



May 12, 2023

TO: CADA Board of Directors

**SUBJECT: May 19, 2023, Board Meeting
AGENDA ITEM 9
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 that:

1. Ratifies the following adjustments requested by CADA upon extension of the contracts at the beginning of FY 22-23:
 - a. Elite Service Experts in the amount of \$112,010 for Landscape, Tree and Lawn Care Services
 - b. RCO Flooring (California Renovations) in the amount of \$90,992 for Floor Covering Repair/Replacement
2. Authorizes the Executive Director to enter into change orders with
 - a. Elite Service Experts in the amount of \$29,000 for Landscape, Tree and Lawn Care Services
 - b. RCO Flooring (California Renovations) in the amount of \$105,000 for Floor Covering Repair/Replacement
 - c. Miracle Method in the amount of \$39,000 for Bathtub & Sink Refinishing

BACKGROUND

Elite Service Experts

In June 2019, CADA awarded a maintenance contract to Elite Service Experts in the amount of \$114,000 for Landscape, Tree and Lawn Care Services. The contract includes optional annual extension(s) for up to an additional 4 years. Because Elite provided satisfactory service, staff opted to extend the contract for fiscal years 20-21, 21-22 and 22-23 and amended the contract in each of those years due to overages related to the increasing costs of labor, materials and gas. In FY 20-21 the contract was increased by way of a change order from \$114,000 to \$230,000. In FY 21-22 the contract was initially increased by 3.5% (\$3,990) of the allowed 5% upon extension from \$114,000 to \$117,990. In May of 2022 the contract was again increased in the amount of \$100,000 as a result of a change order increasing the contract amount from \$117,990 to \$217,990. In FY 22-23, the contract was increased in the amount of \$112,010 from \$117,990 to \$230,000 by CADA's request

upon extension. Each increase was made consistent with allowable increases under the terms of the contract; however, since staff is unable to locate a record of the Board's approval of the FY 22-23 extension increase, staff is recommending that the Board formally ratify the increase now. Staff further recommends that the Board approve a change order in the amount of \$29,000. This brings the final contract amount for the FY 22-23 to \$259,000.

In addition to regular landscape services, Elite tackled projects such as replacing/installing automatic sprinkler systems, landscape beautification projects such as the landscaping of the courtyard of 1317 O St, landscaping at 17th St. Commons, and landscaping of 1615, 1617, and 1623 P St. Elite also removed 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 requiring the requested change order in the amount of \$29,000.

RCO Flooring (California Renovations)

In June 2021, CADA awarded a maintenance contract to RCO Flooring (California Renovations) in the amount of \$189,008 for Floor Covering Repair/Replacement. The contract includes an optional annual extension for an additional year. Due to satisfactory service, management extended the contract for FY 22-23 and due to past overages, amended the contract upon its extension by CADA's request in the amount of \$90,992, increasing the total amount of the contract to \$280,000. This increase was made consistent with allowable increases under the terms of the contract; however, since staff is unable to locate a record of the Board's approval of the FY 22-23 extension increase, staff is recommending that the Board formally ratify the increase now. Staff further recommends that the Board approve a change order in the amount of \$105,000. This brings the final contract amount for FY 22-23 to \$385,000.

The installation of plank flooring at 1321 Q St, refinishing of hardwood in several vacant apartments at the Dean, more-than-anticipated instances of tenant damage, coupled with the current increased cost of labor and materials (approx. 22% year-over-year) to complete CADA's flooring work, have resulted in the need for a change order in the amount of \$105,000.

Miracle Method

In June 2021, CADA awarded a maintenance contract to Miracle Method in the amount of \$40,000 for bathtub & sink refinishing. The contract includes one annual extension. Because the vendor has performed satisfactorily, CADA extended the contract for FY 22-23, with an increase to \$45,000.

In the current fiscal year, due to the age of our buildings and a higher apartment turnover rate compared to last year, the Maintenance department frequently has encountered 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 \$39,000 to reflect increased volume and materials costs.

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 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 2022-2026 CADA Strategic Plan goal: "Provide Superior Property Management."

FINANCIAL IMPACTS

The total contract amount for the three contracts, including the addition of the requested \$379,992 in adjustments, is \$728,000. A total of \$565,000.00 was approved by the Board in June of 2022 in the FY 2022-23 Maintenance budget. Any amount that exceeds this current budget will be taken from the Contingency budget line item in the FY 2020-21 Capital Investment Program — Major Construction Budget, adopted in June of 2020.

ENVIRONMENTAL ISSUES

This item does not require CEQA review or certification.

Attachments:

1. Resolution

RESOLUTION NO. 23 - 17

Adopted by the Capitol Area Development Authority

May 19, 2023

RESOLUTION RATIFYING THE EXTENSION ADJUSTMENTS FOR MAINTENANCE CONTRACTS C20-014 & C22-001, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO CHANGE ORDERS FOR MAINTENANCE CONTRACTS C20-014, C22-001, AND C22-022

WHEREAS, the Board authorized the Executive Director to enter into maintenance contracts with Elite Service Experts in the amount of \$117,990 for Landscape, Tree and Lawn Care Services; RCO Flooring (California Renovations) in the amount of \$189,008 for Floor Covering Repair/Replacement; and Miracle Method in the amount of \$45,000 for Bathtub & Sink Refinishing; and

WHEREAS, staff is recommending the Board ratify the extension adjustments in the amount of \$203,002 and approve change orders totaling \$173,000 to pay for additional costs to cover unanticipated additional work under these contracts associated with CADA's building and grounds maintenance program.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Capitol Area Development Authority that it

1. **Ratifies the following adjustments requested by CADA upon extension of the contracts at the beginning of FY 22-23:**
 - a. Elite Service Experts in the amount of \$112,010 for Landscape, Tree and Lawn Care Services
 - b. RCO Flooring (California Renovations) in the amount of \$90,992 for Floor Covering Repair/Replacement
2. **Authorizes the Executive Director to enter into change orders with**
 - a. Elite Service Experts in the amount of \$29,000 for Landscape, Tree and Lawn Care Services
 - b. RCO Flooring (California Renovations) in the amount of \$105,000 for Floor Covering Repair/Replacement
 - c. Miracle Method in the amount of \$39,000 for Bathtub & Sink Refinishing

Ann Bailey, Chair

ATTEST:

Tara Gandara
Secretary to the Board of Directors