



May 10, 2024

TO: Board of Directors

SUBJECT: May 17, 2024, Board Meeting
AGENDA ITEM 11
APPROVAL OF CHANGE ORDERS TO VARIOUS MAINTENANCE CONTRACTS

CONTACT PERSON: Tara Gandara, Contracts and Office Manager/Board Secretary
Russ Juneau, Facilities Maintenance Manager
Frank Czajka, Construction & Rehabilitation Manager

RECOMMENDATION:

Staff recommends the Board adopt a resolution authorizing the Executive Director, or her designee, to execute change orders to the following maintenance contracts in the amounts stated:

- C20-014 - Elite Service Experts, in the amount of \$20,000 for FY Landscape and Lawn Care Services
- C24-008 - Industrial Door Company, in the amount of \$51,000 for FY Commercial Storefront Doors Services
- C22-001.01 - RCO Flooring (California Renovations), in the amount of \$80,532 for FY Floor Covering Repair/Replacement Services
- C24-016 - RCO Flooring (California Renovations), in the amount of \$405,000 for FY Floor Covering Repair/Replacement Services
- C23-024 - Villara Building Systems, in the amount of \$30,000 for FY HVAC Maintenance & Repair Services

BACKGROUND

Elite Service Experts – C20-014

In June 2019, CADA awarded a maintenance contract to Elite Service Experts in the amount of \$114,000 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 2020-2021, 2021-2022, 2022-2023, and 2023-2024 and it will go out to bid this coming fiscal year 2024-2025 due to the contract term ending. The contract also provides for an annual increase and was adjusted for the 2023-2024 fiscal year to \$280,000.

In addition to regular landscape services, Elite tackled projects such as replacing/installing automatic sprinkler systems, replacing bark throughout the CADA properties' planter beds, landscaping in the front of the Admin office, and removal of several large trees that were dying and damaging water lines or in danger of falling on adjacent structures. These landscape projects have resulted in unanticipated increased costs and the need for a change order in the amount of \$20,000.

Industrial Door Company – C24-008

In June 2023, CADA awarded a maintenance contract to Industrial Door Company in the amount of \$49,000 for FY Commercial Storefront Doors. The contract includes optional annual extension(s) for up to one additional year. Due to satisfactory service, staff plans to extend the contract for the fiscal year 2024-2025.

An additional \$51,000 change order will be needed for this fiscal year due to there being more storefront door replacements than originally anticipated, the need to upgrade older storefront doors to current ADA requirements, and the cost of commercial storefront door installations increasing to up to \$10,000 per installation.

RCO Flooring (California Renovations) – C22-001.1

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 included an optional annual extension for an additional year. Due to satisfactory service, management extended the contract for FY 2022-2023 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. The Board then approved a change order in the amount of \$105,000. This brings the final contract amount for FY 2022-2023 to \$385,000. In June of 2023, the Board approved an amendment to the contract in the amount of \$105,000 from July 1, 2023 through September 30, 2023 to allow staff to rebid the contract. Rebidding was necessary because the initial scope of work for the project did not include with Luxury Vinyl Plank (LVP) flooring and needed to be amended. This contract expired September 30, 2023, but a change order of \$80,532 is needed at this time to fully fund the work that was performed under the contract, including the switch to LVP flooring, prior to its expiration.

As staff has previously advised the Board, our evaluation of rental market conditions has led to the realization that in order for CADA's apartments to remain competitive in the market and to fulfill our sustainability goals of longer-lasting products, CADA would need to move away from replacing carpets on apartment turns and instead replace carpet with Luxury Vinyl Plank (LVP) flooring and upgrade to 5 1/2" baseboards. This change has increased CADA's flooring costs from an average of \$2,000 to replace carpet to around \$8,000 to install the LVP flooring. LVP lasts much longer than carpet and will reduce CADA's flooring costs in the long-run.

RCO Flooring (California Renovations) – C24-016

In September 2023, CADA awarded a maintenance contract to RCO Flooring (California Renovations) in the amount of \$187,500 for Floor Covering Repair/Replacement for the remaining nine months of the fiscal year. The contract includes an optional annual extension for an additional year. Due to satisfactory service, management intends to extend the contract for fiscal year 2024-2025.

More-than-anticipated instances of tenant damage to existing flooring, resulting in the need for greater flooring replacement, and the 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 \$405,000.

Villara Building Systems – C23-024

In June 2022, CADA awarded a maintenance contract for fiscal year 2022-2023 to Villara Building Systems in the amount of \$45,000 for HVAC Maintenance and Repair. The contract includes an optional annual extension for an additional year. Due to satisfactory service, management extended the contract for the 2023-2024 fiscal year.

Staff recommends approving a change order in the amount of \$30,000 to cover the additional costs for HVAC work in excess of what staff anticipated would be needed.

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 detailed above.

STRATEGIC PLAN

The proposed action addresses the following 2024-2029 CADA Strategic Plan goals: "Ensure Fiscal Strength and Operational Excellence."

FINANCIAL IMPACTS

The above total contracts, with the addition of the requested \$586,532 in change orders, total \$1,253,032. A total of \$666,500 was approved by the Board in June of 2023 in the FY 2023-2024 Facilities Maintenance Manager's Budget. Any amount that exceeds the Maintenance Manager's current budget will be taken from the Contingency and Unit Rehabilitation budget line items in the C22 FY 2021-2022 Capital Investment Program — Major Construction Budget, adopted in June of 2021.

ENVIRONMENTAL ISSUES

This item does not require CEQA review or certification.

Attachments

1. Maintenance Change Orders Resolution 24-26

RESOLUTION NO. 24 – 26

Adopted by the Capitol Area Development Authority

May 17, 2024

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR, OR HER DESIGNEE, TO ENTER INTO CHANGE ORDERS FOR MAINTENANCE CONTRACTS C20-014, C24-008, C22-001.01, C24-016, AND C23-024

WHEREAS, the Board authorized the Executive Director to enter into maintenance contracts with Elite Service Experts in the amount of \$280,000 for FY Landscape and Lawn Care Services; RCO Flooring (California Renovations) in the amount of \$105,000 (amendment) and \$187,500 (new annual contract) for FY Floor Covering Repair/Replacement;

WHEREAS, the Executive Director executed contracts within her authority with Industrial Door Company in the amount of \$49,000 for FY Commercial Storefront Doors and Villara Building Systems in the amount of \$45,000 for FY HVAC Maintenance & Repair; and

WHEREAS, staff is recommending the Board approve change orders totaling \$586,532 to pay for additional costs to cover unanticipated additional work under these contracts associated with CADA's building maintenance and unit turnover.

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

The Executive Director, or her designee, is authorized to execute change orders to the following maintenance contracts in the amounts stated:

1. C20-014- Elite Service Experts in the amount of \$20,000 for FY Landscape and Lawn Care Services
2. C24-008- Industrial Door Company in the amount of \$51,000 for FY Commercial Storefront Doors
3. C22-001.01- RCO Flooring (California Renovations) in the amount of \$80,532
4. C24-016- RCO Flooring (California Renovations) in the amount of \$405,000 for FY Floor Covering Repair/Replacement
5. C23-024- Villara Building Systems in the amount of \$30,000 for FY HVAC Maintenance & Repair Services

Ann Bailey, Chair

ATTEST:

Tara Gandara
Secretary to the Board of Directors