



CITY OF SALINAS

COUNCIL STAFF REPORT

DATE: **JUNE 17, 2025**

DEPARTMENT: **PUBLIC WORKS (PW)**
LIBRARY AND COMMUNITY SERVICES (LCS)

FROM: **DAVID JACOBS, PW DIRECTOR**
KRISTAN LUNDQUIST, LCS DIRECTOR

TITLE: **CHANGE ORDER CONTIGENCY FOR THE DESIGN-BUILD OF HEBBON FAMILY CENTER**

RECOMMENDED MOTION:

A motion to approve a resolution:

1. Approving a \$250,000 contingency for the Hebron Family Center Design-Build contract thereby increasing the total contract not to exceed amount to \$10,729,600; and
2. Authorizing the Public Works Director to execute any and all contract change orders related to this project.

EXECUTIVE SUMMARY:

On March 5, 2024, a design-build contract was approved between the City of Salinas and Diede Construction for the Hebron Family Center design-build project. Generally, in a design-build project, the contractor is responsible for changes that occur during the construction process. Change orders that arise from unforeseen issues remain the responsibility of the City, however. To cover these unforeseen issues, City staff are requesting a contingency budget of \$250,000 for the Hebron Family Center project to cover already identified change orders and to cover any other additional change orders that may arise so that the project may continue toward completion as efficiently as possible.

BACKGROUND:

The Hebron Family Center (“Center”) has served residents since the 1960s, the Center was once a community church and then repurposed as a community center in the 1970s. The Center has provided many critical programs and services for the community, including after-school recreation and homework assistance programs, a teen lounge, martial arts training, food bank distribution, citizenship classes, a pre-kinder program, and much more. Unfortunately, the Center closed in

2020 due to the ongoing pandemic and critical safety issues such as roof leaks, water damage, and significant foundation problems.

On May 24, 2022, a Professional Service Agreement was entered into with Griffin Structures (Griffin) for project management services for the Center. Along with Griffin, the City and community have been working on the development of a final design for this facility.

On April 4, 2023, a contract for the demolition of the Center was awarded to Randazzo Enterprises, Inc.

On March 5, 2024, a design-build contract was approved between the City of Salinas and Diede Construction for the Hebron Family Center design build project. During the construction phase of the project some unforeseen issues have arisen that require change orders to the contract. During the award of the project a contingency budget was not established. City staff are now requesting to establish a contingency fund of \$250,000 to cover any issue that arise. Some of the issues that have come up include:

- The ground became saturated after the demolition project which required a cement treatment of the building Pad.
- There is a need to remove and replace additional sidewalks around the site.
- Moving procurement of appliances to the Design Build Team.

These changes are estimated to be around \$150,000. The remaining contingency is for any other unforeseen issue that could arise as the project moves forward.

CEQA CONSIDERATION:

Categorical Exemption. The City of Salinas has determined that the project is exempt from the California Environmental Quality Act (CEQA) Guideline (Section 15300, Class 2) because it involves replacement and reconstruction of an existing structure.

No Significant Impact. The City of Salinas has determined that the project is of no significant impact under 24 CFR 58.32 – National Environmental Policy Act. No factors were found to be significant on a stand-alone basis.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No, Government Code section 84308 does not apply as this was a competitively bid and awarded contract.

STRATEGIC PLAN INITIATIVE:

This item relates to the City Council's Strategic Plan of Infrastructure.

DEPARTMENTAL COORDINATION:

The Public Works Department and Library & Community Services are working together to complete the Hebron Family Center.

FISCAL AND SUSTAINABILITY IMPACT:

Sufficient funds are available and appropriated in 3911.55.9165, 5800.55.9165, 5800.55.9336, and through the reallocation of 3911.55.8191.

Fund	CIP (5800)	Appropriation	Appropriation Name	Total Appropriation	Amount for recommendation	FY 24-25 Operating Budget Page	Last Budget Action (Date, Resolution)
5201	9336	55.9336	Capital Outlays	\$1,732,453	\$250,000	N/A	N/A

ATTACHMENTS:

Resolution