

RESOLUTION NO. _____

**APPROVAL OF CHANGE ORDER NO. 1 FOR
BAXTER COMMUNITY CENTER RENOVATION AND ADDITION**

Item No. 5G

WHEREAS, funds have been received from Section 8 Reserves and Choice Neighborhoods Implementation Grant, along with American Rescue Plan funds from Louisville Metro Government and grant funds from James Graham Brown Foundation for the Baxter Community Center Renovation and Addition; and

WHEREAS, on January 5, 2023, a contract in the amount of \$8,978,000.00 was awarded to Churchill McGee, LLC for the renovation of the Baxter Community Center and Addition, and it now requires Change Order No. 1 to facilitate unexpected additional work due to unforeseen conditions discovered after the work started; and

WHEREAS, Churchill McGee, LLC submitted a net price increase of \$621,183.03 to perform the necessary work associated mostly to unforeseen conditions that were discovered after the work started, which is a common occurrence on a substantial rehabilitation project of this size, in particular with buildings that are several decades old; and LMHA staff and the project architect have reviewed the proposal and determined that it is a reasonable and acceptable price for the work to be performed; and

WHEREAS, the new contract amount will be \$9,599,183.03 which is slightly above the initial architect's estimate of \$9,417,695.40, which represents an increase of approximately 6.9%.

NOW, THEREFORE, BE IT RESOLVED BY THE LOUISVILLE METRO HOUSING AUTHORITY BOARD OF COMMISSIONERS, that the Executive Director and Contracting Officer, Lisa Osanka, is hereby authorized to approve Change Order No. 1 with Churchill McGee, LLC in the amount of \$621,183.03 for additional work in conjunction with Baxter Community Center Renovation and Addition.

RESOLUTION BACKGROUND STATEMENT

APPROVAL OF CHANGE ORDER NO.1 FOR BAXTER COMMUNITY CENTER RENOVATION AND ADDITION

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I. STATEMENT OF FACTS:

The Louisville Metro Housing Authority (LMHA) received funds from Section 8 Reserves and choice Neighborhoods Implementation Grant, along with American Rescue Plan Funds from Louisville Metro Government and grant funds from James Graham Brown Foundation for Baxter Community Center Renovation and Addition.

As part of Choice Neighborhoods Initiatives (CNI), the Baxter Community Center Renovation and Addition project will help fulfill one of the goals from the Vision Russell Transformation Plan (“Improving the Health and Safety”) by having an updated, modern, and safe facility that promotes active living, and opportunities for social and educational activities.

A contract was executed with Churchill McGee, LLC on January 9, 2023. The need for additional work in conjunction with Baxter Community Center Renovation and Addition has developed.

LMHA requires Change Order No. 1 to incorporate the necessary changes to the contract due mostly to unforeseen conditions that were discovered after the work started, which is a common occurrence with any substantial rehabilitation project of this size, in particular with buildings that are several decades old. The additional scope of work and pricing has been thoroughly analyzed by Sherman-Carter- Barnhart Architects and the Project Team to ascertain it is necessary.

The original contract amount was \$8,978,000.0. Change Order No. 1 is for \$621,183.03. The new contract amount will be \$9,599,183.03, this will add 150 days to the contract. Because the amount of this change order exceeds the threshold established in the LMHA Procurement Policy, Board approval is required.

The amount has been thoroughly analyzed by the project architect and LMHA staff to ascertain that is reasonable and fair. This Change Order No. 1 includes the following items:

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I. STATEMENT OF FACTS: (cont.):

• Unsuitable Soils #1	\$ 2,816.62
• Storm Sewer	\$ 52,181.12
• Unsuitable Soils #2	\$ 5,490.84
• Gym Windows	\$ 18,354.00
• Additional Roof Insulation	\$ 178,853.75
• Stage Floor	\$ 13,253.75
• Lower-Level Offices	\$ 14,379.11
• Receptionist Panels	\$ 529.10
• Access Control	\$ 39,297.80
• Mechanical Room Panels	\$ 1,621.50
• Gym Fire/Paint	\$ 35,203.80
• Existing Infill	\$ 5,338.76
• Sprinkler Soffit	\$ 1,066.07
• Relocate Energy Recovery Unit	\$ 75,865.91
• Rebuild Historic Brick Parapet Wall	\$ 270,604.89
	<u>\$ 714,857.02</u>
• <u>Elevator (Credit)</u>	<u>\$ 93,673.99</u>
Net Increase	\$ 621,183.03
 Original Contract Amount	 \$8,978,000.00
Change Order #1	\$ 621,183.03
New Contract Amount	<u>\$9,599,183.03</u>

An additional 150-day time extension will be added to the contract to allow for new work to be completed and accommodate material delivery. The Original Contract Completion Date was July 2, 2024; with the addition of 150 days, The New Completion Date is November 29,2024.

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II. ALTERNATIVES:

- A. Approve the resolution to authorize Change Order No. 1 in the amount of \$621,183.03 for additional work in conjunction with Baxter Community Center Renovation and Addition.
- B. Do not approve Change Order No. 1.

III. RECOMMENDATION:

Staff recommends Alternative "A."

IV. JUSTIFICATION:

- The Baxter Community Center Renovation and Addition project is part of the Choice Neighborhoods Initiatives (CNI), and it will help fulfill one of the goals from the Vision Russell Transformation Plan ("Improving the Health and Safety") by having an updated, modern and safe facility that promotes active living, and opportunities for educational and social activities.
- The scope of work under this change order is necessary to address various unforeseen conditions that were discovered after the work started, such as additional roof insulation to replace damaged material in excess of what was anticipated and having to relocate the rooftop energy recovery unit to make room for the repairs; making repairs to the historic brick wall parapet that became evident after the demolition; repairing various areas in the gym due to fire caused by vandalism during the bid review phase; and additional access control security measures.
- The proposed change, including costs, has been thoroughly analyzed by the project architect and LMHA staff and found it to be necessary, reasonable, and fair.
- This change order will increase the contract by 6.9%, for a new total contract amount of \$9,599,183.03, which is \$181,487.63 above the Architects estimate, and is within the allowable amount.

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V. BUDGET APPROVAL:

Funding for this project is provided from Section 8 Reserves (\$6,349,000) and Choice Neighborhoods Implementation grant (\$1,950,500), along with American Rescue Plan funds (\$2,315,000) from Louisville Metro Government and grant funds from James Graham Brown Foundation (\$1,000,000).

Kim Goodin, Assistant Finance Director

Date

VI. PROCUREMENT CERTIFICATION:

The procurement of this contract is in compliance with the Louisville Metro Housing Authority's procurement policies and procedures.

Steve Webb, Purchasing Agent

Date

Prepared and submitted by:

Mike Lyall, Program Manager, Capital Improvements
Norma Ward, Director, Capital Improvements
December 19, 2023