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Termon Construction Inc.

388 Third Avenue, Brooklyn NY 11215

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Email: Termon2k@aol.com

May 2, 2003

Mr. Rajappan Radhakrishnan, Director

NYC Dept of Environmental Protection

Asbestos & Lead Control Program

59-17 Junction Boulevard

Corona, New York 11368

Send via fax: 718 595-3648

Re: WTC ARD - Disposal of Impacted Items

Dear Krish,

As requested, Termon Construction Inc. (TCI) respectfully furnishes the additional information necessary to develop compensation for TCI's contract relative to the disposal issue of "Impacted Items." As you know, the residents are receiving reimbursement by the American Red Cross for certain items that the residents choose to dispose of. Please note; prior to Jan 27, 2003, (the date that the Red Cross formalized its program, including actual dollar values for reimbursement) there had only been resident requests to dispose of two couches, one chair and two area rugs out of 200 apartments cleaned. Since the "formal program" was advertised, there has been approximately well over 150 mattresses and couches; 135 chairs and rugs; and 250 draperies, bed linens, and misc. items disposed of out of approximately another 600 apartments cleaned.

It is absolutely clear that the Red Cross Reimbursement Program, instituted long after the contract was awarded and started, has adversely affected our contract and has caused an unforeseen financial hardship.

Attached are cost breakdowns from our subcontractor, detailing the cost for disposal of "large", "medium" and "small" items as unit prices. According to the above number of items disposed of (which can be verified by, Athenica from copies of their disposal checklists) this would constitute a change order in the amount of approximately Sixty Five Thousand Dollars (\$65,000.00).

Also attached is a cost breakdown from our subcontractor, detailing the cost for removal and disposal of wall to wall carpet, padding and tackless. To date, wall to wall carpeting from approximately 8 - 10 apartments, averaging 1000sf per apartment has been removed and disposed of at the requested \$2.72/sf, which is similar to the \$2.75/sf for carpet removal in common space. This would constitute a change order in the amount of Twenty Seven Thousand Dollars (\$27,000.00).

As the contract is nearing an early end, we do not expect these numbers to vary significantly, however we cannot give a definitive estimate of carpet removal or items to be disposed of from apartments left to be cleaned.

We believe this letter provides you with the necessary information needed for you to establish the requested change orders. Of course, should you have any questions, require additional information or want to schedule a meeting, just give us a call at 718 694-0900 or 917 873-7616.

Sincerely yours,

TERMON CONSTRUCTION, INC.

Thomas R. Heavey

Environmental & Construction Division

CC: Virginia Smyth, NYC DEP

Eric Wilson, US EPA

John Tancredi, SSC

**Hazardous Waste Management ♦♦ Asbestos ♦ Lead Paint ♦♦ Mold
♦ Contaminated Soil ♦♦ Reconstruction ♦**

ADDITIONAL COST BREAKDOWN **DISPOSAL OF SMALL ITEM** **(PILLOW/DRAPE/LINEN)**

	PERSONS	HOURS	MANHOURS	RATE	TOTAL
LABOR					
HANDLERS	1	0.25	0.25		
DRIVER	1	0.125	0.125		
SUPERVISOR	1	0	0		
			<u>0.375</u>	38.81	14.55

	COST/UNIT	AMOUNT	
MATERIALS			
6 MIL BAGS	0.50	2	1.00
DUCT TAPE	3.25	0.05	<u>0.16</u>
			1.16

	YARDS	COST/YD	
DISPOSAL			
SMALL ITEM (ie: Pillow/Linen/Window Treatment)	0.125	45.00	5.625

TOTAL COST 21.34

10% OVERHEAD 2.13
Sub Total 23.48

10% PROFIT 2.35
Marked Up Total 25.82

Insurance 4.04% 1.043246

TOTAL UNIT PRICE \$ 26.87

ADDITIONAL COST BREAKDOWN **DISPOSAL OF LARGE ITEM** **(COUCH OR MATTRESS)**

	PERSONS	HOURS	MANHOURS	RATE	TOTAL
LABOR					
HANDLERS	2	1	2		
DRIVER	1	0.5	0.5		
SUPERVISOR	1	0.5	0.5		
			<u>3</u>	38.81	116.43

	COST/RL	AMOUNT	
MATERIALS			
6 MIL F/R POLY	55.00	0.25	13.75
DUCT TAPE	3.25	0.25	0.81
			<u>14.56</u>

	YARDS	COST/YD	
DISPOSAL			
LARGE ITEM (ie: Couch/Mattress)	2	45.00	90

TOTAL COST 220.99

10% OVERHEAD 22.10
Sub Total 243.09

10% PROFIT 24.31
Marked Up Total 267.40

Insurance 4.04% 10.803

TOTAL UNIT PRICE \$ 278.20

**SPECIALTY SERVICE CONTRACTING INC.
LABOR RATES FOR LOCAL 78
ASBESTOS HANDLER/LABORER**

		STRAIGHT TIME	OVERTIME
<u>BASE HOURLY RATE</u>		23.85	35.78
<u>BENEFITS</u>			
Vacation		3.00	3.00
Welfare		1.00	1.00
Pension		2.00	2.00
BCA			
Training		0.25	0.25
Lecet		0.05	0.05
Health & Safety		0.05	0.05
<u>TOTAL BENEFITS</u>		<u>6.35</u>	<u>6.35</u>
<u>PAYROLL TAXES</u>	<u>%</u>		
FICA	0.0765		
SUI	0.0700		
FUI	0.0080		
DBL/OTH	0.0015		
<u>TOTAL P/R TAXES</u>	<u>0.1560</u>	<u>3.72</u>	<u>5.58</u>
<u>WORKERS COMP</u>	<u>RATE</u>		
CLASS # 5473	0.205	4.89	4.89
<u>TOTAL COST PER HOUR</u>		<u><u>38.81</u></u>	<u><u>52.60</u></u>

Rates effective through 11/30/03

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ADDITIONAL COST BREAKDOWN
REMOVAL AND DISPOSAL OF WALL TO WALL CARPET
 (INCLUDES PADDING AND TACKLESS - BASED UPON 1000 SF)

	PERSONS	HOURS	MANHOURS	RATE	TOTAL
LABOR					
HANDLERS	2	8	16		
DRIVER	1	1	1		
SUPERVISOR	1	8	8		
			<u>25</u>	38.81	970.25

	COST/RL	AMOUNT	
MATERIALS			
6 MIL F/R POLY	55.00	1	55.00
DUCT TAPE	3.25	4	13.00
			<u>68.00</u>

		YARDS	COST/YD	
DISPOSAL				
CARPET	1000SF	25	45.00	1125

TOTAL COST 2,163.25

10% OVERHEAD 216.33
 Sub Total 2,379.58

10% PROFIT 237.96
 Marked Up Total 2,617.53

Insurance 4.04% 105.748313

TOTAL PRICE \$ 2,723.28

UNIT PRICE \$ 2.72 /SF

**ADDITIONAL COST BREAKDOWN
DISPOSAL OF MEDIUM ITEM
(CHAIR)**

	PERSONS	HOURS	MANHOURS	RATE	TOTAL
LABOR					
HANDLERS	2	0.5	1		
DRIVER	1	0.25	0.25		
SUPERVISOR	1	0.5	0.5		
			<u>1.75</u>	38.81	67.9175

	COST/RL	AMOUNT	
MATERIALS			
6 MIL F/R POLY	55.00	0.1	5.50
DUCT TAPE	3.25	0.1	0.33
			<u>5.83</u>

	YARDS	COST/YD	
DISPOSAL			
MEDIUM ITEM (ie: Chair)	0.5	45.00	22.5

TOTAL COST 96.24

10% OVERHEAD 9.62
Sub Total 105.87

10% PROFIT 10.59
Marked Up Total 116.45

Insurance 4.04% 4.704718

TOTAL UNIT PRICE \$ 121.16