



September 22, 2023

TO: CADA Board of Directors

SUBJECT: **September 29, 2023, Board Meeting**
AGENDA ITEM 7

APPROVAL OF CHANGE ORDER ON CONTRACT C24-056
DOS AMIGOS (1414 16th St – Silver Lining Piano Bar)

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 a change order to the existing contract, C24-056, with Dos Amigos in the amount of \$33,928.00 for demolition, space preparation, and concrete work on the 1st floor of 1414 16th St (Silver Lining Café).

BACKGROUND

CADA entered into a contract with Dos Amigos Construction on August 16, 2023 in the amount of \$24,986 for demolition and space preparation work for the new tenant at 1414 16th St (formally Luna's Café). The scope of work includes demolition of selected interior walls and partitions, drywall and lathe & plaster, rough plumbing and electrical work, construction of selected partition wall framing, floor repairs in the kitchen area, and installation of a new kitchen floor

Additional work beyond the scope of the contract is now required. The contractor submitted a change order request in the amount of \$12,911, which will bring the total contract amount to \$37,897. The contract and the change order were approved by the Executive Director because they were within her \$50,000 contract approval authority.

As the contractor's work progressed CADA staff determined the existing flooring could not be reused due to the age of the floor and the fact that it is not strong enough to support the planned-for ceramic floor tiles the new tenant plan on installing once CADA finishes its preparatory work. The tenant's tiling contractor has explained that he cannot guarantee the tile work because the current floor is not rigid enough to support the installation of the planned 20" x 30" tiles. The floor that was installed back in 1980's before Luna's Café moved in was a floating floor, built on 2x4's and 5/8 plywood set on a light layer of concrete. If we leave the floor as is and set the new tile on top of it, the tiles will very likely crack and CADA would be responsible for their replacement. To solve the problem correctly, the existing wood flooring needs to be removed and replaced with concrete. A concrete floor would support the new tile without cracking them and enable the tiling contractor to provide a warranty on his work.

It should also be noted that the current floor does not meet current Title 24 energy requirements as there is no insulation beneath it. The new concrete will meet Title 24 requirements.

Dos Amigos' requested change order to do the proposed work is \$33,928. This will increase the contract with Dos Amigos to \$71,825.00, up from the combined original contract plus change order #1 amount of \$37,897.

POLICY

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

STRATEGIC PLAN

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

FINANCIAL IMPACTS

The total contract amount, with the addition of the requested \$33,928.00 for the change order, is \$71,825.00. \$62,000.00 was approved by the Board in June of 2022 in the C23 FY 2022-23 Capital Investment Program — Major Construction Budget. The additional amount of \$9,825.00 will be taken from contingency of the C23 FY 2021-2022 Capital Investment Program — Major Construction Budget approved by the board June of 2022.

ENVIRONMENTAL ISSUES

This item does not require CEQA review or certification.

Attachments:

1. Resolution 23-42

RESOLUTION NO. 23 - 42

Adopted by the Capitol Area Development Authority

September 29, 2023

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO APPROVE A CHANGE ORDER WITH DOS AMIGOS CONSTRUCTION ON CONTRACT C24-056

WHEREAS, in August 2023 the Executive Director entered into a \$24,986 contract with Dos Amigos Construction; and

WHEREAS, CADA has entered into a change order #1 to the Dos Amigos Construction contract totaling \$12,911, bringing the contract to \$37,897 which was approved by the Executive Director; and

WHEREAS, CADA would like to into a change order #2 to the Dos Amigos Construction contract totaling \$33,928 to fund additional required concrete work; and

WHEREAS, a second change order would bring the contract to \$71,825, which is over the limit of the Executive Director's approval authority; and

WHEREAS, staff is recommending the Board approve a change order in the amount of \$33,928 to pay for additional costs to cover the additional concrete work.

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

1. That the Executive Director is authorized to enter into Change Order #2 with Dos Amigos Construction in the amount of \$33,928, resulting in a total contract amount of \$71,825.

Ann Bailey, Chair

ATTEST:

Tara Gandara
Secretary to the Board of Directors