

**Special Meeting of the Olean Urban Renewal Agency**  
**Monday, August 10, 2020**  
**8:30 a.m.**  
**Room 119 – Olean Municipal Building**

**Attendance: Members – Chairman Charles Corcoran, Vice Chairman John Ash, Deanna Foster, Earl McElfresh, and Mayor Aiello. Staff - Keri Stephen, Community Development Program Coordinator, Jack Hart, Attorney, and Tiffany Taylor, Managerial Confidential Administrative Secretary.**

**1. Roll Call**

Mr. Corcoran called the meeting to order at 9:00 a.m. and asked that the record show that all members were present except Paul Gonzalez, who was excused.

**2. Manufacturers' Hanover Stabilization Project**

Ms. Kerper introduced Bill Zografos from Savarino Companies, and explained that they are acting as the OURA's construction manager on the parapet and stabilization portion of the project. Ms. Kerper explained that R.E. Kelley is right on schedule, and explained that the demolition has taken place on the parapet. She explained that the CMU block wall is being delivered, and the structural subcontractor with the metal will be on site this week so they will start. Mr. Corcoran asked if that is who is there now, and Mr. Zografos explained that they are there prepping. Mr. Zografos explained that they have loaded the building with the block, so if you look at the scaffolding you will see block there as well as on the roof that needs to be distributed. Mr. Zografos explained that they are preparing to put down the first step, which includes repairing the southwest corner where there is a heavy amount of corrosion. Mr. Zografos explained that they will need to cut one of the steel members off and then scab onto it and reinforce that corner before going through and putting in a 3/8 inch plate across the two channels that are at the base of the wall that is being rebuilt.

Mr. Zografos explained that they will then be leveling some outriggers in which will actually be the support for the outside gutter portion of the corners themselves. Mr. Corcoran asked if this is basically the same concept that was up there, and Mr. Zografos explained that it is. Mr. Corcoran expressed hope that the structure will last another 100 years.

Ms. Kerper explained that last Monday, she had a conference call with the Parks representatives, Sam Savarino and Courtney Cox. Ms. Kerper explained that they discussed the conditions that were found by our contractor, R.E. Kelley, and the contractor has expressed that they will not be able to guarantee their work based on the conditions that were uncovered with the roof and the membrane, and the level of saturation that currently exists.

Ms. Kerper explained that there is no sense in putting the membrane back that is completely saturated. Ms. Kerper explained that the condition is less than subpar, so it would not be a responsible thing to do to tie the existing membrane into the new wall, especially with the upcoming freeze / thaw cycle. Ms. Kerper explained that it would most likely deteriorate all of the steel work that is taking place right now, and ultimately it could pop the cement wall that they are

installing. Ms. Kerper explained that this would literally undo all of the work that they are currently doing, and it would be a devastating level of deterioration.

Ms. Kerper explained that this is an emergency situation and the Agency needs to look at the change order provided. Ms. Kerper explained that Mr. Zografos can discuss the changes in cost involved in swapping out the work. Ms. Kerper explained that the work would consist of the FRP panels being installed by R.E. Kelley and being paid for by Savarino Companies at a later date. Ms. Kerper noted that the fabrication of these panels will take months, so it would be more responsible on the Agency's part to then use the remaining grant funds received to fix the roof.

Ms. Kerper explained that, in speaking with Parks, they asked that the Agency be sure to follow General Municipal Law. Ms. Kerper explained that Mr. Hart has researched the General Municipal Law, and the Agency needs to review the change order, deem that this is an emergency, and ultimately approve the change order, if that is what Agency members believe should occur.

Mr. Hart explained that this is a real oddball situation because normally when you are dealing with an emergency, it is not going to be a necessity to rearrange the order of a construction project. Mr. Hart explained that this can qualify as an emergency because the Agency has a project that literally is on the line because if this is not taken care of at this point, the stabilization of the structure ultimately won't work. Mr. Hart explained that, in addition, it is his understanding that Savarino Companies have interior deadlines for completion of this project in order to meet qualification for credits that are crucial to the project. Mr. Hart explained that we are dealing with the reality that if we don't proceed in some manner that allows for the project to continue rather than being stalled, we could undermine the entire project.

Mr. Hart asked why Savarino Companies couldn't do the necessary work as opposed to the Agency having the work completed now. Mr. Zografos explained that at this point in order to keep the order of things moving properly, it will take Savarino Companies time to contract with R.E. Kelley in order for them to complete that portion of the work. Mr. Zografos explained that at this point in time, to have them handle this work as part of their current contract with the Agency brings a certain continuity and allows them to coordinate the work properly. Mr. Zografos explained that if they were to do this, they would then need to contract with Paramount, who is the roofer, and they would have to include their requirements on top of it. Mr. Zografos explained that this causes a change in cost, and noted that Paramount has an opening right now where they can perform the entirety of the work in a three week timeframe.

Mr. Zografos explained that they originally secured a number from Paramount Roofing of \$194,275, and after meeting with them on Friday and reviewing some details, they were able to get this number reduced to \$185,000. Mr. Zografos explained that at this point, they feel that this is a very good number, and although it seems like a high number for the small amount of roof there, there are many details on the roof that make this a much more labor intensive roof. Mr. Zografos explained that at this point part of the reasoning is that if we have them do the roof, they will coordinate all of the details so we will end up with a warranty on the complete system. Mr. Zografos explained that this keeps everything consistent and prevents an issue that is often seen in construction when a contractor brings their work up to that of another contractor. Mr. Zografos

explained that in these cases if there is a leak or an issue, the contractors often point fingers at each other, but with the coordination being done it would all fall back on R.E. Kelley in this case.

Mr. Zografos explained that he has worked with Raymond E. Kelley for decades and they are tremendous to work with. Mr. Zografos explained that they never shy away from their issues and always come back to take care of any issues that may occur. Mr. Zografos explained that this gives us a continuity of the entire assembly being under their control and their responsibility. Mr. Zografos explained that the panels on the outside are a different issue at this point, and will receive a separate warranty, although they have nothing to do with the weather tightness of the building.

Mr. McElfresh asked what the original objective was to have a wall around the roof rather than a regular roof, and Mr. Zografos explained that at the time it was designed it was an aesthetic and allowed the architect to hide anything that was on the roof at that time.

Ms. Kerper explained that when R.E. Kelley bid on the project during the competitive bid portion of the project, there was a roof trough portion and various other items that a roofer was needed for. Ms. Kerper explained that Don Warda of R.E. Kelley followed the proper procedure and solicited roofers, so in the Agency's packet she has included four proposals that were received and that he reviewed, put his notes on and they scored. Ms. Kerper explained that Paramount Roofing was ultimately the company that he properly procured, and noted that the cost of mobilizing was already borne into the project. Ms. Kerper explained that Paramount Roofing didn't come out of nowhere, and that they already had \$49,530 worth of work, so it would be the responsible thing to do to do the change order for them to proceed with the work for the entire roof.

Mr. Hart explained that he went through a scenario where he defined emergency as the possibility that this project is failing, which would be highly disappointing considering the effort that has gone into it. Mr. Hart asked if this is a true statement, and Mr. Zografos explained that it is. Mr. Zografos explained that if Savarino Companies and the URA don't close by a certain date, there is a concern that they may lose a very good portion of their financing and numbers are always tight on these projects.

Mr. Zografos explained that when you look at this roof assembly, it is like walking on a water bed and when you look inside, you would think that there would be more damage to the inside. Mr. Zografos explained that the original roof on this building was a coal tar pitch roof, which was prevalent at the time that it was put on the building. Mr. Zografos explained that as an architect he can say that these were tremendous roofs, and with a high temperature such as today's, the coal tar pitch liquefies again and seals all of the little cracks along the roof. Mr. Zografos explained that it is beautiful that way, but that there are two problems with a coal tar pitch roof; one, that when you have a roof drain it blows back into the roof drain too so they always have to be cleaned out; two, it is a known carcinogen. Mr. Zografos explained that it is a horrible product, but a great building product, and what happened here is that there are remnants of the original coal tar pitch roof on the roof deck and when the new roof is put down, it traps the water between the two layers. Mr. Zografos explained that this protects the substructure, but it pushes the water towards the end where the water has created the rotted steel.

Mr. Hart asked if the URA will receive full warranty on the roof work done, and Mr. Zografos responded that the URA will. Mr. Hart asked if we are creating risk by doing this in any way, and Mr. Zografos responded that the URA is doing asset preservation. Mr. Zografos explained that the URA is spending money rebuilding the parapet which was a safety issue, and will be receiving a contractor's warranty on that work because we are now eliminating the risk that the water that was saturated when the new roof membrane is put on, the installation is brought up to Code as required, everything is pitched towards the drains, and all of the details of any penetrations are taken care of. Mr. Zografos explained that the manufacturer of the roof, Carlisle Roofing, will be providing a 20 year total system warranty.

Ms. Kerper explained that with doing this roof, R.E. Kelley was unable to do a warranty on his work if the old roof was put back up to his work. Ms. Kerper explained that we would be setting the building up for failure if we were to do that.

Ms. Foster asked if the URA's project is going to change in scope because the URA is actually going to do the roof now, not the parapet, and Mr. Corcoran responded that the URA is still doing the parapet portion, but not the terra cotta on the outside of the roof, which will be done by Savarino Companies. Ms. Kerper explained that we are swapping out the work, and that it is almost the exact same value of around \$200,000. Mr. Zografos explained that the difference is around \$2,715.

Mr. Corcoran asked if there is a change order for the Agency to review, or if the Agency is voting on the concept at this time. Mr. Zografos explained that there is no change order at this time because they were still negotiating with Paramount Roofing to try to get the number down, and now that we have the number, a change order can be prepared. Mr. Zografos explained that board approval is required in order to move forward.

Mr. Corcoran asked what the dollar amount of the change order will be, and Mr. Zografos responded that it is \$2,715. Mr. Corcoran asked if this is not an even swap and if this is the final additional cost, and Mr. Zografos responded that it is. Mr. Zografos explained that the change order will list the cost, what items are being removed from the original contract, what the new cost will be, and what the new scope will be.

Mr. Hart explained that this change order arises out of a discovery in the condition of the building that the Agency was not aware of, which is that the steel members were deteriorating at a rapid rate and corrections need to be made to address problems in the steel members. Mr. Zografos explained that Ms. Kerper had the foresight to go through and do some exploratory, and the exploratory work done by R.E. Kelley and Roy Pederson involved opening a portion of the wall. Mr. Zografos explained that unfortunately, with a building of this length, you can look at one section and find no issues, but five feet away it could be a completely different situation and these deterioration issues were not found until the entire parapet was opened up and removed.

Mr. Zografos explained that with constant wetting and drying, steel rusts. He explained that with the removal of water, the steel will stop rusting, but it will actually start to flake and look like a puff pastry. Mr. Zografos explained that when this happens, it is called losing its section, which means that it loses its structural capability to do its job. Mr. Zografos explained that at this point,

it needs to be removed and a new piece gets welded on, while other rust that is present gets cleaned off to a good substrate and everything gets welded back.

Ms. Kerper explained that there will be some sections where R.E. Kelley will have to go further back on. Mr. Corcoran asked how the Agency will cover that cost, and Ms. Kerper responded that they still need to get us the numbers. Ms. Kerper explained that this hasn't been submitted yet because the subcontractor costs will be increased. Mr. Zografos explained that tubing issues occurred. Mr. Zografos explained that there are two channels that support the wall, which sit on other structural. Mr. Zografos explained that unfortunately, those two channels are not perfect, and there are construction tolerances that moved at times, so a solution was found.

Mr. Zografos explained that once the plate is welded on, an angle is welded on and then welded to an outrigger so it can be leveled out properly. Mr. Zografos explained that they had worked with Mr. Pederson to come up with a solution, and he had come up with one that at one point leveled the plate that goes over the two channels. Mr. Zografos explained that those plates are in ten foot sections, and trying to level a ten foot section to another ten foot section becomes very laborious. Mr. Zografos explained that they have come up with a solution that is much less laborious.

Mr. Zografos explained that an angle is welded on and a three foot section can be adjusted perfectly, then it can be clamped down, a bead can be put on it, and another piece can be welded on. Mr. Zografos explained that we are trying to keep the cost down, and overall they are looking at probably doing T&M, time and material, to keep the cost down. Mr. Zografos explained that contractors are good at mitigating the risk and in doing so, they give you a high number; however, R.E. Kelley has been doing a very good job at keeping the cost down, as they realize what the situation is. Mr. Zografos explained that, for example, when doing the shoring for the AT&T equipment, they had used timbers leftover from another project and didn't charge for trucking and things like that. Ms. Kerper explained that they were very good to us when it came to that, and that they also had some cribbing at the shop that they did not charge us for that they already had on hand. Ms. Kerper explained that they have been more than generous, to say the least.

Ms. Foster asked if at this point we have any more items that could be uncovered that could be a detriment. Mr. Zografos explained that there are a couple change orders coming, for example the leveling and the steel at the corner. Mr. Zografos explained that the connection of the flagpole going to the wall had also deteriorated to the point that it snapped, so that needs to be looked at as well. Mr. Zografos explained that when they open up the roof, the base of that will be inspected as well because at that point there may be water infiltration. Mr. Zografos explained that the good thing is that a boot was essentially put around where the pole comes down, and that is actually in great shape so unless water mitigated from around it to it, it can be used. Mr. Zografos explained that the flag weighs thousands of pounds, and although they had looked into its removal, it has been on the building since it was built so SHPO will require it to stay.

Mr. Zografos explained that this building was built very well. He explained that there was a piece of flashing in the parapet, which is unusual for that era of construction but that probably saved the parapet.

Mr. Hart asked if this is an abnormal change order, and Mr. Zografos explained that for something like this, it really isn't.

Mr. Corcoran explained that a resolution is needed for this change order, and Ms. Kerper responded that she would suggest that the URA make the determination that this is an emergency and that they approve and accept the change order for the project scope. Mr. Hart explained that the minutes could fill in the blanks, and that this is indeed an emergency. Mr. Hart explained that this classifies and emergency under Section 103 of the General Municipal Law, and this is a circumstance that requires action by the Agency. Mr. Hart explained that the Agency will need to authorize the change order which switches the work around. Mr. Hart asked if Ms. Kerper has spoken with Parks about this, and Ms. Kerper responded that she has.

Ms. Kerper explained that the Agency will see in their packets correspondence between herself and Kathleen McIssac and Kate Badgley of Parks. Ms. Kerper explained that it starts out with her sending a letter to Parks from R.E. Kelley after a conference call last week which consists of Don Warda explaining that after the on-site visit, there is a level of concern of the moisture being below the existing roof membrane and the pool of water that displaces as you walk on it. Ms. Kerper explained that Mr. Warda continued that once the parapet and cornice assembly is removed and the new portion of the parapet wall is constructed, he has concerns that the amount of moisture present could lead to the onset of deterioration of the new wall assembly. Ms. Kerper explained that she relayed this information to Parks, and Mr. Warda is stating that if the moisture level is not controlled, the freeze / thaw cycle will be the onset of deterioration and accelerate the underlying existing material deterioration. Ms. Kerper explained that this is what makes this an emergency, as we are at the end of August and a freeze / thaw cycle could begin as soon as next month.

Ms. Kerper explained that she has provided in the Agency's packet the emails back and forth between herself and Ms. McIssac and Ms. Badgley, as well as the photographs that were provided that show water infiltration. Ms. Kerper explained that these were relayed to Parks for their review. Ms. Kerper explained that she explained how R.E. Kelley procured the roofer since there was concern expressed that we were following General Municipal Law and using proper bidding process. Ms. Kerper explained that it is outlined in these emails showing what R.E. Kelley did, and explaining that this ultimately became a change order with the roofer that was already contracted by R.E. Kelley.

Ms. Kerper explained that Mr. Zografos has provided the Agency with updated numbers regarding the amounts of the roof work and the change order. Ms. Kerper explained that ultimately, we provided Parks with the backup information from roofers and their bids and Parks has advised that they opened up the CRIS (Cultural Resource Information System). Ms. Kerper explained that this system is how the Agency communicates with SHPO, and Parks has opened a token in the system so that this information can be entered into the system. Ms. Kerper explained that they have provided all of this documentation into the system for SHPO's review, and they have requested that we update our documents. Ms. Kerper explained that the architect will need to update the roofing plan for SHPO's review, and they understand the necessity of the review being done quickly and a determination made for them to ultimately review and approve this change order.

Ms. Kerper explained that the Agency will need a formal resolution showing that we followed proper procurement, that this is an emergency, and that the change order is acceptable after the Agency's review of the change of project scope in swapping out the FRP panels and part of the steel and labor to the roofing project as presented today. Mr. Corcoran explained that he feels that the resolution should include the \$2,700 cost as well.

### **RESOLUTION #02-2020**

By Mr. McElfresh, Seconded by Mayor Aiello

**TO DETERMINE THAT UNDER GENERAL MUNICIPAL LAW SECTION 103(4) THAT AN EMERGENCY HAS OCCURRED IN REGARDS TO THE MANUFACTURERS HANOVER STABILIZATION PROJECT, TO APPROVE A CHANGE ORDER SUBMITTED BY R.E. KELLEY IN ASSOCIATION WITH SAID EMERGENCY**

**WHEREAS**, R.E. Kelley, Inc., the URA's Contractor, while conducting work for the URA on the parapet, discovered deteriorated structural steel beams on the roof of 101 North Union Street and determined it is caused by water infiltration under the rubber roof, which is slated for repair much later; and

**WHEREAS**, this problem resulted in the conclusion that immediate correction of the water issue and the related damage to the steel is essential; otherwise, RE Kelley would not be able to provide a warranty for the work given the risk to the building integrity; and

**WHEREAS**, the remediation of the deteriorated steel beams is an entirely unexpected and unplanned activity and the protocol to repair the damaged beams is to remove and replace the rubber roof and restore or replace the damaged structural steel depending upon the damage found, and once the steel has been made structurally safe, the replacement of the rubber roof must occur immediately; and

**WHEREAS**, the planning of Savarino Companies (Construction Manager) and the URA did not contemplate this disruption; and

**WHEREAS**, accordingly, the URA has been undertaking State Historic required parapet work while Savarino Companies was awaiting completion of the URA work to begin replacement of the roof; and

**WHEREAS**, as work to repair the beams cannot be delayed, and, given the contractual context with R.E. Kelley, the solution is for the URA to take sole responsibility by a change order with R.E. Kelley to deal with the structural steel problem and replace the rubber membrane of the roof; and

**WHEREAS**, while that work is occurring, Savarino Companies will stand by and undertake the completion of the historic work on the parapet and cornice, and this plan will permit the project to flow smoothly and avoid disruption that would threaten the project's timing and financial viability; and

**WHEREAS**, with this plan in mind, R.E. Kelley, as the URA's contractor, had previously solicited bids for the roofing work and structural steel restoration as part of the original scope of work, with the lowest responsible bidder for the roof work being provided by Paramount Roofing, Inc.; and

**WHEREAS**, the price received by R.E. Kelley, the URA's contractor, and the cost to the URA is in an amount that is equivalent to the price the URA would have otherwise paid R.E. Kelley for doing the replacement of the existing roof assembly, in its entirety as part of their original bid proposal;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board finds under General Municipal Law Section 103(4), the preceding facts constitute an emergency that permits waiver of standard procurement requirements and also constitute unusual circumstances that allow single sole source procurement so to meet emergencies arising from unforeseen causes as provided in Section 169 of the General Municipal Law; and it is further

**RESOLVED**, that the URA may enter into a construction change order after review and approval to by the NYS Department of Parks, Recreation, and Historic Preservation so as R.E. Kelley will be authorized to undertake the remediation of the deteriorated structural members and, through Paramount Roofing, Inc., the replacement of the existing rubber (EPDM) roofing assembly at 101 North Union Street; and be it further

**RESOLVED**, that in contrast, Savarino Companies will undertake all the work necessary to install the historic panels.

**IT IS FURTHER RESOLVED**, that based upon the credits for the removal of the scope of work involving the panels and the addition of the roofing, the resultant credit and reduction in the contract cost to the Urban Renewal Agency will be in the amount of \$26,215.00.

**BE IT FURTHER RESOLVED**, that this Resolution be effective immediately.

Mr. Corcoran asked if this will affect the timetable, and Mr. Zografos explained that this will accelerate the timetable for completion. Mr. Zografos explained that the roofer has indicated that it is a three week process for them, and there are some coordination issues that they will need to address. Mr. Zografos explained that a crane will need to be brought in to get their materials on the roof, as well as to remove the existing roofing assembly and debris. Mr. Zografos explained that they have discussed a demolition chute, but he is not a fan of a demolition chute in the sky that high. Mr. Zografos explained that he would rather have the roofer remove the existing assembly and crane it off, and they require for safety purposes a crane plan. Mr. Zografos explained that the crane plan shows where the crane will be placed, the size of the crane, the outriggers, the swing of the crane, and all of the staging. Mr. Zografos explained that at this point we are probably looking at putting the crane in the street, so we have to see where we can get it in the street where it will be least disruptive. Mr. Zografos explained that there are still some logistics that need to be worked on, but that the roofer is stating that overall it is an approximately three week process once they begin.

Mr. Corcoran asked if the rubber is coming up the back side of the wall, and Mr. Zografos explained that the rubber is coming up the back side of the wall underneath the cap. Mr. Zografos



explained that the existing cap, because there are stones on the existing cap, will be brought up to the underside. Mr. Zografos explained that there will be an overhang of approximately an inch, and they will use a termination bar across the membrane, fastened every six inches, and a water cutoff mask. Mr. Corcoran asked if this means that the wall needs to be constructed before the roofers begin, and Mr. Zografos explained that it will need to be done before they finish. Mr. Zografos explained that the termination bar will be located on the sides of the parapet that we are not touching, which is the north side and the west side of the roof. Mr. Zografos explained that the east and south sides will involve the rubber membrane going up and over the parapet. Mr. Zografos noted that the caps will be installed at a later time with the fiberglass terra cotta panels, which will close in that portion of the roof.

Ms. Kerper explained that she has been doing the inspection on the project, since she needs to perform an inspection and provide information to Parks in order for the Agency to be reimbursed. Ms. Kerper explained that she takes photographs and provides evidence through the process to ensure that the Agency is following proper procedure for reimbursement. Mr. Zografos explained that they have photographs in ProCore as well, and Ms. Kerper explained that they have been great.

Ms. Foster asked how long the crane will be in place, and Mr. Zografos explained that when everything is stripped from the roof, a temporary membrane, or vapor barrier, will be put down. Mr. Zografos explained that this vapor barrier will give us the temporary water tightness that we need. Mr. Zografos explained that they will need to remove the old material from the roof and load the new materials on the roof, so he is anticipating that they will be able to do this in three days. Mr. Zografos explained that he does not anticipate the crane being there any longer than that. Ms. Kerper explained that she will work with the Mayor and DPW once we have the plan.

Mayor Aiello asked if the crane could be placed on the back side of the building, and Mr. Zografos explained that this was looked into. Mr. Zografos explained that there are overhead power lines, and Ms. Kerper added that she believes that Mr. Belt will be paving the area soon so nothing heavy can be run o it.

Ms. Kerper explained that the updated Form E has been provided in the Agency's packets, which shows where we are currently at with the budget and where we will be with project contingency with the change orders. Ms. Kerper explained that project contingency will most likely be drained due to these change orders and she hopes that we do not go over budget, but she does not have any numbers at this time so she is unsure. Ms. Kerper explained that right now, there is \$15,000 in project contingency. Ms. Kerper explained that the Agency is going to owe E&M Engineers for services rendered, Elise Johnson-Schmidt who will be billing again because she has been doing the pay app, and there will be the change orders that were just discussed. Ms. Kerper noted that when this was first started, the Agency still had to finish out their contract with Ms. Johnson-Schmidt, which was \$10,000. Ms. Kerper explained that this amount was put into the Form E for reimbursement from grant funds, even though this amount was intended to be paid by the Agency. Ms. Kerper explained that ultimately, this amount can be pulled out of the Form E, and the contingency would rise to \$25,000 rather than \$15,000 and the Agency would bear those costs out of its own pocket how it was originally written.

Ms. Kerper explained that she does not want anyone to be terrified of the change orders. Ms. Kerper explained that she and Mayor Aiello attend construction meetings every other week and she will constantly be updating the Form E to be available to members at any time and to keep everyone updated. Ms. Kerper explained that she does not want anyone to not rest easy over this, and we will figure it out.

### **3. Adjournment**

A motion to adjourn was made by Mayor Aiello, seconded by Mr. Foster. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 9:15 a.m.