



Dalsin Inc

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Re: Metal Wall Panels at West Radius Wall

The following is summary of the some of the past events that have transpired over the last 1 ½ years on the Denny Sanford Premier Center in Sioux Falls, SD regarding the metal panels on the radius west elevation.

Dalsin Inc. is extremely dedicated to the success of the new events center as evidence of our willingness to work without pay since May, 2014 in order to have work completed by opening day. There is currently approximately \$500,000 that is past due. Filing the lien was our last resort as our correspondence with Mortenson has not been shared with all interested parties.

As previously discussed with Mortenson, Koch Hazard Architects-Design team, and the owner (City of Sioux Falls), Dalsin Inc. did not install the metal panels at the west radius elevation. There is also approved shop drawings and submittals which are signed off on by Koch Hazard Architects (Owner rep and Designer) on April 22, 2013 and Mortenson on April 9, 2013 that notes “some oil canning of the panels is common in the industry and is not cause for product rejection”.

In reviewing the mockup that was fabricated in Dalsin Inc. yard per Mortenson request, there was deflection in the end swedge panel joints of the flush panels (see attached photo). The mockup, which showed some deflection in the end swedge panel joints of the flush panels was reviewed by all parties including The City of Sioux Falls, MA Mortenson, Koch Hazard Architects, Sink Combs Dethlefs, and Dalsin Inc prior to installing any metal panels on the building. The mockup was placed on the south edge of Dalsin Inc.’s yard for the convenience of all parties to review and approve per Mortenson. We personally witnessed the following attendees view the mock up: Mark Cotter (City of Sioux Falls), Kendra Siemonsma (City of Sioux Falls), Shannon Verhey (City of Sioux Falls), Keith Thomspson (Koch Hazard), Mike Harvey (SCD) Dan Kingston (MAM), Jason Miranowski (MAM), Andrea Miller (MAM), Dick Strassburg (Tegra Group) among others.

The sample mockup display was built to replicate the radius of the west elevation to ensure the panels could be installed on the west radius wall. Dalsin Inc. was not responsible for specifying this panel nor was involved in any building design. Preliminary design by the Architects called for an insulated composite metal wall panel that had an estimated cost of approximately \$4.8 million. Through the budgetary process, the design team-Architects, MA Mortenson, and the owner chose to eliminate this panel and substitute with a corrugated and flush metal panel produced by one of the 5 manufactures specified. All parties approved IMETCO (Manufacturer of Metal Panels) materials with review and approval of the literature, shop drawings, and mockups for an approximate \$3 million dollar savings. None of the 5 manufactures specified offer a pre-curved panel.

The sample mockup display that was fabricated was approximately 4' tall X 16' long as directed by Mortenson, which was built to imitate the radius of the west wall. The overall length of the west radius elevation is approximately 63' x 385'. There were 2 swedge joints shown on the sample mockup display and there were approximately 1,500 swedge joints on the actual west radius wall. As illustrated in the comparisons above, the mockup was an extremely small sample of the actual west radius wall condition.

Mortenson and the City had a lengthy opportunity to address any concerns over the aesthetics of the metal flush panels installed by MG McGrath prior to the completion of the west wall. The installation of the metal panels on the radius west wall began on February 22, 2014. During the course of the project, Mortenson and the Architect inspected the overall installation of the metal wall panels on a weekly basis. Through our discussions with Mortenson, the Judd Allen Associates report (3rd Party Consultant Hired by the City of Sioux Falls) alludes to the fact that the product was performing as specified and approved per all parties. We feel this report needs to be made public. They told us and assured MG McGrath that they were satisfied with the appearance and quality of the metal panels on the west elevation installed by MG McGrath of Minneapolis (Metal Wall Panel Experts) who were hired by Mortenson to install the west elevation.

In conclusion, Dalsin, Inc. installed the metal panels required by the contract according to the contract. Dalsin, Inc. did not even install the metal panels on the west elevation, which we understand is the City's primary area of concern.

On February 13, 2014 per conference call approximately 8:30 a.m. established with Jason Miranowski (MAM-Construction Executive), Michael Dalsin (Dalsin Inc.-President), Dan Mehls (MAM-Vice President, and Jared Kuik (Dalsin Inc.-Operations Manager), Mortenson expressed concern to Dalsin Inc. regarding the agreed upon metal panel schedule on the west radius elevation. Dalsin Inc. informed Mortenson there were additional Dalsin Inc. metal panel employees immediately available and requested a 2 week opportunity to show our performance prior to being forced by Mortenson to augment the schedule with MG McGrath of Minneapolis (Metal Wall Panel Experts). With Dalsin Inc.'s 20 year past working relationship with Mortenson (Dan Mehls), we were surprised that our request was denied. Dalsin Inc. was forced to agree to allow MG McGrath of Minneapolis to install the metal panels at the west radius wall; otherwise Dan Mehls stated he would default our contract. At the time of this conversation Dalsin Inc. was not behind on the agreed upon schedule. McGrath then did the work on the west elevation under the direction and supervision of Mortenson. We asked Mortenson what, if any, options there were, to which they stated "none", they would default our contract if we did not sign the agreement dated February 20, 2014. This agreement allowed Mortenson to withhold our agreed upon funds to pay MG McGrath.

Jared Kuik
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