



August 6, 2025

TO:	Capitol Area Development Authority (CADA) Board of Directors
SUBJECT:	August 15, 2025 Board Meeting AGENDA ITEM 10 APPROVAL OF CHANGE ORDER TO CONTRACT C25-024 – HVAC UNIT REPLACEMENTS PROJECT WITH THP MECHANICAL LLC (1515 8TH STREET)
CONTACT:	Josh Palmer, Deputy Director

RECOMMENDATION:

Staff recommends the Board adopt a resolution authorizing the Executive Director to execute a change order to major construction contract C25-024 with THP Mechanical LLC in the amount of \$171,139 for the Heating, Ventilation and Air Conditioning (HVAC) Unit Replacements Project at 1515 8th Street.

BACKGROUND

The building at 1515 8th Street being used by the Capital YMCA was built in 1982. The building's heating and air conditioning is currently being provided by an aging and inefficient HVAC system which is rapidly approaching the end of its useful life. When CADA took ownership of the building from the Capital Athletic Club in early 2024, the HVAC units had deferred maintenance and required full assessment with scheduled replacement. Staff conducted a thorough inspection of the 52,000 SF facility. During the inspection, CADA staff worked with HVAC contractor, Villara, to determine the useful life of the HVAC systems. Staff determined that the best approach to address the building's heating and cooling needs would be to replace five (5) of the fifteen (15) aging HVAC units initially and plan for future replacement of the other units. CADA replaced one (1) unit in 2024 after failure of the unit and determined that in the event of one of the remaining nine (9) units failing prior to a new upgrade project, CADA would replace the unit(s) as needed.

Staff solicited bids for the 1515 8th Street HVAC Units Replacement Project in March 2025. THP Mechanical LLC submitted a bid of \$170,840, which was determined to be the lowest responsive, responsible bid following staff review of the bid submissions, and the Board authorized the Executive Director to enter into a construction contract with THP Mechanical LLC in the amount of \$170,840 at the April 18, 2025 Board meeting.

ANALYSIS

Over the past few months, CADA staff has learned from discussions with the YMCA that the units are struggling to meet the demand and needs of the building, now being fully utilized as a fitness center. CADA staff also learned from our contractor, THP Mechanical LLC, that the units have an extended lead-time once ordered. As a result, staff has now determined that it is in CADA's best interest to replace ten (10) units at the same time instead of only five (5) units.

This increase in unit replacements will ensure uninterrupted tenant operations at the building, allow CADA to avoid delays and additional costs for renting a crane and pulling additional future building

permits to replace units if or when they fail. This will also allow CADA to continue with the extended timeframe of replacing the last four (4) units over the next year.

Replacing an additional five (5) units will result in an increased cost of \$171,139 and the need for a change order. The requested change order will allow CADA to move forward with the HVAC Unit Replacements Project for our building at 1515 8th Street and allow our tenant, the YMCA, to operate in an environment where their HVAC units are safe, functioning well, and performing reliably.

POLICY

This item comes before the Board because the contract award amount exceeds the \$100,000 contract approval authority of the Executive Director. Construction contracts in excess of \$100,000 must be formally bid in accordance with CADA Contract Policy, and authorization for a contract award must be granted by the Board of Directors. This job was previously bid.

FINANCIAL IMPACT

The total contract, with the addition of the requested \$171,139 change order, will total \$341,979. The previously approved \$170,840 was within the FY 2024-25 Major Construction CIP budget, which was adopted by the Board in June 2024, and included a total of \$450,000 budgeted for these HVAC upgrades. This change order, bringing the total to \$341,979, keeps the total contract amount within the budgeted amount and no additional funds are necessary.

ENVIRONMENTAL ISSUES

This item does not require CEQA review or certification. 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.

CADA STRATEGIC PLAN

The proposed action addresses the following 2024-2029 CADA Strategic Plan goals: "Ensure Fiscal Strength and Operational Excellence." Replacement of these HVAC units furthers CADA's goals of being cost-effective and proactive with rehabilitation and repair projects, while also increasing energy efficiency of this CADA building and operational reliability for CADA's commercial tenant, the YMCA.

Attachments:

1. Change Order – THP Mechanical LLC
2. Resolution 25-34



Change Order

Attachment 1

1261 Hawks Flight Court, Suite E
El Dorado Hills, CA 95762
(833) 847-6324

Lic. #: 790840

DIR #: 1001171227

Project	CO Info
1515 8th Street HVAC Unit Replacements	CO # 01
THP Project # 25-024	Date 7/25/2025
1515 8th St, Sacramento, CA 95814	Respond by 8/8/2025
Client	Reference
Capitol Area Development Authority (CADA)	Drwg/Detail
Client Project # C25-157	Spec
1522 14th St, Sacramento, CA 95814	Location

Change Order Description

Additional cost to replace the units listed below following the same scope as the original contract scope. Units include power exhaust, supply air smoke detectors, powered convenience outlets and curb adapters.

*Unit lead time is 6-8 weeks with these accessories

Unit ID	Existing			New	
	Mfgr	Model	Serial	Mfgr	Model
AC-2	Trane	BYC100G3L0AA	Y32143431D	Trane	YSK102A3S0L**R000A2B000B
AC-5	Trane	BYC100G3L0AA	Y32143429D	Trane	YSK102A3S0L**R000A2B000B
AC-11	Trane	BYC130G3L0AA	Y30143763D	Trane	YSK120A3S0L**R000A2B000B
AC-14	Trane	BYC170G3L0AA	Y30143953D	Trane	YSK180A3S0L**R000A2B000B
AC-15	Trane	BYC130G3L0AA	Y23143430D	Trane	YSK120A3S0L**R000A2B000B

Exclusions

Per contract. Design, engineering, repairs, etc.

Additional Terms & Conditions

This change order is good for (15) fifteen days after the date posted above. THP Mechanical LLC reserves the right to update this change order at if material or equipment costs rise above 5% of what is shown on this change order.

Time Extension

8 Weeks for equipment procurement plus 2-3 weeks for scheduling/installation

Change Order Cost

\$171,139.00

THP Project Manager

Stacy Therkildsen
stherkildsen@thpmechanical.com
(916) 618-7051

RESOLUTION NO. 25 – 34

Adopted by the Capitol Area Development Authority

August 15, 2025

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR
TO EXECUTE A CHANGE ORDER WITH
THP MECHANICAL LLC FOR CONTRACT C25-024 –
HVAC UNIT REPLACEMENTS PROJECT AT 1515 8th STREET**

WHEREAS, on April 18, 2025, the Board authorized the Executive Director to enter into a \$170,840 major construction contract with THP Mechanical LLC;

WHEREAS, CADA is request authorization to execute a change order to the THP Mechanical LLC contract totaling \$171,139, which is above the limit of the Executive Director's authority to approve change orders; and

WHEREAS, staff is recommending the Board to authorize execution of a change order in the amount of \$171,139 to pay for additional costs to replace five (5) additional HVAC units at 1515 8th Street, also referred to as the Capitol YMCA.

NOW, THEREFORE, BE IT RESOLVED, by the Capitol Area Development Authority that the Executive Director, or her designee, is authorized to execute Change Order #1 to Contract C25-024 with THP Mechanical LLC in the amount of \$171,139 for the replacement of five additional HVAC units in the HVAC Unit Replacements Project at 1515 8th Street.

Ann Bailey, Chair

ATTEST:

Tara Gandara
Secretary to the Board of Directors