

**AGREEMENT BETWEEN THE CITY OF RAPID CITY AND THE ALLIANCE  
OF ARCHITECTS AND ENGINEERS FOR SETTLEMENT OF CLAIMS  
RELATING TO THE CONSTRUCTION OF THE CITY'S COCOMPOSTING  
FACILITY.**

This agreement is made and entered into by and between the City of Rapid City, a municipal corporation located at 300 Sixth Street, Rapid City, South Dakota, 57702, herein after referred to as the "City" and the Alliance of Architects and Engineers, 706 West Blvd., Rapid City, South Dakota, 57701, herein after referred to as the "Alliance."

WHEREAS, the Alliance provided engineering design and construction management services for the City's Cocomposting Facility Project; and

WHEREAS, the parties agree that the cocomposting facility was a successful project that has received national and local recognition; and

WHEREAS, the Alliance has submitted a request for additional compensation based on services that they provided in managing this project; and

WHEREAS, the additional services provided by the Alliance for this unique facility allowed the City to hold construction phase change orders to less than 2% of the original construction contract; and

WHEREAS, the additional compensation requested by the Alliance is as follows:

Additional project management services	\$38,034.15
Construction observation services	\$10,500.00
Geotechnical services	\$ 4,221.00
Electrical troubleshooting	\$ 5,085.00
Direct expenses	\$ 1,402.40
Interest	\$11,588.92

WHEREAS, the City's engineering staff have reviewed the Alliance's request for additional compensation and determined that the Alliance should receive \$19,779 of the amount that it has requested.

NOW THEREFORE, the parties agree as follows:

1. That the Alliance be compensated \$10,500 for construction observation services. The engineering staff believes that the additional time the Alliance spent on site was a value added activity which reduced the complications during construction and start-up resulting in minimal construction change orders during the project.

2. That the Alliance be compensated \$4221 for geotechnical services. The engineering staff believes that because there were more geotechnical tests required than

originally anticipated and conducting these additional tests during construction ensured that the facility was being constructed properly, that this was also a value added activity.

3. That the Alliance be compensated \$5085 for electrical troubleshooting services. The engineering staff requested that a local engineering firm with knowledge of variable frequency drives and the local power distribution system be brought in to trouble shoot several electrical issues at the facility. The expertise that the Alliance provided in this role reduced the potential for significant alterations during construction.

4. The Alliance agrees that if the City pays the above amounts that it will settle any and all claims that the Alliance may have against the City for any work done on the Cocomposting Facility Construction Project and that no additional compensation will be sought.

5. The parties rights and obligations under this Agreement shall be governed by, and construed in accordance with, the laws of the State of South Dakota. Any dispute concerning this Agreement shall be litigated and venued in the Circuit Court for the Seventh Judicial Circuit of the State of South Dakota, located in Rapid City, Pennington County, South Dakota.

CITY OF RAPID CITY


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Jim Shaw, Mayor

ATTEST:

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Finance Officer

(SEAL)

ALLIANCE OF ARCHITECTS AND  
ENGINEERS

  
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By: Bryan S. Vulcan, PE  
Its: President

