COUNTY OF ERIE

MARK C. POLONCARZ
COUNTY EXECUTIVE

October 30, 2026

Erie County Legislature
92 Franklin Street – Fourth Floor
Buffalo, New York 14202

RE: Erie County Sewer District No. 3
Southtowns Advanced Wastewater Treatment Facility
Phase 1 Expansion Project
Contract No. 74C Close Out
Kandey Company, Inc.

Honorable Members:

Enclosed please find an accompanying memorandum and proposed resolution from the Department of Environment and Planning, Division of Sewerage Management, pertaining to the close out of Erie County Sewer District No. 3, Contract No. 74C with Kandey Company, Inc.

Should your Honorable Body require further information, I encourage you to contact Joseph Fiegl, P.E. in the Department of Environment and Planning. Thank you for your consideration on this matter.

Sincerely yours,

Mark C. Poloncarz, Esq.
Erie County Executive

MCP:mp
Enclosure

Cc: Joseph Fiegl, Deputy Commissioner, Division of Sewerage Management

MEMORANDUM

To: Honorable Members of the Erie County Legislature
From: Department of Environment and Planning
Re: Erie County Sewer District No. 3
Southtowns Advanced Wastewater Treatment Facility
Phase 1 Expansion Project
Contract No. 74C Close Out
Kandey Company, Inc.
Date: October 30, 2026

SUMMARY

Acceptance and approval of Contract No. 74C in the final contract amount of $59,086,698.25 together with Change Order No. 4 (final), a decrease of $16,169.75, as well as authorization to issue final payment to the contractor, Kandey Company, Inc., is requested.

FISCAL IMPLICATIONS

There will be no impact on the County's General Fund. The funds for this contract were previously allocated from Capital Account No. C.21150 (American Rescue Plan funds), Erie County Sewer District No. 3 Capital Reserve Account C00007, and Erie County Sewer District No. 3 Capital Account C.23301. No additional funds are requested; however, there is an adjustment in the funding sources recommended to maximize grant reimbursement.

REASONS FOR RECOMMENDATION

All scheduled improvements required by the contract documents have been completed. As a result, it is the Department's recommendation to finalize this contract. With the contract being finalized, it is recommended to cancel the use of capital reserves authorized under Legislative Comm. 16E-20 (2023), thus allowing for the maximum reimbursement of costs for the Southtowns Advanced Wastewater Treatment Facility Phase 1 Expansion Project through a Water Infrastructure Improvement Act (WIIA) grant awarded by the New York State Environmental Facilities Corporation (NYSEFC).

BACKGROUND INFORMATION

Contract No. 74C was bid on October 12, 2023 and awarded by the Erie County Legislature on November 2, 2023 pursuant to Legislative Comm. 16E-20 (2023). This contract constructed the Southtowns Advanced Wastewater Treatment Facility Phase 1 Expansion Project in Erie County Sewer District No. 3. The original contract amount was $54,961,454.00.

Change Order No. 1 was necessary for an administrative update to Davis Bacon Wage Rates. Change Order No. 2 was a cost increase of $4,141,414.00 pursuant to Legislative Comm. 8E-3 (2025) to incorporate the separately bid "Overflow Retention Facility Influent and Oxygen Feed Replacement" project, which Kandey Company, Inc. was the lowest responsible bidder, into Contract No. 74C. Change Order No. 3 was issued to extend the time by 128 days at no cost to the contract. Change Order No. 4 (final) is an adjustment of final quantities resulting in a

decrease of $16,169.75 to the total contract value. All funding for the original bid and Change Order No. 2 was reviewed by the Erie County Comptroller's Office prior to award by the Erie County Legislature.

Legislative Comm. 16E-20 (2023) allowed for the transfer of up to $791,235.00 in capital reserves into ECSD No. 3 Bond Accounts C.17301 and C.23301 to partially fund engineering services and contractor costs related to Contract No. 74C. Shortly after the passage of Legislative Comm. 16E-20 (2023) by your Honorable Body, the Division of Sewerage Management was notified by the NYSEFC that it received a $17,000,000.00 WIIA grant for the Southtowns Advanced Wastewater Treatment Facility Expansion project. The WIIA grant will pay 25% of eligible project expenses and hence it is of benefit to fund the engineering services and contractor costs related to Contract No. 74C through NYSEFC programs, instead of capital reserves.

CONSEQUENCES OF NEGATIVE ACTION

Contract default on the part of the County of Erie could be claimed by the Contactor. Further, reimbursement through the WIIA grant would not be maximized.

STEPS FOLLOWING APPROVAL

The County of Erie will execute the final change order and make final payment to Kandey Company, Inc.

A RESOLUTION SUBMITTED BY
DEPARTMENT OF ENVIRONMENT AND PLANNING

RE: Erie County Sewer District No. 3
Southtowns Advanced Wastewater Treatment Facility
Phase 1 Expansion Project
Contract No. 74C Close Out
Kandey Company, Inc.

WHEREAS, pursuant to Legislative Comm. 16E-20 (2023), Contract No. 74C was awarded to Kandey Company, Inc. to construct the Southtowns Advanced Wastewater Treatment Facility Phase 1 Expansion Project in Erie County Sewer District No. 3; and

WHEREAS, the Erie County Division of Sewerage Management has advised that all scheduled improvements are now complete.

NOW, THEREFORE, BE IT

RESOLVED, that the Erie County Legislature hereby authorizes Contract No. 74C between the County of Erie and Kandey Company, Inc. (19 Ransier Drive, West Seneca, NY 14224) to be accepted in the final contract amount of $59,086,698.25, which includes Change Order No. 4 (final), a decrease of $16,169.75; and be it further

RESOLVED, that authorization is hereby given to the Erie County Comptroller to make final payment for Contract No. 74C to Kandey Company, Inc. for a total contract amount of $59,086,698.25; and be it further

RESOLVED, that authorization previously given pursuant to Legislative Comm. 16E-20 (2023) for a residual equity transfer of up to $483,000.00 from ECSD No. 3 Capital Reserve Account C.00007, Fund 430, Funds Center 183 to Erie County Sewer District No. 3 Capital Bond Account C.17301, Fund 430, Funds Center 183, is hereby cancelled; and be it further

RESOLVED, that authorization previously given pursuant to Legislative Comm. 16E-20 (2023) for a residual equity transfer of up to $308,235.00 from ECSD No. 3 Capital Reserve Account C.00007, Fund 430, Funds Center 183 to Erie County Sewer District No. 3 Capital Bond Account C.23301, Fund 430, Funds Center 183, is hereby cancelled; and be it further

RESOLVED, that certified copies of this resolution will be forwarded to the Erie County Executive's Office, Comptroller's Office, Division of Budget and Management, Department of Law, and the Division of Sewerage Management.