



September 12, 2025

TO:	Capitol Area Development Authority (CADA) Board of Directors
SUBJECT:	September 19, 2025 Board Meeting AGENDA ITEM 7 APPROVAL OF CHANGE ORDER #2 TO CONTRACT C25-156: ROOF REPLACEMENT PROJECT WITH MOUNTAIN ROOFING SYSTEMS AT PALM MANSION (1330 P STREET)
CONTACT:	John Dodson, Facilities Maintenance Superintendent Rachel Mercurio, Maintenance Office & Contracts Superintendent

RECOMMENDATION:

Staff recommends the Board adopt a resolution (Attachment 2) approving a change order to major construction contract C25-156 with Mountain Roofing Systems in the amount of \$41,032 for Roof Replacement Project at 1330 P Street.

BACKGROUND

Palm Mansion, located at 1330 P Street, was built in 1890 and is comprised of four rental units. Palm Mansion has an aging roof in excess of 20 years old that was identified in CADA's roof survey as needing to be replaced. Staff would like to complete the replacement of this roof prior to the rainy season.

On March 5, 2025, staff solicited bids for the 1330 P Roof Replacement Project through CADA's formal bidding process. The project scope of work calls for contractors to: remove the existing shingle roof system, damaged trim, damaged fascia, and gutters; install new fascia and trim to match the size of the damaged sections that were removed; and then paint to match the building color. CADA staff determined that Mountain Roofing Systems, who submitted a bid of \$86,181, to be the lowest responsive, responsible bid following a review of all bid submissions. The submitted bid was under \$100,000, which is within the Executive Director's contract authority.

On April 7, 2025, CADA entered into a major construction contract with Mountain Roofing Systems for \$86,181. On August 1, 2025, a change order in the amount of \$1,500 was authorized by the Executive Director. This change order was necessary because the original contract did not specify the color of the shingles. As such, the \$1,500 cost of the needed shingles was not previously included.

The project began on April 18, 2025. While the crew was tearing off the old roofing material, the contractor identified extensive dry rot. In order to uncover all the dry rot, more of the damaged decking of the roof was required to be removed to identify the extent of the damage. The requested change order for \$41,032 (outlined in Attachment 1) will allow CADA to move forward with the roof replacement project at 1330 P Street, including the removal of dry rot. Accordingly, staff recommends the Board authorize the Executive Director to enter into a construction contract with Mountain Roofing Systems in the amount of \$128,173.

POLICY

This item comes before the Board because the contract award amount exceeds the \$100,000 contract authority of the Executive Director. Construction contracts in excess of \$100,000 must be approved by the Board of Directors in accordance with CADA Contract Policy. The proposed second change order increases the total contract amount to more than \$100,000.

FINANCIAL IMPACT

The total contract, with the addition of the requested \$41,032, totals \$128,173. The previously approved \$86,181 was within the FY 2024-25 Major Construction CIP budget, which was previously adopted by the Board. Additional funds for this change order were identified within the Maintenance Budget to be used for completion of this project.

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." Removal of this dry rot and roof replacement furthers CADA's goals of being a leader in sustainability and providing quality housing. Completing this work prior to the rainy season furthers CADA's goal of operational excellence by avoiding potential weather impacts on CADA units.

Attachments:

1. Change Order #2 – Mountain Roofing Systems
2. Resolution 25-38



P.O. Box 549
 Diamond Springs, CA 95619
 OFFICE: 530-647-0653 / FAX: 530-644-5727
 Mountainroofingsystems.net
 LICENSE #959403

CHANGE ORDER 2

Customer:	Capitol Area Development Authority	Date:	9/3/2025
Job Address:	1330 P St	Phone #:	916-917-0933
	Sacramento, Ca 95814	Phone #:	
Mailing Address:	1522 14 th street	E-mail:	JPalmer@cada.org

Description of the following work to be done:

1. Provide and install the following due to dry rot
 140' of 2x8 fascia, 140' of 2x12 milled redwood lumber plus 140' of special redwood trim
 all milled to match existing lumber
 140' of special edge metal fabricated to fir raised fascia. All pre-finished metal
 128 SF of 1/2" CDX plywood.
 All new lumber received two coats of paint

Materials **\$17,992.00**

Labor 120 Man hours @ \$192 per man per hour **\$23,040.00**

2. Dispose of debris

Price in addition to original contract:

\$41,032.00

Note: All extra work, dry rot and structural damage cost will be based on a rate of \$95.00 per man-hour plus the cost of materials. We will prime new wood if exposed to weather, however, the customer is responsible for painting all repaired areas. Any radio and television antennas, signs, air conditioning equipment, evaporative coolers, solar panels, electrical wiring, etc. will be moved at the customer's risk. The customer shall pay all costs of collection, including attorney fees, if the above sum is not paid when due. Interest will be charged on all overdue accounts at a rate of 15% per annum.

Payment is due upon notification of completion. Payments made with a credit card will incur a 3% fee.

Acceptance of contract: All of the above prices, specification, terms and other conditions of this contract are satisfactory and are hereby accepted in full. The contractor is authorized to do the work as specified. I promise to make the payments as outlined above. I understand that this document is a legally binding contract, and in consideration for the work to be performed by the contract as specified in this agreement, I agree to pay contractor at the maximum rate allowed by law in addition to the amount due if payment is not received in full.

Date:

Customer Signature:

RESOLUTION NO. 25 – 38

Adopted by the Capitol Area Development Authority

September 19, 2025

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CHANGE ORDER WITH MOUNTAIN ROOFING SYSTEMS FOR CONTRACT C25-156: ROOF REPLACEMENT PROJECT AT 1330 P STREET

WHEREAS, on April 7, 2025 the Executive Director entered into an \$86,181 major construction contract with Mountain Roofing Systems;

WHEREAS, CADA has processed a change order to the Mountain Roofing Systems contract totaling \$1,500, increasing the contract total to \$87,681; and

WHEREAS, staff received a second change order due to unexpected dry rot removal and repairs and staff is recommending the Board approve a change order in the amount of \$41,032 to pay for these additional costs, bringing the total contract to \$128,173, which is above the Executive Director's contract authority.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors for the Capitol Area Development Authority that the Executive Director is hereby authorized to enter into Change Order #2 with Mountain Roofing Systems in the amount of \$41,032, bringing the total contract amount to \$128,173 for completion of the Roof Replacement Project at 1330 P Street.

Ann Bailey, Chair

ATTEST:

Tara Gandara
Secretary to the Board of Directors