



BOROUGH OF HIGHLANDS  
COUNTY OF MONMOUTH

## **RESOLUTION 25-218**

**APPROVING CLOSEOUT CHANGE ORDER AND RELEASE OF PERFORMANCE BOND  
FOR THE PHASE I SANITARY SEWER IMPROVEMENTS PROJECT AND  
AUTHORIZING THE BOROUGH TO EXECUTE A SETTLEMENT AGREEMENT AND  
RELEASE**

**WHEREAS**, by way of Resolution 22-099 duly adopted on April 6, 2022, Roman E&G Corporation was awarded a contract for the Phase I Sanitary Sewer Improvements Project (hereinafter referred to as the "Project") in the amount of \$6,748,648.00; and

**WHEREAS**, by way of Resolution 23-163 duly adopted on July 19, 2023, Change Order No. 1 was approved, changing the scope of the work for the Project, resulting in a credit to the Borough in the amount of \$1,617.51; and

**WHEREAS**, by way of Resolution 24-058 duly adopted on February 7, 2024, Change Order No. 2 was approved covering the cost of uniformed police officers, raising the contract amount to \$7,074,748.00; and

**WHEREAS**, by way of Resolution 24-076 duly adopted on March 6, 2024, Change Order No. 3 was approved changing the contract amount due to unforeseen conditions, resulting in an increased contract amount to \$7,460,728.92; and

**WHEREAS**, by way of Resolution 24-130 duly adopted on June 19, 2024, Change Order No. 4 was approved due to a reduction in scope and removed water main conflict work on Bay Avenue, decreasing the contract amount to \$6,995,385.92; and

**WHEREAS**, by way of Resolution 24-151 duly adopted on August 21, 2024, Change Order No. 5 was approved as a result of increased hourly rates for police officers and traffic control, increasing the contract amount to \$7,625,507.97; and

**WHEREAS**, by way of Resolution 24-225 duly adopted on December 18, 2024, Change Order No. 6 was approved to raise an existing buried manhole, as well as amend Change Order Numbers 1 and 5, which increased the contract amount to \$7,649,899.46; and

**WHEREAS**, the Project Engineer, H2M Associates, Inc., has advised that the project is complete at this time and recommends that a Closeout Change Order with appropriate adjustments, which increases the contract amount by \$376,861.36 and results in a total and final contract amount of \$8,026,760.83, should be approved; and

**WHEREAS**, in accordance with the requirements of the aforesaid contract, Roman E&G Corporation shall submit a two (2) year Maintenance Bond, from project completion date, in the amount of \$1,204,014.12, which is 15% of the final Contract amount; and

**WHEREAS**, the Project Engineer has recommended authorizing the aforesaid Closeout Change Order, accepting the project, and releasing the Performance Bond conditioned upon the posting of a Maintenance Bond in the amount of \$1,204,014.12; and

**WHEREAS**, the Borough of Highlands and Roman E&G Corporation are parties to litigation involving this project that is currently pending before the American Arbitration Association, captioned as Roman E&G Corporation vs Borough of Highlands, Case Number 01-25-0003-7105; and

**WHEREAS**, the parties wish to resolve the aforesaid litigation and have reached a tentative settlement of all claims by and between them, which results in the final change order being approved herein; and

**WHEREAS**, the settlement of the aforesaid litigation will be resolved through the execution of a Settlement Agreement and Release by and amongst the parties.

**NOW, THEREFORE, BE IT RESOLVED**, by the Governing Body of the Borough of Highlands, that based on the above, including the approval of the Project Engineer, H2M Associates, Inc., that the Closeout Change Order in the amount of \$376,861.36, resulting in a total Contract amount of \$8,026,760.83, be and is hereby approved; and

**BE IT FURTHER RESOLVED**, that the necessary Borough officials, including the Mayor and Borough Administrator, be and are hereby authorized to execute a Settlement Agreement and Release resolving all claims asserted in the litigation that is pending before the American Arbitration Association, captioned as Roman E&G Corporation vs Borough of Highlands, Case Number 01-25-0003-7105, in a form to be reviewed and approved by the Borough Attorney.

**BE IT FURTHER RESOLVED**, that the Borough Administrator is authorized to undertake such acts as are reasonable and necessary to accomplish the purposes of this Resolution.

**BE IT FURTHER RESOLVED**, by the Governing Body of the Borough of Highlands, that it hereby acknowledges that this Project has been satisfactorily completed and accepts same.

**BE IT FURTHER RESOLVED**, that upon receipt and acceptance of the required Maintenance Bond, the Borough of Highlands shall release Performance Bond No. 613103059, issued by United States Fire Insurance Company in the amount of \$6,748,648.00.

**BE IT FURTHER RESOLVED**, that the Borough be and is hereby authorized to make final payment of the sums due to the Contractor.

**BE IT FURTHER RESOLVED,** that a certified copy of the within Resolution be forwarded to the Chief Financial Officer, the Project Engineer, Purchasing Agent, and Roman E&G Corporation.

Motion to Approve R 25-218:

	INTRODUCED	SECOND	AYE	NAY	ABSTAIN	ABSENT
CERVANTES						
CHELAK						
MELNYK						
OLSZEWSKI						
BROULLON						

This is a Certified True copy of the Original Resolution on file in the Municipal Clerk's Office.

DATE OF VOTE: December 17, 2025

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Nancy Tran, Municipal Clerk  
Borough of Highlands