



October 15, 2021

TO: Board of Directors

**SUBJECT: October 22, 2021, Board Meeting
AGENDA ITEM 5
RATIFICATION OF CHANGE ORDER TO CONSTRUCTION CONTRACT C21-090 - BUSKIRK CONSTRUCTION - DEAN BUILDING ELECTRICAL UPGRADE PROJECT**

CONTACT PERSON: Frank Czajka, Construction & Rehabilitation Manager

RECOMMENDATION:

Staff recommends the Board adopt a resolution authorizing the Executive Director to approve two change orders to construction contract C21-090 with Buskirk Construction totaling \$40,060 for the Dean Electrical Upgrade Project (Change order #1 \$15,060, Change order #2 \$25,000).

BACKGROUND

A contract was awarded to Buskirk Construction on February 25, 2021 in the amount of \$124,000.00 for the Dean Electrical Upgrade Project. As the project progressed, staff determined that running electrical trunk cables to each floor of the building during this phase of the project rather than in a later phase would be beneficial. By completing this work now, the walls in the elevator lobbies and on each floor would only have to be accessed once, resulting in cost savings to CADA for future apartment rewiring, and reducing the inconvenience experienced by the building's tenants. Change Order #1, in the amount of \$15,060 covers this work. Staff also determined that rewiring Apartment #2 concurrently with the rewiring of Apartment #1 would reduce costs as the kitchen walls of only one of the apartments would need to be opened up to install the additional electrical cabling for both apartments. If not rewired at the same time, the kitchen walls in each unit would have to be accessed separately at the time that apartment was rewired. Change Order #2 in the amount of \$25,000 covers this work.

POLICY

This item comes before the Board because the requested change orders exceed the allowable change order threshold of 10% of the original contract amount or \$25,000, whichever is greater. Change orders greater than this threshold exceed the Executive Director's authority to approve and require Board approval.

STRATEGIC PLAN

The proposed action addresses the following 2016-2021 CADA Strategic Plan goals: "Provide Superior Property Management."

FINANCIAL IMPACTS

The total contract, with the addition of the requested \$40,060 in change orders, totals \$164,060. The Board approved a project budget of \$175,000 was in June of 2021 as part of the FY 2021-22 Development Budget.

ENVIRONMENTAL ISSUES

This item does not require CEQA review or certification.

CONTRACT AWARD POLICY

The change orders were authorized by the Executive Director under CADA's Contract and Bid Procedures Policy Statement, Section VII, C (3.a), which provides the Executive Director discretionary authority to approve change orders to prevent interruption of work which would result in a substantial cost increase to CADA. Staff is requesting that the Board approve a resolution ratifying the Executive Director's action.

RESOLUTION NO. 21-38

Adopted by the Capitol Area Development Authority

October 22, 2021

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CHANGE ORDERS FOR CONSTRUCTION CONTRACT C21-090

WHEREAS, the Board previously authorized the Executive Director to enter into a construction contract C21-090 with Buskirk Construction Inc. in the amount of \$124,000.00 for the Dean Electrical Upgrade Project.

WHEREAS, staff is recommending the Board approve two change orders totaling \$40,060.00 to pay for additional work associated with the Dean Electrical Upgrade Project.

NOW, THEREFORE, BE IT RESOLVED by the Capitol Area Development Authority, that the Executive Director is authorized to enter into Change Orders with Buskirk Construction Inc., in the amount of \$40,060.00, for the Dean Electrical Upgrade Project.

Ann Bailey, Chair

ATTEST:

Tara Gandara
Secretary to the Board of Directors