



Cover Memorandum/Staff Report

File #: 25-077 CRA

Agenda Date: 4/30/2025

Item #: 7D.

TO: CRA Board of Commissioners
FROM: Ivan J. Cabrera, AICP, Redevelopment Manager
THROUGH: Renée A. Jadusingh, Executive Director
DATE: April 30, 2025

APPROVAL OF A REVISED NINTH AMENDMENT TO THE AGREEMENT BETWEEN THE DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY AND AHRENS COMPANIES - 95 SW 5TH AVENUE

Recommended Action:

Approve the Revised Ninth Amendment to the Agreement between the Delray Beach Community Redevelopment Agency and Ahrens Companies for the construction of a commercial building located at 95 SW 5th Avenue and authorize the CRA Board Chair to execute all related documents for said purpose.

Background:

At the January 24, 2023, the Delray Beach Community Redevelopment Agency (CRA) Regular Board Meeting, the Board awarded the Invitation to Bid CRA 2022-01-R - 95 SW 5th Avenue Commercial Building Construction Project to Ahrens Enterprises DBA Ahrens Companies (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 and accounted for increases in costs for materials and labor to perform necessary structural adjustments to the foundation of the commercial building.

On January 23, 2024, the CRA Board approved the Third Amendment to the Agreement. The Third amendment increased the Agreement amount by \$102,300.34 and accounted for materials and labor for: a modified roofing system, structural changes, and additional stucco work for finishes.

On February 27, 2024, the CRA Board approved the Fourth Amendment to the Agreement. The Fourth amendment increased the Agreement amount by \$3,314.36 and accounted for materials and labor to perform necessary structural adjustments for openings at the front of the commercial building and additional sills for the openings.

On May 30, 2024, the CRA Board approved the Fifth Amendment to the Agreement. The Fifth Amendment increased the Agreement amount by \$17,170.62 and accounted for material and labor for: column adjustments, adding a mop sink on the second floor, removal of a tree, storage costs for glass doors, window frames and HVAC system, and extended the Contract Term to November 21, 2024.

On July 23rd, 2024, the CRA Board approved the Sixth Amendment to the Agreement. The Sixth Amendment increased the Agreement amount by \$40,843.42 and accounted for material and labor for: adding drywall header at ceiling, the addition of a metal frame and anchors for louvers at garage entrance, increasing the beam width from 8" to 12" on East and West sides, and additional Builders Risk Insurance as the Contract Term was extended.

On August 29, 2024, the CRA Board approved the Seventh Amendment to the Agreement. The Seventh amendment increased the Agreement amount by \$3,549.77 and accounted for materials and labor to perform necessary special inspections for the hoist beam and interior stairs and borings for Florida Power and Light pole line.

On November 18, 2024, the CRA Board approved the Eighth Amendment to the Agreement. The Eighth amendment accounted for pending work from Florida Power and Light for the replacement of a power line that will feed the Project's electrical power and transformer installation.

On February 25, 2025, the CRA Board approved a Ninth Amendment to the Agreement that included additional change orders, however the amendment was not finalized by both parties. At that meeting the CRA Board approved the following:

| Change Order | Amount | Description |
|--------------|-------------|---|
| 23 | \$15,488.00 | Additional electrical work due to relocating connections of the FPL power |
| 24 | \$662.10 | Removing a floor sink and installing a janitor's sink per City staff comments |
| | \$16,150.10 | Total |

Change Order 23:

This change order accounts for additional electrical work related to the relocation of the FPL electrical work and new transformer located on the Project Site.

Change Order 24:

This change order accounts for removing a floor sink and installing a janitor's sink per City staff comments.

Additionally, Ahrens has requested an extension to the Contract Term due to delays and circumstances beyond their control. Section 1.59 of the Agreement, entitled "Force Majeure", provides that "[t]he CRA and the Contractor are excused from the performance of their respective obligations under the Contract when and to the extent that their performance is directly delayed or prevented by any circumstances beyond their control... failure or shortage of any type of transportation, equipment, or service from a public utility needed for their performance.". The request results from an updated construction schedule that requires the extension of the Contract Term from March 6, 2025, to June 2, 2025, due to pending additional electrical work as a result of relocating connections to the FPL power line that will feed the Project's electrical power and transformer installation. See Exhibit E - Request to Extend Contract Term - Updated Schedule. The CRA Board had approved this extension at the February 25, 2025, CRA Board meeting.

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

| Change Order | Amount | Description |
|--------------|-------------|--|
| 25 | \$605.55 | Landscaping permit fees due to updated schedule |
| 27 | \$1,135.60 | Replacement of wall packs for the exterior of the building |
| 28 | \$6,310.08 | Elevator storage fees due to update project schedule |
| 29 | \$19,407.00 | Builders Risk Extensions due to update project schedule |
| 31 | 1,877.90 | Elevator labor escalation cost |
| 33 | 6,339.09 | Change in the size of three (3) planters per recommendation of Architect of Record |
| | \$35,675.19 | Total |

Note: Change Orders 26 and 32 were rescinded by Ahrens and Change Order 30 has not been finalized.

Change Order 25:

This change order accounts for additional landscaping permit fees due to the updated project schedule.

Change Order 27:

This change order accounts for replacement of wall packs (lighting) for the exterior of the building.

Change Order 28:

This change order accounts for additional elevator storage fees due to the updated project schedule.

Change Order 29:

This change order accounts for Builders Risk Extensions due to the updated project schedule.

Change Order 31:

This change order accounts for escalated labor costs from the elevator vendor related to the installation of the elevator.

Change Order 33:

This change order accounts for change in the size of the planters located on SW 5th Avenue per the recommendation of the Architect of Record.

The combined total amount for the Change Orders 23 - 29, 31, and 33 is \$51,825.29 (comprising of the Change Orders previously approved on February 25, 2025, and Change Orders considered on this April 30, 2025 CRA Board agenda). For all Change Orders, See Exhibit D - Change Orders

At this time, CRA staff is requesting the CRA Board accept the change order requests in the total amount of \$51,825.29 and approve the revised Ninth Amendment to the Agreement between the Delray Beach Community Redevelopment Agency and Ahrens Companies, and extend the Contract Term to June 2, 2025 and thereby adjusting the total Contract Price to \$51,825.29, for the construction of the commercial building located at 95 SW 5th Avenue.

Attachments: Exhibit A - Ninth Amendment to Agreement; Exhibit B - Location Map; Exhibit C - Agreement and Amendments; Exhibit D - Change Orders; Exhibit E - Request to Extend Contract Term - Updated Schedule

CRA Attorney Review:

The CRA Legal Counsel has reviewed the Ninth Amendment to the Agreement between the Delray Beach Community Redevelopment Agency and Ahrens Companies for legal form and sufficiency.

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