

# STAFF REPORT

## Lancaster Redevelopment Agency

RCC 3
07/08/08
MVB

Date: July 8, 2008

To: Chairman Parris and Agency Board Members

From: Elizabeth Brubaker, Director of Housing & Neighborhood Revitalization

Subject: **Approve the Increase in the Contract Amount for the Emergency Shelter Expansion Project**

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### **Recommendation:**

Approve increase in contract amount for the Emergency Shelter Expansion Project No. 1 with Bowe Contractors, Inc. by \$120,053.09 bringing new total contract amount to \$970,165.78 (this is inclusive of the 10% contingency).

### **Financial Impact:**

The increase in the amount of the contract will come from the existing Los Angeles County Community Development Commission Emergency Shelter Grant for \$1,000,000; therefore, the balance of grant funds is sufficient to cover the increase.

### **Background:**

On February 12, 2008, the Lancaster Redevelopment Agency Board authorized the award of the Housing and Neighborhood Revitalization Department's construction Project No. 1, expansion of the Lancaster Community Homeless Shelter, to Bowe Contractors, Inc. in the amount of \$839,794 plus a 10% contingency, for the construction of fourteen-family transitional units at the Lancaster Community Homeless Shelter.

During the course of construction, the fire sprinkler subcontractor installed the 13R fire sprinkler system pursuant to the set of plans and specifications approved by the Los Angeles County Fire Department. At the time of inspection, however, the inspector determined that the approved 13R system did not meet code and that a 13 system would be required. Therefore, the 13R system must be removed and replaced with the 13 system. The Contractor has submitted a change order to install the 13 fire sprinkler system in the amount of \$95,406.

Secondly, at the installation of the fire alarm system, it was discovered that the old system in the existing shelter was outdated and incompatible with the new system in the new section. Therefore, in order to update the system to code, the acquisition and installation of compatible equipment is required. The additional equipment and installation was not included in the plans

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and as a scope of work. The Contractor has submitted a change order to complete the fire alarm system in the amount of \$20,995.84.

During the lathing inspection, the actual site conditions in comparison to the approved plans revealed a drainage issue requiring modifications to the precise grade and an additional 150 square feet of flatwork at the perimeter of building. The precise grade modifications will redefine swales and facilitate the flow of water away from the structure; and, the additional concrete will not only prevent water intrusion but will also assist with water conservation efforts by decreasing irrigated planter areas adjacent to the building. Furthermore, a supplemental agreement is being prepared to install conservation minded landscaping materials, such as decorative rock and native plants, which will reduce the area and frequency required by the current irrigation system. The Contractor has submitted a change order to complete this work in the amount of \$3,651.25.

The total of submitted change orders to complete the aforementioned work is \$120,053.09. The difference between the change order totals and the recommended increase to the contract remains under the \$1,000,000 limit of the grant.

The project is currently at a critical stage and requires the completion of the fire sprinklers, additional fire alarm equipment and modifications to the precise grade in order to prevent delays; therefore, Agency staff recommends that the Agency Board approve the increase to the contract.