



M E M O R A N D U M

TO: Kathleen Gill, Village Manager
Dennis Delborgo, Assistant Village Manager

FROM: James J. Moran, Interim Village Engineer
Kayla M. Goldman, Staff Engineer

SUBJECT: Contract #2020-03 – “Sanitary Sewer Rehabilitation”
Phase 1 & 2 – Contract and Payment Review Memorandum

DATE: December 18, 2025

CC: Laura Vasami, Village Treasurer; Steven Pambianchi, Esq., Village Attorney

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As requested, the following are comments on the review and analysis of submitted payment requisitions for Phase 1 & 2 sanitary sewer rehabilitation associated with the Amended Consent Order dated April 24, 2024. This memorandum has been prepared on behalf of the Village to review and compare the agreed-upon contract terms with the invoices, both paid and pending, submitted by Green Mountain Pipeline Services and Westmoreland Construction.

A) Materials Reviewed –

1. Payment Requisitions #1-17 & 19-25 submitted by KSCJ Consulting from June 21, 2021, to September 21, 2023 (PHASE 1).
2. Payment Requisitions #1-18 submitted by KSCJ Consulting from September 23, 2023, to September 2, 2025 (PHASE 2).
3. Request for Sealed Bids for Contract #2020-03 titled “Sanitary Sewer Rehabilitation” dated October 30, 2020.
4. Contract #2020-03 titled “Sanitary Sewer Rehabilitation Meter Areas 8, 11, 13, & 14 – Addendum No.1” dated November 13, 2020.
5. Various resolutions for Phases 1 and 2.

B) Review Comments –

1. Phase 1 – Sanitary Sewer Rehabilitation Areas 8, 11, 13, & 4

Green Mountain Pipeline Services (contractor) was awarded the Phase 1 contract for a total amount of \$5,132,780.00, which was later adjusted to \$6,521,544.69 through subsequent resolutions. A total of 24 payment requisitions were reviewed¹. We have the following comments:

- Many of the AIA certificates were not signed or sealed.
- The contractor listed on certified payrolls the same employee under two different labor rates on the same day on several of the payment requisitions.
- Based on the AIA Certificates, the contractor and Westmoreland (subcontractor) charged NYC labor rates instead of Westchester County labor rates. The rates contributed to an increase in total labor billing for cost-plus basis work.
- The contract (General Conditions, Section 112.b) allows labor for cost-plus basis work to be billed as the base rate plus fringe benefits (capped at 40% of the base rate). Based on invoices with sufficient backup, the full fringe benefits were charged, exceeding the 40% allowance.

¹ A total of 25 payment requisitions were submitted. The AIA Certificate attached to the invoice for payment requisition #18 was incorrect and therefore not reviewed.

- The contract (Contract Clarification Procedures, Section 1.5 & General Conditions, Section 112) requires any proposed MAW or CO to be submitted as a request with sufficient materials (description of work, staff, hours, etc.) for approval by the Village. Of the 20 MAW and CO charges, 7 provided backup for review. Only one (1) payment requisition provided sufficient backup and approval for labor rates associated with weekend work. See Appendix A for a detailed list of payment requisitions that included backup.
- Of the 20 MAW and CO charges, 3 payment requisitions included sufficient backup to perform a cost analysis of billed rates compared to the approved contract terms. Based on the analysis, \$12,760.76 was overbilled on Phase 1. See Appendix B for a detailed analysis.
- A total of \$550,000.00 was allotted for MAW. Table 1 below provides an overview of the total MAW and CO charged in Phase 1.

Table 1 – TOTAL BILLED MAW & CO FOR PHASE 1

TOTAL MAW	TOTAL CO
\$1,265,667.94	\$511,396.07

- Based on a review of approved resolutions, Table 2 provides approved change orders to the Phase 1 contract.

Table 2 – TOTAL CHANGE ORDERS APPROVED BY RESOLUTION

Change Order 1 – Additional demobilization and mobilization due to the ConEd shutdown	\$46,218.12
Hillside & Jefferson Sewer Replacement	\$389,323
155 LF of point repairs	\$62,536.30
Amendment to increase the contract amount	\$953,223.57
TOTAL	\$1,451,300.99

- Based on Tables 1 & 2, approximately \$325,763.02 billed as MAW and CO was not formally approved by the Village Board of Trustees.

2. Phase 2 – Sanitary Sewer Rehabilitation Areas 7, 9, & 10

Green Mountain Pipeline Services (contractor) was awarded the Phase 2 contract for a total amount of \$3,500,000.00, which was later adjusted to \$4,120,000.00 through subsequent resolutions. A total of 18 payment requisitions were reviewed. Many of the comments from Phase 1, including incorrect labor rates, insufficient backup for MAW and CO, missing signatures on AIA forms, and crews billed under two separate labor categories on a single day, are consistent throughout Phase 2. We have the following comments:

- Overhead and profit were inconsistently applied:
 - Westmoreland (subcontractor) generally applied 10% overhead and waived profit. However, several proposals do include the appropriate 15% markup for overhead and profit per the contract requirements.
 - Per the contract (General Conditions, Section 112), when change orders involve a subcontractor, no surcharges can be applied by the contractor. The contractor billed an additional 10% overhead and profit on the subcontractor's MAW & CO proposal.

For example, the subcontractor's proposal on Payment Requisition #14 for additional work on Soundview Avenue totaled \$62,816.88. The total billed by the contractor was \$69,098.56. See Appendix B for a detailed analysis.

- The contract (Contract Clarification Procedures, Section 1.5 & General Conditions, Section 112) requires any proposed MAW or CO to be submitted as a request with sufficient materials (description of work, staff, hours, etc.) for approval by the Village. Of the 23 MAW and CO charges, 6 provided backup for review. None of the payment requisitions included approval of the work and prices. See Appendix A for a detailed list of payment requisitions that included backup.
- Of the 23 MAW and CO charges, 4 payment requisitions included sufficient backup to perform a cost analysis of billed rates compared to the approved contract terms. Based on the analysis, \$128,804.96 was overbilled on Phase 2. See Appendix B for a detailed analysis.
- A total of \$200,000 was allotted for MAW. Table 3 below provides an overview of the total MAW and CO charged in Phase 2.

Table 2 – TOTAL CHANGE ORDERS APPROVED BY RESOLUTION

TOTAL MAW	TOTAL CO
\$458,485.08	\$684,079.43

- Based on a review of approved resolutions, the following change orders were approved:
 - Additional work for the removal and replacement of +/- 527 LF of sewer main (CO 6, 7, & 9) and excavation for removal and replacement of sewer (CO 8) with 10.5% contingency, totaling \$620,000.00.
 - The AIA Document includes change orders in the amount of \$388,514.7 (\$279,179.27 from August + \$109,342.80 for September) for additional work to Grove St. & Hill St., asphalt work on Hill St. and Jefferson St., and staging area relocation.
- Based on the above, approximately \$134,0488.81 was billed as MAW and CO was not formally approved by the Village Board of Trustees.

C) Conclusion – The review indicates significant variances between contract terms and submitted invoices, particularly in MAW and CO charges. MAW exceeded the original allowance by more than double in Phases 1 and 2. Both phases show inconsistent application of contractual limits on fringe benefits and overhead/profit. Backup documentation for many requisitions was incomplete or insufficient to validate costs.

APPENDIX A – PHASE 1 & 2 PAYMENT REQUISITION REVIEW

PHASE 1 REVIEW

INVOICE NO.	PAYMENT REQUISITION NO.	AIA PAY PERIOD	MISCELLANEOUS WORK (MAW)		CHANGE ORDERS (CO)		TOTAL BILLED	RETAINAGE	AMOUNT DUE	CHECK NO.	AMOUNT PAID
PAYMENT REQ #1	Payment Requisition #1	5/31/2020	--	--	--	--	\$122,130.00	\$6,106.50	\$116,023.50	120829	
PAYMENT #2	Payment Requisition #2	6/30/2021	\$46,218.12	No backup to review this work	--	--	\$184,320.18	\$9,216.01	\$175,104.17		\$291,127.67
PYMT #3	Payment Requisition #3	7/30/2021	--	--	--	--	\$129,765.40	\$6,488.27	\$123,277.13	121419	\$123,277.13
#4	Payment Requisition #4	8/31/2021	--	--	--	--	\$262,100.00	\$13,105.00	\$248,994.24	121769	\$248,994.24
PAY APP #5	Payment Requisition #5	9/30/2021	\$41,243.00	No backup to review this work	--	--	\$358,487.00	\$17,924.35	\$340,562.06	121927	\$340,562.06
PAY APP #6	Payment Requisition #6	10/31/2021	\$26,271.23	No backup to review this work	--	--	\$93,945.23	\$4,697.26	\$89,247.97	122265	\$89,247.97
PAY APP #7	*Payment Requisition #7	11/30/2021	--	--	\$46,218.12				\$339,928.25	122757	
PAY #8	Payment Requisition #8	12/31/2021	--	--	\$361,174.67		\$650,198.67	\$32,509.93	\$617,688.74		\$957,616.99
PAY APP #9	Payment Requisition #9	1/31/2022	\$36,697.32	No backup to review this work	\$104,003.28		\$276,193.10	\$13,809.66	\$262,383.44	123282	\$262,383.44
PAY APP #10	Payment Requisition #10	2/28/2022	\$70,690.52	No backup to review this work	--	--	\$140,727.97	\$7,036.40	\$133,691.57	123643	\$133,691.57
PAY APP #11	Payment Requisition #11	3/31/2022	\$100,417.84	No backup to review this work	--	--	\$469,531.14	\$23,476.56	\$446,054.57		
12	Payment Requisition #12	4/30/2022	\$30,898.89	A cost breakdown for K-crete was included, as well as breakdowns for other past payment requisitions that do not match the amount billed at that time. A proposal of \$15,640 for test pit excavation, backfill, restoration, and manhole work performed by Westmoreland was provided under a cover prepared by Green Mountain Pipeline Services with a 10% markup for a grand total of \$17,204. Unable to verify remaining amount.	--	--	\$314,264.99	\$15,713.25	\$298,551.74	124205	\$744,606.33
PAY REQ #13	Payment Requisition #13	5/31/2022	\$131,666.30	No backup to review this work	--	--	\$366,696.30	\$18,334.82	\$348,361.48	124641	\$348,361.48
PAY REQ # 14	Payment Requisition #14	6/30/2022	\$97,283.17	K-crete backfill & sewer pipe encasement, asphalt restoration, and water main test pits on Ward Ave. performed by Westmoreland with 10% markup from GMPS. Backup provided for 2 of 4 proposals.	--	--	\$220,823.17	\$11,041.16	\$209,782.01	125039	\$209,782.01
PAY REQ 15	Payment Requisition #15	7/31/2022	\$169,943.90	K-crete backfill & sewer pipe encasement, asphalt restoration, and overtime premium for Saturday work on North Barry and Washington performed by Westmoreland with 10% markup from GMPS	--	--	\$303,053.90	\$15,152.70	\$287,901.21	125556	\$287,901.21
PAY #16	Payment Requisition #16	8/31/2022	\$38,417.72	No backup to review this work	--	--	\$381,479.22	\$19,073.96	\$362,405.26	125932	\$362,405.26
17	Payment Requisition #17	9/30/2022	\$60,462.50	For disposal of unsuitable material and item 4 backfill on Washington performed by Westmoreland. Westmoreland added 10% OH & 10% profit.	--	--	\$99,209.00	\$4,960.45	\$94,248.55	126505	\$94,248.55
18	Payment Requisition #18	--	--	--	--	--	\$235,110.44	\$11,755.52	\$223,354.92	127276	\$268,481.81
19	Payment Requisition #19	1/31/2023	\$25,110.47	No backup to review this work	--	--	\$173,634.74	\$8,681.74	\$164,953.00	127494	\$164,953.00
PAY REQ 20	Payment Requisition #20	2/28/2023	\$156,012.42	Westmoreland provided backup for approximately \$58,029.18 of MAW. No backup provided for the additional \$97,983.24 billed. A proposal for Saturday work in the amount of \$3,371.16 appears to be approved.	--	--	\$404,122.42	\$20,206.12	\$383,916.30	127971	\$383,916.30
21	Payment Requisition #21	3/31/2023	\$78,446.34	No backup to review this work	--	--	\$252,531.34	\$12,626.57	\$239,904.77		
22	Payment Requisition #22	4/30/2023	\$83,367.73	K-crete backfill & sewer pipe encasement, removal of unsuitable fill, supply of Item #4, and overtime premium for Saturday work on Center Avenue performed by Westmoreland with 10% markup from GMPS	--	--	\$253,116.73	\$12,655.84	\$240,460.89	128761	\$480,365.67
23	Payment Requisition #23	5/31/2023	\$72,520.47	No backup to review this work	--	--	\$213,330.47	\$10,666.52	\$202,663.94	129061	\$202,663.94
24	Payment Requisition #24	6/23/2023	--	--	--	--	\$237,886.23	\$11,894.31	\$225,991.92	129598	\$129,598.00
25	Payment Requisition #25	8/31/2023	--	--	--	--	\$22,500.00	\$1,125.00	\$21,375.00	130389	**\$86,467.88

SUM	TOTAL MAW AMOUNT	TOTAL CO AMOUNT	TOTAL WORK BILLED
	\$1,265,667.94	\$511,396.07	\$6,165,157.64

*The second page of the AIA form for Payment Requisition #7 was not included.
 **Payment Requisition #25 was paid with Payment Requisition #1 in Phase 2.

PHASE 2 REVIEW

INVOICE NO.	PAYMENT REQUISITION NO.	AIA PAY PERIOD	MISCELLANEOUS WORK (MAW)		CHANGE ORDERS (CO)		TOTAL BILLED	RETAINAGE	AMOUNT DUE	CHECK NO.	AMOUNT PAID
1	Payment Requisition #1	8/31/2023	--	--	--	--	\$68,519.00	\$3,425.95	\$65,093.05	130389	*\$86,467.88
2	Payment Requisition #2	9/30/2023	\$10,962.00	No backup to review this work	\$19,252.22	WML provided backup for additional work that does not match the amount on the AIA document. No approval included.	\$195,485.00	\$9,774.25	\$185,710.75	130784	\$185,710.75
3	Payment Requisition #3	10/31/2023	--	--	--	--	\$535,775.00	\$26,788.75	\$508,986.25	131200	\$508,986.25
4	Payment Requisition #4	11/30/2023	\$34,689.60	No backup to review this work	--	--	\$420,799.60	\$21,039.98	\$399,759.62	131677	\$399,759.62
5	Payment Requisition #5	12/21/2023	\$3,708.27	No backup to review this work	--	--	\$156,983.27	\$7,849.16	\$149,134.11	131857	\$149,134.11
6	Payment Requisition #6	1/31/2024	\$61,647.85	No backup to review this work	--	--	\$462,833.85	\$23,141.69	\$439,692.16	132221	\$439,692.15
7	Payment Requisition #7	2/29/2024	\$7,416.55	No backup to review this work	--	--	\$39,528.56	\$1,976.43	\$37,552.13		
8	Payment Requisition #8	3/31/2024	\$12,212.20	No backup to review this work	--	--	\$153,732.20	\$7,686.61	\$146,045.59	132752	\$183,597.72
9	Payment Requisition #9	4/30/2024	\$63,514.66	No backup to review this work	\$87,096.97	CO 1, 2, & 3 for additional work on Grove st & Hill st. + mill & pave on Hill St.; No backup provided.	\$306,051.63	\$15,302.58	\$290,749.05	133170	\$290,749.05
10	Payment Requisition #10	7/31/2024	--	--	\$15,657.27	CO 4 & 5 for staging area relocation & additional restoration on Jefferson St.; No backup provided.	\$37,557.27	\$1,877.86	\$35,679.41	134398	**-
11	Payment Requisition #11	8/31/2024	\$94,640.00	No backup to review this work	--	--	\$335,920.00	\$16,796.00	\$319,124.00		
12-	Payment Requisition #12	9/30/2024	\$54,077.95	No backup to review this work	--	--	\$187,860.95	\$9,393.05	\$178,467.90	135348	\$435,677.74
PAY REQ 13	Payment Requisition #13	12/31/2024	\$18,268.75	No backup to review this work	\$182,586.63	Additional restoration on Carroll Ave & Baldwin Ave + additional work to complete scope on Rockland Ave.; No backup provided.	\$233,591.48	\$11,679.57	\$221,911.91	136810	
PAY REQ 14	Payment Requisition #14	1/31/2025	\$7,507.50	For fill removal + pipe encasement with 10% markup from GMPS. No approval included.	\$159,575.63	Additional work on Travers & Soundview Avenue. Sufficient backup to provide review. No approval included.	\$312,775.13	\$15,638.76	\$297,136.37		\$519,048.28
15	Payment Requisition #15	2/28/2025	\$48,048.00	No backup to review this work	\$65,536.53	Additional work on First St. & additional drainage work on Travers Ave.; No backup provided.	\$215,920.53	\$10,796.03	\$205,124.50	137140	\$205,124.50
16	Payment Requisition #16	3/31/2025	\$36,036.00	No backup to review this work	\$18,495.46	Additional work on First St.; No backup provided.	\$139,635.45	\$6,981.77	\$132,653.68		
17-	Payment Requisition #17	4/30/2025	\$5,755.75	For fill removal + pipe encasement with 10% markup from GMPS. No approval included.	\$26,535.92	Additional work on First St.; Insufficient backup to confirm cost. No approval included.	\$97,265.67	\$4,863.28	\$92,402.39		
18	Payment Requisition #18	8/14/2025	--	--	\$109,342.80	Additional work on First St. & Rockland St.; Sufficient backup to provide review. No approval included.	\$109,342.80	***\$1,093.428	\$108,249.37		

SUM	TOTAL MAW AMOUNT	TOTAL CO AMOUNT	TOTAL WORK BILLED
	\$458,485.08	\$684,079.43	\$4,009,577.39

*Payment Requisition #1 payment includes Payment Requisition #25 from Phase 1.

**Check number associated with this payment does not match the reference on the invoice.

***Retainage reduced from 5% to 1%.

APPENDIX B – CHANGE ORDER AND MISCELLANEOUS ALLOWABLE WORK ANALYSIS

PHASE 1

Reference	Labor Description	MAW & CO BILLING (SUBMITTED)							MAW & CO BILLING (PER CONTRACT & AMENDED AGREEMENT)					NET DIFFERENCE
		Base Wage	Fringe Benefits	Total Hourly Cost	Total Billing	Equipment	Material	Total w/ Overhead & Profit	Total Hourly Cost	Total Billing	Equipment	Material	Total w/ Overhead & Profit	
PAYMENT REQUISITION #8														
CO #5 - Additional work to re-establish sewer laterals	1010 - Paving - Laborers	\$43.98	\$94.29	\$138.27	\$4,424.64				\$65.07	\$2,082.30				
	1010 - Paving - Foreman	\$48.50	\$98.69	\$147.19	\$2,355.04	\$20,137.73	\$0.00	*29,939.01	\$67.83	\$1,085.28	\$16,642.76	\$0.00	\$22,150.51	\$7,788.50
	15 - Operating Engineer	\$72.40	\$116.45	\$188.85	\$3,021.60				\$101.36	\$1,621.76				
PAYMENT REQUISITION #14														
Asphalt restoration work on Ward Avenue	1010 - Paving - Laborers	\$46.48	\$91.84	\$138.32	\$2,213.12				\$65.07	\$1,041.15				
	1010 - Paving - Foreman	\$48.45	\$98.74	\$147.19	\$588.76	\$1,236.00	\$4,190.00	*\$10,869.77	\$67.83	\$271.32	\$1,236.00	\$4,190.00	\$8,029.60	\$2,840.17
	15 - Operating Engineer	\$72.40	\$116.45	\$188.85	\$755.40				\$101.36	\$405.44				
Test pits on Gertrude & Madison	1010 - Paving - Laborers	\$46.48	\$91.84	\$138.32	\$1,106.56				\$65.07	\$520.58				
	1010 - Paving - Foreman	\$48.45	\$98.74	\$147.19	\$1,177.52	\$836.00	\$875.00	*\$5,197.04	\$67.83	\$542.64	\$836.00	\$875.00	\$3,064.95	\$2,132.09
	Project Manager	--	--	\$150.00	\$300.00				**--	**--				
												SUM	\$12,760.76	

*Subcontractor added 10% overhead & 10% profit to overall proposal

**Per the contract, crew over a foreman can not be billed for

PHASE 2

Reference	Labor Description	MAW & CO BILLING (SUBMITTED)					MAW & CO BILLING (PER CONTRACT & AMENDED AGREEMENT)					NET DIFFERENCE	
		Base Wage	Fringe Benefits	Total Hourly Cost	Total Billing	Equipment	Material	Total w/ Overhead & Profit (See Notes)	Total Hourly Cost (Base Rate + 40% Fringe)	Total Billing	Equipment		Material
PAYMENT REQUISITION #2													
CO for staging relocation	1010 - Paving - Laborers	\$44.48	\$96.31	\$140.79	\$4,505.28	\$4,160.00	\$2,052.00	*\$19,252.21	\$62.27	\$1,992.70	\$4,160.00	\$2,052.00	\$12,689.84
	1010 - Paving - Foreman	\$52.00	\$103.42	\$155.42	\$3,730.18				\$72.80	\$1,747.20			
	15 - Operating Engineer	\$72.56	\$118.35	\$190.91	\$3,054.56				\$101.58	\$1,625.34			
PAYMENT REQUISITION #14													
Additional work on Soundview Avenue	1010 - Paving - Laborers	\$46.48	\$103.02	\$149.50	\$19,734.00	\$11,308.00	\$5,388.25	**\$62,816.87	\$65.07	\$8,589.50	\$11,308.00	\$5,388.25	\$38,332.16
	1010 - Paving - Laborers (OT)	\$69.72	\$113.48	\$183.20	\$2,015.20				\$97.61	\$1,073.69			
	1010 - Paving - Foreman	\$63.00	\$101.53	\$164.53	\$7,239.32				\$88.20	\$3,880.80			
	15 - Operating Engineer	\$74.14	\$129.01	\$203.15	\$8,838.60				\$103.80	\$4,567.02			
Additional work on Travers Avenue	1010 - Paving - Laborers	\$46.48	\$103.02	\$149.50	\$25,116.00	\$14,562.00	\$8,690.50	**\$82,251.88	\$65.07	\$10,932.10	\$14,562.00	\$8,690.50	\$51,064.02
	1010 - Paving - Laborers (OT)	\$69.72	\$113.48	\$183.20	\$2,564.80				\$97.61	\$1,366.51			
	1010 - Paving - Foreman	\$63.00	\$101.53	\$164.53	\$9,213.68				\$88.20	\$4,939.20			
	15 - Operating Engineer	\$74.14	\$129.01	\$203.15	\$11,376.40				\$103.80	\$5,812.58			
PAYMENT REQUISITION #18													
Additional work on First Street	1010 - Paving - Laborers	\$46.48	\$103.02	\$149.50	\$3,588.00	\$15,840.00	\$10,941.25	****\$109,342.80	\$65.07	\$1,561.73	\$15,840.00	\$10,941.25	****\$57,279.68
	1010 - Paving - Foreman	\$63.00	\$101.53	\$164.53	\$1,316.24				\$88.20	\$10,529.92			
	15 - Operating Engineer	\$74.14	\$129.01	\$203.15	\$1,625.20				\$103.80	\$13,001.60			
											SUM	\$128,804.94	

*Subcontractor applied 10% overhead and waived 10% profit

**Subcontractor applied 15% overhead and 15% profit

***Contractor applied and billed an additional 10%. Per the contract, surcharges on subcontractor work for T&M are not permitted.

****Subcontractor proposal included additional work and coned delays with an additional 10% markup from the contractor. Per contract, the delay and surcharge are not eligible for reimbursement.