



May 13, 2022

TO: Board of Directors

**SUBJECT: May 20, 2022, Board Meeting
AGENDA ITEM 6
APPROVAL OF CHANGE ORDERS TO VARIOUS MAINTENANCE CONTRACTS**

CONTACT PERSON: Russ Juneau, Facilities Maintenance Manager
Frank Czajka, Construction & Rehabilitation Manager

RECOMMENDATION:

Staff recommends the Board adopt a resolution authorizing the Executive Director to approve change orders to the following maintenance contracts:

- C20-016 - 2 Go Building Maintenance, in the amount of \$80,000.00 for Vacant Apartment Cleaning/Emergency Water Extraction/Floor Cleaning Services
- C20-014 - Elite Service Experts, in the amount of \$100,000.00 for Landscape and Lawn Care Services
- C22-001 - RCO Flooring (California Renovations), in the amount of \$80,000.00 for Floor Covering Repair/Replacement.
- C22-022 - Miracle Method, in the amount of \$20,000.00 for Bathtub & Sink Refinishing
- C22-029- R.F. MacDonald Co., in the amount of \$50,000.00 for Boiler Repairs & Replacement

BACKGROUND

2 Go Building Maintenance

In June 2019, CADA awarded a maintenance contract to 2 Go Building Maintenance in the amount of \$90,000.00 for Vacant Apartment Cleaning/Emergency Water Extraction/Floor Cleaning Services. The contract includes optional annual extension(s) for up to four additional years. Due to Elite's satisfactory service, staff opted to extend the contract for fiscal years 20-21 and 21-22 and is also doing so again this year for 22-23.

With residents continuing to spend more time at home due to the on-going COVID-19 pandemic, there were many more instances of floods, accidents, and other occurrences that required water extraction and cleaning services than originally anticipated. There were also several vacated apartments that were left in such poor condition that an initial extensive cleaning was required before the regular task of turning the unit could begin. Other unanticipated costs arose from the increased need to clean human waste and other fluids in hallways and common areas of CADA buildings. These unanticipated circumstances have resulted in the need for a change order in the amount of \$80,000.

Elite Service Experts

In June 2019, CADA awarded a maintenance contract to Elite Service Experts in the amount of \$114,000.00 for Landscape and Lawn Care Services. The contract includes optional annual extension(s) for up to an additional 4 years. Due to satisfactory service, staff opted to extend the contract for fiscal years 20-21 and 21-22 and is doing the same this year for fiscal year 22-23. The contract also provides for an annual increase and is being adjusted for the 22-23 fiscal year to \$117,990.00.

In addition to regular landscape services, Elite tackled projects such as replacing/installing automatic sprinkler systems, landscape beautification projects such as the removal of the invasive ivy on front of 1414 O St, replacing of bark throughout the properties, landscaping in the front of the admin office, and the area in the front of Tablevine, and removal of several large trees that were dying, damaging water lines, or in danger of falling on adjacent structures. These landscape projects have resulted in unanticipated increased costs and a change order in the amount of \$100,000.

RCO Flooring (California Renovations)

In June 2021, CADA awarded a maintenance contract to RCO Flooring (California Renovations) in the amount of \$189,008.00 for Floor Covering Repair/Replacement. The contract includes an optional annual extension for an additional year. Due to satisfactory service, management intends to extend the contract for fiscal year C23.

More-than-anticipated instances of tenant damage and the current increased cost of labor and materials to complete CADA's flooring work have resulted in the need for a change order in the amount of \$80,000.

Miracle Method

In June 2021, CADA awarded a maintenance contract to Miracle Method in the amount of \$40,000.00 for Bathtub & Sink Refinishing. The contract includes one annual extension. Due to satisfactory service management, CADA intends to extend the contract for fiscal year C23.

Due to the age of our buildings, the Maintenance department frequently encounters tubs and sinks that require rehabilitation when turning units. CADA has found that it is much more cost-effective to resurface tubs and sinks rather than doing a total replacement. CADA has also had difficulty finding suitable replacements for some of the tubs and sinks in some of our buildings, again making resurfacing the existing items the best option. Extension of this contract will necessitate a change order in the amount of \$20,000 due to increased materials costs.

R.F. MacDonald Co.

In June 2020, CADA awarded a maintenance contract for fiscal year 20-21 to R.F. MacDonald Co. in the amount of \$45,500.00 for Boiler Repair & Replacement. The contract includes optional annual extension(s) for up to an additional four years. Due to satisfactory service, management extended the contract for the 21-22 fiscal year and intends to extend the contract for fiscal year 22-23.

Due to the age of CADA's boilers, repairs are often necessary to keep our buildings and tenants warm during the months when the boilers are operating. While staff does incorporate funds into the annual maintenance budget for repairs, the amount and extent of repairs cannot always be predicted. Each year before firing up the boilers they must be inspected and primed to ensure there are no issues that would prevent their safe and efficient operation once they are up and running. Then, when spring arrives the boilers must be shut down and a preventative maintenance performed on each one to prepare and protect them in their dormant state until their use is required again when the cold weather returns. To fund this work at the appropriate level during the current fiscal year, staff incurred unanticipated costs for which a change order is now needed.

Multiple buildings experienced failures of critical parts that had simply worn out and needed to be replaced to return the boilers to normal operations. Staff recommends approving a change order in the amount of \$50,000 to cover the additional costs of maintenance and replacement parts.

POLICY

This item comes before the Board because, with the requested change orders, the current contract amounts will either exceed the \$50,000 contract amount or exceed the 10% or \$25,000.00 change order approval authority of the Executive Director. Staff is requesting that the Board approve a resolution authorizing the Executive Director to enter into the change orders.

STRATEGIC PLAN

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

FINANCIAL IMPACTS

The total contracts, with the addition of the requested \$330,000.00 in change orders, totals \$816,500.00. A total of \$486,500.00 was approved by the Board in June of 2021 in the FY 2021-22 Facilities Maintenance Managers Budget. Any amount that exceeds the Maintenance Manager's current budget will be taken from the Contingency budget line item in the C22 FY 2018-19 Capital Investment Program — Major Construction Budget, adopted in June of 2021.

ENVIRONMENTAL ISSUES

This item does not require CEQA review or certification.

RESOLUTION NO. 22 - 14

Adopted by the Capitol Area Development Authority

May 20, 2022

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO CHANGE ORDERS FOR MAINTENANCE CONTRACTS C20-016, C20-014, C22-001, C22-022, & C22-029

WHEREAS, the Board authorized the Executive Director to enter into maintenance contracts with 2 Go Building Maintenance in the amount of \$90,000.00 for Vacant Apartment Cleaning/Emergency Water Extraction/Floor Cleaning Services; Elite Service Experts in the amount of \$114,000.00 for Landscape and Lawn Care Services; RCO Flooring (California Renovations) in the amount of \$189,008.00 for Floor Covering Repair/Replacement; Miracle Method in the amount of \$40,000.00 for Bathtub & Sink Refinishing; and R.F. MacDonald Co. in the amount of \$45,500.00 for Boilers Repair & Replacement; and

WHEREAS, staff is recommending the Board approve change orders totaling \$330,000 to pay for additional costs to cover unanticipated additional work under these contracts associated with CADA's building maintenance.

NOW, THEREFORE, BE IT RESOLVED, by the Capitol Area Development Authority

1. That the Executive Director is authorized to enter into Change Orders with

1. 2 Go Building Maintenance in the amount of \$80,000.00 for Vacant Apartment Cleaning/Emergency Water Extraction/Floor Cleaning Services
2. Elite Service Experts in the amount of \$100,000.00 for Landscape and Lawn Care Services
3. RCO Flooring (California Renovations) in the amount of \$80,000.00 for Floor Covering Repair/Replacement.
4. Miracle Method in the amount of \$20,000.00 for Bathtub & Sink Refinishing
5. R.F. MacDonald Co. in the amount of \$50,000.00 for Boilers Repair & Replacement

Ann Bailey, Chair

ATTEST:

Tara Gandara
Secretary to the Board of Directors