

RESOLUTION NO. 2014-417

A RESOLUTION AUTHORIZING THE ISSUANCE OF AN AMENDATORY SUPPLEMENTAL CHANGE ORDER NO. 1, TO CONTRACT NO. C12-0086, ISSUED TO WEG ELECTRIC CORP., DULUTH, GA.

WHEREAS, the City Council of the City of Vineland, on December 26, 2012, adopted Resolution No. 2012-517, entitled “A RESOLUTION AWARDED A CONTRACT TO WEG ELECTRIC CORP., DULUTH GA, FOR THE FURNISHING AND DELIVERY OF GENERATOR STEP UP TRANSFORMER (CLAYVILLE UNIT 1)”; and

WHEREAS, N.J.A.C. 5:30-11.1, et seq., sets forth the requirements for the processing of change orders; and

WHEREAS, the Clayville Unit 1 construction project was delayed by construction contract litigation which occurred after this Generator Step Up Transformer contract was awarded; these delays impacted the delivery schedule for this contract, resulting in a request to WEG to propose options for accommodating the delay in delivery of the transformer; and

WHEREAS, the management personnel of the Electric Utility is requesting that an amendment be made to contract awarded to WEG Electric Corp., Duluth, GA for furnishing and delivery of Generator Step Up Transformer (Clayville Unit 1), as authorized by Resolution No. 2012-517; said amendment is made necessary to incorporate the following modification:

WEG proposed an amended milestone payment schedule in exchange for Temporary storage of the transformer by WEG at no cost to the Vineland Municipal Electric Utility; and

WHEREAS, the City of Vineland desires to comply with said requirements of N.J.A.C. 5:30-11.1, et seq., and to that end herewith files with the governing body a report stating the facts involved and indicating that the proposed change order may be allowed under these regulations; now, therefore,

BE IT RESOLVED by the Council of the City of Vineland that said amendatory supplemental change order to Contract No. C12-0086, issued to WEG Electric Corp., Duluth, GA, be and the same is hereby ratified and approved.

Adopted:

President of Council

ATTEST:

City Clerk



October 7, 2014

REPORT

TO: THE MAYOR AND COUNCIL

RE: Amendatory Supplemental Change Order No. 1
Contract No. C12-0086
Generator Step Up Transformer (Clayville Unit 1)
WEG Electric Corp., Duluth, GA

Dear Mayor and Members of Council:

We are requesting that an amendatory supplemental change order be issued for Contract No. C12-0086, issued to WEG Electric Corp., Duluth, GA for the furnishing and delivery of Generator Step Up Transformer (Clayville Unit 1). This contract was authorized by Resolution No. 2012-517, adopted by City Council on December 26, 2012.

The Clayville Unit 1 construction project was delayed by construction contract litigation which occurred after this Generator Step Up Transformer contract was awarded. These delays impacted the delivery schedule for this contract. As a result of the delay in the construction schedule, the Electric Utility requested that WEG propose options for accommodating the delay in delivery of the transformer

This change order requested will incorporate the following modification:

WEG proposed an amended milestone payment schedule in exchange for Temporary storage of the transformer by WEG at no cost to the Vineland Municipal Electric Utility.

The amendatory supplemental change order for which authorization is herein requested may be authorized in accordance with N.J.A.C. 5:30-11.1 et seq.

Respectfully submitted,

Denise Monaco
Assistant Business Administrator

DM/wr
Encl.



Peter J. Kudless
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Fax: (856) 405-4625



REQUEST FOR CHANGE ORDER
FOR:

Generator Step Up Transformer for Clayville Unit #1
PROJECT NAME

TO: BUSINESS ADMINISTRATION

DEPARTMENT: VMEU Generation Engineering FROM: Pete Kudless, Project Manager

This is a request for change order # 1 to Contract # C12-0086 for:

Project Name: Generator Step Up Transformer for Clayville Unit #1

Name/Address of Contractor: WEG Electric Corp.
6655 Sugarloaf Parkway
Duluth, GA 30097

This change order is necessary to incorporate the following modification to this contract (Resolution 2012-517 attached):

- 1) The Clayville Unit 1 construction project was delayed by construction contract litigation which occurred after this Generator Step Up Transformer contract was awarded. These delays impacted the delivery schedule for this Generator Step Up Transformer contract. As a result of the delay in the construction schedule, VMEU requested that WEG propose options for accommodating this delay in delivery of the transformer. WEG has proposed an amended milestone payment schedule in exchange for temporary storage of the transformer by WEG at no cost to VMEU (see attached e-mail dated June 23, 2014, Option #1). Without the amended payment schedule, WEG proposes to charge VMEU \$12,000.00 for temporary storage. The accelerated payment schedule proposal has been evaluated by VMEU and determined to be cost effective and in the best interests of the City of Vineland (see attached analysis spreadsheet). The City of Vineland Finance Department concurs with this evaluation (see attached e-mail dated September 24, 2014). This Contract Modification does not change the contract price.





Peter J. Kudless
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Original Contract Amount:	\$ <u>988,543.00</u>
Amount of This Change Order:	\$ <u>0.00</u>
Previous Change Orders:	\$ <u>0.00</u>
Total Revised Amount:	\$ <u>988,543.00</u>

APPROVED BY: J A ISABELLA
Print/Type

[Signature]
Signature

NOTE:
CHANGE ORDERS CANNOT EXCEED 20% OF THE ORIGINAL CONTRACT AMOUNT

Please provide the account number that the change order will be charged to:

Account # 022-0-00-00-0000-2-7511600 E345Y

- CC: Purchasing Division
Gus Foster [Signature]
Pete Kudless [Signature]
Jeff Davis [Signature]
Yolanda Hill [Signature]

