



May 10, 2024

TO: Board of Directors

**SUBJECT: May 17, 2024, Board Meeting
AGENDA ITEM 10
RATIFICATION OF CHANGE ORDER ON CONTRACT C24-002 – REBUILDIT
– FISCAL YEAR (FY) COUNTERTOP REPLACEMENTS AT VARIOUS
LOCATIONS**

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

RECOMMENDATION:

Staff recommends that the Board adopt a resolution authorizing the Executive Director, or her designee, to approve a change order to maintenance contract C24-002 with Rebuildit Construction in the amount of \$20,000, bringing the total contract amount to \$125,000 for fiscal year countertop replacements at various locations.

BACKGROUND

A contract was awarded to Rebuildit Construction in July 2023 in the amount of \$80,000 for countertop replacements and included removal and installation of quartz countertops. Due to the decision to upgrade apartments as they turn, the original \$80,000 was determined to be inadequate to fund the needed work through fiscal year 2023-2024. In April 2024, Facilities Maintenance Manager, Russ Juneau, requested additional funds. The change order was requested for \$25,000, which was within the Executive Director's approval authority and was approved. Due to the larger number of additional apartments requiring upgrades than was envisioned in April, additional funding is needed to finish the fiscal year. The number of major rehabs is a function of the number of households who vacate their apartments and the condition of their apartments when they vacate. Maintenance staff recently determined the new contract amount of \$105,000 was too low to fund the required work through the end of the current fiscal year. An additional \$20,000 is now being requested through this staff report. This additional funding will bring the total amount of the change orders to \$45,000, which exceeds the approval authority of the Executive Director. The total contract will then be \$125,000. The FY 2024-2025 budget, which staff is now preparing, will consider the budget needed for this contract and next year's budget will be adjusted accordingly.

POLICY

This item comes before the Board because the total amount requested in the change orders will exceed the \$25,000 change order approval authority of the Executive Director.

STRATEGIC PLAN

The proposed action addresses the 2024 - 2029 CADA Strategic Plan Objective: Deliver Community Development Leadership by prioritizing projects that are sustainable and functional for CADA's residential tenants.

FINANCIAL IMPACTS

The total contract, with the addition of the requested \$45,000 in change orders, will be \$125,000. Work under this contract will be performed using funds allocated in the Capital Investment Program (CIP) budget. The C22 FY 2021/2022 Major Construction CIP budget, which was adopted by the Board in June 2022, contains a total of \$292,699.79 for this Unit Rehabilitation work.

ENVIRONMENTAL ISSUES

Not applicable. This project falls under the categorical exemption for existing facilities in class 1, section 15301. Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use.

CONTRACT AWARD POLICY

The first \$25,000 change order was 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 and increasing the contract another \$20,000.

Attachments:

- Resolution 24-25

RESOLUTION NO. 24 – 25

Adopted by the Capitol Area Development Authority

May 17, 2024

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR, OR HER DESIGNEE, TO ENTER INTO A \$20,000 CHANGE ORDER FOR MAINTENANCE CONTRACT C24-002, BRINGING THE CONTRACT TOTAL TO \$125,000

WHEREAS, in July 2023 and in accordance with Board approval, the Executive Director entered into construction contract with Rebuildit in the amount of \$80,000 for Fiscal Year Countertop Replacements at Various Locations;

WHEREAS, in April 2024, the Executive Director approved a \$25,000 change order to fund unanticipated additional work under this contract;

WHEREAS, an additional \$20,000 change order is needed at this time to pay for additional costs to cover additional work under this contract until such time as a new fiscal year contract can be entered into for work required next year;

WHEREAS, the Executive Director's combined change order authority is capped at 10 percent of the original contract amount (\$8,000), or \$25,000, whichever is greater, and with this additional \$20,000 request, the contract change orders total \$45,000; and

WHEREAS, staff is recommending the Board approve the requested change order of \$20,000 in accordance with CADA policy and in order to complete necessary countertop replacements in housing units.

NOW, THEREFORE, BE IT RESOLVED, by the Capitol Area Development Authority, that the Executive Director, or her designee, is authorized to enter into a \$20,000 change order with Rebuildit for Maintenance Contract C24-002, the FY Countertop Replacements at Various Locations project, bringing the contract total to \$125,000.

Ann Bailey, Chair

ATTEST:

Tara Gandara
Secretary to the Board of Directors