and future development.

Work Element 4: Develop Stormwater Management Implementation Plan

Task 4.1 – Needs Assessment – Following the design and capacity assessment, SEH will calculate the needed infrastructure to meet existing and proposed development over the next 20 years.

Task 4.2 – Alternatives Analysis – SEH propose up to three development and/or improvement alternatives for stakeholder consideration. The alternatives will be documented in the final deliverable. Concept designs will be assigned a planning level cost estimate. The locations of these concepts will be shown on a map that will be provided to the airport for discussion.

Task 4.3 – Capital Improvement Plan Development – SEH will create a Capital Improvement Plan (CIP) to accommodate the proposed, preferred development, replacement, and maintenance of all drainage structures across the airfield.

Work Element 5: Report

Task 5.1 – Report – This task includes creation of a report to document the information acquired and developed as part of the study.

Work Element 6: Quality Control Reviews

Quality Control includes the following tasks:

Task 6.1 – FAA Coordination – SEH will coordinate with the FAA on submitting a 90% version of the report for FAA review. This task includes addressing comments provided by FAA.

Task 6.2 – City of Duluth Coordination – SEH will coordinate with the City of Duluth on submitting a 90% version of the report for FAA review. This task includes addressing comments provided by FAA.

Task 6.3 – Internal Quality Control Reviews – SEH will complete internal reviews of all deliverables.

Work Element 7: Meetings

Task 7.1 – Design Team Meetings –This task includes bi-weekly meetings by the design team to discuss project elements, schedule, issues, and provide coordination between team members. It is anticipated that there will be 6 design meetings.

Task 7.2 – Agency Meetings –This task includes monthly meetings by the design team, MnDOT Office of Aeronautics, FAA ADO, DAA staff, City of Duluth, and other individuals and agencies as needed, to discuss the project development, schedule, and any other related items. It is anticipated that there will be four, two-hour agency virtual meetings, attended by PM, Water Resources PE, and Planner.

Task 7.3 –Airport Authority Meetings –This task includes attendance at monthly DAA Authority meetings to provide project updates to the DAA Board members. One, two-hour meeting is included requiring Project Manager attendance.

Task 7.4 – Public Involvement Meetings and Notifications – This task includes specific meetings with stakeholders to discuss the project and needed development. SEH will host two dedicated meetings with tenants and stakeholders discussing the proposed improvements.

Work Element 8: Project Management – This task includes the overall project management of Work Elements 1 through 7 noted above. Project Management includes administration of the project and related project administration tasks.

Task 8.1 – Overall Project Management –This task includes project coordination and administration, including Sponsor and agency communication, progress reports, budget updates and monthly invoices and contract negotiation.

Subconsultants performing work under this proposal include the following: None.

Eligibility Breakdown: Eligibility discussions with FAA during project formulation indicated drainage master planning associated with FAA-eligible areas per the AIP Handbook would be considered eligible for AIP funding. The drainage master planning scope items associated with revenue generating areas would be eligible for AIG grant funding. Therefore, two separate schedules are presented.

It is assumed based on the scope areas provided below, that 80 percent of the effort of this study is allocated to eligible areas, and 20 percent to ineligible areas.

- **Schedule A:** Includes AIP eligible projects identified on the airport's 20-year CIP. These projects include, but not limited to:
 - o Taxiway A reconstruction – Phases 5 – 9
 - o NEPA coordination for Phases 7 and 8

- Midfield Ramp repair (all phases)
- Air Traffic Control Tower replacement
- Pavement de-ice tank and slab
- Building demolition (including Hangar 2, Hermantown Hydraulics, Hydrosolutions, ATCT building, and the DHL storage building.
- Sand storage and chemical building
- Runway 3/21 rehabilitation
- GA ramp maintenance/rehabilitation/reconstruction
- Runway 9/27 rehabilitation, including shoulder replacement
- Perimeter road rehabilitation
- **Schedule B:** Includes AIP ineligible projects (eligible for AIG), specifically revenue generating projects, including:
 - North Business Development Area hangars
 - Midfield Ramp Hangar Development
 - Hangar 101 redevelopment
 - QTA development
 - Terminal and pay lot modifications/rehabilitation
 - GA Hangar development (by existing vault)

Not included in current scope

This agreement does not include the following items. These items may be added as an additional task if needed.

- Wetland delineations
- Sitewide flood analysis
- Detailed storm sewer modeling
- Final design, plans, specifications
- Construction Administration

It is assumed the airport will provide the following to SEH:

- Existing utility information
- Contaminated soil locations



Airport Drainage

Duluth International Airport
Duluth, Minnesota

Figure 3

Overall Airport Drainage
01/2024; COMMON



**ATTACHMENT B
ESTIMATED FEES AND EXPENSES
STORMWATER MANAGEMENT PLAN
DULUTH INTERNATIONAL AIRPORT (DLH)
DULUTH, MINNESOTA**

Task No.	Task Description	Principal	Project Manager	Senior Water Resource Engineer	Water Resource Engineer	Project Water Resource Engineer	Airport Planner	Senior CAD/GIS Technician	Survey Crew Chief	Instrument Operator	Admin Technician
Project Formulation											
1.1	Scoping, Review, and Coordination	2	2		2	1	1				
1.2	Project Formulation	2	2		2	1	1				
1.3	FAA Grant Initiation Documentation		1				2				
1.4	FAA Grant Submittal		1				2				
Collect and Review Available Information											
2.1	Existing Data Collection			2	2	6		2	56	56	2
2.2	Topographic Survey				1	6					2
2.3	Inventory Collection			2	3	6		2			
2.4	Photographs					2		2			
2.5	Data Compilation		2	2	2	6					
Identify Needs, Goals, and Future Projects											
3.1	Identify Needs			2	8	20					
3.2	Summary of Stormwater Requirements		2	1	8	16		2			
3.3	Airport Operational Safety Considerations		2		2	2					
3.4	Drainage Design/Capacity Analysis		2	2	6	20		2			
3.5	Stormwater Credits			1	4	16					
Develop Stormwater Management Implementation Plan											
4.1	Needs Assessment		2	2	16	40	4	4			
4.2	Alternatives Analysis		2	2	12	60	4	6			
4.3	Capital Improvement Plan Development		2	2	8	40	16	2			
Report											
5.1	Report			6	8	40	8				4
Quality Control Reviews											
6.1	FAA Coordination		8				16				
6.2	City of Duluth Coordination		4		8	4					
6.3	Internal Quality Control Reviews		4		8	4		2			
Meetings											
7.1	Design Team Meetings		6	3	6	6	3	3			
7.2	Agency Meetings		6	3	6	6	3	3			
7.3	Airport Authority Meetings	4					4				
7.4	Public Involvement Meetings and Notifications		2		2		8				2
Project Management											
8.1	Overall Project Management										
Total hours per labor category		8	50	30	114	302	72	30	56	56	10

ESTIMATE OF LABOR COSTS:

Labor Category	Hours	Rate	Extension
Principal	8	\$87.14	\$697.14
Project Manager	50	\$78.67	\$3,933.66
Senior Water Resource Engineer	30	\$74.63	\$2,238.90
Water Resource Engineer	114	\$65.67	\$7,486.38
Project Water Resource Engineer	302	\$47.76	\$14,423.52
Airport Planner	72	\$55.65	\$4,006.80
Senior CAD/GIS Technician	30	\$55.52	\$1,665.60
Survey Crew Chief	56	\$44.78	\$2,507.68
Instrument Operator	56	\$34.00	\$1,904.00
Admin Technician	10	\$38.81	\$388.10
Total Direct Labor Costs:	728		\$39,251.78
Direct Salary Costs plus Overhead (1.9%)			\$74,578.38
Total Labor Costs			\$113,830.16
Fixed Fee on Labor Costs (15%)			\$17,074.52

ESTIMATE OF EXPENSES:

Direct Expenses	Quantity	Rate	Extension
Computer Charge	728	\$5.55	\$4,040.40
Employee Mileage	1500	\$0.67	\$1,005.00
Per Diem	5	\$200.00	\$1,000.00
Survey Equipment	56	\$45.00	\$2,520.00
Reproductions / Miscellaneous	1	\$100.00	\$100.00
Total Expenses			\$8,665.40

SUMMARY:

Total Labor Costs + Expenses + Fixed Fee	\$139,570.08
Estimated Total	\$139,600.00

ELIGIBILITY BREAKDOWN:

Schedule A (FAA AIP-eligible areas for items identified in the scope)	\$111,680.00
Schedule B (FAA AIP-ineligible areas (AIG eligible) for items identified in the scope)	\$27,920.00
Total	\$139,600.00

Duluth Airport Authority
Resolution to Accept and Award the Contract for the Plant Mitigation at the
Sky Harbor Airport (DYT) between the Duluth Airport Authority and Prairie
Restorations, Inc.

Terms:

- Estimated Administrative start date of June 1, 2024
- Estimated Construction start date of June 15, 2024
- Construction completion date of July 15, 2024
- 30 calendar days

Agreement Overview:

The contract is for the Plant Mitigation project at the Sky Harbor Airport in the amount received from Prairie Restoration from quotes received on April 9, 2024. Attached is a draft of the contract. This resolution includes the awarding of the contract in the amount of \$45,867. Execution of the contract will be contingent on verification and compliance of the necessary bonds and insurance certificate with contract requirements.

Background:

This project involves replacement mitigation replanting near Runway end 14 and seawall areas at the Sky Harbor Airport. Aquatic planting is required as part of permitting mitigation requirements for the runway relocation project.

Requests for quotes were submitted to three qualified contractors by SEH on behalf of the Duluth Airport Authority by 2:00pm on April 9, 2024, for the above referenced project. One contractor, Prairie Restoration, submitted a bid: the quote was slightly above the consultant's estimate.

Engineer's Estimate	<u>\$37,000.00</u>
Prairie Restorations Inc.	\$45,867.00
Boreal Natives	No response
Neco Services	No response

The Plant Mitigation project will be funded at 90 percent by the Airport Improvement Program (AIP) funding. MnDOT Aeronautics will fund the project at 5 percent. The local contribution by Duluth Airport Authority will fund the project at 5 percent.

**CONTRACT
ACQUATIC PLANTING ENHANCEMENT PROJECT
SKY HARBOR AIRPORT (DYT)
DULUTH, MINNESOTA**

THIS AGREEMENT, made this 16th day of April, 2024, by and between the **Duluth Airport Authority** (hereinafter called Owner) and Prairie Restorations, (hereinafter called Contractor) to complete Plant Mitigation at the Sky Harbor Airport (hereinafter called Project).

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the OWNER, the CONTRACTOR hereby agrees with the OWNER to commence and complete the construction described as:

The Owner shall pay the Contractor for completion of the Work in accordance with the Contract Documents and subject to conditions and deductions, as found in *EJCDC C-700 Standard General Conditions of the Construction Contracts*. The Owner agrees substantially to the sum of \$45,867.00, Work includes all extra work in connection therewith, under the terms as stated in the Requirements for Quotation and specifications, and at their own proper cost and expense to furnish all the materials, supplies, machinery, equipment tools, superintendence, labor, insurance, and other accessories and services necessary to complete the PROJECT. The Contract Documents, as prepared by Short Elliott Hendrickson, Inc., hereinafter called ENGINEER, all of which are made a part hereof and collectively evidence and constitute the CONTRACT. The Contract Documents consist of the entire quote package including all referenced documents and drawings.

The CONTRACTOR hereby agrees to commence the Work under this CONTRACT on or before the date specified in the Schedule submitted with the Quotation and to fully complete the PROJECT by the date specified for completion or the days specified for completion. If work is not completed in the specified time, liquidated damages will apply as specified below:

Contractor and Owner recognize that time is of the essence and that Owner will suffer financial loss if the Work is not completed within the times specified. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty):

1. Substantial Completion: Contractor shall pay Owner **\$100 for each day** that expires after the time (as duly adjusted pursuant to the Contract) specified for Substantial Completion until the Work is substantially complete.
2. Completion of Remaining Work: After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Time (as duly adjusted pursuant to the Contract) for completion and readiness for final payment, Contractor shall pay Owner **\$100.00 for each day** that expires after such time until the Work is completed and ready for final payment.
3. Liquidated damages for failing to timely attain Substantial Completion and final completion are not additive and will not be imposed concurrently.

In order to induce OWNER to enter into this Contract, Contractor makes the following representations:

1. Contractor has examined and carefully studied the Contract Documents, and any data and reference items identified in the Contract Documents.
2. Contractor has visited the Site, conducted a thorough, alert visual examination of the Site and adjacent areas, and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.

3. Contractor is familiar with and is satisfied as to all Laws and Regulations that may affect cost, progress, and performance of the Work.
4. Contractor has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or adjacent to the Site and all drawings of physical conditions relating to existing surface or subsurface structures at the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings, and (2) reports and drawings relating to Hazardous Environmental Conditions, if any, at or adjacent to the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings.
5. Contractor has considered the information known to Contractor itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Contract Documents; and the Site-related reports and drawings identified in the Contract Documents, with respect to the effect of such information, observations, and documents on (1) the cost, progress, and performance of the Work; (2) the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor; and (3) Contractor's safety precautions and programs.
6. Based on the information and observations referred to in the preceding paragraph, Contractor agrees that no further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract.
7. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
8. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
9. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.
10. Contractor's entry into this Contract constitutes an incontrovertible representation by Contractor that without exception all prices in the Agreement are premised upon performing and furnishing the Work required by the Contract Documents.

IN WITNESS WHEREOF, the parties to these presents have executed this CONTRACT in three counterparts, each of which shall be deemed an original, in the year and day first above mentioned.

OWNER:

By: _____

Title: _____

Attest: _____

CONTRACTOR:

By: _____

Title: _____

Attest: _____

Duluth Airport Authority
Resolution to Accept and Award the Contract in the amount of \$233,200.01
between the Duluth Airport Authority and Urban Companies, LLC for the
Demolition of Building 100.

Terms:

- Estimated Administrative start date of May 1, 2024
- Estimated Construction start date of May 15, 2024
- Construction completion date of June 15, 2024
- 30 calendar days

Agreement Overview:

The contract is for the Hermantown Hydraulics Demolition project in the amount received from Urban Companies, LLC from bids received on March 21, 2024. Attached is a draft of the contract. This resolution includes the awarding of the contract with combination of Base Bid & Alternate A in the amount of \$233,200.01. Execution of the contract will be contingent on verification and compliance of the necessary bonds and insurance certificate with contract requirements.

Background:

The existing location of Hermantown Hydraulics building is on the future Air Traffic Control Tower (ATCT) project site. Hermantown Hydraulics building will need to be demolished, removed, and the existing site will be cleared for future development. The base bid included most of the project, including building demolition and backfill. Alternate A included removal of contaminated materials, if encountered. The Alternate is needed to be tracked separately for grant purposes.

Bids were received using BidExpress by SEH on behalf of the City of Duluth by 2:00pm on March 21, 2024, for the above referenced project. Eight contractors submitted bids: the low Base Bid including Alternate A was below the engineer's estimate by 58 percent.

<u>Engineer's Estimate</u>	<u>\$558,800.00</u>
Urban Companies, LLC	\$233,200.01
Veit & Company, Inc.	\$260,005.00
Sipsas Excavating & Trucking	\$240,367.75
Rachel Contracting, LLC	\$249,435.10
George Bougalis & Sons Company	\$328,921.00
Dirt, Inc.	\$238,095.00
KTM Paving	\$348,940.00
Northland Constructors of Duluth	\$249,190.00

The Hermantown Hydraulics Demolition project will be funded at 90 percent by the Airport Improvement Program (AIP) funding. MnDOT Aeronautics will fund the project at 5 percent. The local contribution by Duluth Airport Authority will fund the project at 5 percent.

The AIP-ineligible portion, which was Alternate A, of the Hermantown Hydraulics Demolition includes soil remediation, and this is anticipated to be funded at 70 percent by MnDOT Aeronautics and a local contribution by Duluth Airport Authority at 30 percent.

**STANDARD FORM OF AGREEMENT
BETWEEN OWNER AND CONTRACTOR
ON THE BASIS OF A STIPULATED PRICE**

THIS AGREEMENT is by and between the Duluth Airport Authority
(Owner) and Urban Companies, LLC. (Contractor).

Owner and Contractor hereby agree as follows:

ARTICLE 1 – WORK

1.01 Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows: 2024 Hermantown Hydraulics Demolition.

ARTICLE 2 – THE PROJECT

2.01 The Project, of which the Work under the Contract Documents is a part, is generally described as follows: Hermantown Hydraulics Building Demolition, Site Work Removals and Site Restoration.

ARTICLE 3 – ENGINEER

3.01 The Project has been designed by Short Elliott Hendrickson Inc. (SEH®).

3.02 The Owner has retained SEH (Engineer) to act as Owner's representative, assume all duties and responsibilities, and have the rights and authority assigned to Engineer in the Contract Documents in connection with the completion of the Work in accordance with the Contract Documents.

ARTICLE 4 – CONTRACT TIMES

4.01 *Time of the Essence*

- A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.
- B. No construction or contractor access to the project site will be allowed during the **DLH Airshow event on May 15-19 2024.**

4.02 *Contract Times: Dates*

- A. All work shall be substantially completed in **30 calendar days** from start of construction. **Construction is scheduled to be completed by June 30, 2024.**

4.03 *Liquidated Damages*

A. Contractor and Owner recognize that time is of the essence as stated in Paragraph 4.01 above and that Owner will suffer financial loss if the Work is not completed within the times specified in Paragraph 4.02 above, plus any extensions thereof allowed in accordance with the Contract. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty):

- 1. Substantial Completion: Contractor shall pay Owner \$500.00 for each day that expires after the time (as duly adjusted pursuant to the Contract) specified in Paragraph 4.02.A above for Substantial Completion until the Work is substantially complete.
- 2. Completion of Remaining Work: After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Time (as duly adjusted

pursuant to the Contract) for completion and readiness for final payment, Contractor shall pay Owner \$200.00 for each day that expires after such time until the Work is completed and ready for final payment.

3. Liquidated damages for failing to timely attain Substantial Completion and final completion are not additive and will not be imposed concurrently.

4.04 *Special Damages*

- A. In addition to the amount provided for liquidated damages, Contractor shall reimburse Owner (1) for any fines or penalties imposed on Owner as a direct result of the Contractor's failure to attain Substantial Completion according to the Contract Times, and (2) for the actual costs reasonably incurred by Owner for engineering, construction observation, inspection, and administrative services needed after the time specified in Paragraph 4.02 for Substantial Completion (as duly adjusted pursuant to the Contract), until the Work is substantially complete.
- B. After Contractor achieves Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Times, Contractor shall reimburse Owner for the actual costs reasonably incurred by Owner for engineering, construction observation, inspection, and administrative services needed after the time specified in Paragraph 4.02 for Work to be completed and ready for final payment (as duly adjusted pursuant to the Contract), until the Work is completed and ready for final payment.
- C. The special damages imposed in this paragraph are supplemental to any liquidated damages for delayed completion established in this Agreement.

ARTICLE 5 – CONTRACT PRICE

5.01 Owner shall pay Contractor for completion of the Work in accordance with the Contract Documents the amounts that follow, subject to adjustment under the Contract:

- A. Total of Unit Price Work (subject to final Unit Price adjustment): \$ 233,200.01

ARTICLE 6 – PAYMENT PROCEDURES

6.01 *Submittal and Processing of Payments*

- A. Contractor shall submit Applications for Payment in accordance with Article 15 of the General Conditions. Applications for Payment will be processed by Engineer as provided in the General Conditions.

6.02 *Progress Payments; Retainage*

- A. Subject to the provisions of SC-15.01.C, Owner shall make monthly progress payments on account of the Contract Price on the basis of Contractor's Applications for Payment during performance of the Work as provided in Paragraph 6.02.A.1 below, provided that such Applications of Payment have been submitted in a timely manner and otherwise meet the requirements of the Contract. All such payments will be measured by the Schedule of Values established as provided in the General Conditions (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no Schedule of Values, as provided elsewhere in the Contract:
 1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Owner may withhold, including but not limited to liquidated damages, in accordance with the Contract:
 - a. 95 percent of Work completed (with the balance being retainage).
 - b. 95 percent of cost of materials and equipment not incorporated in the Work (with the balance being retainage).

6.03 *Final Payment*

- A. Upon final completion and acceptance of the Work in accordance with Paragraph 15.06 of the General Conditions, Owner shall pay the remainder of the Contract Price as recommended by Engineer as provided in said Paragraph 15.06.

6.04 *Interest*

All amounts not paid when due shall bear interest at the rate of 4 percent per annum.

ARTICLE 7 – CONTRACT DOCUMENTS

7.01 *Contents*

- A. The Contract Documents consist of the following:
1. Addenda (numbers 00 00 1__ to 00 00 1__, inclusive).
 2. This Agreement (pages 00 52 00-1 to 00 52 00-6, inclusive).
 3. Performance Bond (Document 00 61 13).
 4. Payment Bond (Document 00 61 14).
 5. General Conditions (pages 00 72 00-1 to 00 72 00-66, inclusive).
 6. Supplementary Conditions (pages 00 73 00-1 to 00 73 00-9, inclusive).
 7. Specifications as listed in the table of contents of the Project Manual.
 8. The Drawings listed in the index located on Drawing Sheet G0.00.
 9. Exhibits to this Agreement (enumerated as follows).
 - a. Contractor's Bid (Document 00 41 00).
 - b. Documentation submitted by Contractor prior to Notice of Award (pages ___ to ___, inclusive).
 - c. Certificate of Insurance.
 10. The following which may be delivered or issued on or after the Effective Date of the Contract and are not attached hereto:
 - a. Notice to Proceed.
 - b. Field Order(s).
 - c. Work Change Directive(s).
 - d. Construction Bulletin(s)
 - e. Proposal Request(s)
 - f. Change Order(s).
- B. The documents listed in Paragraph 7.01.A are attached to this Agreement (except as expressly noted otherwise above).
- C. There are no Contract Documents other than those listed above in this Article 7.
- D. The Contract Documents may only be amended, modified, or supplemented as provided in the General Conditions.

ARTICLE 8 – REPRESENTATIONS, CERTIFICATIONS, AND STIPULATIONS

8.01 *Contractor's Representations*

- A. In order to induce Owner to enter into this Contract, Contractor makes the following representations:
1. Contractor has examined and carefully studied the Contract Documents, and any data and reference items identified in the Contract Documents.
 2. Contractor has visited the Site, conducted a thorough, alert visual examination of the Site and adjacent areas, and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
 3. Contractor is familiar with and is satisfied as to all Laws and Regulations that may affect cost, progress, and performance of the Work.
 4. Contractor has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or adjacent to the Site and all drawings of physical conditions relating to existing surface or subsurface structures at the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings, and (2) reports and drawings relating to Hazardous Environmental Conditions, if any, at or adjacent to the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings.
 5. Contractor has considered the information known to Contractor itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Contract Documents; and the Site-related reports and drawings identified in the Contract Documents, with respect to the effect of such information, observations, and documents on (1) the cost, progress, and performance of the Work; (2) the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor; and (3) Contractor's safety precautions and programs.
 6. Based on the information and observations referred to in the preceding paragraph, Contractor agrees that no further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract.
 7. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
 8. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
 9. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.
 10. Contractor's entry into this Contract constitutes an incontrovertible representation by Contractor that without exception all prices in the Agreement are premised upon performing and furnishing the Work required by the Contract Documents.

8.02 *Contractor's Certifications*

- A. Contractor certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract. For the purposes of this Paragraph 8.02:
1. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process or in the Contract execution;
 2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process or the execution of the Contract to the detriment of Owner, (b) to establish Bid or Contract prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;

3. "collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish Bid prices at artificial, non-competitive levels; and
4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

ARTICLE 9 – MISCELLANEOUS

9.01 Terms

- A. Terms used in this Agreement will have the meanings stated in the General Conditions and the Supplementary Conditions.

9.02 Assignment of Contract

- A. Unless expressly agreed to elsewhere in the Contract, no assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, money that may become due and money that is due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

9.03 Successors and Assigns

- A. Owner and Contractor each binds itself, its successors, assigns, and legal representatives to the other party hereto, its successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

9.04 Severability

- A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Owner and Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

IN WITNESS WHEREOF, Owner and Contractor have signed this Agreement.

This Agreement will be effective on _____, _____ (which is the Effective Date of the Contract).

OWNER:

Duluth Airport Authority

By: _____

Title: _____

[CORPORATE SEAL]

Attest: _____

Title: _____

Address for Giving Notices:

(If Owner is a corporation, attach evidence of authority to sign. If Owner is a public body, attach evidence of authority to sign and resolution or other documents authorizing execution of Owner-Contractor Agreement).

Designated Representative:

Name: _____

Title: _____

Address: _____

Phone: _____

Facsimile: _____

CONTRACTOR:

Urban Companies, LLC.

By: _____

Title: _____

[CORPORATE SEAL]

Attest: _____

Title: _____

Address for Giving Notices:

License No. _____ (Where Applicable)

Agent for service of process: _____

(If Contractor is a corporation or a partnership, attach evidence of authority to sign.)

Designated Representative:

Name: _____

Title: _____

Address _____

Phone: _____

Facsimile: _____

END OF DOCUMENT

VII. - H.

Duluth Airport Authority
Short Elliott Hendrickson Inc. (SEH) Work Order 2024-4 for Construction Administration,
Environmental Services, Observation, and Closeout for the Hermantown Hydraulics Demolition at
the Duluth International Airport

Terms:

- Estimated administrative start date of May 1, 2024
- Estimated construction start date of May 15, 2024
- Estimated construction completion date of June 30, 2024.
- Estimated end date of August 1, 2024

Fiscal Impact:

- Proposal amount for eligible items: \$66,700.
 - FAA (Federal) share is \$60,030.
 - MnDOT (State) share is \$3,335.
 - DAA (Local) share is \$3,335.
- Proposal amount for ineligible items: \$7,000.
 - MnDOT (State) share is \$4,900.
 - DAA (Local) share is \$2,100.
- **Total Proposal: \$73,700**

Agreement Overview:

This work order includes construction administration, environmental services, observation, and closeout for the Hermantown Hydraulics Demolition project at the Duluth International Airport (DLH). The contract provisions included in the Master Agreement (dated 03/27/2023) between the DAA and SEH remain in effect for this work order.

Background:

The existing location of Hermantown Hydraulics building is on the future Air Traffic Control Tower (ATCT) project site. Hermantown Hydraulics building will need to be demolished, removed, and the existing site will need to be cleared.

It is known that the existing structure contains hazardous (regulated waste) & asbestos materials that will be required to be removed.

Additionally, there is an unknown amount of soil remediation that will need to be completed as part of this project, which is an FAA ineligible cost. This will require supplementary environmental testing and observation in the event additional material is encountered beyond the original building footprint.

This work scope includes construction administration, environmental services, observation, and closeout services for the Hermantown Hydraulics Demolition project.

The FAA eligible areas are anticipated to be funded at 90 percent by the Federal Aviation Administration (FAA), the remaining 10% is anticipated to be covered at 5% from the Duluth Airport Authority and another 5% from MnDOT Aeronautics.

The AIP-ineligible portion of the Hermantown Hydraulics Demolition includes soil remediation, and this is anticipated to be funded at 70 percent by MnDOT Aeronautics and a local contribution by Duluth Airport Authority at 30 percent.

**WORK ORDER
No. 2024-4
Between**

**The Duluth Airport Authority (DAA) (Owner) and
Short Elliott Hendrickson Inc. (SEH) (Consultant)**

Dated: April 16, 2024

**HERMANTOWN HYDRAULICS DEMOLITION
DULUTH INTERNATIONAL AIRPORT (DLH)**

This work order includes construction administration, environmental services, observation, and closeout services for the Hermantown Hydraulics Demolition project at Duluth International Airport (DLH). The contract provisions included in the Master Agreement (dated 3/27/2023) between the DAA and SEH remain in effect for this work order.

Estimated start date is May 1, 2024; estimated end date is August 1, 2024.

Compensation by the Owner to the Consultant shall be a lump sum amount of \$73,700.

FAA Eligible work items are included in Scope of Work A-I and shall be \$66,700. FAA ineligible work items are included in Scope of Work A-II and shall be \$7,000.

A description of the services to be provided is included in Attachments A-I & A-II. A detailed estimate of labor cost and expenses is included in Attachment B-I & B-II.

Point of Contact: Ryan Falch, PE

APPROVED:

**Duluth Airport Authority
(DAA)**

**Short Elliott Hendrickson
Inc.**



Title: _____

Title: Principal

Date: _____

Date: April 16, 2024

Title: _____

Date: _____

ATTACHMENT A-I
Duluth International Airport (DLH)
Hermantown Hydraulics Demolition

City of Duluth Number – 24-4402
Scope of Work – FAA Eligible

(Construction Administration, Observation, and Closeout)

General – Hermantown Hydraulics building at the Duluth International Airport (DLH) is located in the building area and is south the airport SRE/maintenance building. The Hermantown Hydraulics building is currently located on the future site of the Air Traffic Control Tower (ATCT) and needs to be removed prior to the ATCT project beginning, which is expected to begin in 2024/2025. The building will be vacated in March 2024, with demolition expected to occur as soon as May 2024.

See **Figure 1** for Hermantown Hydraulics Building identification.



PROPOSED PROJECT SCHEDULE

The project is scheduled to be substantially completed in 30-calendar days. It is anticipated the work will be performed during weekdays with weekend work as needed. Contractor is anticipated to start in Spring 2024, pending weather, site conditions, and procurement of materials.

May 2024
May 2024

Preconstruction Meeting, Shop Drawing and Submittal Reviews Begins
Construction Begins (Asbestos & Regulated Materials Abatement)

any additional testing need to be accomplished, this will be coordinated with the Contractor who will be responsible for completion.

Task 1.6 – Review of Quality Assurance Testing – All quality assurance test results performed by the quality assurance testing subconsultant will be monitored on a daily basis and summarized by Consultant. In the event of a failed test result, the Contractor will be required to take corrective action and a retest will be taken until passing results are achieved. Consultant will review final quality assurance testing for compliance with the specifications. This will be conducted prior to submission to the FAA. Should any additional testing need to be accomplished, this will be coordinated with the subconsultant who will be responsible for completion.

Task 1.7 – Permit Coordination – Consultant will coordinate and review all applicable permits related to the project construction. These may include MCPA Demolition Notification, City of Duluth Haul Route Permit, City of Duluth Erosion and Sediment Control Permit, City of Duluth Fill, and Excavation and Grading Permits, and City of Duluth Commercial Wrecking Permit. This task includes coordination (anticipated 2-HRs) with the City of Duluth Construction Services department.

Task 1.8 – Submittal and Shop Drawing Review – Consultant will review product and material data, shop drawings, and other items required to be submitted by the Contractor. Consultant will review the contractor supplied Safety Plan Compliance Document (SPCD) for compatibility with Duluth Airport operations and FAA safety procedures.

Task 1.9 – Progress Meetings – Construction progress meetings (1 meetings in-person and 5 meetings virtual) will be held on a weekly basis while construction work is being performed. The virtual progress meeting will be attended by consultant staff, including Project Manager (PM) and Resident Project Representative (RPR), and other staff as needed or required. It is anticipated that 6 progress meetings (six 30-minute meetings) will occur during construction activities and will require inclusion of preparatory and meeting documentation work. Consultant will administer the meetings, issue notifications, and record meeting minutes.

Task 1.10 – Pay Applications – Consultant will prepare four partial pay applications upon throughout construction (one per month). A final pay application (3 total) will be prepared following the final agreement of quantities for all work components and a pay application releasing retainage to the Contractor once all closeout requirements have been met. Actual completed quantities will be tabulated for use in preparing pay applications. This task will include review of contractor/subcontractor certified payroll reporting. With no full-time observation, no recording, type of work being completed, or random interviews will take place.

Task 1.11 – Change Orders – Consultant shall review and provide recommendations to the Sponsor of proposed changes to the contract documents, technical specifications, and plans. As necessary, the Consultant will issue supplemental details, design data, drawings, and modifications to Contractor for change order pricing. The Project Manager will prepare change orders. In the case where new materials may be required in addition to those in the bid documents, new bid items will be added to the project and a Proposal Request from the Contractor will be requested.

Task 1.12 – As-Built Drawings – Consultant will utilize Contractor and engineering drawings during construction to complete record drawings for the project. The as-built drawings will incorporate any modifications or additions/subtractions that occurred during construction. Three (3) final plan sets will be plotted and distributed

to the Duluth Airport Authority (DAA) for records. Electronic (PDF) copies of the record drawings will be provided to DAA and MnDOT.

Task 1.13 – Update Airport Layout Plan (ALP): Consultant will complete an update to the current ALP to reflect as-built conditions.

Work Element 2: Construction Observation

Specific tasks included with this work element include:

Task 2.1 – Construction Observation – Consultant will provide part-time construction observation for the duration of construction. This project is projected to occur for 30 calendar days (5-weeks) during the spring/summer of 2024 to achieve substantial completion. A Resident Project Representative (RPR) will be onsite during critical portions of construction to ensure that work is performed in accordance with the contract documents. The RPR will document and record construction progress through a daily journal, when present onsite. A collective bi-weekly progress report will be developed at the end of the two weeks and submitted to the Sponsor, MnDOT, and other individuals/organizations as needed.

Further duties of the on-site engineering staff include monitoring the Contractor's schedule, safety plan implementation, security plan compliance, general communication, adherence to technical specifications, and project drawing execution.

RPR – RPR will be an experienced field engineer that will provide the majority of the construction observation. It is anticipated the RPR will be onsite for (2) 6-HR/days per week for the duration of the project (56 Total Hours). Travel time is included as a sub-work element.

Task 2.2 – Construction Coordination – The Project Manager (PM) will provide constant communication and availability during the 30-calendar day project (5-weeks), approximately 4-hours per week. The coordination will include RFI resolution, project acceptance, phone, and email communication. The PM will be available as a resource for project related issues from both the client and the Contractor for swift resolution.

Task 2.3 - Construction Inspections: Consultant will conduct one site visit for critical construction items. The site visit is expected to be 4-hours onsite for the Project Manager. Travel time is included as a sub-work element. The site visit will be conducted as follows, for the following project milestone:

- Building Demolition (Project Manager)

No daily observation staffing (including daily reporting) is included in this Scope of Work.

Task 2.4 - Environmental Observation and Testing: Consultant will provide administrative and review of environmental aspects of the contaminated soil & handling of the material. It is known the existing building and soils are contaminated and require additional oversight throughout the project. During the pre-construction meeting, the Consultant scientists will provide a pre-demolition walk-through to ensure regulated materials have been removed with the Contractor and Sponsor participating.

Consultant will provide onsite scientists during the investigation and sampling of existing soils and materials. The scientists screen, observe and document the excavation and removal of contaminated soil and oil-stained concrete floor slab. It is estimated seven (7) 8-HR days are included in this Scope of Work to complete the observation and testing contaminated soils task (56 Total Hours). Travel time is included as a sub-work element.

Following removal of the soil from within 3 feet of the floor slab, ten (10) confirmation soil samples will be collected for chemical analyses for volatile organic compounds (VOCs), polynuclear aromatic hydrocarbons (PAHs), diesel range organics (DRO), and polychlorinated biphenyls (PCBs). Our proposal also includes an allowance to analyze up to four (4) additional samples should unexpectedly conditions or additional analysis be required by the landfill. Samples will be analyzed on a standard 7 to 10 business day turnaround time.

SEH will prepare a Response Action Plan Implementation Report documenting the cleanup activities completed for the project. If any remediation of soils is required, SEH will use hours allocated in Scope of Work A-II, FAA ineligible scope items.

In the event dewatering is required by the Contractor during excavation and removals, the Consultant scientists will provide review and approval of the permit application(s) prior to submission by the Contractor to the permitting authority. The scientists will also be onsite to document, sample and test the dewatered groundwater from the site and abiding by the permitting authority requirements. It is estimated three (3) 4-HR days are included in this Scope of Work to complete the dewatering testing task (12 Hours Total). Travel time is included as a sub-work element. In addition, two (2) samples will be collected for chemical analyses of VOCs, DRO, gasoline range organics, chemical oxygen demand, total suspended solids and pH. Samples will be analyzed on a standard 7 to 10 business day turnaround time.

Task 2.5 - Final Inspection/Punch List: Consultant will conduct a final inspection with the Contractor after completion of the work and prior to substantial project acceptance. Consultant representative will only include Project Engineer. A punch list will be developed by the Consultant and provided to the Contractor if deficiencies are found. The punch list will be a tracking document and progress on the items will be recorded until issues are resolved. The final inspection is expected to include 3-hours onsite (plus 2-hour of preparation/documentation). Travel time is included as a sub-work element.

Task 2.6 - Warranty Inspection Site Visit: Consultant will complete one onsite warranty inspection site visit prior to the expiration of the warranty period to identify and document issues to be resolved by the Contractor as part of the warranty guarantee. Consultant representative will include the Project Engineer only. Travel time is included as a sub-work element.

Work Element 3: Reporting and Project Closeout

Task 3.1 - FAA Project Quarterly Reports: Consultant will prepare FAA Quarterly Reports and submit to FAA on a quarterly basis until grant closeout. (One submittal is anticipated)

Task 3.2 - FAA Closeout Report: Consultant will prepare a Project Closeout Report as required by the FAA by using the Sponsors Guide to Quality Project Closeout Report Requirements (FAA Publication).

Task 3.3 – Project Closeout – Consultant will work with the Contractor to ensure that necessary closeout documents are submitted by the Contractor. These include, but are not limited to, MnDOT form IC-134 documentation, lien waivers, wage rate compliance, and other documentation as identified in the specifications.

Task 3.4 - Disadvantaged Business Enterprise (DBE) Requirements: Consultant will review and submit the required documentation to confirm the Contractor's compliance with the DBE program and goals for this project or provide evidence of "good faith efforts" to meet DBE requirements.

Task 3.5 - Buy American Compliance and Waiver: Consultant will coordinate contractor submittals concerning compliance with required Buy American certifications for submitted materials. In the event the contractor is unable to comply with 100 percent Buy American, the consultant will assist the contractor in submitting a waiver to the FAA.

Work Element 4: Public Outreach and Project Management – This task includes the public outreach and the overall project management of Work Elements 1 through 3 noted above. Project Management includes administration of the project, agency and Sponsor meetings, outreach meetings, and related project administration tasks.

Task 4.1 – Overall Project Management –This task includes project coordination and administration, including Sponsor and agency communication, internal meetings, subconsultant oversight, progress reports, budget updates and monthly invoices over the expected 2-month project duration.

Task 4.2 – Duluth Airport Authority (DAA) Meetings –This task includes attendance at monthly DAA Board meetings to provide project updates to the DAA Board of Directors. The project will require update at one (1) meeting. Attendance would include the Principal staff only.

Task 4.3 – DLH Tenant and User Newsletter – Consultant will develop a monthly newsletter to provide updates on construction activities and identify impacts to airport operations. Consultant will assist the sponsor with newsletter distribution. It is anticipated 2 newsletters will be issued.

Task 4.4 – Community Outreach Newsletter – SEH will develop a newsletter to distribute prior to communities and neighbors surrounding the airport to provide information on the upcoming construction activities. SEH will assist the sponsor with newsletter distribution.

Subconsultants performing work under this proposal include the following:

Braun Intertec, Inc.: Quality Assurance testing for the soil compaction will be performed by Braun Intertec of Duluth, Minnesota. See Braun Intertec proposal dated February 27, 2024.

ATTACHMENT A-II
Duluth International Airport (DLH)
Hermantown Hydraulics Demolition

City of Duluth Number – 24-4402
Scope of Work - FAA Ineligible

(Construction Administration, Environmental Services, and Observation)

General – Attachment A-II includes project specific items that are considered ineligible for federal funding. The ineligible components of the work include soil remediation for the demolition of Hermantown Hydraulics. The overall scope and schedule proposed in Scope of Work Attachment A-I applies to the ineligible scope of work items.

This Work Scope includes:

Work Element 1: Construction Administration Services

Specific tasks included with this work element include:

- Task 1.1 – Scope Development** – SEH (Consultant) will develop the project scope to ensure that necessary aspects of the project are included. Scope development includes coordination with Duluth Airport Authority (Sponsor) and the Federal Aviation Administration (FAA) for scope review, preparation of the final scope, fee proposal development, and contract negotiations.
- Task 1.2 – Project Administration Services** – Consultant will provide office engineering staff, CAD personnel, and administrative staff that will assist the construction project team as necessary during construction in response to Requests for Information (RFI), Construction Bulletins (CB), Proposal Requests (PR), plan or specification clarifications, change orders and other issues that may arise. Other administrative tasks include project set up and invoicing, internal meetings (quarterly, four total), progress reports, change log development and management, monthly DAA cash flow projections throughout the project, and contract management.
- Task 1.3 – Preparation of Project Files** – Consultant will develop construction contracts, review Contractor bonding information, and ensure that Sponsor insurance requirements have been met. Consultant will coordinate routing and signature of the construction contracts by the Sponsor and the Contractor. Plans, contract documents, and technical specifications will be updated to include all addenda items issued during bidding. Consultant will ensure that the Contractor is supplied with adequate copies of the construction plans and project manual.
- Task 1.4 – Permit Coordination** – Consultant will coordinate and review all applicable permits related to the project construction. These may include MCPA Demolition Notification, Dewatering Permit, and City of Duluth Commercial Wrecking Permit. This task includes coordination (anticipated 1-HR) with the City of Duluth Construction Services department.
- Task 1.5 – Progress Meetings** – Construction progress meetings (1 meeting virtual) will be held on a weekly basis while construction work is being performed, related to soil remediation. The virtual progress meeting will be attended by consultant staff, including Project Manager (PM) and Resident Project Representative (RPR), and other staff as needed or required. It is anticipated that 1 progress meeting (one 30-minute meeting) will occur during construction activities and will require inclusion of preparatory and meeting documentation work. Consultant will administer the meetings, issue notifications, and record meeting minutes.

Work Element 2: Construction Observation

Specific tasks included with this work element include:

Task 2.1 – Construction Observation –

RPR – RPR will be an experienced field engineer that will provide construction observation. It is anticipated the RPR will be onsite for (2) 8-HR/days for one week of the project (16 Total Hours) related to soil remediation. Travel time is included as a sub-work element.

Task 2.2 – Construction Coordination – The Project Manager (PM) will provide constant communication and availability during the 30-calendar day project (5-weeks). It is anticipated that 8 hours of coordination by the PM will required to remove/remediate contaminated soils.

Work Element 3: Project Management – This task includes the public outreach and the overall project management of Work Elements 1 through 2 noted above. Project Management includes administration of the project, agency and Sponsor meetings, outreach meetings, and related project administration tasks.

Task 3.1 – Overall Project Management –This task includes project coordination and administration, including Sponsor and agency communication, internal meetings, subconsultant oversight, progress reports, budget updates and monthly invoices over the expected 2-month project duration. This work is specific to the removal of potential contaminated areas.

Subconsultants performing work under this proposal include the following:

None for Ineligible Work Items

Project Proposal

QTB192666

DLH Building Demo Site

Client:

Short Elliott Hendrickson, Inc.
Ryan Falch
3535 Vadnais Center Dr
Saint Paul, MN 55110

Work Site Address:

Duluth International Airport
4701 Grinden Drive
Duluth, MN 55811

Service Description:

Construction Materials Testing

	Description	Quantity	Units	Unit Price	Extension
Phase 1	Soils & Observation				
Activity 1.1	Soils				\$3,880.00
206	Excavation Observations	8.00	Hour	125.00	\$1,000.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	Site Excavations	2.00	Trips	4.00	8.00
1861	CMT Trip Charge	2.00	Each	40.00	\$80.00
207	Compaction Testing - Nuclear	20.00	Hour	95.00	\$1,900.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	Foundation Backfill	3.00	Trips	4.00	12.00
	Utilities	2.00	Trips	4.00	8.00
1308	Nuclear moisture-density meter charge, per hour	20.00	Each	15.00	\$300.00
1861	CMT Trip Charge	5.00	Each	40.00	\$200.00
1318	Moisture Density Relationship (Proctor)	2.00	Each	200.00	\$400.00
Activity 1.2	Project Management				\$1,885.00
238	Project Assistant	3.00	Hour	100.00	\$300.00
226	Project Manager	5.00	Hour	165.00	\$825.00
228	Senior Project Manager	4.00	Hour	190.00	\$760.00
Phase 1 Total:					\$5,765.00

Proposal Total:	\$5,765.00
------------------------	-------------------

May/June 2024	Demolition Begins
June 2024	Substantial Completion
July 2024	Closeout Process Begins

Project Deliverables – The project deliverables of this scope include the following:

1. Construction Administration Services
2. Construction Observation
3. FAA Reporting and Project Closeout
4. Project Management and Stakeholder Engagement

This work scope includes:

Work Element 1: Construction Administration Services

Specific tasks included with this work element include:

- Task 1.1 – Scope Development** – SEH (Consultant) will develop the project scope to ensure that necessary aspects of the project are included. Scope development includes coordination with Duluth Airport Authority (Sponsor) and the Federal Aviation Administration (FAA) for scope review, preparation of the final scope, fee proposal development, and contract negotiations.
- Task 1.2 – Project Administration Services** – Consultant will provide office engineering staff, CAD personnel, and administrative staff that will assist the construction project team as necessary during construction in response to Requests for Information (RFI), Construction Bulletins (CB), Proposal Requests (PR), plan or specification clarifications, change orders and other issues that may arise. Other administrative tasks include project set up and invoicing, internal meetings (quarterly, four total), progress reports, change log development and management, monthly DAA cash flow projections throughout the project, and contract management.
- Task 1.3 – Preparation of Project Files** – Consultant will develop construction contracts, review Contractor bonding information, and ensure that Sponsor insurance requirements have been met. Consultant will coordinate routing and signature of the construction contracts by the Sponsor and the Contractor. Plans, contract documents, and technical specifications will be updated to include all addenda items issued during bidding. Consultant will ensure that the Contractor is supplied with adequate copies of the construction plans and project manual.
- Task 1.4 – Pre-Construction Activities** – Consultant will hold a pre-construction meeting (at the airport, expected for 2-hours plus travel) prior to beginning construction to outline and discuss project requirements, administration procedures, airfield pavement closure procedures and requirements, schedules, project responsibilities and communication, Disadvantaged Business Enterprise reporting, contractor submittals, and other construction related information. Consultant will administer the pre-construction meeting, issue notifications, and record meeting minutes. The meeting will be attended by the Contractor, subcontractors (as needed), FAA, Airport and Consultant staff, including the Project Manager, Principal, Sr. Scientist & Scientist (at the airport). Scientists will conduct a pre-demolition walk-through as part of this Task, which is expected to take 6-HRs. Travel time is included as a sub-work element.
- Task 1.5 – Review of Quality Control Testing** – All quality control test results performed by the Contractor will be monitored daily by Consultant. In the event of a failed test result, the Contractor will be required to take corrective action and a retest will be taken until passing results are achieved. Consultant will review all quality control testing performed by the Contractor for compliance with the specifications. Should

ESTIMATED FEES AND EXPENSES
ATTACHMENT B-I (FAA ELIGIBLE)
2024 HERMANTOWN HYDRAULICS DEMOLITION - CONSTRUCTION ADMINISTRATION & OBSERVATION
DULUTH INTERNATIONAL AIRPORT (DLH)

Task No.	Task Description	Principal	Project Manager	Project Engineer	Resident Project Representative (RPR)	Sr. Scientist	Scientist	Senior Planner	Senior Technician	Administrative Assistant
Work Element #1: Construction Administration Services										
1.1	Scope Development	1	1			1				
1.2	Project Administration Services		2	4		1.5	0.5		1	1
1.3	Preparation of Project Files		1							1
1.4	Pre-Construction Activities		4	4		4	8			
1.4.1	<i>Pre-Construction Travel Time</i>		10	4		5	5			
1.5	Review of Quality Control Testing			1						
1.6	Review of Quality Assurance Testing			1						
1.7	Permit Coordination		2	4		1	2			
1.8	Submittal and Shop Drawing Review		1	2						
1.9	Progress Meetings (6 Total)		2	5		2.5	2.5			
1.10	Pay Applications (3 Total)		2	6						1
1.11	Change Orders (Anticipated 1 Total)		1	4						1
1.12	As-Built Drawings		1	2					4	
1.13	Update Airport Layout Plan (ALP)			1				1	2	
Work Element #2: Construction Observation Services										
2.1	Construction Observation (8-Onsite Days)				54					
2.1.1	<i>Construction Observation Travel Time</i>				8					
2.2	Construction Coordination		10							
2.3	Construction Inspections (1 Visit Total)		4							
2.3.1	<i>Construction Inspections Travel Time</i>		10							
2.4	Environmental Documentation					4	56			
2.5	Final Inspection/Punch List		1	2						
2.5.1	<i>Final Inspections Travel Time</i>			4						
2.6	Warranty Inspection Site Visit		1	4						
2.6.1	<i>Warranty Inspection Travel Time</i>			4						
Work Element #3: FAA Reporting and Project Closeout										
3.1	FAA Project Quarterly Reports			1						
3.2	Project Closeout		1	2						
3.3	FAA Closeout Report			2						1
3.4	Disadvantaged Business Enterprise (DBE) Reporting			2						1
3.5	Buy American Certification and Waiver			1						
Work Element #4: Project Management and Stakeholder Engagement										
4.1	Overall Project Management		2	1		2				2
4.2	Airport Authority Board Meetings									
4.2.1	<i>Travel Time for Board Meetings</i>			2						
4.3	Tenant and User Newsletter (2 Total)			1					4	
4.4	Community Outreach Newsletter (1 Total)			1					2	
Total hours per labor category		1	56	64	62	21	74	1	13	8

ESTIMATE OF LABOR COSTS:

Labor Category	Hours	Rate	Extension
Principal	1	\$84.68	\$84.68
Project Manager	56	\$65.80	\$3,684.60
Project Engineer	64	\$47.82	\$3,060.67
Resident Project Representative (RPR)	62	\$39.00	\$2,417.74
Sr. Scientist	21	\$69.17	\$1,452.67
Scientist	74	\$38.42	\$2,843.01
Senior Planner	1	\$53.77	\$53.77
Senior Technician	13	\$47.37	\$615.81
Administrative Assistant	8	\$34.93	\$279.42

Total Direct Labor Costs: 300.0 \$14,492.35

Direct Salary Cost plus Overhead \$27,535.46

Total Labor Costs \$42,027.81

Fee (15%) \$6,304.17

ESTIMATE OF EXPENSES:

Direct Expenses	Quantity	Rate	Extension
Computer Charges	300.0	\$5.55	\$1,665.00
Employee Mileage	5,200	\$0.67	\$3,468.40
Employee Auto Allowance	12	\$16.00	\$192.00
Employee Per Diem	12	\$200.00	\$2,400.00
Environmental Equipment (PID, GPS, Field Truck Usage)	1	\$1,500.00	\$1,500.00
Environmental Sampling/Testing (Soil and Groundwater)	1	\$5,000.00	\$5,000.00
Geotechnical Materials (Braun Intertec)	1	\$5,765.00	\$5,765.00
Reproductions / Miscellaneous	1	\$100.00	\$100.00

Total Expenses \$18,425.40

Total (Labor Costs + Fee + Expenses) \$66,757.38

Total \$66,700.00

ESTIMATED FEES AND EXPENSES
ATTACHMENT B-II (FAA INELIGIBLE)
2024 HERMANTOWN HYDRAULICS DEMOLITION - CONSTRUCTION ADMINISTRATION & OBSERVATION
DULUTH INTERNATIONAL AIRPORT (DLH)

Task No.	Task Description	Principal	Project Manager	Project Engineer	Resident Project Representative (RPR)	Sr. Scientist	Scientist	Senior Planner	Senior Technician	Administrative Assistant
Work Element #1: Construction Administration Services										
1.1	Scope Development		1			0.5				
1.2	Project Administration Services						1			
1.3	Preparation of Project Files									
1.4	Permit Coordination					1				
1.5	Progress Meetings (1 Total)		0.5	0.5		0.5	0.5			
Work Element #2: Construction Observation Services										
2.1	Construction Observation (2-Onsite Days)				4					
2.1.1	Construction Observation Travel Time				4					
2.2	Construction Coordination		1			4				
2.3	Construction Inspections (1 Visit Total)			1						
2.3.1	Construction Inspections Travel Time			2						
2.4	Environmental Observation and Documentation (7 Onsite Days)						16			
2.4.1	Environmental Observation Travel Time						2			
Work Element #3: Project Management and Stakeholder Engagement										
3.1	Overall Project Management		1							
Total hours per labor category		0	3.5	3.5	8	6	19.5	0	0	0

ESTIMATE OF LABOR COSTS:

Labor Category	Hours	Rate	Extension
Principal	0	\$84.68	\$0.00
Project Manager	3.5	\$65.80	\$230.29
Project Engineer	3.5	\$47.82	\$167.38
Resident Project Representative (RPR)	8	\$39.00	\$311.97
Sr. Scientist	6	\$69.17	\$415.05
Scientist	19.5	\$38.42	\$749.17
Senior Planner	0	\$53.77	\$0.00
Senior Technician	0	\$47.37	\$0.00
Administrative Assistant	0	\$34.93	\$0.00
Total Direct Labor Costs:	40.5		\$1,873.85
Direct Salary Cost plus Overhead			\$3,560.32
Total Labor Costs			\$5,434.17
Fee (15%)			\$815.13

ESTIMATE OF EXPENSES:

Direct Expenses	Quantity	Rate	Extension
Computer Charges	40.5	\$5.55	\$224.78
Employee Mileage	600	\$0.67	\$400.20
Employee Auto Allowance	2	\$16.00	\$32.00
Employee Per Diem	2	\$200.00	\$400.00
Total Expenses			\$832.20
Total (Labor Costs + Fee + Expenses)			\$7,081.50

SUMMARY:

Estimated Total	\$7,000.00
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VII. - I.

Duluth Airport Authority
Chad's Pad, LLC
Lease Agreement

Terms:

- 5 years- May 1, 2024- April 30, 2029
- Either party may terminate upon 45 days written notice

Background:

- Chad's Pad, LLC has leased parking and garage area since 2014.
- The area is used for parking vehicles and storage of vehicles, tools & equipment.
- Chad owns the building adjoining the leased area.

Agreement Overview:

- This is a new agreement, not a renewal.
- The annual lease amount has increased by 335% from the previous agreement.

Why were the changes in key terms needed/wanted?

- The previous agreement was expiring.
- New rate structure in line with similarly situated agreements.
- Exhibit updated

**DULUTH AIRPORT AUTHORITY
LEASE AGREEMENT
CHAD'S PAD, LLC**

PARTIES TO THIS AGREEMENT ARE the DULUTH AIRPORT AUTHORITY, the governmental authority organized and existing under the Laws of Minnesota, 1969, Chapter 577, hereafter referred to as "Authority", and Chad's Pad, LLC (a Minnesota Limited Liability Corporation) hereinafter referred to as "Lessee".

THE PARTIES ACKNOWLEDGE THE FOLLOWING:

1. The Authority is the operator of the Duluth International Airport, located in the City of Duluth, State of Minnesota and is in the business of promoting and managing aviation activity at the Airport; and
2. Lessee desires to lease and maintain for its own use a parking lot and storage area located on Authority land at said Airport; and
3. Authority rents land to Chad's Pad, LLC for its use as a parking lot and storage area, and
4. Lessee wishes to lease the parking lot and storage area.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein, the parties agree as follows:

**SECTION 1
DEFINITIONS**

The following terms, as used in this Lease Agreement, shall have the meanings as ascribed to them thereunder.

- A. Airport: shall mean the Duluth International Airport located in the City of Duluth, County of St. Louis, State of Minnesota.
- B. Consent or Approval of Authority and of Executive Director: where this Agreement calls for the consent or approval of the Authority, the same shall be in the form of a resolution approved by the Authority as provided by law; where the consent or approval of the Executive Director is required, the same shall be evidenced by a written document dated and signed by him or her or by a person designated by him to sign such document.
- C. Leased Premises: shall refer to the parking lot and storage area leased to Lessee for its exclusive use as further described in Section 2 of this lease.
- D. Leasehold Improvements: shall refer collectively to all paved surface and storage area located on and within the Leased Premises provided by the Lessee.

**SECTION 2
THE LEASED PREMISES**

Subject to the terms and conditions set forth herein, the Authority grants to Lessee use of SEVENTEEN THOUSAND NINE HUNDRED AND TWENTY-FOUR (17,924) square feet of land and ONE THOUSAND TWO HUNDRED AND TWENTY-FIVE (1,225) square foot garage for parking lot use and equipment storage as shown on the attached Exhibit A, (the "Leased Premises") for the use and term set forth below.

SECTION 3 USE OF FACILITIES

Lessee shall have the right to maintain and park vehicles for employees, visitors, agents or contractors, on the Leased Premises and, in addition, to maintain and occupy the east garage facility provided however that Lessee shall not permit the maintenance or storage of any flammable materials in the garage. Lessee shall be solely responsible for all maintenance, snow removal and plowing, and utility costs associated with the Leased Premises. Lessee assumes the Leased Premises in a "where is/as is" condition. The Authority agrees to allow Lessee the use of the Leased Premises for the sole purpose of parking lot and equipment storage. No other use of the Leased Premises shall be made other than as set forth above.

In the event that Lessee desires to operate a service not specifically heretofore set forth, it shall make a timely request of the Executive Director, which the Director shall promptly consider. The parties agree to negotiate with respect to such additional activities by Lessee and the Authority agrees not to unreasonably withhold its permission and consent for such additional uses. All operations contained in this agreement must comply with the DAA Minimum Standards.

SECTION 4 TERM

The term of this Agreement shall commence on May 1, 2024 and shall continue for five years (5) until April 30, 2029 unless terminated earlier as provided for herein. The parties reserve the right to exercise one (1) additional five (5) year Option Term beyond the Base Term provided that the lease must not be in default at the time the Option Term is exercised. The Option Term shall be under the same terms and conditions as set forth herein. During the Term, either party may terminate this Agreement without cause upon forty-five (45) days' written notice to the other party. In the event that the Term expires, and a new agreement has not been executed, at the sole discretion and upon the prior written consent of the Executive Director, this Agreement shall continue in effect on a month-to-month basis under the terms and conditions set forth in this Agreement subject to the adjustment of fees.

SECTION 5 RENT AND OTHER CHARGES

For the rent of the parking area, a rental fee shall be paid to the Authority in the sum of \$0.20 per square foot per year or \$298.73 per month for the parking area.

For the rent of the garage, a rental fee shall be paid to the Authority in the sum of \$2.00 per square foot per year or \$204.17 per month for the garage.

The first payment of rent in the amount of \$502.90 shall be due and payable May 31, 2024. Subsequent monthly rent payments shall be due and payable by due date on invoice monthly thereafter during the term of this Agreement and any extensions thereof.

On May 1st of each subsequent year during the term of this Agreement, or any extension, renewal or holding over thereof, the rent shall increase to the amount calculated by multiplying the previous year's rent by the rate of increase, if any, of the most recent Consumer Price Index, U.S. City Average, published by the U.S. Bureau of Labor Statistics for the preceding twelve month period.

Lessee shall be liable for the payment of all taxes, assessments, license fees or other charges that may be levied or assessed during the Term of this Agreement arising in any manner out of this Agreement, or

on account of the transaction of business thereon by Lessee, charged by any governmental agency and to provide evidence of payment of any of such taxes, assessments, license fees or other charges when the same become due. Should Lessee fail to pay any such taxes, assessments, fees or charges, the Authority may pay the same, together with any cost or enalty which may be accrued thereon, and collect the entire amount so paid from Lessee, and Lessee hereby agrees to pay such entire amount due to the Authority plus a fifteen percent (15%) administrative fee upon demand therefor.

SECTION 6 MAINTENANCE

The Authority makes no representation that the Leased Premises is suitable for specific uses, and Lessee accepts the Leased Premises in an "as is" condition without representations or warranties of any kind. The Authority shall not be obligated to make any alterations or improvements on or to the Leased Premises. Lessee agrees to keep the Leased Premises in a clean, neat, and orderly condition and in compliance with all laws and codes applicable to the Leased Premises. In the event that Lessee shall fail to so maintain any portion of the said Leased Premises, Authority shall have the right, but not the obligation, to itself perform or have performed said maintenance and to charge Lessee therefor, which charge Lessee shall be obliged to promptly pay. Lessee is responsible to perform all maintenance on its own personal property including the parking lot.

SECTION 7 CONSTRUCTION

- A. In the event that Lessee wishes to make any Leasehold Improvements on Leased Premises, it shall present its request to the Executive Director in writing together with design development or construction drawings showing all details of said Leasehold Improvement. No Leasehold Improvement shall be made in the Leased Premises without the prior written approval of the Executive Director and then only in conformance with the approved plans and this Section.
- B. All work done by Lessee, or under its direction, shall conform to all applicable regulations, building codes and health standards, as well as the following requirements:
1. All construction shall meet the requirement of Type I (fire resistant) construction as set forth in the Minnesota State Building Code (current edition) and the building standards for the Airport.
 2. Complete contract drawings and specifications on all work, including alterations, additions, or replacements, must be submitted to and receive prior written approval of the Executive Director.
 3. All work must be done in the time and manner approved by the Executive Director and coordinated with the Executive Director. Lessee shall comply with the indemnity and insurance and bond requirements of this Agreement.
 4. An authorized representative of Lessee shall be available at all reasonable times at the site to coordinate the work of the Leasehold Improvements.
- C. Construction Bonds and Insurance
1. Bonds: During the term of this Agreement, when any Leasehold Improvements are constructed, installed or renovated, Lessee shall procure and furnish to the Executive Director a bond or bonds written by a company or companies authorized to write such bonds in the State of Minnesota and who are acceptable to the Executive Director, in an amount not less than the cost of such construction, installation or renovation, for the use of obligee, Lessee and the Authority and all persons doing work or furnishing skills, tools, machinery, materials, insurance premiums, equipment or supplies incident to such construction, installation or renovation, such bond or bonds to be conditioned for payment of claims as required and in full compliance with Minnesota Statutes Section

574.26. Further, during the term of this Agreement, for any construction, installation or renovation of Leasehold Improvements, and before the commencement of work thereon, Lessee shall furnish to Authority performance bonds, written by similarly qualified companies, covering all work to be performed thereunder guaranteeing the performance of all such work.

2. Public Liability and Property Insurance: Before commencing any Leasehold Improvement on the Leased Premises, Lessee shall itself or shall require all contractors and subcontractors to procure and maintain insurance during the life of such contracts, protecting both the Authority, the City of Duluth and the Lessee as follows:
 - a. Workers' Compensation Insurance.
 - b. Contractors Comprehensive Public Liability and Property Damage Insurance.
 - c. Contractors Automobile Liability and Property Damage Insurance, including automobile and non-ownership and hired cars.
 - d. Owners Protective Public Liability and Protective Property Damage Insurance.
 - e. Builders Risk Insurance (fire, extended coverage, vandalism, and malicious mischief, including sprinkler leakage).

Amounts shall not be less than One Million Five Hundred Thousand Dollars (\$1,500,000) for injuries, including accidental death to any one person, and subject to same limit for each person, and in an amount not less than One Million Five Hundred Thousand Dollars (\$1,500,000) for any one accident with a One Million Five Hundred Thousand Dollar (\$1,500,000) aggregate for the policy. Insurance, as above provided, shall be kept intact and in force throughout the term of construction work and equipment installation on the Leased Premises. Such insurance shall be subject to the approval of the Executive Director and copies furnished to the Executive Director prior to the commencement of construction.

- D. Subsequent Leasehold Improvements: Any changes in, additions to or deletions from existing or later constructed Leasehold Improvements shall be subject to the prior approval of the Executive Director and Executive Director may impose such conditions as it shall deem necessary to protect the Authority and the integrity of all operations at the Airport, including, but not limited to, bonding and insurance requirements.

SECTION 8 AUTHORITY ACCESS

The Authority expressly reserves the right to the unlimited access to the Leased Premises for authorized personnel during the time that this Agreement is in force for the purpose of inspection, display or showing, and ensuring that the provisions of this Agreement are complied with by Lessee.

SECTION 9 AUTHORITY OBLIGATIONS

Except as provided herein, Authority shall, in accordance with acceptable FAA standards, other applicable statutes, rules and regulations, and in a safe manner consistent with the generally accepted good practices in the State of Minnesota for airports of similar size and character, properly maintain, operate, and manage the Airport. If for any reason beyond the reasonable control of the Authority including, without in any manner limiting the generality of the foregoing, war, strikes, riots, terrorist events, civil commotion and other similar events, the Authority shall fail to properly maintain, operate, and manage said Airport, such failure shall not operate as a breach of this Agreement nor render the Authority liable in damages.

SECTION 10
INDEPENDENT CONTRACTOR

It is agreed that nothing herein contained is intended or should be construed in any manner as creating or establishing a relationship of co-partners between the parties hereto or of constituting Lessee or any of its officers, agents, servants, volunteers, contractors and employees as an officer, agent, servant, volunteer, contractor, representative or employee of the Authority for any purpose or in any manner whatsoever. Lessee's officers, agents, servants, volunteers, contractors and employees shall not be considered employees of the Authority, and any and all claims which may or might arise under the Workers' Compensation Act of the State of Minnesota on behalf of said officers, agents, servants, volunteers, contractors and employees while engaged in performing any work under this Agreement, and any and all claims whatsoever on behalf of said officers, agents, servants, volunteers, contractors and employees arising out of employment, including, without limitation, claims of discrimination, shall in no way be the responsibility of the Authority. Lessee's officers, agents, servants, volunteers, contractors, and employees shall not be entitled to any compensation or right or benefits of any kind whatsoever for leave or vacation pay, Workers' Compensation, Unemployment Insurance, disability pay, or severance pay.

SECTION 11
INDEMNITY, INSURANCE AND WAIVER OF CLAIMS

- A. Defense and Indemnity: Lessee shall indemnify, save, hold harmless, and defend Authority and the City of Duluth (the "City"), their officials, agents and employees, successors and assigns, individually or collectively, (1) from and against any and all claims including a claim for contribution or indemnity, demands, causes of action, loss, injury, liability, costs and expenses of whatsoever kind or nature (including but not limited to reasonable attorneys' fees, disbursements, court costs, and expert fees) and damages for or related to injury to or death of persons or damage to property, and (2) from and against any fines in any way arising from or based upon the violation by Lessee, its agents, employees, successors and assigns of any federal, state, or municipal laws, statutes, resolutions, or regulations, including rules or regulations of the Authority now in effect or hereafter promulgated; all arising out of, resulting from, in conjunction with or incident to any act or omission of Lessee, its officials, agents or employees, successors or assigns, Lessee performance of obligations under this Agreement, or the use and/or occupancy of the Leased Premises or of the Airport by Lessee, its officials, agents or employees, or successors or assigns, and on ten (10) days' written notice from the Authority, the Lessee shall appear and defend all claims and lawsuits against the Authority and/or the City growing out of any such injury or damage.
- B. Environmental Liability: In addition to the general indemnity stated above, and as part of it, it is specifically agreed between the parties that Lessee shall be responsible in all respects for the use of or generation of or release or threatened release of any petroleum based substance or product, or any volatile organic compound, or any substance classified as a pollutant, contaminant, toxic substance, solid waste or a "hazardous waste" by either the Environmental Protection Agency of the Government of the United States or the Minnesota Pollution Control Agency by Lessee, its officials, agents or employees, successors or assigns. Lessee shall specifically be responsible for the disposition of all such waste or substances and for the environmental response activities and costs, monitoring, or cleanup of any environmental condition deemed by those agencies or either of them to require environmental response, monitoring or cleanup activities of any kind which arises directly or indirectly out of the use of or generation of such substances by Lessee, its officials, agents or employee, successors or assigns in its operations at the Airport; and Lessee specifically agrees that the obligations of Paragraph A above shall apply specifically to any costs or obligations of Authority arising out of any such disposition, cleanup, or environmental response.

- C. Survival: The provisions of paragraphs A and B above shall survive the expiration, termination, and early cancellation of this agreement.
- D. Insurance: Lessee shall carry and maintain in full force and effect during the term of this Agreement the minimum amounts of insurance set forth below. The Lessee shall carry workers' compensation insurance on all of its employees employed on the Airport. Lessee may request the Authority to approve alternative types of insurance providing at least equal protection. All such insurance shall be in at least the following amounts and shall be in a form acceptable to the Authority and approved by the City Attorney, shall name the Authority and the City of Duluth as additional insureds on each liability policy and shall provide for thirty (30) days' written notice to the Authority of any cancellation or modification thereof. Certified copies thereof or appropriate certificates of insurance evidencing the existence thereof shall be delivered to the Authority prior to the execution of this agreement. The Authority reserves the right and Lessee agrees to revisions upward or downward in the minimum insurance requirements hereinafter set forth. All insurance required under this Agreement shall be taken out and maintained in responsible insurance companies organized under the laws of the states of the United States and licensed to do business in the State of Minnesota. All insurance policies required below shall be primary and shall not require contribution from any coverage maintained by the Authority and/or the City.
1. Commercial general liability insurance, including contractual, completed operations, premises and operations and products liability coverage in an amount of not less than \$1,500,000 combined single limit or \$1,500,000 bodily injury per occurrence; \$1,500,000 property damage per occurrence and \$1,500,000 in aggregate.
 2. Owned, non-owned and hired vehicles in an amount not less than \$1,500,000 combined single limit or \$1,500,000 bodily injury per occurrence; \$1,500,000 per occurrence.
 3. Worker's Compensation insurance in accordance with the laws of the State of Minnesota.
- A. Insurance Primary. All insurance policies required above shall be primary and shall not require contribution from any coverage maintained by Authority and/or City.
- B. Insurance Not Limitation: It is understood that the specified amounts of insurance stated in this paragraph shall in no way limit the liability of Lessee under this Section.
- C. Disclaimer: Authority does not represent or guarantee that these types or limits of coverage are adequate to protect the Lessee's interests and liabilities. It shall be the obligation and responsibility of Lessee to insure, as it deems prudent, its own personal property, against damage. Authority does not have insurance coverage for Lessee's property and Authority expressly disclaims any and all liability for any and all losses, damage and/or claims to vehicles and/or personal possessions of Lessee.
- E. Waiver of Claims: Lessee waives all claims or causes of action against the Authority, its officers, agents or employees for any failure of the Authority to properly maintain, operate and manage the Airport at all times in a safe manner resulting from any reason or cause beyond the control of the Authority, including, but without the generality of the foregoing: war, strikes, riots, civil commotion and similar causes.

SECTION 12
LAWS, ORDINANCES, RULES AND NON-DISCRIMINATION

- A. Laws, Ordinances and Rules: The Lessee agrees to observe and comply with all the laws, ordinances, rules and regulations of the United States of America, State of Minnesota, the City of Duluth, and their respective agencies now in effect or hereinafter promulgated which are applicable to its business at the Airport including all laws relating to unlawful discrimination, and

further agrees to observe and comply with all Airport rules and regulations in existence at the execution of this agreement and which may, from time to time, be promulgated by the Authority governing conduct on and operations at the Airport and the use of its facilities, as administered by the Executive Director. Further, Lessee agrees to fulfill its responsibilities pursuant to the Airport Security Plan approved by the Federal Aviation Administration and any amendments thereto.

- B. Non-discrimination: The Lessee for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant with the land that:
- a. No person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination in the use of said facilities; and
 - b. In the construction of any improvement on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and
 - c. That the Lessee shall use the premises in compliance with all of the requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
 - d. Please see Exhibit B attached for further Federal Mandatory Clauses.

SECTION 13 TERMINATION

- A. The following shall be deemed to be general events of default by Lessee to which the remedies set forth in subparagraph 2 below shall apply.
- a. If Lessee fails to pay rent, fees, taxes, or other charges when due hereunder and such failure to pay shall continue for thirty (30) days after notice in writing in the manner hereinafter provided for, or
 - b. If Lessee fails in the observance or performance of any of the other terms, covenants and conditions of this Agreement and such failure shall continue for thirty (30) days after Authority has given Lessee written notice, or Lessee shall have failed to commence the rectification of such failure within ten (10) days after such notice and to diligently prosecute the same where the same cannot be completed within thirty (30) days, or
 - c. If a petition to reorganize Lessee or for its arrangement of its unsecured debts shall be filed, or
 - d. If Lessee shall be adjudicated bankrupt, or
 - e. If a receiver or trustee of Lessee's property shall be appointed by any court, or
 - f. If Lessee shall make a general assignment for the benefit of creditors, or
 - g. If all of the interest of Lessee in its property shall be taken by garnishment, attachment, execution, or other process of law, or
 - h. If the Leased Premises shall be deserted or vacated.
- B. Authority shall have the following remedies in the event of a default by Lessee:
- a. Terminate this Agreement and, at its discretion, retake the Leased Premises from Lessee, subject to rights conferred on Authority by applicable State Statute.
 - b. Seek and be entitled to monetary damages, including consequential damages incurred by Authority as a result of Lessee's default.

- c. Seek and be entitled to injunctive or declaratory relief as is necessary to prevent Lessee's violation of the terms and conditions of this Agreement or to compel Lessee's performance for its obligations hereunder.
 - d. Seek such other legal or equitable relief as a court of competent jurisdiction may determine is available to Authority.
- C. Except as specifically set forth herein, the remedies provided under this Agreement shall be deemed to be cumulative and non-exclusive and the election of one remedy shall not be deemed to be the waiver of any other remedy with regard to any occasion of default hereunder.

SECTION 14
END OF TERM

At the expiration of this Lease, the Authority reserves the option of receiving ownership of all leasehold improvements constructed on the property during the term of the Lease. Alternatively, the Authority has the option of requiring the Lessee to remove any and/or all improvements at the Lessee's cost. No Lessee shall have the right to an extension of a Lease beyond the initial, option and/or renewal terms prescribed explicitly therein.

The Authority may offer a new lease to the existing Lessee if the Authority determines in its sole discretion that new lease is in the Authority's best interest. The length of Term of any new Lease will be determined at the time of the Lease Expiration, based primarily on the Airport's current and future development and business plans.

SECTION 15
ASSIGNMENTS AND SUBLEASES

Lessee shall not assign or transfer this Agreement, in whole or in part, in any manner, nor any interest therein, nor permit the foregoing Agreement to become transferred by operation of law or otherwise, nor do or suffer any acts to be done whereby the same may be or become assigned in whole or in part, unless the written consent of Executive Director shall first be obtained in each and every case of subletting, assignment or transfer as shall from time to time occur or be desired. It is expressly agreed by the parties that a change in ownership of the controlling share of stock in Lessee, if any, shall be deemed to be an assignment hereunder. It is expressly agreed by the Lessee that in the event permission be granted by the Executive Director as herein provided, the sub-operator or assignee shall be required to assume and agree to perform the covenants of this Agreement and that notwithstanding any such subletting or assignment, the Lessee shall be and remain liable for the payments of all rents and the performance of all covenants and conditions for the full term of this Agreement.

SECTION 16
NOTICES

Any notice to be given by either party shall be deemed to be properly served if deposited with the United States Postal Service, or other acceptable mailing service, postage prepaid, addressed to the other party as follows:

To Authority: Duluth Airport Authority
 Duluth International Airport
 4701 Grinden Drive
 Duluth, MN 55811
 Attn: Executive Director

To Lessee: Chad's Pad, LLC

5019 Airport Rd
Duluth, MN 55811

SECTION 17
CHOICE OF LAW

All questions concerning the interpretation or application of provisions of this Agreement shall be decided according to the laws of the State of Minnesota. The appropriate venue and jurisdiction for any litigation hereunder shall be in a court located in St. Louis County, Minnesota.

SECTION 18
NO THIRD-PARTY CLAIMS

This Agreement is to be construed and understood solely as an Agreement between the Authority and Lessee and shall not be deemed to create any rights in any other person. No person shall have the right to make claim that she or he is a third-party beneficiary of this Agreement or of any of the terms and conditions hereof, which, as between the Authority and Lessee, may be waived at any time by mutual agreement between the Authority and Lessee.

SECTION 19
WAIVER OF BREACH

The waiver by the Authority or the Lessee of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained.

SECTION 20
PROVISIONS AGAINST LIENS

Lessee shall not create or permit any mortgage, encumbrance or lien or allow any mechanics' or materials liens to be filed or established or to remain against the Leased Premises, or any part thereof, provided that if Lessee shall first notify the Authority of its intention to do so and post such security as the Authority reasonably deems necessary, Lessee may, in good faith, contest any such mechanics' or other liens filed or established as long as the Authority does not deem its interest or rights in this License Agreement to be subject to foreclosure by reason of such contest.

SECTION 21
LIMITATION OF LIABILITY

The liability of the Authority and the City shall be governed by the provisions of the Minnesota Municipal Limitation of Liability Statute, Minnesota Statutes, Section 466 et. seq.

SECTION 22
SUBORDINATION

This License Agreement shall be subordinate to the provisions of any existing or future Agreement between the Authority and the United States, the State of Minnesota or the City of Duluth relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal, State or local funds for the development of the Airport, or to any security requirements of State or Federal Government, including temporary security procedures or instructions.

SECTION 23
AMENDMENTS

Any amendments to this Lease Agreement shall be in writing and shall be executed by the same parties who executed the original agreement or their successors in office.

SECTION 24
ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between parties and supersedes all prior written and oral agreements and negotiations between the parties relating to the subject matter.

SECTION 25
COUNTERPARTS

This Lease Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original as against any Party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this Agreement transmitted by facsimile, by electronic mail in "portable document format" (".pdf"), or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.

IN WITNESS WHEREOF, the parties have set their hands the day and date first above shown.

Dated: _____

DULUTH AIRPORT AUTHORITY

CHAD'S PAD, LLC

By _____
Its President

By _____

Its _____

By _____
Its Secretary

VII. - J.

Duluth Flying Club (Fly Duluth)

Operating Agreement

Terms:

- 3 years beginning July 1, 2024 through June 30, 2027.

Agreement Overview:

- Fly Duluth operates as a Specialized Aviation Service Operator (“SASO”).
- 2.5% concession on Flight Instruction & Aircraft Rental (no increase from previous agreement).
- 5% concession on Other Sales & Services including Aerial Flight Tours.
- Gross Sales report required to be submitted with payment monthly.
- Students currently enrolled in an aviation education program at an accredited college or university are excluded from the gross sales calculation for concession payments.

Why were the changes in key terms needed/wanted?

- Agreement was set to expire.
- Term is the only change to the document.

**DULUTH AIRPORT AUTHORITY
OPERATOR AGREEMENT
DULUTH FLYING CLUB, LLC**

PARTIES TO THIS AGREEMENT ARE the DULUTH AIRPORT AUTHORITY, the governmental authority organized and existing under the Laws of Minnesota, 1969, Chapter 577, hereinafter referred to as "Authority", and DULUTH FLYING CLUB, LLC, a Minnesota limited liability company, doing business under the name "Duluth Flying Club" and assumed name "Fly Duluth" hereinafter referred to as "Operator";

THE PARTIES ACKNOWLEDGE THE FOLLOWING:

1. The Authority is the operator of the Duluth International Airport, located in the City of Duluth, State of Minnesota and is in the business of promoting and managing aviation activity at the airport; and
2. Operator desires to operate as a Specialized Aviation Service Operator ("SASO") that provides one or a combination of specialized aviation services on said Airport; and
3. Operator wishes to lease space in the Monaco Air Duluth Fixed Base Operator ("FBO") facility for the purpose of providing a flight training program and aircraft rental program; and
4. The Authority desires to allow this service to be provided at Duluth International Airport.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein, the parties agree as follows:

**SECTION 1
DEFINITIONS**

The following terms, as used in this Agreement, shall have the meanings as ascribed to them hereunder.

- A. Airport: shall mean the Duluth International Airport located in the City of Duluth, County of St. Louis, State of Minnesota.
- B. Consent or Approval of Authority and of Executive Director: where this Agreement calls for the consent or approval of the Authority, the same shall be in the form of a resolution approved by the Authority as provided by law; where the consent or approval of the Executive Director is required, the same shall be evidenced by a written document dated and signed by the Executive Director or by a person designated by the Executive Director to sign such document.
- C. Executive Director: shall mean the Executive Director of the Authority or designee.
- D. Leased Premises: shall refer to that portion of the FBO space leased to Operator as further described in Section 2 of this Agreement.
- E. Leasehold Improvements: shall refer collectively to all items located on and within the Leased Premises provided or purchased by Operator, including such items as decorations, partitions, wiring, lighting and plumbing fixtures, piping, finished ceilings, ventilation duct work, grills, floor and walls coverings, heaters, cabinets, lockers, sinks, counters, chairs, other furniture, and signs.

**SECTION 2
LEASED PREMISES, EMPLOYEE PARKING AND COMMON PREMISES**

Leased Premises:

Operator is hereby allowed to use the space contained within a facilities lease executed with Monaco Air Duluth ("Monaco"), located at 4535 Airport Approach Road, Duluth MN, 55811. Operator shall lease exclusive use space from Monaco. The Leased Premises are leased directly from Monaco and the lease arrangements are directly among the parties.

Common Premises:

Authority does grant to Operator and to its employees, students and customers access in common with the access granted to members of the general public to all public portions of the roads and parking facilities.

SECTION 3
OPERATIONS AT THE AIRPORT

Operations:

Operator agrees to provide or cause to be provided a flight training program, an aircraft rental program, and aerial flight tour services at the Airport. Hours of operation shall be in accordance with Duluth International Airport Rules and Standards as may be amended from time to time.

In the event that Operator desires to operate a service not specifically heretofore set forth, it shall make timely written request of the Executive Director, which the Director shall promptly consider and give written response. The parties agree to negotiate with respect to such additional activities by Operator and the Executive Director agrees not to unreasonably withhold its permission and consent for such additional uses.

Operator shall keep business hours as approved in writing by the Executive Director.

SECTION 4
LEASE PAYMENT, FEES, TAXES AND OTHER CHARGES

A. Percent of Gross Payments: Operator agrees to pay the Authority a sum equal to the total of the following percentages of gross sales and services derived from the business operations conducted pursuant to this Agreement:

	<u>Percentages of Gross Receipts</u>
1. Flight Instruction and Aircraft Rental to persons not enrolled in an aviation education program at an accredited college or university	2.5%
2. Other Sales and Services including Aerial Flight Tours	5.0%

B. "Gross Sales" Defined: The term "Gross Sales", for the purposes of this Agreement, shall include all monies paid or payable to the Operator for sales made and for services rendered at the Airport pursuant to this Agreement; provided, however, that any sales taxes or similar taxes imposed by law which are separately stated and paid by the consumer and which are directly payable to a taxing authority by Operator shall be excluded therefrom.

C. Payment Dates: All payments of the monthly consideration referred to in Paragraph B above shall be due and payable within ten (10) days of the month following the month in which Gross Sales arose.

D. Monthly Statements: Within ten (10) days of the month following the month in which Gross Sales arose, Operator shall submit to Authority a detailed monthly statement by transaction, showing the amount of Gross Sales by service type for the preceding month and a calculation of the

percent of gross payment due as well as an itemized listing of all claimed exclusions therefrom. This duty shall survive termination of this Agreement.

- E. Taxes, Fees and Assessments: Operator shall be liable for the payment of all taxes, assessments, license fees or other charges that may be levied or assessed during the term of this Agreement arising in any manner out of this Agreement, or on account of the transaction of business thereon by Operator, charged by any governmental agency and to provide evidence of payment of any of such taxes, assessments, license fees or other charges when the same become due upon request. Should Operator fail to pay any such taxes, assessments, fees or charges, the Authority may pay the same, together with any cost or penalty which may be accrued thereon, and collect the entire amount so paid from Operator, and Operator hereby agrees to pay such entire amount due to the Authority upon demand therefor.
- F. Books and Records: Operator shall maintain full and accurate financial books of accounts and records to generally accepted accounting principles from which Gross Sales can be determined. These books of accounts and records shall be kept at the Airport or at a convenient location which Operator shall designate within the City of Duluth. Any and all books and records shall be kept, maintained, and preserved by the Operator throughout the course of this Agreement and for not less than six (6) years after the termination or expiration of this Agreement. The records so required to be kept and maintained shall include all federal, state and local tax returns; records of daily bank deposits of the entire receipts from transactions at the Airport; sales slips; daily dated cash register tapes; sales books; duplicate bank deposit slips, and bank statements. Until the end of the six-year period, the Authority shall have the right to inspect and audit all books and records and all other papers and files of the Operator relating to Gross Sales. Any such inspection or audit shall be conducted during regular business hours and Operator shall produce the appropriate books and records on the request of the Authority. In the event any audit discloses that the amount of Gross Sales on any statement was understated by one percent (1%) or more of Gross Sales for any month, the Operator shall pay to the Authority the cost of its audit and investigation, plus any arrearage in fees due to the Authority under this Agreement.

SECTION 5 TERM

The term of this Agreement shall be for three (3) years. It shall be effective as of July 1, 2024 and shall continue in force until June 30, 2027 unless otherwise terminated in accordance with the provisions of this Agreement.

SECTION 6 OPERATOR'S OBLIGATIONS

- A. Diligent Operation: Operator covenants and agrees that it shall be diligent in the prosecution of its business, including the activities listed in Section 3, on the Airport and do all things reasonably necessary and advisable to serve the public adequately and fairly in all fields of aviation activities engaged in by Operator, and to conduct its business in such a manner as will not reflect discredit upon the Authority or cause Authority loss or damages and will furnish prompt and efficient service as shall be adequate to meet the demands for aviation activities at the Airport.
- B. Airfield Operation Service: Operator shall provide overall airfield supervision of its students, agents, customers, employees, and contractors.

- C. Maintenance of Structures and Facilities: Operator agrees to keep the Leased Premises in a clean, neat, and orderly condition.
- D. Fair and Nondiscriminatory Services: Operator, in the conduct of its authorized aeronautical activities on the Airport, shall furnish good, prompt and efficient service adequate to meet the demands for its services at the Airport, and shall furnish such service on a fair, equal and not unlawfully discriminatory basis to all users thereof, and shall charge fair, reasonable, and not discriminatory prices for each such unit of sale or service; provided, however, that Operator shall be allowed to make reasonable and non-discriminatory discounts, rebates, or other similar types or price reductions to volume purchasers.
- E. Operator to Furnish All Services: Operator agrees that it will itself either provide or furnish all services which this Agreement gives it the right to provide or will cause these services to be furnished by independent contractors. In the event said services, or any of them, are supplied by independent contractors, Operator shall not be relieved of its responsibilities hereunder for the prosecution of its business, as herein provided, and Operator's obligation to prosecute said business and provide said services shall continue for the term of this Agreement, or any extension hereof, and it shall not be relieved of any liability therefor because it may provide any of said services through arrangements with independent contractors.
- F. Failure to Provide All Services: In the event Operator fails to provide any of the services or to otherwise fulfill its obligations pursuant to this Agreement, Operator shall be obligated to give the Executive Director notice of said failure within three (3) days thereof. At any time, Authority may give Operator written notice of demand for performance of any obligation of Operator under this Agreement not then being fulfilled. Thereafter, Operator shall have thirty (30) days within which to arrange for the providing of such services or the performance of said business activities, and failure of the Operator to cure any of said default in its performance may be grounds for termination of this Agreement by the Authority; provided, however, that if within said thirty (30) day period Operator can demonstrate and establish to the Authority's satisfaction that said service or business activity does not have a significant need or that it has become outmoded or cannot be economically carried on, the parties agree to modify this Agreement by removing the requirement on Operator's part to provide such service or to carry on such business activity.
- G. Authority's Fire Insurance: Operator covenants that it will not do or permit to be done any act which:
1. will invalidate or be in conflict with any fire insurance policies covering the Airport or any part thereof or upon the contents of any building thereof; or
 2. will increase the rate of any fire insurance on the Airport or any part thereof or upon the contents of any building thereof; or
 3. in the opinion of the Authority, will constitute a hazardous condition so as to increase the risks normally attendant upon the operations contemplated by this Agreement.
- If, by reason of Operator's failure to comply with the provisions of this section, any fire insurance rate on the Airport or any part thereof or upon the contents of any building thereof, at any time, be higher than it otherwise would be, then the Operator shall, upon demand, reimburse the Authority for that part of all fire insurance premiums paid or payable by the Authority which shall have been charged because of such violation by the Operator.
- H. Airport Promotion: Operator agrees to use its best efforts to actively promote the Airport and its utilization by members of the flying public.

SECTION 7
CONSTRUCTION AND IMPROVEMENTS

In the event that Operator wishes to make any Leasehold Improvements, it shall comply with all of the construction and improvement requirements contained within Monaco Air Duluth's Operating Agreement with the Authority. These requirements shall be referenced in the facilities lease agreement between Operator and Monaco Air Duluth.

SECTION 8
AUTHORITY'S OBLIGATIONS

Except as provided herein, Authority shall, in accordance with acceptable FAA standards, other applicable statutes, rules and regulations, and in a safe manner consistent with the generally accepted good practices in the State of Minnesota for airports of similar size and character, properly maintain, operate and manage the Airport. If for any reason beyond the reasonable control of the Authority including, without in any manner limiting the generality of the foregoing, war, strikes, riots, terrorist events, civil commotion and other similar events, the Authority shall fail to properly maintain, operate and manage said Airport, such failure shall not operate as a breach of this Agreement nor render the Authority liable in damages.

SECTION 9
INDEMNITY

- A. Defense and Indemnity: Operator shall indemnify, save, hold harmless, and defend Authority and the City, their officials, agents and employees, successors and assigns, individually or collectively, (1) from and against any and all claims including a claim for contribution or indemnity, demands, causes of action, loss, injury, liability, costs and expenses of whatsoever kind or nature (including but not limited to reasonable attorneys' fees, disbursements, court costs, and expert fees) and damages for or related to injury to or death of persons or damage to property, and (2) from and against any fines in any way arising from or based upon the violation by Operator, its agents, employees, successors and assigns of any federal, state, or municipal laws, statutes, resolutions, or regulations, including rules or regulations of the Authority now in effect or hereafter promulgated; all arising out of, resulting from, in conjunction with or incident to any act or omission of Operator, its officials, agents or employees, successors or assigns, Operator's performance of obligations under this Agreement, or the use and/or occupancy of Common Premises on the Airport by Operator, its officials, agents or employees, or successors or assigns, and on ten (10) days' written notice from the Authority, Operator shall appear and defend all claims and lawsuits against the Authority and/or the City growing out of any such injury or damage. The provisions of this paragraph shall survive the expiration, termination or early cancellation of this Agreement.
- B. Environmental Liability: In addition to the general indemnity stated above, and as part of it, it is specifically agreed between the parties that Operator shall be responsible in all respects for the use of or generation of or release or threatened release of any petroleum based substance or product, or any volatile organic compound, or any substance classified as a pollutant, contaminant, toxic substance, solid waste or a "hazardous waste" by either the Environmental Protection Agency of the Government of the United States or the Minnesota Pollution Control Agency by Operator, its officials, agents or employees, successors or assigns. Operator shall specifically be responsible for the disposition of all such waste or substances and for the environmental response activities and costs, monitoring, or cleanup of any environmental condition deemed by those agencies or either of them to require environmental response, monitoring or cleanup activities of any kind which arises directly or indirectly out of the use of or

generation of such substances by Operator, its officials, agents or employee, successors or assigns in its operations at the Airport; and Operator specifically agrees that the obligations of Paragraph A above shall apply specifically to any costs or obligations of Authority arising out of any such disposition, cleanup, or environmental response.

- C. Survival: The provision of this Section shall survive the expiration, termination and early cancellation of this agreement.

SECTION 10 INSURANCE

- A. Insurance: Operator shall carry and maintain in full force and effect during the term of this Agreement the minimum amounts of insurance set forth below. The Operator shall carry workers' compensation insurance on all of its employees employed on the Airport. Operator may request the Authority to approve alternative types of insurance providing at least equal protection. All such insurance shall be in at least the following amounts and shall be in a form acceptable to the Authority and approved by the City Attorney, shall name the Authority and the City of Duluth as additional insureds on each liability policy and shall provide for thirty (30) days' written notice to the Authority of any cancellation or modification thereof. Certified copies thereof or appropriate certificates of insurance evidencing the existence thereof shall be delivered to the Authority prior to the execution of this agreement. The Authority reserves the right and Operator agrees to revisions upward or downward in the minimum insurance requirements hereinafter set forth. All insurance required under this Agreement shall be taken out and maintained in responsible insurance companies organized under the laws of the states of the United States and licensed to do business in the State of Minnesota. All insurance policies required below shall be primary and shall not require contribution from any coverage maintained by the Authority and/or the City.

1. Commercial general liability insurance, including contractual, completed operations, premises and operations and products liability coverage in an amount of not less than \$1,500,000 combined single limit or \$1,500,000 bodily injury per occurrence; \$1,500,000 property damage per occurrence and \$1,500,000 in aggregate.
2. Owned, non-owned and hired vehicles in an amount not less than \$1,500,000 combined single limit or \$1,500,000 bodily injury per occurrence; \$1,500,000 per occurrence if Operator uses any vehicles.
3. Aircraft Liability insurance from an admitted aviation insurance carrier in limits per each occurrence of not less than \$1,000,000 and Aircraft Passenger Liability insurance in limits of not less than \$100,000 for each passenger seat.
4. Worker's Compensation insurance in accordance with the laws of the State of Minnesota.

- B. Insurance Primary. All insurance policies required above shall be primary and shall not require contribution from any coverage maintained by Authority and/or City.
- C. Insurance Not Limitation: It is understood that the specified amounts of insurance stated in this paragraph shall in no way limit the liability of Operator under this Section.
- D. Disclaimer: Authority does not represent or guarantee that these types or limits of coverage are adequate to protect the Operator's interests and liabilities. It shall be the obligation and responsibility of Operator to insure, as it deems prudent, its own personal property, against damage. Authority does not have insurance coverage for Operator's property and Authority expressly disclaims any and all liability for any and all losses, damage and/or claims to vehicles and/or personal possessions of Operator.

SECTION 11
LAWS, ORDINANCES, RULES AND NON-DISCRIMINATION

- A. Laws, Ordinances and Rules: Operator shall observe and comply with all the laws, ordinances, rules and regulations, policies and orders of the United States of America, State of Minnesota, St. Louis County, and the City of Duluth, and their respective agencies now in effect or hereinafter promulgated which are applicable to its business at the Airport including all laws relating to unlawful discrimination, and further agrees to observe and comply with all Airport rules and regulations in existence at the execution of this agreement and which may, from time to time, be promulgated by the Authority governing conduct on and operations at the Airport and the use of its facilities, as administered by the Executive Director. Further, Operator agrees to fulfill its responsibilities pursuant to the Airport Security Plan approved by the Federal Aviation Administration and any amendments thereto.
- B. Non-discrimination: Operator for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant with the land that:
1. No person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination in the use of said facilities; and
 2. In the construction of any improvement on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and
 3. That Operator shall use the premises in compliance with all of the requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

SECTION 12
INDEPENDENT CONTRACTOR

Operator is an independent contractor and not an employee of the Authority or the City of Duluth. No statement contained in this Agreement shall be construed so as to find Operator to be an employee or agent of the Authority or the City of Duluth, and Operator shall not be entitled to any of the rights, privileges, or benefits of Authority or City of Duluth employees. Nothing contained herein is intended nor shall be construed as in any manner creating or establishing a partnership relationship or as constituting Operator to be the agent representative or employee of the Authority or the City of Duluth for any purpose.

SECTION 13
AUTHORITY'S RIGHTS UPON DEFAULT

- A. Authority's Rights: If at any time Operator shall be in default, as defined in this Section, with regard to the requirements of this Agreement, it shall be lawful for the Authority, and the Authority may at any time thereafter:
1. Authority may at its election terminate this Agreement upon written notice in the manner hereinafter provided; or
 2. The Authority shall further have all other rights and remedies including injunctive relief, ejectment or summary proceedings for unlawful detainer, and any or all legal remedies, actions and proceedings and all such remedies shall be cumulative.

- B. Default Defined: For the purposes of this Section only, "default" shall be defined when any of the following circumstances exist:
1. If the Operator has failed to pay rent, fees, taxes or other charges when due hereunder and such failure to pay shall continue for ten (10) days after notice in writing in the manner provided for herein.
 2. If the Operator fails in the observance or performance of any of the other terms, covenants and conditions of this Agreement and such failure shall continue for thirty (30) days after Authority has given Operator written notice, or the Operator shall have failed to commence the rectification of such failure within thirty (30) days after such notice and to diligently prosecute the same where the same cannot be completed within thirty (30) days.
 3. If the Operator shall be in default of any other agreement between Operator and the Authority.
 4. If a petition to reorganize the Operator or for its arrangement of its unsecured debts shall be filed.
 5. If the Operator shall be adjudicated bankrupt.
 6. If a receiver or trustee of the Operator's property shall be appointed by any court.
 7. If the Operator shall make a general assignment for the benefit of creditors.
 8. If all of the interest of the Operator in its property shall be taken by garnishment, attachment, execution or other process of law.
 9. If the Leased Premises shall be deserted or vacated.

SECTION 14 TERMINATION BY OPERATOR

- A. Operator may terminate this Operator's Agreement prior to the end of its term, or any extension thereof, for the following reasons:
1. Failure of Authority to substantially perform its obligations hereunder, if such failure shall continue for thirty (30) days after Operator has given Authority written notice or the Authority shall fail to commence the rectification of such failure within thirty (30) days after such notice and to diligently prosecute the same where the same cannot be completed within thirty (30) days.
 2. If the Authority shall commit any act or engage in any activity that prevents the Operator from conducting its business as provided under the terms of this Agreement for a period of thirty (30) days without the consent of Operator and after Operator has given notice to the Authority as provided for herein.
- B. This Agreement shall terminate if Authority or City of Duluth ceases Airport operations, or if any act of the government of the United States, State of Minnesota, or City of Duluth, war, natural disaster, civil unrest, or like cause of a third party makes continued operations impossible.

SECTION 15 WAIVER OF BREACH

The waiver by the Authority or the Operator of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained.

SECTION 16 REAL PROPERTY UPON TERMINATION

Upon the expiration or termination of this Agreement, Operator's authority to use the Leased Premises, facilities, and equipment herein granted for purposes of its operation shall cease.

SECTION 17
ASSIGNMENTS AND SUBLETTING

The Operator shall not assign or transfer this Agreement, nor sublet the Leased Premises, in whole or in part, in any manner, nor any interest therein, nor permit the Agreement to become transferred by operation of law or otherwise, nor do or suffer any acts to be done whereby the same may be or become assigned in whole or in part, unless the written consent of Authority shall first be obtained in each and every case of assignment or transfer as shall from time to time occur or be desired. It is expressly agreed by the parties that a change in ownership of the controlling interest in Operator, if any, shall be deemed to be an assignment hereunder. It is expressly agreed by the Operator that in the event permission be granted by the Authority as herein provided, the assignee or transferee shall be required to assume and agree to perform the covenants of this Agreement and that notwithstanding any such subletting or assignment, the Operator shall be and remain liable for the payments of all rents and the performance of all covenants and conditions for the full term of this Agreement.

SECTION 18
ERECTION OF SIGNS – DECORATIONS

The Operator shall be allowed to erect suitable advertising signs on the Airport to advertise its business, but the form, type, size and method of installation of any such signs shall be subject to the prior written approval of the Executive Director. Decorations, graphics outdoor advertising, paint schemes, promotional structures, must comply with all regulations and City ordinances, be safe for aeronautic operations, and be approved in writing by the Executive Director.

SECTION 19
WAIVER OF CLAIMS

Operator waives all claims or causes of action against the Authority, its officers, agents or employees for any failure of the Authority to properly maintain, operate and manage the Airport at all times in a safe manner resulting from any reason or cause beyond the control of the Authority, including, but without the generality of the foregoing: war, strikes, riots, civil commotion and similar causes.

SECTION 20
NON-EXCLUSIVE RIGHTS

Operator shall have the right and privilege of engaging in and conducting the operations listed in Section 3 of this Agreement on the Leased Premises at the Airport under the terms and conditions as set forth herein; provided, however, that this Agreement shall not be construed in any manner to grant Operator or those claiming under it the exclusive right to the use of the Leased Premises and facilities of said Airport other than those Leased Premises leased exclusively to Operator hereunder. The parties to this Agreement do not intend to create any rights in any third-party beneficiary.

SECTION 21
GOVERNMENTAL COMMITMENTS

Nothing herein shall be construed to prevent the Authority from making such commitments as it desires to the Government of the United States or to the State of Minnesota in order to qualify for the expenditure of Federal or State funds at the Airport or related in any manner to the operation thereof, and this Agreement shall be subordinate to the provisions of any existing or future agreement between the Authority and the Government of the United States or of the State of Minnesota relative to the operation or maintenance of the Airport. In the event that any governmental regulation is modified following the

execution of this Agreement that causes the terms and conditions of this Agreement to be in conflict with governmental requirements, the terms and conditions of this Agreement will be modified so as to allow the Authority to achieve compliance.

SECTION 22 CONFIDENTIALITY

The Authority and its agents shall use due care to treat confidentially all matters pertaining to Operator's business, subject to application of law.

SECTION 23 SEVERABILITY

It is the intent of both parties hereto that the provisions of this Agreement shall be severable with respect to the effect of a declaration of invalidity by any court of competent jurisdiction of any provision of the Agreement or the application thereof. It is the intent of the parties that this Agreement does not create any third-party beneficiary.

SECTION 24 MODIFICATION OF THE AGREEMENT

Any of the terms of this Agreement may be changed upon the mutual consent of the Authority and the Operator, but to be valid any such changes must be in writing, dated and duly executed by the parties.

SECTION 25 NOTICES

All notices to be given by Operator to the Authority shall be deemed to have been given by depositing written notice in the United States Mail addressed to Authority at the Duluth International Airport, 4701 Grinden Drive, Duluth, Minnesota, 55811. All notices to be given by Authority to Operator shall be deemed to have been delivered by depositing the same in writing in the United States Mail addressed to Operator at Duluth Flying Club, LLC, 4535 Airport Approach Road, Duluth, Minnesota, 55811.

SECTION 26 COUNTERPARTS

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original as against any Party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this Agreement transmitted by facsimile, by electronic mail in "portable document format" (".pdf"), or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.

SECTION 27 APPLICABLE LAW

Agreement, together with all of its sections, terms and provisions, is made in the State of Minnesota and shall be construed and interpreted according to the laws of the State of Minnesota.

IN WITNESS WHEREOF, the parties have hereunto set their hands this date: _____.
Signature page to follow

DULUTH AIRPORT AUTHORITY

By _____
Its President

By _____
Its Secretary

DULUTH FLYING CLUB, LLC

By _____

Its _____

VII. - K.

**Duluth Airport Authority
DAA Board Packet Budget vs. Actual Summary
Jan 2024, Feb 2024**

UNAUDITED								
Financial Row	Prior Year Actual (Jan 2023 - Feb 2023)	Current Year Actual (Jan 2024 - Feb 2024)	Budget Amount (Jan 2024 - Feb 2024)	% of Budget	Variance from Prior Year	Variance From Budget	Total Budget (Jan 2024 - Adjust 2024)	
Ordinary Income/Expense								
Income								
Non-Aeronautical Revenue	545,522	578,574	515,843	112.16%	33,052	62,731	3,270,423	
Non-Passenger Aeronautical Revenue	306,853	311,614	297,039	104.91%	4,761	14,575	1,699,641	
Passenger Airline Aeronautical Revenue	211,534	260,004	266,614	97.52%	48,470	(6,610)	1,626,676	
Total - Income	1,063,909	1,150,192	1,079,497	106.55%	86,283	70,695	6,596,739	
Gross Profit	1,063,909	1,150,192	1,079,497	106.55%	86,283	70,695	6,596,739	
Expense								
Miscellaneous Expenses	14,027	21,047	21,263	98.98%	7,020	(216)	96,690	
Personnel Compensation & Benefits	364,372	331,487	393,497	84.24%	(32,886)	(62,011)	3,015,668	
Services and Charges	416,891	396,043	428,891	92.34%	(20,848)	(32,848)	2,433,958	
Supplies	155,152	153,241	168,484	90.95%	(1,912)	(15,243)	767,463	
Total - Expense	950,443	901,818	1,012,135	89.10%	(48,625)	(110,317)	6,313,779	
Net Ordinary Income	113,466	248,374	67,361	368.72%	134,908	181,013	282,959	
Other Income and Expenses								
Other Income								
Capital Contributions	2,400,321	0	0	0.00%	(2,400,321)	0	0	
Non-Operating Revenue	152,617	125,812	127,272	98.85%	(26,806)	(1,460)	648,529	
Total - Other Income	2,552,938	125,812	127,272	98.85%	(2,427,127)	(1,460)	648,529	
Other Expense								
Non-Operating Expense	23,661	20,196	23,529	85.83%	(3,465)	(3,333)	141,174	
Total - Other Expense	23,661	20,196	23,529	85.83%	(3,465)	(3,333)	141,174	
Net Other Income	2,529,278	105,616	103,743	101.81%	(2,423,662)	1,873	507,355	
Net Income Exclusive of Project Expenses, Depreciation & Amortization	2,642,744	353,990	171,104	206.89%	(2,288,754)	182,886	790,315	
Projects/Grants	(2,040,772)	275,814	3,295,077	8.37%	2,316,586	(3,019,263)	19,770,462	
Depreciation & Amortization	0	0	(1,790,608)	0.00%	0	1,790,608	(10,743,651)	
Net Income	601,971	629,804	1,675,573	37.59%	27,833	(1,045,769)	9,817,126	

- **Overall:** At the time this report was generated for the above period, the DAA is at an overall favorable variance budget vs actual of nearly \$183K.
- **Operating Revenue:** Non-Aeronautical Revenue is \$62k over budget overall. Concessions revenues are nearly flat and parking revenues and reimbursed expenses are over budget. Non-passenger aeronautical revenue is 14k over budget due to increased rent, aviation gas sales and concessions. Passenger Airline Aeronautical revenue is 6k under budget due to less landing fees than predicted. Operating Revenues are 70k over budget overall.
- **Operating Expenses:** Personnel Compensation and Benefits are \$62k under budget. Supplies are \$15k under budget. Services and charges are 32k under budget. Operating expenses are \$110k under budget overall.
- **Non-Operating Revenue:** Non-operating revenue is under budget by \$1k due to increased interest income of nearly \$9k and PFCs under budget by \$10k.
- **Non-Operating Expenses:** Non-Operating Expenses of interest expense are under budget by \$3k, as the line of credit was not been utilized in 2023.
- **Report Disclaimer:** The results of this report are expected to change slightly with delayed revenue and expense postings.
- **OPERATING POLICY #28 MINIMUM CASH BALANCE REPORTING AS OF 4/9/2024:**
 - Minimum Cash Balance Goal: \$2,801,956
 - Current Balance: \$5,656,194 (does not include grants receivable)
 - Days Cash on Hand: 363 days currently vs 180 day benchmark (183 days over goal)

Duluth Airport Authority
Income Statement
Jan 2024, Feb 2024

Financial Row	Amount
Ordinary Income/Expense	
Income	
Non-Aeronautical Revenue	
Advertising Income	\$3,376.00
Concession Revenue	
ATM	\$32.50
Car Rental Concession	\$65,149.70
Food & Beverage Concession	\$13,704.60
Lottery Concessions	\$298.43
Per Departure Fee	\$490.00
Per Passenger Fee	\$5,740.00
Services/Other	\$133.27
TNC Per Trip Fee	\$1,557.00
Vending	\$1,033.93
Total - Concession Revenue	\$88,139.43
Customer Facility Charges	\$39,708.00
Miscellaneous Revenues	\$16,728.82
Parking	\$326,318.70
Permits	\$2,755.46
Reimbursed Expenses	\$22,347.25
Rent	\$53,200.38
Sponsorship Income	\$26,000.00
Total - Non-Aeronautical Revenue	\$578,574.04
Non-Passenger Aeronautical Revenue	
Aviation Gas	\$3,105.49
Concession Revenue	
Deicing	\$1,876.09
Flight Training/Tour Operations	\$2,926.52
Fuel Flowage Fees	\$14,141.67
Hangar Rent	\$1,058.65
Landing Fees	\$2,710.95
Misc Sales/Other	\$868.39
Total - Concession Revenue	\$23,582.27
Landing Fees	\$6,234.19
Ramp Fees	\$3,390.00
Rent	\$257,117.19
Security Reimbursement	\$17,824.62
Tie Downs	\$360.00
Total - Non-Passenger Aeronautical Revenue	\$311,613.76
Passenger Airline Aeronautical Revenue	
Landing Fees	\$44,158.10
Per Use Fee	\$707.81
Terminal Office/Space Rental	\$215,138.20
Total - Passenger Airline Aeronautical Revenue	\$260,004.11
Total - Income	\$1,150,191.91
Gross Profit	\$1,150,191.91
Expense	
Miscellaneous Expenses	\$21,047.08
Personnel Compensation & Benefits	
Employer Contributions for Retirement	\$26,900.14
Employer Paid Insurance	\$70,521.06
Retiree Benefits	\$25,594.52
Wages & Salaries	\$208,470.97
Total - Personnel Compensation & Benefits	\$331,486.69
Services and Charges	
Central Services Fee	\$13,000.00

Financial Row	Amount
Communications & Technology	\$47,010.07
Employee Development Services	\$13,159.32
Marketing	\$61,080.85
Professional Services	\$60,362.89
Rentals	\$878.95
Repairs and Maintenance - Contractual/Services	\$69,260.85
Transportation	\$1,097.53
Utility Services	
Electric	\$83,805.32
Natural Gas	\$17,094.11
Propane	\$1,164.15
Refuse Disposal	\$6,132.43
Storm Water	\$18,949.46
Water	\$3,047.34
Total - Utility Services	\$130,192.81
Total - Services and Charges	\$396,043.27
Supplies	
Merchandise for Resale	\$5,101.78
Office Supplies	\$8,500.59
Operating Supplies	
Cleaning & Janitorial	\$5,537.90
Customer Service	\$291.75
Lubricants & Additives	\$1,820.97
Meeting Supplies	\$584.55
Motor Fuels	\$19,305.93
PPE Reimbursement	\$550.46
Safety & Environmental	\$1,422.62
Wildlife Control	\$71.38
Total - Operating Supplies	\$29,585.56
Repairs & Maintenance Supplies	\$110,052.92
Total - Supplies	\$153,240.85
Total - Expense	\$901,817.89
Net Ordinary Income	\$248,374.02
Other Income and Expenses	
Other Income	
Capital Contributions	
Grants	\$275,814.02
Total - Capital Contributions	\$275,814.02
Non-Operating Revenue	
Interest Income	\$47,679.78
Passenger Facility Charges	\$78,131.87
Total - Non-Operating Revenue	\$125,811.65
Total - Other Income	\$401,625.67
Other Expense	
Non-Operating Expense	
Interest Expense	\$20,195.64
Total - Non-Operating Expense	\$20,195.64
Total - Other Expense	\$20,195.64
Net Other Income	\$381,430.03
Net Income	\$629,804.05

Duluth Airport Authority
Balance Sheet
End of Feb 2024

Financial Row	Amount
ASSETS	
Current Assets	
Bank	\$5,466,000.78
Accounts Receivable	
Accounts Receivable - Restricted PFC	\$78,114.53
Accounts Receivable Billed	\$588,782.71
Accrued Receivable	\$22,029.61
Grants Receivable	\$3,857,742.64
ST Lease Receivable	\$77,794.05
Total Accounts Receivable	\$4,624,463.54
Other Current Asset	\$284,576.21
Total Current Assets	\$10,375,040.53
Fixed Assets	
Accumulated Depreciation	(\$152,234,067.04)
Capital Assets	\$283,262,899.34
Work in Progress	\$4,219,865.52
Total Fixed Assets	\$135,248,697.82
Other Assets	
Accumulated Amortization	(\$2,704,381.64)
Airport Planning Projects - Contributed	\$5,452,190.92
Airport Planning Projects - Invested	\$763,880.29
Deferred Outflows - OPEB	\$225,995.00
Deferred Outflows - Pension	\$408,765.00
LT Lease Receivable	\$2,252,032.75
Total Other Assets	\$6,398,482.32
Total ASSETS	\$152,022,220.67
Liabilities & Equity	
Current Liabilities	
Accounts Payable	
Accounts Payable	\$294,793.98
Contracts Payable	\$572,145.32
Lottery Payable	\$2,667.78
Total Accounts Payable	\$869,607.08
Credit Card	\$15,005.34
Other Current Liability	
Accrued Expense	(\$6,100.00)
Accrued Interest	\$20,195.60
Accrued Sales Taxes Payable - All	\$10,847.32
Accrued Vacation	\$122,778.26
Deferred Inflows - Lease Asset	\$2,300,124.37
Deferred Inflows - OPEB Liabilities	\$435,328.00
Deferred Inflows - Pension	\$402,277.00
Loans Payable to City of Duluth	\$955,000.00
Unearned Revenue - Current	\$113,862.67
Unearned Revenue - Non Current	\$79,457.90
Total Other Current Liability	\$4,433,771.12
Total Current Liabilities	\$5,318,383.54
Long Term Liabilities	
LT Loans Payable to City of Duluth	\$3,210,000.00
Net Pension Liability	\$1,252,584.00
Total Other Post Employment Benefit Liability	\$3,056,943.02
Total Long Term Liabilities	\$7,519,527.02
Equity	\$139,184,310.11
Total Liabilities & Equity	\$152,022,220.67

**Duluth Airport Authority
Duluth A/R Aging Report
As of April 10, 2024**

Customer	60 Days	90 Days	>90 Days	Total
	Open Balance	Open Balance	Open Balance	Open Balance
Avis Rent A Car	(\$480.00)	\$0.00	\$0.00	\$2,180.90
Azbell, Austin	\$0.00	\$0.00	\$0.00	\$153.00
Beier Properties, LLC	\$0.00	\$600.00	\$0.00	\$600.00
Bellamy Bill	\$0.00	\$0.00	\$0.00	\$86.30
BKR Investments DBA Duluth Pack	\$250.00	\$250.00	\$500.00	\$1,250.00
Brenholdt, Jacob	\$0.00	\$51.00	\$51.00	\$102.00
Budget Rent A Car	\$0.00	\$0.00	\$0.00	\$1,862.75
Case, Ronald Jr.	\$0.00	\$0.00	\$0.00	\$51.00
Churchill, Sean	\$47.72	\$0.00	\$0.00	\$302.00
Cirrus Design Corporation	\$0.00	\$0.00	(\$94.45)	\$22,086.03
City of Duluth	\$1,770.34	\$0.00	\$0.00	\$3,540.68
Civil Air Patrol	\$0.00	\$989.25	\$0.00	\$989.25
Cohen, Marc	\$0.00	\$0.00	\$0.00	\$51.00
Delta Airlines	\$53,788.90	(\$6,280.63)	\$0.00	\$41,227.64
DeSutter, Peter	\$0.00	\$0.00	\$0.00	\$51.00
Divine Carriers	\$147.60	\$147.60	\$552.40	\$995.20
Dudley Bruce	\$0.00	\$0.00	\$90.00	\$90.00
Duluth Hangar, LLC	\$0.00	\$0.00	\$0.00	\$869.48
Dunker, Christopher L	\$0.00	\$0.00	\$9,103.20	\$9,103.20
Ellefson, Nicholas	\$0.00	\$0.00	\$0.00	\$745.00
Enterprise Leasing Company	\$5.45	\$0.00	\$0.00	\$157.38
Federal Aviation Administration	(\$65.00)	\$0.00	\$0.00	(\$65.00)
FeraDyne Outdoors	\$0.00	\$6,837.00	\$0.00	\$6,837.00
Galchus, Kurt	\$0.00	\$0.00	\$0.00	\$418.33
General Services Administration	\$0.00	\$0.00	\$0.00	\$5,631.76
Goritchan Boris	\$0.00	\$0.00	\$2,004.00	\$2,004.00
Griffith Evans	\$0.00	\$0.00	\$0.00	\$180.00
Hagberg, Rick	\$254.28	\$0.00	\$0.00	\$508.56
Hall John	\$0.00	\$0.00	\$0.00	\$300.17
Harris, Melissa	\$0.00	\$0.00	\$0.00	\$153.00
Hatfield, Dan	\$0.00	\$0.00	\$0.00	\$254.28
Hermantown Hydraulics	\$0.00	\$714.90	\$811.78	\$1,526.68
Hillman Colin	\$0.00	\$0.00	\$0.00	\$300.00
Hughes, Timothy	\$0.00	\$0.00	\$0.00	\$153.00
Hunstad, Nicholas	\$0.00	\$0.00	\$0.00	\$114.83
HydroSolutions Of Duluth, Inc.	\$0.00	\$0.00	\$0.00	\$3,466.75
Johnson, Richard	\$0.00	\$0.00	\$0.00	\$583.30
Johnston, Paul	\$0.00	\$0.00	\$0.00	\$254.28
K & D Auctions	\$0.00	(\$249.00)	(\$3,472.44)	(\$3,721.44)
Kern & Kompany	\$0.00	\$0.00	\$0.00	\$39,779.00
Kleen-Tech Services, LLC	\$729.97	\$0.00	\$708.69	\$2,398.63
Lake Superior College	\$0.00	\$0.00	\$0.00	\$34,468.27
Lake Superior Helicopters	\$0.00	\$0.00	\$0.00	\$6,856.33
Lucero Andrew	\$90.00	\$0.00	\$0.00	\$270.00
MediaUSA Advertising Inc	\$0.00	\$0.00	\$0.00	\$1,438.00
Minnesota Air National Guard	\$0.00	\$0.00	\$0.00	\$2,187.42
Minnesota Department of Transportation	(\$226,074.79)	\$1,072,084.58	\$1,416,826.61	\$2,276,384.42
Miscellaneous	\$400.00	\$0.00	\$0.00	\$400.00
Monaco Air Duluth	\$0.00	(\$2,326.95)	\$0.00	\$2,192.44
Mountain Air Cargo	\$0.00	\$0.00	\$0.00	\$1,695.00
Northland Constructors, Inc.	\$0.00	\$0.00	\$0.00	\$181.50

Oakwells CR, LLC	\$0.00	\$0.00	\$0.00	\$8,128.01
On Site Enterprises, Inc	\$0.00	\$0.00	(\$2.00)	(\$2.00)
Opack Matthew Jr.	\$0.00	\$0.00	\$0.00	\$249.15
Parthe, Lance	\$329.02	\$0.00	\$276.64	\$934.68
Payne, Robert	\$0.00	\$0.00	\$0.00	\$329.02
Pfaltzgraff, George	\$0.00	\$0.00	\$0.00	\$745.00
Rasier, LLC	\$0.00	\$0.00	\$0.00	(\$565.50)
Rogers, Alexander	\$0.00	\$0.00	\$0.00	\$254.28
RS&H	\$0.00	\$0.00	\$0.00	\$2,761.77
Safstrom Jon	\$0.00	\$153.00	\$0.00	\$306.00
St. Luke's Hospital	\$0.00	\$10,000.00	\$0.00	\$10,000.00
Stevens, Mike	\$0.00	\$0.00	\$0.00	\$254.28
Sun Country, Inc. dba Sun Country Airlines	\$0.00	\$0.00	(\$5.04)	\$114.96
Sundquist, Margie	\$51.00	\$0.00	\$0.00	\$51.00
Swinkels, Eric	\$0.00	\$0.00	\$0.00	\$153.00
Sydow Dan	\$0.00	\$0.00	\$329.01	\$658.03
The Jamar Company	\$0.00	\$0.00	\$0.00	\$200.00
The Landline Company	\$0.00	\$0.00	\$0.00	\$618.19
Transportation Security Administration	\$0.00	\$0.00	\$0.00	\$88.17
unifi	\$0.00	\$4,147.00	\$0.00	\$4,147.00
Valentine, Ian	\$0.00	\$0.00	\$0.00	\$51.00
Williams, Ron	\$0.00	\$0.00	\$0.00	\$254.28
Total	(\$168,755.51)	\$1,087,117.75	\$1,427,679.40	\$2,503,374.64

VII. - M.
Year to Date Airline Statistics

Month	DELTA					UNITED					SUN COUNTRY				
	2024 Enplanements		2024 Deplanements		Total	2024 Enplanements		2024 Deplanements		Total	2024 Enplanements		2024 Deplanements		Total
	Revenue	Non Rev	Revenue	Non Rev		Revenue	Non Rev	Revenue	Non Rev		Revenue	Non Rev	Revenue	Non Rev	
JAN	5,411	119	4,885	151	10,566	2,540	46	2,309	44	4,939	-	-	-	-	-
FEB	4,823	150	5,916	155	11,044	2,654	56	2,641	46	5,397	1,434	1	1,117	1	2,553
MAR	5,206	165	5,145	158	10,674	3,252	89	3,374	83	6,798	1,563	3	1,465	2	3,033
APR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MAY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
JUN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
JUL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SEP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OCT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NOV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	15,440	434	15,946	464	32,284	8,446	191	8,324	173	17,134	2,997	4	2,582	3	5,586

Month	CHARTERS - SUN COUNTRY					2024 Total Passenger Data Including Charters							2023 - 2024 Difference		
	2024 Enplanements		2024 Deplanements		Total	2024 Enplanements			2024 Deplanements			Total Passenger	Enplanements	Deplanements	Total Passengers
	Revenue	Non Rev	Revenue	Non Rev		Rev	Non Rev	Total	Rev	Non Rev	Total				
JAN	182	-	180	-	362	8,133	165	8,298	7,374	195	7,569	15,867	(466)	(1,364)	(1,830)
FEB	-	-	-	-	-	8,911	207	9,118	9,674	202	9,876	18,994	(408)	(323)	(731)
MAR	181	-	181	-	362	10,202	257	10,459	10,165	243	10,408	20,867	(3,337)	1,860	(1,477)
APR	-	-	-	-	-	-	-	-	-	-	-	-	(10,794)	(11,055)	(21,849)
MAY	-	-	-	-	-	-	-	-	-	-	-	-	(10,665)	(11,312)	(21,977)
JUN	-	-	-	-	-	-	-	-	-	-	-	-	(9,728)	(9,683)	(19,411)
JUL	-	-	-	-	-	-	-	-	-	-	-	-	(12,075)	(12,229)	(24,304)
AUG	-	-	-	-	-	-	-	-	-	-	-	-	(13,744)	(13,216)	(26,960)
SEP	-	-	-	-	-	-	-	-	-	-	-	-	(11,126)	(10,493)	(21,619)
OCT	-	-	-	-	-	-	-	-	-	-	-	-	(10,283)	(9,640)	(19,923)
NOV	-	-	-	-	-	-	-	-	-	-	-	-	(9,058)	(8,811)	(17,869)
DEC	-	-	-	-	-	-	-	-	-	-	-	-	(8,306)	(8,412)	(16,718)
Total	363	-	361	-	724	27,246	629	27,875	27,213	640	27,853	55,728	(99,990)	(94,678)	(194,668)

2024 Landline Passengers

Arrivals

Departures

	Arrivals				Departures				2023		
	Revenue	Non-Rev	Seats (AU)	Total	Revenue	Non-Rev	Seats (AU)	Total	Grand Total	Grand Total	Inc /Dec
January	446	13	1,104	459	732	17	1,104	749	1,208	2,206	(998)
February	614	13	1,150	627	703	16	1,150	719	1,346	2,064	(718)
March	638	13	1,242	651	693	20	1,242	713	1,364	2,266	(902)
April				-				-	-	2,328	-
May				-				-	-	1,601	-
June				-				-	-	1,558	-
July				-				-	-	1,879	-
August				-				-	-	1,697	-
September				-				-	-	902	-
October				-				-	-	1,083	-
November				-				-	-	1,190	-
December				-				-	-	1,616	-
	1,698	39	3,496	1,737	2,128	53	3,496	2,181	3,918	20,390	(2,618)

Duluth Airport Authority
Federal Aviation Administration Non-Federal Reimbursable Agreement RA-
006323 for Design of Air Traffic Control Tower Project at the Duluth
International Airport

Terms:

- Estimated start date of April 16, 2024
- Estimated end date of December 31, 2025

Fiscal Impact:

The reimbursable agreement in the amount of \$328,259.11 requires pre-payment before work can begin. The amount is eligible for 95 percent FAA funding as part of an upcoming Airline Terminal Program grant, with the remaining 5 percent funded from a MnDOT matching grant.

Agreement Overview:

The full reimbursable agreement number is AJW-FN-CSA-GL-006323. This reimbursable agreement includes design review and support from the FAA's engineering services group. The contract provisions are included in the Reimbursable Agreement document between the DAA and FAA.

Background:

The purpose of this Agreement between the FAA and the DAA is for the FAA to perform site visits, engineering, review, and construction/installation activities in the Sponsor's project of Airport Traffic Control Tower (ATCT) Replacement project impacting FAA National Airspace System facilities, including terminal area radar, radar displaces, communications equipment, lighting systems, weather systems, and other critical equipment fully listed in the agreement. This Agreement provides funding for the FAA to establish these services. The FAA and the Sponsor will enter into either an amendment of this agreement or a new agreement to cover the implementation of the project plans developed under this agreement.

As part of a previous agreements with EXP and SEH, consultants will provide review copies of plans and project documents and make necessary changes as required through various levels of design (50 percent, 90 percent, and 100 percent plan reviews are anticipated).

NON-FEDERAL REIMBURSABLE AGREEMENT

BETWEEN

**DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION**

AND

**DULUTH AIRPORT AUTHORITY
DULUTH INTERNATIONAL AIRPORT
DULUTH, MINNESOTA**

WHEREAS, the Federal Aviation Administration (FAA) can furnish directly or by contract, material, supplies, equipment, and services which the Duluth Airport Authority (Sponsor) requires, has funds available for, and has determined should be obtained from the FAA;

WHEREAS, it has been determined that competition with the private sector for provision of such material, supplies, equipment, and services is minimal; the proposed activity will advance the FAA's mission; and the FAA has a unique capability that will be of benefit to the Sponsor while helping to advance the FAA's mission;

NOW THEREFORE, the FAA and the Sponsor mutually agree as follows:

ARTICLE 1. Parties

The Parties to this Agreement are the FAA and Duluth Airport Authority.

ARTICLE 2. Type of Agreement

This Agreement is an "other transaction" authorized under 49 U.S.C. § 106(l)(6). It is not intended to be, nor will it be construed as, a partnership, corporation, joint venture or other business organization.

ARTICLE 3. Scope

- A. The purpose of this Agreement between the FAA and the Sponsor is to perform site visits, engineering, review, and construction/installation activities in the Sponsor's project of Airport Traffic Control Tower (ATCT) Replacement project impacting FAA NAS facilities including all facilities listed in Appendix A. This Agreement provides funding for the FAA to establish these services. The FAA and the Sponsor will enter into either an amendment of this agreement or a new agreement to cover the implementation of the project plans developed under this agreement. FAA support may be affected by government shutdowns, pandemics, natural disasters or other items outside of FAA control. FAA engineer and technician onsite support will be coordinated in advance and scheduled in accordance with FAA travel restrictions. No

construction work shall be performed involving FAA facilities, systems, and equipment during FAA maintenance moratorium periods, which will be provided by FAA. Waivers will not be approved during a FAA moratorium. Therefore, this Agreement is titled:

Duluth, MN (DLH) - FAA Support for ATCT Replacement project at Duluth International Airport

B. The FAA will perform the following activities:

1. The FAA will perform Preliminary Design planning activities. This may include technical consultation, site visits, feasibility assessments, Spectrum analysis, project planning, scope definition, development of cost estimate(s), and travel in support of the reimbursable agreement program management.
2. Provide to the Sponsor any requirements and/or recommendations related to FAA facilities impacted by the Sponsor's project.
3. Provide all technical assistance necessary to ensure that the Sponsor's project meets FAA rules, regulations, orders, requirements, and standards.
4. Provide input to assist in the design layout for new facilities to include footprint for relocated or new equipment, grounding plates, cable trays, lighting fixtures, and power raceways.
5. Provide all FAA standard drawings, specifications, and directives for use by the Sponsor in execution of the project.
6. Meet with the Sponsor as required to coordinate and discuss project planning and engineering.
7. Coordinate with the Sponsor in order to ensure that National Environmental Policy Act (NEPA) documentation for the project incorporates associated FAA actions. Also ensure NEPA documentation meets FAA requirements and approvals.
8. Coordinate with Sponsor to ensure acceptable environmental mitigation measures, if required, are incorporated into the design and/or operations & maintenance plan.
9. Complete environmental occupational safety and health reviews of the design in compliance with the latest version of FAA Order 3900.57.
10. Develop disposal plan for excessing FAA equipment impacted by Sponsor's project. The specifics of the disposal plan will be included in a future agreement.
11. Ensure modifications to any required Frequency Transmitting Authorizations are appropriately processed.
12. Perform engineering design reviews of the Sponsor's plans and specifications in support of the Sponsor's construction project that affects FAA systems or equipment.
13. The FAA will provide comments to the 35% and 100% design plans and specifications packages, as provided for in C.11 and C.12 below, within 21 calendar days of receipt or within such other period as the parties may agree,

and will provide comments to the 70% design plans and specifications, as provided for in C.11 and C.12 below, within 60 calendar days of receipt or within such other period as the parties may agree. The Sponsor's design plans and specifications are not final until the FAA has notified the Sponsor that all of the FAA's comments, suggestions, and/or requirements have been incorporated into the design plans and specifications.

C. The Sponsor will perform the following activities:

1. Provide funding sufficient to cover costs associated with the applicable phase of this agreement no later than 30 calendar days prior to commencement or sufficient lead time to support contracting activities, whichever is greater.
2. Provide a full set of plans, including scaled electronic drawings, showing the proposed work.
3. Provide a full schedule for the work to be accomplished, including construction activities related to FAA facilities and equipment.
4. Incorporate requirements and recommendations made by the FAA into the Plans and Specifications impacting FAA-owned systems.
5. Provide survey information and/or documentation to verify the clearance of critical areas and obstruction surfaces relating to FAA facilities. Airspace cases can be submitted online via <https://oeaaa.faa.gov>.
6. Provide the FAA with access to the project site, including any airport-specific security briefs or driving requirements, for the purposes of site surveys, construction inspection, and other activities.
7. Support Engineering Services availability by not seeking engineering design review support before this Agreement is funded. Should the Sponsor decide to accelerate the schedule ahead of agreed upon dates, Technical Operations technicians and engineers may not be available to support. Thus, this Agreement would have to be canceled, or amended if Tech Ops staff is available to support an accelerated timeline.
8. Perform all appropriate surveys and engineering design for the Sponsor's project impacting FAA facilities, equipment and infrastructure concerning the Sponsor's project.
9. Develop the Plans and Specifications for the construction of the Sponsor's project and required space for FAA equipment, with FAA's participation and approval. The Sponsor shall coordinate any interruptions or changes that may have an impact to FAA facilities, systems, and equipment necessitated by the Sponsor's project. Scope of work includes but is not limited to: siting of the facilities; protection of existing infrastructure and service; all plot site preparation work (e.g., siting, trenching, grading, filling, foundations, power) in establishing new facilities, shelters and supporting infrastructure.
10. Provide the FAA copies of the proposed grading plan that the Sponsor and/or its consultants and/or contractors have prepared that shows the contours and site-

grading profile information and all critical areas for communication, navigation, surveillance, and weather systems, for use during facility siting evaluation. Once the FAA has approved the siting of facilities in accordance with FAA siting criteria and specifications, the Sponsor will provide the FAA with copies of its finished grading plans 18 months prior to the expected return to service of final locations.

11. Provide a schedule of engineering deliverables for 35%, 70%, and 100% design plan and specifications submissions. No work may begin that affects FAA facilities until the design plans and specifications have received final approval from the FAA.
12. Provide funding for any mandatory upgrades or modifications to any FAA facility or equipment impacted by the Sponsor's project. An example of a required modification is safety-related improvements when a facility is "grandfathered" (i.e., allowed to operate under the original design but required to be compliant with current standards).
13. Coordinate the Sponsor's schedule and construction sequencing plan with the FAA Terminal Engineering Center before finalizing the plan to ensure that the Sponsor and FAA are in agreement on the critical path, schedule, and milestones. This should be done during the project design phase, before construction contract award. In addition, provide a copy of the Sponsor's schedule within 30 days of the effective date of this Agreement, and updated monthly (or as soon as changes occur), including the following tasks:
 - a. Construction bid
 - b. Construction award
 - c. Construction start
 - d. Construction complete
 - e. Overall construction sequencing schedule, to include FAA facilities
14. Provide to the FAA in hard-copy format four (4) sets of 11" x 17", (1/2 size), and four (4) full American National Standards Institute (ANSI) size "D" and one (1) electronic copy using AutoCAD of the complete and finalized Plans and Specifications for the FAA's coordination and review at the agreed-upon design phases. Within 21 calendar days of receipt of the FAA's comments, or within such other period as the parties may agree, the Sponsor will provide to the FAA Terminal Engineering Center, a written response to each of the FAA's comments, suggestions, and requirements. The 100% Plans and Specifications are not final until the FAA Terminal Engineering Center, has notified the Sponsor that all of the FAA's comments, suggestions, and requirements have been incorporated into the Plans and Specifications.
15. Provide to the FAA final project Plans and Specifications that incorporates the FAA's comments from the 100% engineering review no later than 21 days after FAA approval of the 100% Plans and Specifications. The complete/finalized project Plans and Specifications shall be sent to the Engineering Services address listed in this section.

16. Complete the contract, construction bid, and award process for the construction phase of the project using approved FAA Plans and Specifications for FAA impacted facilities. The project's scope of work will include but not be limited to all plot site preparation work (e.g., trenching, grading, filling, foundations, demolition) and the installation of all necessary equipment and associated infrastructure. Sponsor will not bid the portion of work that includes the FAA equipment and cabling until the FAA has agreed that all of the Plans and Specifications are final.
17. No construction associated with this project that affect FAA facilities or equipment may begin prior to receipt of the foregoing FAA design approval. Furthermore, the Sponsor shall advise the FAA immediately of any proposed changes to the "approved" Plans and Specifications before and during the project's construction. Before starting any construction, provide four (4) full size sets of the construction package to:

FAA Terminal Engineering Center, AJW-2C11A
ATTN: Doug Weaver, Engineering Manager
2300 East Devon Ave., room 450
Des Plaines, IL 60018
Phone: (847) 294-8187
Email: Doug.E.Weaver@faa.gov
18. Provide copies of any information that the Sponsor and/or its contractor and/or consultants have prepared on hazardous materials or other environmental conditions that may impact the FAA relocated facilities. This information includes, but is not limited to, previous and current studies/reports conducted on known or suspected areas of environmental contamination located on or adjacent to airport property. The Sponsor agrees to remediate, at its sole cost, all hazardous substance contamination found to impact the proposed FAA facility sites prior to construction and modification to the land rights MOA. In the event that contaminants are discovered on future FAA equipment areas during the course of the FAA's environmental due diligence documentation process, the FAA will require that those areas be remediated. Should this occur, the FAA would coordinate further details with the Sponsor.
19. Complete the NEPA documentation, according to FAA Order 1050.1(series) and coordinate with the FAA for comments/guidance to ensure FAA facilities are included.
20. Submit FAA Form 6000-26 Airport Sponsor Strategic Event Submission Form (Outage Request Form) no-less-than 45 days prior to the start of construction that will impact NAS facilities, result in a full or partial runway closure, or result in a significant taxiway closure. This form is available at <https://oeaaa.faa.gov> under the Forms section on the left pane. This form may also be used to notify the FAA of any changes to the project schedule.
21. Provide a copy of the submitted FAA Form 6000-26 to the Article 4. Technical POC(s).

22. Sponsor shall work with the FAA Airports Region/District Office and submit NRA airspace cases for temporary and permanent locations of all buildings and equipment to be placed on the airfield as well as required Airspace cases showing information regarding construction vehicles and equipment during each phase of the project to include all trenching operation locations, truck routes, contractor staging areas, cranes, etc. Sponsor shall respond to all NRA case reviewer questions and comply with all reviewer comments. A “determination letter” must be received and reviewed by the FAA ADO before any construction can begin. Airspace cases can be submitted online via <https://oeaaa.faa.gov>.

D. This agreement is in whole or in part funded with funding from an AIP grant Yes No. If Yes, the grant date is: _____ and the grant number is: _____. If the grant information is not available at the time of agreement execution, the Sponsor will provide the grant information to the FAA when it becomes available.

ARTICLE 4. Points of Contact

A. FAA:

1. The FAA Central Service Area, Planning and Requirements will provide administrative oversight of this Agreement. Brad Urey is the Lead Planner and liaison with the Sponsor and can be reached at (817) 222-4029 or via email at brad.urey@faa.gov. This liaison is not authorized to make any commitment, or otherwise obligate the FAA, or authorize any changes which affect the estimated cost, period of performance, or other terms and conditions of this Agreement.
2. The FAA Chicago, Terminal Engineering Center will perform the scope of work included in this Agreement. Doug Weaver is the Terminal Project Manager and liaison with the Sponsor and can be reached at 847-294-8187 or via email at Doug.E.Weaver@faa.gov. This liaison is not authorized to make any commitment, or otherwise obligate the FAA, or authorize any changes which affect the estimated cost, period of performance, or other terms and conditions of this Agreement.
3. FAA Contracting Officer: The execution, amendment, and administration of this Agreement must be authorized and accomplished by the Contracting Officer, Bradley K. Logan who can be reached at (817) 222-4395 or via email at brad.logan@faa.gov.

B. Sponsor:

Duluth Airport Authority
Mark Papko
4701 Grinden Dr.
Duluth, MN 55811
218-625-7767
Mpapko@duluthairport.com

ARTICLE 5. Non-Interference with Operations

The Sponsor understands and hereby agrees that any relocation, replacement, or modification of any existing or future FAA facility, system, and/or equipment covered by this Agreement during its term or any renewal thereof made necessary by Sponsor improvements, changes, or other actions which in the FAA's opinion interfere with the technical and/or operations characteristics of an FAA facility, system, and/or piece of equipment will be at the expense of the Sponsor, except when such improvements or changes are made at the written request of the FAA. In the event such relocations, replacements, or modifications are necessitated due to causes not attributable to either the Sponsor or the FAA, the parties will determine funding responsibility.

ARTICLE 6. Property Transfer

- A. To the extent that the Sponsor provides any material associated with the Project, and to the extent that performance of the requirements of this Project results in the creation of assets constructed, emplaced, or installed by the Sponsor, all such material (buildings, equipment, systems, components, cable enclosures, etc.) and assets will be transferred to and become the property of the FAA upon project completion. For purposes of this Article 6, "project completion" means that FAA has inspected the specific equipment or construction, and has accepted it as substantially complete and ready for use. The creation of an additional agreement will not be required, unless such other agreement is required by the laws of the state in which the subject property is located. The Sponsor and FAA acknowledge by execution of this agreement the FAA will accept the fundamental responsibilities of ownership by assuming all operations and maintenance requirements for all property transferred to the FAA. The transfer of asset(s) will occur on the date the asset(s) is placed in service. It has been determined the subject transfer(s) to FAA is in the best interest of both the Sponsor and FAA.
- B. In order to ensure that the assets and materials subject to this Article remain fully accounted-for and operational, the Sponsor will provide the FAA any additional documents and publications that will enhance the FAA's ability to manage, maintain and track the assets being transferred. Examples may include, but are not limited to, operator manuals, maintenance publications, warranties, inspection reports, etc. These documents will be considered required hand-off items upon Project completion.

ARTICLE 7. Estimated Costs

The estimated FAA costs associated with this Agreement are as follows:

DESCRIPTION OF REIMBURSABLE ITEM	ESTIMATED COST
Labor	
WB4010, WB4020, WB4050, WB4060, WB4070 - Engineering Support	\$123,110.40
WB4030 - Environmental Support	\$12,824.00
SSC Support	\$13,265.60
Labor Subtotal	\$149,200.00
Labor Overhead	\$29,660.96
Total Labor	\$178,860.96
Non-Labor	
WB4010, WB4020, WB4050, WB4060, WB4070 - Engineering Travel	\$12,000.00
NISC Support	\$15,000.00
Drafting (outsourced)	\$2,000.00
Security Systems Design	\$109,331.62
Non-Labor Subtotal	\$138,331.62
Non-Labor Overhead	\$11,066.53
Total Non-Labor	\$149,398.15
TOTAL ESTIMATED COST	\$328,259.11

ARTICLE 8. Period of Agreement and Effective Date

The effective date of this Agreement is the date of the last signature. This Agreement is considered complete when the final invoice is provided to the Sponsor and a refund is sent or payment is received as provided for in Article 9 of this Agreement. This Agreement will not extend more than five years beyond its effective date.

ARTICLE 9. Reimbursement and Accounting Arrangements

- A. The Sponsor agrees to prepay the entire estimated cost of the Agreement. The Sponsor will send a copy of the executed Agreement and submit full advance payment in the amount stated in Article 7 to the Reimbursable Receipts Team listed in Section C of this Article. The advance payment will be held as a non-interest bearing deposit. Such advance payment by the Sponsor must be received before the FAA incurs any obligation to implement this Agreement. Upon completion of this Agreement, the final costs will be netted against the advance payment and, as appropriate, a refund or final bill will be sent to the sponsor. Per U.S. Treasury guidelines, refunds under \$1.00 will not be processed. Additionally, FAA will not bill the sponsor for amounts less than \$1.00.

- B. The Sponsor certifies that arrangements for sufficient funding have been made to cover the estimated costs of the Agreement.
- C. The Reimbursable Receipts team is identified by the FAA as the billing office for this Agreement. The preferred method of payment for this agreement is via Pay.Gov. The sponsor can use a check or credit card to provide funding in this manner and receipt-processing time is typically within 3 working days. Alternatively, the sponsor can mail the payment to the address shown below. When submitting funding by mail, the Sponsor must include a copy of the executed Agreement and the full advance payment. All payments mailed to the FAA must include the Agreement number, Agreement name, Sponsor name, and project location. Payments submitted by mail are subject to receipt-processing delay of up to 10 working days.

FAA payment remittance address using USPS or overnight method is:

Federal Aviation Administration
Reimbursable Receipts Team
800 Independence Ave S.W.
Attn: Rm 612A
Washington D.C. 20591
Telephone: (202) 267-1307

The Sponsor hereby identifies the office to which the FAA will render bills for the project costs incurred as:

Duluth Airport Authority
Mark Papko
4701 Grinden Dr.
Duluth, MN 55811
218-625-7767
Mpapko@duluthairport.com

- D. The FAA will provide a quarterly Statement of Account of costs incurred against the advance payment.
- E. The cost estimates contained in Article 7 are expected to be the maximum costs associated with this Agreement, but may be amended to recover the FAA's actual costs. If during the course of this Agreement actual costs are expected to exceed the estimated costs, the FAA will notify the Sponsor immediately. The FAA will also provide the Sponsor an amendment to the Agreement which includes the FAA's additional costs. The Sponsor agrees to prepay the entire estimated cost of the amendment. The Sponsor will send a copy of the executed amendment to the Agreement to the Reimbursable Receipts Team with the additional advance payment. Work identified in the amendment cannot start until receipt of the additional advance payment. In addition, in the event that a contractor performing work pursuant to the scope of this Agreement brings a claim against the FAA and the FAA incurs additional costs as a result of the claim, the Sponsor agrees to reimburse the FAA for the additional costs incurred whether or not a final bill or a refund has been sent.

ARTICLE 10. Changes and Amendments

Changes and/or amendments to this Agreement will be formalized by a written amendment that will outline in detail the exact nature of the change. Any amendment to this Agreement will be executed in writing and signed by the authorized representative of each party. The parties signing this Agreement and any subsequent amendment(s) represent that each has the authority to execute the same on behalf of their respective organizations. No oral statement by any person will be interpreted as amending or otherwise affecting the terms of the Agreement. Any party to this Agreement may request that it be amended, whereupon the parties will consult to consider such amendments.

ARTICLE 11. Termination

In addition to any other termination rights provided by this Agreement, either party may terminate this Agreement at any time prior to its expiration date, with or without cause, and without incurring any liability or obligation to the terminated party other than payment of amounts due and owing and performance of obligations accrued, in each case on or prior to the termination date, by giving the other party at least thirty (30) days prior written notice of termination. Payment of amounts due and owing may include all costs reimbursable under this Agreement, not previously paid, for the performance of this Agreement before the effective date of the termination; the total cost of terminating and settling contracts entered into by the FAA for the purpose of this Agreement; and any other costs necessary to terminate this Agreement. Upon receipt of a notice of termination, the receiving party will take immediate steps to stop the accrual of any additional obligations which might require payment. All funds due after termination will be netted against the advance payment and, as appropriate, a refund or bill will be issued.

ARTICLE 12. Order of Precedence

If attachments are included in this Agreement and in the event of any inconsistency between the attachments and the terms of this Agreement, the inconsistency will be resolved by giving preference in the following order:

- A. This Agreement
- B. The attachments

ARTICLE 13. Legal Authority

This Agreement is entered into under one or more of the following authorities: 49 U.S.C. § 106(l), 31 U.S. Code 6505 Intergovernmental Cooperation Act. Under these authorities, the Administrator of the FAA is authorized to enter into and perform such contracts, leases, cooperative agreements and other transactions as necessary to carry out the functions of the Administrator and the Administration on such terms and conditions as the Administrator considers appropriate. Nothing in this Agreement will be construed as incorporating by reference or implication any provision of Federal acquisition law or regulation.

ARTICLE 14. Disputes

Where possible, disputes will be resolved by informal discussion between the parties. In the event the parties are unable to resolve any dispute through good faith negotiations, the dispute will be resolved by alternative dispute resolution using a method to be agreed upon by the parties. The outcome of the alternative dispute resolution will be final unless it is timely appealed to the Administrator, whose decision is not subject to further administrative review and, to the extent permitted by law, is final and binding (see 49 U.S.C. § 46110).

ARTICLE 15. Warranties

The FAA makes no express or implied warranties as to any matter arising under this Agreement, or as to the ownership, merchantability, or fitness for a particular purpose of any property, including any equipment, device, or software that may be provided under this Agreement.

ARTICLE 16. Insurance

The Sponsor will arrange by insurance or otherwise for the full protection of itself from and against all liability to third parties arising out of, or related to, its performance of this Agreement. The FAA assumes no liability under this Agreement for any losses arising out of any action or inaction by the Sponsor, its employees, or contractors, or any third party acting on its behalf.

ARTICLE 17. Limitation of Liability

To the extent permitted by law, the Sponsor agrees to indemnify and hold harmless the FAA, its officers, agents and employees from all causes of action, suits or claims arising out of the work performed under this Agreement. However, to the extent that such claim is determined to have arisen from the act or omission by an officer, agent, or employee of the FAA acting within the scope of his or her employment, this hold harmless obligation will not apply and the provisions of the Federal Tort Claims Act, 28 U.S.C. § 2671, et seq., will control. The FAA assumes no liability for any losses arising out of any action or inaction by the Sponsor, its employees, or contractors, or any third party acting on its behalf. In no event will the FAA be liable for claims for consequential, punitive, special and incidental damages, claims for lost profits, or other indirect damages.

ARTICLE 18. Civil Rights Act

The Sponsor will comply with Title VI of the Civil Rights Act of 1964 relating to nondiscrimination in federally assisted programs.

ARTICLE 19. Protection of Information

The parties agree that they will take appropriate measures to identify and protect proprietary, privileged, or otherwise confidential information that may come into their possession as a result of this Agreement.

ARTICLE 20. Security

In the event that the security office determines that the security requirements under FAA Order 1600.72A applies to work under this Agreement, the FAA is responsible for ensuring that security requirements, including compliance with AMS clause 3.14.2.1, Contractor Personnel Suitability Requirements are met.

ARTICLE 21. Entire Agreement

This document is the entire Agreement of the parties, who accept the terms of this Agreement as shown by their signatures below. In the event the parties duly execute any amendment to this Agreement, the terms of such amendment will supersede the terms of this Agreement to the extent of any inconsistency. Each party acknowledges participation in the negotiations and drafting of this Agreement and any amendments thereto, and, accordingly that this Agreement will not be construed more stringently against one party than against the other. If this Agreement is not executed by the Sponsor within 120 calendar days after the FAA transmits it to the Sponsor, the terms contained and set forth in this Agreement shall be null and void. Additionally, the FAA expects this agreement to be funded within 120 days of execution, if funding is not received by that date; the FAA may exercise the right to renegotiate estimated costs.

AGREED:

**FEDERAL AVIATION
ADMINISTRATION**

DULUTH AIRPORT AUTHORITY

SIGNATURE _____
NAME Brad K. Logan
TITLE Contracting Officer
DATE _____

SIGNATURE Do
NAME Not
TITLE Sign
DATE _____

Appendix A. List of FAA NAS Impacted Facilities

The following is a list of all impacted FAA NAS facilities associated with the DLH ATCT Relocation.

Impacted FAA NAS Facilities

DLH RADAR Terminal Display System (RTDS)
DLH Remote tower radar displays (TDW)
DLH Flight Data Input/Output (FDIO)
DLH Terminal Data Display System (TDDS)
DLH Digital Voice Recorder (DVRS)
DLH Voice Switch Bypass (VSBP)
DLH Radio Control Equipment (RCE)
DLH Terminal Voice Switch (TVS)
DLH Transceiver Communications Equipment (TCE)
DLH Automated Terminal Information Service (ATIS)
DLH Remote Transmitter/Receiver (RTR)
DLH Automated Terminal Information Service (ATIS)
DLH Remote Monitoring Subsystem Concentrator (RMSC)
DLH Distance Measuring Equipment (DME)
DLH Runway Visual Range (RVR)
DLH Medium Intensity Approach Lighting System with Runway Alignment Indicator Lights (MALSR)
DLH Approach Lighting System (ALS)
DLH Remote Radio Control System (RRCS)
DLH Airport Surveillance Radar (ASR-8)
DLH Automatic Surface Observation System (ASOS)
DLH Surface Weather System (SWS)
DLH Standby Engine Generator (SX)
DLH ASR (DLHB) Standby Engine Generator (SX)
FAA cabling and infrastructure