

UNION COUNTY IMPROVEMENT AUTHORITY

1499 US Highway One, North, 3rd Floor
 Rahway, New Jersey, 07065
www.ucimprovementauthority.org
 (732) 382-9400 (732) 382-5862 fax

Resolution No. 88-2016

Date: September 7, 2016

RESOLUTION OF THE UNION COUNTY IMPROVEMENT AUTHORITY APPROVING CHANGE ORDER NO. 5 TO THE CONTRACT FOR CONSTRUCTION OF THE NEW UNION COUNTY FAMILY COURTHOUSE BUILDING AT CHERRY STREET, ELIZABETH, NEW JERSEY.

APPROVED AS TO FORM:
 Lisa M. da Silva, RMC
 Clerk of the Authority

Lisa M. da Silva

APPROVED AS TO SUFFICIENCY OF FUNDS
☐ YES ☐ NO ☐ NONE REQUIRED
 UNION COUNTY IMPROVEMENT AUTHORITY

Blw. B. -

	PRESENT	ABSENT	AYE	NAY	ABSTAIN	MOTION	SECOND
<i>Bornstad</i>		✓					
<i>D'Elia</i>		✓					
<i>Hockaday</i>	✓		✓			✓	
<i>Lattimore</i>	✓		✓				
<i>Salerno, Secretary</i>	✓		✓				
<i>Szpond</i>		✓					
<i>Tomko, Treasurer</i>	✓		✓				
<i>Rountree, Vice Chair</i>	✓		✓				✓
<i>Scutari, Chairman</i>	✓		✓				

**RESOLUTION OF THE UNION COUNTY IMPROVEMENT AUTHORITY
APPROVING CHANGE ORDER NO. 5 TO THE CONTRACT FOR
CONSTRUCTION OF THE NEW UNION COUNTY FAMILY
COURTHOUSE BUILDING AT CHERRY STREET, ELIZABETH, NEW
JERSEY.**

WHEREAS, the Union County Improvement Authority (the "Authority") has been created by resolution of the Board of Chosen Freeholders of the County of Union as a public body corporate and politic of the State of New Jersey, pursuant to and in accordance with the County Improvement Authorities Law, N.J.S.A. 40:37A-44 *et seq.*, and the acts amendatory thereof and supplemental thereto; and

WHEREAS, the Authority has entered into a Shared Services Agreement dated November 1, 2011 with the County of Union (the "County"), pursuant to the Uniformed Shared Services and Consolidation Act, N.J.S.A. 40A:65-1, *et seq.*, in which the County has requested that the Authority assist it with the design, financing, management and construction of a new Family Court Building and Parking Deck for the Superior Court, County of Union (the "Project") in Elizabeth, New Jersey, and the Authority has agreed to undertake all actions necessary to implement the Project; and

WHEREAS, on June 12, 2013, the Authority awarded a contract for the construction of the new Union County Family Court Building to APS Contracting Inc. (the "Contract") as the lowest responsible bidder, exclusive of the deduct alternate, in the amount of \$33,380,000.00, in accordance with N.J.S.A. 40A: 11-1 *et seq.*; and

WHEREAS, in accordance with the Contract, Fidelity and Deposit Company of Maryland, and Zurich American Insurance Company ("Surety") issued a Performance/Payment/Warranty Bond, identified as Bond No. PRF8359373, dated June 24, 2013, on behalf of APS in connection with the Project (the "Bond"); and

WHEREAS, APS Contracting Inc. subsequently failed to perform in accordance with the terms and conditions of the Contract; and

WHEREAS, on or about April 30, 2015, the Executive Director terminated the Contract with APS in accordance with terms and conditions of the Contract; and

WHEREAS, the Authority subsequently executed a Takeover Agreement with the Surety for the completion of the Project; and

WHEREAS, the Project now has a need for certain changes the cost of which is anticipated to be \$646,000.00, as detailed in Change Order No. 005, attached hereto and made a part hereof; and

WHEREAS, the Project also requires an increase in the close-out contingencies anticipated to be no more than \$344,000.00, as detailed in Change Order No. 005, attached hereto and made a part hereof ("Close-out Contingencies"); and

WHEREAS, the Construction Manager is still in the process of evaluating certain contingency requests from the Surety and may reduce the amount of the Close-out Contingencies to an amount less than \$344,000.00; and

WHEREAS, the total amount of Change Order No. 005, attached hereto and made a part hereof, including changes and Close-out Contingencies, vetted and approved by the Construction Manager, is not more than \$990,000.00; and

WHEREAS, the changes and Close-out Contingencies are necessary and reasonable for the Project;

NOW, THEREFORE, BE IT RESOLVED by the Union County Improvement Authority that Change Order No. 005 be hereby approved in the amount of not more than \$990,000.00, subject to the availability of funds, as detailed in Change Order No. 005, attached hereto and made a part hereof.

BE IT FURTHER RESOLVED that the Executive Director, in consultation with the Construction Manager and the Architect, is hereby authorized and directed, subject to the availability of funds, to utilize no more than \$344,000.00, of the \$990,000.00 approved under Change Order No. 005, to address the costs of certain Close-out Contingencies.

BE IT FURTHER RESOLVED that this resolution shall take effect immediately.

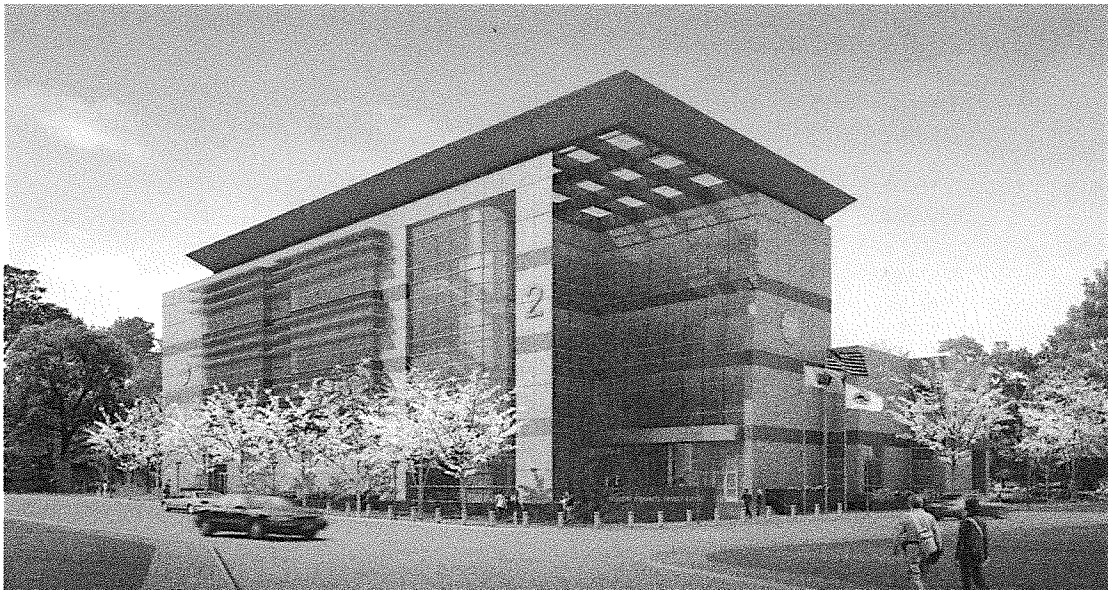
UNION COUNTY COURTHOUSE CHERRY STREET ANNEX

CHANGE ORDER: #005

DATE: SEPTEMBER 7, 2016

SUBMITTED TO: UNION COUNTY IMPROVEMENT AUTHORITY
C/O UNION COUNTY UTILITIES AUTHORITY
1499 ROUTES 1& 9 NORTH
RAHWAY, NJ 07065

PROJECT: UNION COUNTY COURTHOUSE
CHERRY STREET ANNEX
2 CHERRY STREET
ELIZABETH, NEW JERSEY



RENDERING OF THE UNION COUNTY FAMILY COURT BUILDING PROVIDED BY NETTA ARCHITECTS

SUBMITTED BY:

MAST

MAST CONSTRUCTION SERVICES, INC.

September 7, 2016

Mr. Daniel P. Sullivan
Executive Director
Union County Improvement Authority
C/o UCUA
1499 Routes 1& 9 North
Rahway, NJ 07065

Re: Union County Courthouse Building – Change Order #5

Dear Mr. Sullivan:

Enclosed please find Change Order Request (#005) from Perini Management Services on behalf of Zurich North America in the amount of \$990,000.00 for the above referenced project.

Also enclosed is a brief narrative which summarizes and categorizes the submitted, pending and anticipated Potential Change Orders (PCO's) that compose this Change Order.

A formal change order (AIA Change Order #005) to their contract has been drafted and enclosed for your signature authorizing the additional work.

If you should have any questions, please do not hesitate to call.

Very truly yours,

MAST Construction Services, Inc.



Jim Napolitano
Project Executive

Enclosures

cc:	Mr. Mark Brink	UCIA
	Mr. Nicholas Netta	Netta Architects
	Mr. Larry Uher	Netta Architects
	Mr. Jonathan Williams Esq.	DeCotiis, Fitzpatrick & Cole, LLP
	Mr. Ted Domuracki	MAST Construction Services, Inc.

**UNION COUNTY COURTHOUSE
CHERRY STREET ANNEX**

TABLE OF CONTENTS

SECTION 1	AIA DOCUMENT G701/CMA - 1992
SECTION 2	CHANGE ORDER #005 NARRATIVE

DRAFT AIA® Document G701/CMa™ - 1992

Change Order - Construction Manager-Adviser Edition

PROJECT (Name and address):
Union County Family Court Building

CHANGE ORDER NUMBER: 005
INITIATION DATE: 9/1/16

TO CONTRACTOR (Name and address):
Zurich North America
on behalf of Fidelity and Deposit
Company of Maryland
P.O.B. 968038
Schaumburg, IL 60196

PROJECT NUMBERS: /
CONTRACT DATE: July 1, 2013
CONTRACT FOR: General
Construction

OWNER: ☒
CONSTRUCTION MANAGER: ☒
ARCHITECT: ☒
CONTRACTOR: ☒
FIELD: ☐
OTHER: ☐

THE CONTRACT IS CHANGED AS FOLLOWS:

- 1) County & State Requested Changes - \$254,000.00 – This total includes costs for changes that were requested by the owner and/or end user after final design documents were prepared.
- 2) Authorities Holding Jurisdiction (AHJ) - \$75,000.00 – This total includes costs for changes that were required by authorities, e.g., City of Elizabeth, Utility Authorities, Juvenile Justice Commission (JJC).
- 3) Field Conditions - \$45,000.00 – This total includes costs for changes that resulted from unforeseen conditions.
- 4) Scope Changes - \$127,000.00 – This total captures costs resulting from a change to the contractor's original scope of work.
- 5) Design Changes - \$145,000.00 – This total includes costs for changes that result from design errors and/or omissions.
- 6) Closeout Contingency - \$344,000.00 – This total consists of estimated costs that Perini has provided without the associated backup for pending PCO's to date.

The original Contract Sum was
Net change by previously authorized Change Orders
The Contract Sum prior to this Change Order was
The Contract Sum will be increased by this Change Order in the amount of
The new Contract Sum including this Change Order will be

\$	33,380,000.00
\$	2,477,581.36
\$	35,857,581.36
\$	990,000.00
\$	36,847,581.36

The Contract Time will be increased by Zero (0) days.
The date of Substantial Completion as of the date of this Change Order therefore is 1/4/17.

NOTE: This summary does not reflect changes in the Contract Sum, Contract Time or Guaranteed Maximum Price which have been authorized by Construction Change Directive..

NOT VALID UNTIL SIGNED BY THE OWNER, CONSTRUCTION MANAGER, ARCHITECT AND CONTRACTOR.

MAST Construction Services, Inc.

CONSTRUCTION MANAGER (Firm name)

96 East Main Street, Little Falls, NJ 07424

ADDRESS

BY (Signature)

(Typed name)

DATE:

Zurich North America

CONTRACTOR (Firm name)

P.O.B. 968038, Schaumburg, IL 60196

ADDRESS

BY (Signature)

Paul Grego

(Typed name)

DATE:

Netta Architects

ARCHITECT (Firm name)

1084 Route 22 West, Mountainside, NJ 07092

ADDRESS

BY (Signature)

(Typed name)

DATE:

Union County Improvement Authority

OWNER (Firm name)

1499 Routes 1 & 9 North, Rahway, NJ 07065

ADDRESS

BY (Signature)

Dan Sullivan

(Typed name)

DATE:

COUNTY OF UNION
Courthouse Building
MAST Construction Services

Change Order #5 Narrative
September 7, 2016

The following is a brief summary of the costs allocations for the Pending/Potential Change Orders (PCO's) that compose Change Order #5 for the Union County Courthouse Building project. PCO's typically result from and are tracked by one of five reason categories: County & State Request, Authority Holding Jurisdiction (AHJ), Field Conditions, Scope Changes and Design Changes.

To date, a limited number of PCO's have been submitted with complete detail and backup which we have categorized below. MAST & Netta have completed a cursory review of these PCO's to confirm their legitimacy, while we are still in the process of fully vetting them to validate cost. Documentation is still pending for the remaining PCO's. Therefore, they cannot be reviewed, categorized, or negotiated at this time. Thus we have created a "Closeout Contingency" category for the purpose of allocating the anticipated costs.

1) County & State Requested Changes – This total includes costs for changes that were requested by the owner and/or end user after final design documents were prepared.	\$254,000
2) Authorities Holding Jurisdiction (AHJ) – This total includes costs for changes that were required by authorities, e.g., City of Elizabeth, Utility, Juvenile Justice Commission (JJC).	\$75,000
3) Field Conditions – This total includes costs for changes that resulted from unforeseen conditions.	\$45,000
4) Scope Changes – This total captures costs resulting from a change to the contractor's original scope of work.	\$127,000
5) Design Changes – This total includes costs for changes that result from design errors and/or omissions.	\$145,000
Subtotal	\$646,000
6) Closeout Contingency – This total consists of estimated costs for PCO's pending submission by Perini.	\$344,000
Change Order Total	\$990,000