

RESOLUTION NO. _____

**APPROVAL OF CHANGE ORDER NO. 1 FOR RENOVATIONS
AT 1131 SOUTH 6TH STREET**

Item No. 5H

WHEREAS, funds have been received from the U.S. Department of Housing and Urban Development under the Capital Fund Program for the Renovations at 1131 South 6th Street; and

WHEREAS, the contract with Howell & Howell Contractors, Inc. executed on May 9, 2022 in the amount of \$1,600,000.00 requires Change Order No. 1 to facilitate additional work as well as a contract time extension; and

WHEREAS, Howell & Howell Contractors, Inc. submitted a price increase of \$54,771.21 to perform the necessary work, and the project architect and Louisville Metro Housing Authority staff have reviewed the proposal and determined that it is a reasonable and acceptable price for the work.

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 to the contract with Howell & Howell Contractors, Inc in the amount of \$54,771.21 for additional work.

RESOLUTION BACKGROUND STATEMENT

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I. STATEMENT OF FACTS:

The Louisville Metro Housing Authority (LMHA) received Capital funds for the Renovations at 1131 South 6th Street. A contract was executed with Howell & Howell Contractors, Inc. on May 9, 2022. The need for additional work in conjunction with this project has developed.

LMHA requires Change Order No. 1 to incorporate necessary changes to the contract. After the interior demolition was complete, it was established that there was water damage to a couple of the units and improper stair stringers that could not have been seen. These items needed to be replaced. Also, once the existing flooring was removed, it was determined by the architect and LMHA that the best way to get a smooth and level floor for the new flooring was to install a new subfloor throughout the property. The basement area also had some issues with the concrete flooring that was chipped and cracking. It was determined that removing the existing flooring and replacing it with a new slab would be the best plan since the new mechanicals would be sitting on this slab.

The original contract amount was \$1,600,000.00. Change Order No.1 is in the amount of \$54,771.21, which is less than 3.5% of the entire project. The new total contract amount will be \$1,654,771.21. Because the amount of this change order exceeds the threshold established in LMHA's Procurement Policy (the total change order amount of \$54,771.21 exceeds the \$30,000 threshold), Board approval is required.

The amount has been thoroughly analyzed by the Architect and LMHA staff to ascertain that it is reasonable and fair. The work under Change Order No.1 includes:

1. Installation of plywood subfloor and floor leveling compound over entire floor of existing subfloor in all apartments of the first and second floor.
2. Installation of stringers to existing stairs within the 2 townhouse units.

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I. STATEMENT OF FACTS (cont'd):

3. Removal of existing broken concrete slab in basement to provide a new 3" thick reinforced concrete mud slab.
4. Replacing of water and mold damaged wood subflooring, floor joists, ceiling joists and miscellaneous wood framing.

Increase.....\$54,771.21

An additional 21-day time extension will also be added to the contract for the time needed for the process. The revised project completion date will be May 30, 2023.

II. ALTERNATIVES:

- A. Approve Change Order No. 1 in the amount of \$54,771.21 for the additional work.
- B. Do not approve Change Order No. 1.

III. RECOMMENDATION:

Staff recommends Alternative "A".

IV. JUSTIFICATION:

- The bid submitted by Howell & Howell Contractors, Inc. for the additional work has been thoroughly analyzed and has been determined by the project architect and LMHA staff to be reasonable and fair.
- The additional work is necessary to successfully complete the Renovations at 1131 South 6th Street.

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V. BUDGET APPROVAL:

Funding for this project is provided by Capital funds.

Jeffrey Ralph, Director of Finance

Date

VI. PROCUREMENT CERTIFICATION:

Approval of Change Order No. 1 to the contract with Howell & Howell Contractors, Inc. is in compliance with the Louisville Metro Housing Authority's procurement policies and procedures.

Steve Webb, Purchasing Agent

Date

Prepared and Submitted by:

Michelle Chandler
Program Manager Capital Improvements Dept.
April 18, 2023