

There came on for consideration at a duly constituted meeting of the Mayor and Members of the City Council of the City of Gulfport, Mississippi, held on the \_\_\_\_ day of \_\_\_\_\_, 2014, the following Resolution:

**A RESOLUTION BY THE GULFPORT CITY COUNCIL TO APPROVE LETTER AGREEMENT #1 AND LETTER AGREEMENT #2 RELATED TO THE CITY'S CONTRACT WITH BROWN, MITCHELL & ALEXANDER, INC., FOR THE THREE RIVERS ROAD WIDENING PROJECT – PHASE II, AND TO AUTHORIZE THE MAYOR TO EXECUTE THE SAME ON BEHALF OF THE CITY OF GULFPORT**

**WHEREAS**, the City of Gulfport, pursuant to authority previously granted by the City Council, entered into a Contract with Brown, Mitchell & Alexander, Inc., on or about September 6, 2013, concerning the Three Rivers Road Widening Project – Phase II; and

**WHEREAS**, Brown, Mitchell & Alexander, Inc., has requested a “minor change” to the Contract, pursuant to Article VIII thereof, to assign different personnel to the project and has embodied said request in Letter Agreement #1 (see collective Exhibit “A”); and

**WHEREAS**, Brown, Mitchell & Alexander, Inc., has requested a second “minor change” to the Contract, pursuant to Article VIII thereof, to add an electrical sub-consultant, Canon Engineering, Inc., to the Contract and has embodied said request in Letter Agreement #2 (see collective Exhibit “A”); and

**WHEREAS**, the two “minor changes” requested by Brown, Mitchell & Alexander, Inc., will not alter or modify the goals or objectives of the project, the scope of work, the maximum compensation allowed, or the time allotted for the Contract and are in the best interest of the City of Gulfport.

**NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF GULFPORT, MISSISSIPPI, AS FOLLOWS, TO WIT:**

**Section 1.** That the matters, facts and things recited in the Preamble hereto are hereby adopted as the official findings of the Governing Authority.

**Section 2.** That Letter Agreement #1 and Letter Agreement #2 pertaining to the City's Contract with Brown, Mitchell, & Alexander, Inc., for the Three Rivers Road Project, Phase II,

be and the same are hereby approved, and the Mayor be and he is hereby authorized to execute the same on behalf of the City of Gulfport.

**Section 3.** That this Resolution be, and it is hereby ordered to be spread on the minutes of the governing Authority, and to be in full force and effect immediately upon its passage and enactment according to law.

The above and foregoing Resolution, after having been first reduced to writing and ready by the Clerk, was introduced by \_\_\_\_\_, seconded by \_\_\_\_\_, and was adopted by the following roll call vote:

**AYES**

**NAYS**

**ABSENT**

**WHEREUPON**, the President declared the motion carried and the Resolution adopted this the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

**(SEAL)**

**ATTEST:**

**ADOPTED:**

\_\_\_\_\_  
**CLERK OF THE COUNCIL**

\_\_\_\_\_  
**PRESIDENT**

The above and foregoing Ordinance was submitted to and approved by the Mayor, this the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

**APPROVED:**

\_\_\_\_\_  
**MAYOR**

# Memorandum – City of Gulfport

**To:** Connie Debenport, Purchasing

**CC:** Mayor Billy Hewes

Dr. John Kelly, CAO

**From:** Kris Riemann, P.E. *RKR*

**Date:** 1/8/14

**Re:** Recommendation to Approve Letter Agreements #1 and #2 for Construction Engineering Services

- Brown, Mitchell, and Alexander, Inc.
- Widening of Three Rivers Road and Creosote – Phase 2
- Project No. STP-0200(018)LPA/105169-701000

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Attached for your consideration are Letter Agreements #1 and #2 for Construction Engineering Services with Brown, Mitchell, and Alexander, Inc. for the referenced project. There are NO additional costs for these changes. Letter Agreement #1 will remove Mr. Bill Powell, P.E. as Senior Engineer and replace him with Ben Smith, P.E. and to remove Chandra Nicholson, P.E. as Project Engineer and replace her with Jason Chiniche, P.E. These personnel changes are requested by the Consultant. Letter Agreement #2 will add Canon Engineering, LLC. to the contract to provide electrical construction administration.

This project is designed to widen Three Rivers Road and Creosote Road from U.S. Highway 49 to Airport Road to 5 lanes. The project is funded 80% by the Mississippi Department of Transportation and 20% by the City of Gulfport and the contract has been awarded.

I recommend approval, contingent on the approval of the Mississippi Department of Transportation. Please place this item on the January 21, 2014 Council Agenda. This item has been approved by:

Mayor or C.A.O. \_\_\_\_\_

Attachments:

1. Dax Alexander Letter dated 12/30/13
2. Letter Agreements #1 and #2 for Construction Engineering Services

December 30, 2013

Mr. Robert K. Riemann, P.E.  
Director of Engineering  
City of Gulfport  
4050 Hewes Avenue  
Gulfport, Mississippi 39507

**Re: Letter Agreement Request #1 and #2 to  
Construction Engineering Contract for  
Widening of Three Rivers Road & Creosote Road – Phase II  
STP-0200-(0018) LPA/105169-701000**

Dear Kris:

Attached for your review are two (2) originals of **Letter Agreement Request #1 and Letter Agreement Request #2** for modifications to the Construction Engineering Contract for the Widening of Three Rivers Road & Creosote Road – Phase II STP-0200-(0018) LPA/105169-701000. Letter Agreement Request #1 asks to remove Mr. Bill Powell, P.E. as Senior Project Engineer and replace him with Ben Smith, P.E.; and to remove Chandra Nicholson, P.E. as Project Engineer and replace her with Jason Chiniche, P.E.

Letter Agreement Request #2 asks to add Canon Engineering, LLC to the contract to provide electrical construction administration. Both Letter Agreement Requests are at NO additional cost to the Project.

After your review, please forward to the appropriate party for execution. Once fully executed, please return one original to this office for our files, retaining the other original for the City's files.

We look forward to working with you and the City on this project.

Sincerely,

*Dax Alexander*

Dax Alexander, P.E.  
President

Attachments

12/23/2013

ORIGINAL

Honorable Mayor Billy Hewes  
City of Gulfport  
Post Office Box 1780  
Gulfport, MS 39502

Subject: Letter Agreement Request # 1  
Widening of Three Rivers Road & Creosote Road – Phase II  
Project No. STP 0200-00(018) LPA/ 105169-701000  
Harrison County, MS

Dear Honorable Billy Hewes:

**Brown, Mitchell & Alexander, Inc.** (the CONSULTANT) entered into a Contract with the **City of Gulfport** (the LPA) on **6<sup>th</sup> day of September, 2013** to provide the services of construction engineering consultants to the Widening of Three Rivers Road & Creosote Road – Phase II Project. A “minor change” has been requested in accordance with “Article XIII Modification” of this CONTRACT. The minor change is, hereby, identified below:

The CONSULTANT is requesting the following personnel substitution to the CONTRACT to match the Fee Proposal to the PROJECT including the replacement of Mr. Bill Powell, P.E. with Mr. Benjamin Smith, P.E. as the Senior Project Engineer and the replacement of Ms. Chandra Nicholson, P.E. with Mr. Jason Chiniche, P.E. as the Project Engineer in order to fulfill their obligations to oversee the PROJECT effectively. The LPA hereby agrees to allow these personnel additions to the PROJECT team (See Table 1A) to accomplish this work at NO additional cost to the PROJECT.

**Table 1A: Rate Schedule for Substituted Personnel:**

Classification	Name	2013 Rate	2014 Rate	2015 Rate
Senior Project Engineer	Benjamin Smith	\$115.99	\$118.31	\$120.68
Project Engineer	Jason Chiniche	\$100.36	\$102.37	\$104.41

\*\*\* See the cost delineation breakdown for reference attached to this agreement \*\*\*

This request will not alter or modify the goals or objectives of the project, the scope of work, the maximum compensation allowed, or the time allotted for this CONTRACT.

This Letter Agreement in no way modifies or changes this CONTRACT of which it becomes a part except as specifically stated herein. This Letter Agreement No. 1 is effective as of October 22, 2013.

Honorable Mayor Billy Hewes  
City of Gulfport  
Letter Agreement Request #1  
Widening of Three Rivers Road & Creosote Road – Phase II  
Project No. STP 0200-00(018) LPA/ 105169-701000  
Harrison County, MS  
Page Two of Two

Therefore, this Letter of Agreement is so accepted and agreed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**City of Gulfport**

\_\_\_\_\_  
Honorable Billy Hewes, Mayor

\_\_\_\_\_  
DATE

**Brown, Mitchell & Alexander, Inc.**

Dax Alexander  
Dax Alexander, P.E., President

12/30/13  
DATE

## **COST BREAKDOWN SCHEDULES**

### **BILLING RATE TABLE – 2013**

**Brown, Mitchell & Alexander, Inc.**

*Construction, Engineering, & Inspection*

Field OH

187.20 %

Office OH

187.20 %

Classification	Raw Wage Rate		Audited OH Rate		Profit 12%		Regular Billing Rate
Senior Project Engineer	\$36.06		\$67.50		\$12.43		\$115.99
Project Engineer	\$31.20		\$58.41		\$10.75		\$100.36

### **BILLING RATE TABLE – 2014**

**Brown, Mitchell & Alexander, Inc.**

*Construction, Engineering, & Inspection*

Field OH

187.20 %

Office OH

187.20 %

Classification	Raw Wage Rate		Audited OH Rate		Profit 12%		Regular Billing Rate
Senior Project Engineer	\$36.78		\$68.85		\$12.68		\$118.31
Project Engineer	\$31.82		\$59.57		\$10.97		\$102.37

# **BILLING RATE TABLE – 2015**

**Brown, Mitchell & Alexander, Inc.**

*Construction, Engineering, & Inspection*

Field OH	187.20 %
Office OH	187.20 %

Classification	Raw Wage Rate		Audited OH Rate		Profit 12%		Regular Billing Rate
Senior Project Engineer	\$37.52		\$70.23		\$12.93		\$120.68
Project Engineer	\$32.46		\$60.77		\$11.19		\$104.41



Mark C. McConnell  
Deputy Executive Director/  
Chief Engineer

Charles R. Carr  
Director  
Office of Intermodal Planning



Lisa M. Hancock  
Deputy Executive Director/  
Administration

Willie Huff  
Director  
Office of Enforcement


Melinda L. McGrath  
Executive Director

P. O. Box 1850 / Jackson, Mississippi 39215-1850 / Telephone (601) 359-7001 / FAX (601) 359-7110 / www.GoMDOT.com

October 16, 2013

## MEMORANDUM

**TO:** Scot Ehrgott  
Director, Consultant Services Unit

**FROM:** Diane Gavin   
Audit Director

**SUBJECT:** Brown, Mitchell & Alexander, Inc.  
Accepted Overhead Rate for the Year Ended December 31, 2012

The Internal Audit Division (IAD) of the Mississippi Department of Transportation (MDOT) has received the overhead audit report of Brown, Mitchell & Alexander, Inc. for the year ended December 31, 2012. IAD has performed a risk assessment to determine the acceptability of the overhead rate presented in the audit report.

Based on the risk assessment performed and the review of the audit report, the MDOT should accept the audited overhead rate for the year ended December 31, 2012 as presented: **187.20%**

MDOT may use the accepted overhead rate for the purposes of contract negotiations. Brown, Mitchell & Alexander, Inc. may use the accepted rate for the purpose of billing its overhead costs. If applicable to the contract, overhead costs which were invoiced for services rendered from January 1, 2012 and to current by Brown, Mitchell & Alexander, Inc. will be adjusted accordingly to reflect the accepted rate as presented above.

Brown, Mitchell & Alexander, Inc. has submitted the required *Consultant Indirect Costs Rate Certification* applicable to the year ended December 31, 2012. IAD will maintain the certification on file.

MDOT requires an annual submission of a firm's overhead rates; therefore, the accepted overhead rate for the year ended December 31, 2012 is valid until September 30, 2014.



12/23/2013

ORIGINAL

Honorable Mayor Billy Hewes  
City of Gulfport  
Post Office Box 1780  
Gulfport, MS 39502

Subject: Letter Agreement Request # 2  
Widening of Three Rivers Road & Creosote Road – Phase II  
Project No. STP 0200-00(018) LPA/ 105169-701000  
Harrison County, MS

Dear Honorable Billy Hewes:

**Brown, Mitchell & Alexander, Inc.** (the CONSULTANT) entered into a Contract with the **City of Gulfport** (the LPA) on **6<sup>th</sup> day of September, 2013** to provide the services of construction engineering consultants to the Widening of Three Rivers Road & Creosote Road – Phase II Project. A “minor change” has been requested in accordance with “Article XIII Modification” of this CONTRACT. The minor change is, hereby, identified below:

The CONSULTANT is requesting the electrical subconsultant, Canon Engineering, Inc., be added to the CONTRACT in order to fulfill their obligations to oversee the PROJECT effectively. The LPA hereby agrees to allow this subconsultant addition to the PROJECT team (See attachment) to accomplish this work at NO additional cost to the PROJECT.

This request will not alter or modify the goals or objectives of the project, the scope of work, the maximum compensation allowed, or the time allotted for this CONTRACT.

This Letter Agreement in no way modifies or changes this CONTRACT of which it becomes a part except as specifically stated herein. This Letter Agreement No. 2 is effective as of October 22, 2013.

Therefore, this Letter of Agreement is so accepted and agreed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**City of Gulfport**

\_\_\_\_\_  
Honorable Billy Hewes, Mayor

\_\_\_\_\_  
DATE

**Brown, Mitchell & Alexander, Inc.**

Dax Alexander  
Dax Alexander, P.E., President

12/30/13  
DATE

# BILLING RATE TABLE for 2013-2014-2015

## SUBCONSULTANT CANON ENGINEERING, LLC

*Construction Oversight Services  
Construction Engineering and Inspection Services*

Field OH 158.000%  
Office OH 158.000%

*Period of time for which rates are applicable: January, 2013 thru December, 2013*

<u>Classification</u>	<u>Raw Wage Rate</u>	<u>Audited OH Rate</u>	<u>Profit 10%</u>	<u>Regular Billing Rate</u>
Principal Engineer	\$ 40.00	\$ 63.20	\$ 10.32	\$ 113.52
Construction Admin	\$ 19.60	\$ 30.97	\$ 5.06	\$ 55.62

*Period of time for which rates are applicable: January, 2014 thru December, 2014*

<u>Classification</u>	<u>Raw Wage Rate</u>	<u>Audited OH Rate</u>	<u>Profit 10%</u>	<u>Regular Billing Rate</u>
Principal Engineer	\$ 40.80	\$ 64.46	\$ 10.53	\$ 115.79
Construction Admin	\$ 19.99	\$ 31.59	\$ 5.16	\$ 56.74

*Period of time for which rates are applicable: January, 2015 thru December, 2015*

<u>Classification</u>	<u>Raw Wage Rate</u>	<u>Audited OH Rate</u>	<u>Profit 10%</u>	<u>Regular Billing Rate</u>
Principal Engineer	\$ 41.62	\$ 65.75	\$ 10.74	\$ 118.11
Construction Admin	\$ 20.39	\$ 32.22	\$ 5.26	\$ 57.87

Mark C. McConnell  
Deputy Executive Director/  
Chief Engineer

Charles R. Carr  
Director  
Office of Intermodal Planning



Lisa M. Hancock  
Deputy Executive Director/  
Administration

Willie Huff  
Director  
Office of Enforcement


Melinda L. McGrath  
Executive Director

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November 7, 2013

**MEMORANDUM**

**TO:** Scot Ehrgott  
Director, Consultant Services Unit

**FROM:** Diane Gavin   
Audit Director

**SUBJECT:** Canon Engineering, LLC  
Accepted Overhead Rate for the Year Ended December 31, 2012

The Internal Audit Division (IAD) of the Mississippi Department of Transportation (MDOT) has received the schedule of indirect costs and overhead rate calculation of Canon Engineering, LLC for the year ended December 31, 2012. IAD has performed a risk assessment to determine the acceptability of the overhead rate presented.

Based on the risk assessment performed, MDOT should accept the overhead rate presented as a **provisional** rate: **158.00%**

The accepted provisional rate is subject to adjustment if an audit of the overhead rate for the year ended December 31, 2012 is conducted. An audited overhead rate must be submitted by Canon Engineering, LLC as soon as the cumulative total of a contract exceeds \$250,000.

MDOT may use the accepted overhead rate for the purpose of contract negotiations. Canon Engineering, LLC may use the accepted rate for the purpose of billing its overhead costs. If applicable to the contract, overhead costs which were invoiced for services rendered from January 1, 2012 and to current by Canon Engineering, LLC will be adjusted accordingly to reflect the accepted rate as presented above.

Canon Engineering, LLC has submitted the required *Consultant Indirect Costs Rate Certification* applicable to the year ended December 31, 2012. IAD will maintain the certification on file.

MDOT requires an annual submission of a firm's overhead rate; therefore, the accepted overhead rate for the year ended December 31, 2012 is valid until September 30, 2014.