

**PUBLIC BUILDING COMMISSION OF CHICAGO
FIRST AMENDMENT
CONTRACT NUMBER PS1007**

THIS FIRST AMENDMENT AGREEMENT is made and entered into as of the 10th day of January, 2008, and is part of the contract for Job Order Contracting Consulting Services ("Agreement") between by and between the **PUBLIC BUILDING COMMISSION OF CHICAGO**, a municipal corporation of the State of Illinois ("Commission") and **The Gordian Group, Inc.**, ("Consultant") dated September 12, 2006 with the like operation and effect as if the same were incorporated therein.

WITNESS:

WHEREAS, the Commission and Consultant have previously entered into an Contract dated the 12th day of September, 2006, ("Agreement"), wherein the Consultant is to provide Job Order Consulting Services ("JOC"); and

WHEREAS, the Commission and Consultant now desire to amend the Agreement to revise the fee schedule as outlined in Schedule C Compensation of Consultant;

NOW THEREFORE, in consideration of the provisions and conditions set forth in the Agreement and this amendment, the parties mutually agree to amend the Agreement as here after stated.

It is agreed by and between the parties hereto that the sole modification of, changes in, and amendments to the Agreement pursuant to this Amendment are as follows:

TERMS

1. **Recitals**
THE ABOVE RECITALS ARE EXPRESSLY INCORPORATED IN AND MADE A PART OF THE AMENDMENT AGREEMENT AS THOUGH FULLY SET FORTH HEREIN.

2. **Schedule C - Compensation of Consultant**

Section C.1 Consultant Fee is revised to add the following:

C.1.1A Effective September 7, 2007 the following fee schedule will take effect:

The Commission shall pay the Consultant the following fees:

<u>Project Size</u>	<u>Fee</u>
<\$300,000	11%
\$300,000 - \$1,000,000	9%

>\$1,000,000

7%

Additionally, the following terms and conditions shall apply to this revised fee schedule:

1. All invoices previously submitted at 11% will be paid by the Commission.
2. There will be no further invoicing for projects previously billed at 11% (i.e., the additional 3% fee specified in the Agreement will not be billed).
3. To recover our start-up costs, Consultant will invoice the four (4) projects listed below at 11% (all other projects will be billed according to the revised fee schedule above):
 - a. Fleet Additional Work
 - b. Skinner – Phase 3
 - c. PD – 23
 - d. Langston Hughes Demo – Phase 2
4. Effectively immediately, Consultant will submit one invoice for each project when the Notice To Proceed ("NTP") is issued to the JOC Contractor.
5. The above revised fee schedule is based on an annual volume of at least \$16,000,000. Consultant respectfully requests the opportunity to revisit the fee structure in the event the annual volume falls below \$16,000,000.

Execution of this Amendment by the Consultant is duly authorized by the Consultant, and the signature(s) of each person signing on behalf of the Consultant have been made with the complete and full authority to commit the Consultant to all terms and conditions of this Amendment.

All capitalized terms not defined herein shall have the meaning ascribed to them in the Agreement. Except as and to the extent that the terms of the Agreement are amended and modified herein, all terms of the Agreement shall remain in force and effect.

IN WITNESS WHEREOF, the parties hereto have agreed and executed this Amendment Agreement No. 1.

ATTEST:

PUBLIC BUILDING COMMISSION
OF CHICAGO

BY: Edgwick C. Johnson Date: 1-23-08
Edgwick C. Johnson
Secretary

BY: Richard M. Daley Date: _____
Richard M. Daley
Chairman

CONSULTANT

The Gordian Group, Inc.

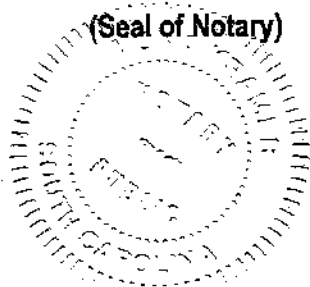
By: David L. Mahler Date: 1/18/08
David L. Mahler
~~Secretary~~ Vice President of Finance

Subscribed and sworn to me this

18th day of January 2008.

Mona R. Gunders
Notary Public

My Commission expires: _____ My Commission Expires
April 1, 2014





**THE
GORDIAN
GROUP®**

September 7, 2007

Mr. Paul Spiels
Director of Development
Public Building Commission
50 West Washington, Suite 200
Chicago, IL 20206

Re: PBC Revised Fee Schedule

Dear Paul:

This letter is submitted to you to confirm your conversation with Jon Van Daveer regarding The Gordian Group's (TGG) fee structure. Because the size of projects awarded to TGG is substantially larger than anticipated when the contract was executed, TGG is willing to reduce the fees charged to the PBC. We propose the following revised fee schedule:

<u>Project Size</u>	<u>Fee</u>
<\$300,000	11%
\$300,000 - \$1,000,000	9%
>\$1,000,000	7%

Additionally, the following terms and conditions shall apply to this revised fee schedule:

1. All invoices previously submitted at 11% will be paid by the PBC.
2. There will be no further invoicing for projects previously billed at 11% (i.e., the additional 3% fee specified in the contract will not be billed).
3. To recover our start-up costs, TGG will invoice the four (4) projects listed below at 11% (all other projects will be billed according to the revised fee schedule above):
 - a. Fleet Additional Work
 - b. Skinner - Phase 3
 - c. PD - 23
 - d. Langston Hughes Demo - Phase 2
4. Effectively immediately, TGG will submit one invoice for each project when the NTP is issued to the JOC Contractor.
5. The above revised fee schedule is based on an annual volume of at least \$16,000,000. We respectfully request the opportunity to revisit the fee structure in the event the annual volume falls below \$16,000,000.

To ensure the PBC's success with JOC, it is important for all parties to understand that our revised fee schedule is comprised of three distinct components, representing the services provided by TGG:

- The JOC System License Fee is 2%
- The Scope Development and Procurement Fee varies between 6% and 2%, based upon project size
- The Construction Management Fee at 3%

The JOC System License Fee and the Scope Development and Procurement Fee are not construction related and should not be included in the ledger sheet for the construction budget or

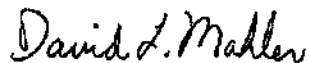
costs. The only fee that should be included in the soft costs for construction is the 3% fee for the Construction Management services provided by TGG. We suggest that the PBC revise how TGG's fees are accounted for to better reflect the services provided.

The current perception of the Owners and the PMO is that the TGG Construction Management fee is either 14% or 11%. However, this is not true. Only 3% of our fee is attributed to Construction Management. The balance of our fee, which is being reduced according to the revised fee schedule above, is for administration and procurement of the projects.

TGG believes that that the use of JOC will result in great savings to the PBC and the Owners served by PBC. We request your help to dispel the perception that JOC is too expensive because of TGG's fee. TGG can't do this alone. The PBC needs to help educate the PMO and the Owners that JOC results in an overall savings to the project. Additionally, we request that you advise the PMO that JOC is the preferred method for site preparation construction for the PBC construction sites.

We appreciate the confidence you have placed in TGG. Please let me know if our revised fee structure is acceptable to the PBC.

Sincerely



David L. Mahler
Business Manager