



December 1, 2023

TO: Board of Directors

**SUBJECT: December 8, 2023, Board Meeting
AGENDA ITEM 9
AUTHORIZATION OF CHANGE ORDER TO CONTRACT C23-028 WITH ATI
RESTORATION, LLC**

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

RECOMMENDATION:

Staff recommends the Board adopt a resolution (Attachment 1) authorizing the Executive Director to approve a change order to the FY Toxic Abatement contract C23-028 with ATI Restoration, LLC in the amount of \$42,000, for asbestos abatement at various locations.

BACKGROUND

CADA awarded a contract to ATI Restoration, LLC on July 1, 2022 in the amount of \$21,926.80 for FY Toxic Abatement. On July 1, 2023 the contract was increased to \$30,000 by way of the Board's annual contract extension approval. Work on the contract is currently \$17,159.60 over the \$30,000 contract limit and Maintenance has determined it will require an additional \$25,000 to fund additional work between now and February 1, 2024. Staff plans to bring a new formally-bid contract to the Board at the January meeting for an approval of a contract to start February 1, 2024. For this reason, at this time staff is requesting authorization for a change order in the amount of \$42,000.

Over the past several years, the class B and C segment of the multifamily rental market has emphasized upgrades to apartment finishes. This has included a shift to LVP (luxury vinyl plank) flooring and new baseboards throughout the apartment, quartz countertops, and improved cabinets. To remain competitive and to continue to reinvest in the quality of our housing stock, CADA has shifted towards replacing carpet in CADA apartments' bedrooms and VCT (vinyl composite tile)/tile flooring in bathrooms with LVP and upgraded baseboards. At the same time, where necessary and as appropriate, staff is upgrading kitchen cabinets and countertops. These products are longer lasting and will also result in lower costs and less waste over time.

During the course of performing this work, CADA has encountered potential asbestos-containing materials in and below many of the floors that are covered with VCT. This has required testing and abatement where asbestos has been found, often at significant cost and in excess of the budget CADA had set aside for asbestos abatement. CADA has responded by limiting VCT replacement only to kitchens and bathrooms where the VCT is obviously in need of replacement due to age or where so many layers of VCT have been laid down over the years that laying down another layer is inadvisable. However, this adjustment will not be enough to mitigate an increase in asbestos

abatement costs. Maintenance staff anticipates the need for this change order amount to fund current and future abatement between now and early February 2024, when it hopes to have a new asbestos abatement contract in place. For this reason, staff is requesting the Board authorize staff to approve a change order in the amount of \$42,000. \$42,000 consists of \$17,159.60 in unanticipated contractor costs to date and another \$24,840.40 to fund additional work through January 31, 2024.

POLICY

This item comes before the Board because, with the requested change order, the current contract amount will exceed the Executive Director's \$50,000 contract approval authority.

STRATEGIC PLAN

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

FINANCIAL IMPACTS

The total ATI Restoration contract amount, with the addition of the requested \$42,000 for the change order, will be \$72,000. As part of the Board's approval of the CADA annual budget in June, \$67,000 was allocated for asbestos abatement, from the C22 FY 21-22, C23 FY 2022-23, and C24 FY 23-24 Capital Investment Program — Major Construction Budget. Additional asbestos abatement funding is being addressed through the mid-year budget process.

ENVIRONMENTAL ISSUES

This item does not require CEQA review or certification as it is not considered a project under CEQA.

Attachments:

1. Resolution 23-50: Authorization of Change Order to Contract C23-028 with ATI Restoration, LLC

RESOLUTION NO. 23 - 51

Adopted by the Capitol Area Development Authority

December 8, 2023

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CHANGE ORDER FOR CONTRACT C23-028 WITH ATI RESTORATION, LLC

WHEREAS, in July 2022 the Executive Director entered into a \$21,926.80 contract with ATI RESTORATION, LLC for FY Toxic Abatement;

WHEREAS, in July 2023 the Executive Director entered into an annual extension to the original contract with an increase to \$30,000;

WHEREAS, a change order to the ATI RESTORATION, LLC contract totaling \$42,000 is necessary in order to accommodate the unexpected volume of asbestos abatement needed to date and additional work needed through January 31, 2024; and

WHEREAS, the new contract amount will total \$72,000, which exceeds the Executive Director's \$50,000 contract approval authority.

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

1. That the Executive Director is authorized to enter into Change Order #1 with ATI RESTORATION, LLC in the amount of \$42,000.

Ann Bailey, Chair

ATTEST:

Tara Gandara
Secretary to the Board of Directors