



Cover Memorandum/Staff Report

File #: 23-260 CRA

Agenda Date: 1/23/2024

Item #: 7G.

TO: CRA Board of Commissioners
FROM: Ivan J. Cabrera, AICP
THROUGH: Renée A. Jadusingh, Executive Director
DATE: January 23, 2024

THIRD AMENDMENT TO THE AGREEMENT BETWEEN THE DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY AND AHRENS COMPANIES - 95 SW 5TH AVENUE

Recommended Action:

Approve the Third Amendment to the Agreement between the Delray Beach Community Redevelopment Agency (CRA) and Ahrens Enterprises DBA Ahrens Companies (Ahrens) for the construction of a commercial building located at 95 SW 5th Avenue in an amount not to exceed \$102,300.34 and authorize the CRA Board Chair to execute all related documents for said purpose.

Background:

At the January 24, 2023, CRA Regular Board Meeting, the Board awarded the Invitation to Bid CRA 2022-01-R - 95 SW 5th Avenue Commercial Building Construction Project ("ITB") to Ahrens, the lowest responsive and responsible bidder, in the amount of \$2,739,968.00. Subsequently, the CRA entered into an Agreement with Ahrens, dated February 28, 2023.

On April 25, 2023, the CRA Board approved the First Amendment to the Agreement. The First Amendment included the following provisions: Payment Procedures, Liquidated Damages, No Damages for Delay, Public Records, and Independent Contractor.

On September 28, 2023, the CRA Board approved the Second Amendment to the Agreement. The Second Amendment increased the Agreement amount by \$1,500 which accounted for increases in costs for materials and labor to perform necessary structural adjustments to the foundation of the commercial building.

Subsequent to that time, Ahrens has submitted the following change order requests (change orders are included in Exhibit D):

Change Order	Amount	Description
5	\$85,987.65	Material and labor to supply Garland Modified Roofing Systems
6	\$2,411.49	Materials and labor to perform column adjustments as directed by Architect
7	\$7,390.68	Materials and labor for Concrete & Masonry, Electrical, and Mechanical changes as directed by Architect
8	\$6,510.52	Materials and labor for additional stucco work
	\$102,300.34	Total

Change Order 5:

The Construction Drawings and Technical Specifications for the commercial building at 95 SW 5th Avenue called for bidders to include within their submitted bid the Garland Modified Roofing System or an equivalent product. Ahrens had included the pricing for an equivalent product within its submitted bid. After thorough analysis, the CRA's Architect has recommended the CRA use the Garland Modified Roofing System due to differences in material and warranty coverage. Change Order #5 accounts for the price difference between the amount included in Ahrens' submitted bid price for materials and labor for the roofing system and the cost for materials and labor for the Garland Modified Roofing Systems.

Change Order 6:

This change order accounts for the change of three (3) standard masonry block sections with two (2) CMU Piers as requested by Architect.

Change Order 7:

The Construction Drawings called for louvers, air intakes, and relief vents to be placed on the north wall of the building; however, the Architect has redesigned and reconfigured the location of these items as it relates to the roof to mitigate any future conflict if the adjacent property to the north is ever redeveloped. Additional work including, redesign of precast roof joists, vertical rebar, modification of bathroom wall, transitional ductwork to the roof ventilation system, insulation, and revision of fire alarm system is accounted in this change order.

Change Order 8:

This change order accounts for additional stucco work not included in the current design plans for the exterior of the trash room and the north wall of the parking lot area.

At this time, CRA staff is requesting the CRA Board accept the change order requests in the total amount of \$102,300.34 and approve a Third Amendment to the Agreement between the Delray Beach Community Redevelopment Agency and Ahrens Companies and thereby adjusting the total Contract Price to \$2,843,768.34 for the construction of the commercial building located at 95 SW 5th Avenue.

Attachments: Exhibit A - Third Amendment to Agreement; Exhibit B - Location Map; Exhibit C - Agreement and Amendments; Exhibit D - Change Orders

CRA Attorney Review:

The CRA Legal Advisor will prepare the Third Amendment to the Agreement between the Delray Beach Community Redevelopment Agency and Ahrens Companies in a legally sufficient and acceptable form.

Finance Review:

N/A

Funding Source/Financial Impact:

Funds allocated from General Ledger # 6216 - 95 SW 5th Avenue Commercial Building Construction

Overall need within the Community Redevelopment Area from Delray Beach CRA

Redevelopment Plan:

Removal of Slum and Blight

Land Use

Economic Development

Affordable Housing

Downtown Housing

Infrastructure

Recreation and Cultural Facilities