

CONTRACT CHANGE ORDER

Change Order No.	1
Date	1/6/2014
State	Kentucky
County	Fayette

Contract For:
Emergency Generator Connections Bid #68-2013
Owner:
Lexington-Fayette Urban County Government
To:
T.E.M. Group, Inc.

(Contractor)

You are hereby requested to comply with the following changes from the Contract Drawings and Specifications:

Description of Changes	DECREASE in Contract Price	INCREASE in Contract Price
A. Delete the QCDT disconnect switch for McCubbins Pump Station	\$8,000.00	
B. Delete the QCDT disconnect switch for Woodbine Pump Station	\$8,000.00	
C. Delete the installation of the QCDT disconnect switch for Lexington Manor Pump Station	\$4,000.00	
D. Retainage shall be withheld in accordance with Section 13.2 of the attached General Conditions Section 13.	\$0.00	\$0.00
E. Payment for Stored Materials will be provided in accordance with Section 13.2 of the attached General Conditions Section 13.	\$0.00	\$0.00
TOTALS	\$20,000.00	\$0.00
NET CHANGE IN CONTRACT PRICE	\$20,000.00	\$0.00

JUSTIFICATION:

- A - C. Delete QCDT disconnect switches from several pump stations at the Owner's request
- B. Allow provisions for retainage in partial payments
- C. Allow provisions for payment for stored materials in partial payments

PREVIOUS CONTRACT AMOUNT BEFORE CHANGE ORDER \$393,067.00

The amount of the Contract will be **Decreased** By the Sum Of: TWENTY THOUSAND AND 00/100
Dollars \$20,000.00

The Contract Total including this and previous Change Orders will be: THREE HUNDRED NINETY-THREE THOUSAND SIXTY-SEVEN AND 00/100
Dollars \$373,067.00

The Contract Period provided for Completion will be **Increased**. 30 Days.

This document will become a supplement to the Contract and all provisions will apply hereto.

Requested: 1/15/14
(Owner) *(Date)*

Recommended: 1/6/14
(Owner's Engineer) *(Date)*

Accepted: Ron Boney, CFO T.E.M. Group, Inc. 1/7/14
Ron Boney, CFO *(Contractor)* *(Date)*

13. PAYMENTS TO CONTRACTOR AND COMPLETION

13.1 Schedule of Values

The schedule of values established as provided in paragraph 2.8 will serve as the basis for progress payments and will be incorporated into a form of Application for Payment acceptable to ENGINEER. Progress payments on account of Unit Price Work will be based on the number of units completed.

13.2 Application for Progress Payment

At least ten days before each progress payment is scheduled (but not more often than once a month), CONTRACTOR shall submit to ENGINEER for review an Application for Payment filled out and signed by CONTRACTOR covering the Work completed as of the date of the Application and accompanied by such supporting documentation as is required by the Contract Documents. If payment is requested on the basis of materials and equipment not incorporated in the Work but delivered and suitably stored at the site or at another location agreed to in writing, the Application for Payment shall also be accompanied by a bill of sale, invoice or other documentation warranting that OWNER has received the materials and equipment free and clear of all liens, charges, security interests and encumbrances (which are hereinafter in these General Conditions referred to as "Liens") and evidence that the materials and equipment are covered by appropriate property insurance and other arrangements to protect OWNER'S interest therein, all of which will be satisfactory to OWNER. OWNER shall, within thirty (30) calendar days of presentation to him of an approved Application for Payment, pay CONTRACTOR the amount approved by ENGINEER. Monthly progress payments shall be ninety (90) percent of the sum obtained by applying the respective bid unit prices to the approved estimated quantities of work completed by the Contractor during the preceding month. The remaining ten (10) percent will be held by the Owner, as retainage. At such time as the Engineer deems appropriate - based on the quality of work performed, progress of cleanup, and other pertinent factors - the rate of retainage, or the total amount retained, may be reduced; although, any reduction in retainage, below the ten (10) percent level, is made solely at the Engineer's discretion. All remaining retainage held will be included in the final payment to the Contractor.

13.3 CONTRACTOR'S Warranty of Title

CONTRACTOR warrants and guarantees that title to all Work, materials and equipment covered by any Application for Payment, whether incorporated in the Project or not, will pass to OWNER no later than the time of payment free and clear of all Liens.

13.4 Review of Applications for Progress Payment

13.4.1 Submission of Application for Payment

ENGINEER will, after receipt of each Application for Payment, either indicate in writing a recommendation of payment and present the Application to OWNER, or return the Application to CONTRACTOR indicating in writing ENGINEER'S reasons for refusing to recommend payment. In the latter case, CONTRACTOR may make the necessary corrections and resubmit the Application.

13.4.2 ENGINEER'S Recommendation

ENGINEER may refuse to recommend the whole or any part of any payment, if, in ENGINEER'S opinion, it would be incorrect to make such representations to OWNER. ENGINEER may also refuse to recommend any such payment, or, because of subsequently discovered evidence or the results of subsequent inspections or tests, nullify any such payment previously recommended, to such extent as may be necessary in ENGINEER'S opinion to protect OWNER from loss because:

13.4.2.1 the Work is defective, or completed Work has been damaged requiring correction or replacement;

13.4.2.2 the Contract Price has been reduced by Written Amendment or Change Order;

13.4.2.3 OWNER has been required to correct defective Work or complete Work in accordance with paragraph 12.8; or

13.4.2.4 of ENGINEER'S actual knowledge of the occurrence of any of the events enumerated in paragraphs 14.2.1 through 14.2.9 inclusive.

13.5 Partial Utilization

OWNER at any time may request CONTRACTOR in writing to permit OWNER to use any such part of the Work which OWNER believes to be ready for its intended use and has been completed. If CONTRACTOR agrees, CONTRACTOR will certify to OWNER that said part of the Work is complete and request that a Certificate of Completion be issued for that part of the Work.

13.6 Final Inspection

Upon written notice from CONTRACTOR that the entire Work or an agreed portion thereof is complete, ENGINEER will make a final inspection with CONTRACTOR and will notify CONTRACTOR in writing of all particulars in which this inspection reveals that the Work is incomplete or defective. CONTRACTOR shall immediately take such measures as are necessary to remedy such deficiencies.

13.7 Final Application for Payment

After CONTRACTOR has completed all such corrections to the satisfaction of ENGINEER and delivered all maintenance and operating instructions, schedules, guarantees, Bonds, certificates of inspection, marked-up record documents (as provided in paragraph 5.14) and other documents - all as required by the Contract Documents, and after ENGINEER has indicated that the Work is acceptable (subject to the provisions of paragraph 13.10), CONTRACTOR may make application for final payment following the procedure for progress payments. The final Application for Payment shall be accompanied by all documentation called for in the Contract Documents, together with complete and legally effective releases or waivers (satisfactory to OWNER) of all Liens arising out of or filed in connection with the Work. In lieu thereof and as approved by OWNER, CONTRACTOR may furnish receipts or releases in full; an affidavit of CONTRACTOR that the releases and receipts include all labor, services, material and equipment for which a Lien could be filed, and that all payrolls, material and equipment bills, and other indebtedness connected with the Work for which OWNER or OWNER'S property might in any way be responsible, have been paid or otherwise satisfied; and consent of the surety, if any, to final payment. If any Subcontractor or Supplier fails to furnish a release or receipt in full, CONTRACTOR may furnish a Bond or other collateral satisfactory to OWNER to indemnify OWNER against any Lien.

13.8 Final Payment and Acceptance

13.8.1 ENGINEER'S Approval

If, on the basis of ENGINEER'S observation of the Work during construction and final inspection, and ENGINEER'S review of the final Application for Payment and accompanying documentation - all as required by the Contract Documents, ENGINEER is satisfied that the Work has been completed and CONTRACTOR'S other obligations under the Contract Documents have been fulfilled, ENGINEER will, after receipt of the final Application for Payment, indicate in writing ENGINEER'S recommendation of payment and present the Application to OWNER for payment. Thereupon ENGINEER will give written notice to OWNER and CONTRACTOR that the Work is acceptable, subject to the provisions of paragraph 13.10. Otherwise, ENGINEER will return the Application to CONTRACTOR, indicating in writing the reasons for refusing to recommend final payment, in which case CONTRACTOR shall make the necessary corrections and resubmit the Application.

13.8.2 Delay in Completion of Work

If, through no fault of CONTRACTOR, final completion of the Work is significantly delayed, OWNER shall, upon receipt of CONTRACTOR'S final Application for Payment and recommendation of ENGINEER, and without terminating the Agreement, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance to be held by OWNER for Work not fully completed or corrected is

less than the retainage stipulated in the Agreement, and if Bonds have been furnished as required in paragraph 10 of Part II, Information for Bidders, the written consent of the surety to the payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by CONTRACTOR to ENGINEER with the Application for such payment. Such payment shall be made under the terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

13.9 CONTRACTOR'S Continuing Obligation

CONTRACTOR'S obligation to perform and complete the Work in accordance with the Contract Documents shall be absolute. Neither recommendation of any progress or final payment by ENGINEER, nor the issuance of a certificate of Completion, nor any payment by OWNER to CONTRACTOR under the Contract Documents, nor any use or occupancy of the Work or any part thereof by OWNER, nor any act of acceptance by OWNER nor any failure to do so, nor any review and approval of a Shop Drawing or sample submission, nor any correction of defective Work by OWNER will constitute an acceptance of Work not in accordance with the Contract Documents or a release of CONTRACTOR'S obligation to perform the Work in accordance with the Contract Documents (except as provided in paragraph 13.10).

13.10 Waiver of Claims

The making and acceptance of final payment will constitute:

- 13.10.1** a waiver of all claims by OWNER against CONTRACTOR, except claims arising from unsettled Liens, from defective Work appearing after final inspection or from failure to comply with the Contract Documents or the terms of any special guarantees specified therein; however, it will not constitute a waiver by OWNER of any rights in respect of CONTRACTOR'S continuing obligations under the Contract Documents; and
- 13.10.2** a waiver of all claims by CONTRACTOR against OWNER other than those previously made in writing and still unsettled.



TEM Group, Inc.
3560 Bashford Avenue
Louisville, KY 40218
Ph: 502-454-0101
Fax: 502-454-0110

January 3, 2014

Attn: Roy Burgher
Hazen & Sawyer

Ref: Change Order and Schedule of Values
Emergency Generator Connection
LGUCG – Bid #68-2013

Gentlemen:

Please find attached the original schedule of values dated December 31, 2013. Also attached is the revised schedule of values deleting the disconnect installation at Woodbine and McCubbins and Leestown West dated January 3, 2014. The credit price for McCubbin and Woolbine is \$8,000.00 each. The credit price for Lexington Manor is \$4,000.00. The reason for the \$4,000.00 difference is we have received the disconnect for Lexington Manor and will turn it over to LFUCG.

Please do not hesitate to call if you have any further questions.

Thank you,

A handwritten signature in blue ink that reads "Tom Masterson". The signature is written in a cursive, flowing style.

Tom Masterson
President

*We are Certified MBE, DBE
Equal Opportunity Employer*



*T.E.M. Electric Co., Inc.
3560 Bashford Avenue
Louisville, KY 40218
Ph. 502/454-0101
Fax: 502/454-0110*

January 6, 2014

Attn: Roy Burghar
Hazen & Sawyer

Ref: Change Order – Extension of Time
Emergency Generator Connection
LFUCG – Bid #68-2013

Gentlemen:

T.E.M. Electric is requesting an extension of time on the above referenced contract. We are requesting an extension of Thirty (30) calendar days. This would make the contract completion time August 31st, 2014 in lieu of the original time of August 1st, 2014.

Please do not hesitate to call if you have any further questions.

Thank you,

A handwritten signature in black ink that reads "Tom Masterson". The signature is written in a cursive style with a large, looping initial "T".

Tom Masterson
President

*We are Certified MBE, DBE, 8A and HUB Zone
Equal Opportunity Employer*