



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
 REGION 2
 290 BROADWAY
 NEW YORK, NY 10007-1866

NOV - 8 2002

Mr. Robert Avaltroni
 Deputy Commissioner
 Bureau of Environmental Compliance
 59-17 Junction Boulevard, 11th Floor
 Flushing, New York 11373

Re: WTC Indoor Dust Cleaning Program Contractor Pricing Issues

Dear Mr. Avaltroni:

Bob

On October 17th 2002, both DEP and EPA staff met with the Indoor Dust Cleaning Program Contractors. The purpose of this meeting was to provide a forum for each contractor to present situations they encountered in the field during the mobilization and the initial start-up phase of the Program. During this meeting the contractors presented issues that they believe were not adequately covered under their contracts. A summary of these pricing issues was forwarded to DEP by e-mail on October 23, 2002 (see Attachment A).

On October 24th 2002, DEP and EPA had a follow-up meeting to specifically address the contractor's pricing concerns. During our meeting we agreed that EPA would develop estimates of the items and DEP would notify the contractors directly on the resolutions of these issues. As you requested, I am providing you with estimates for these items to assist you in Attachment B.

PRICING ISSUES REQUIRING A CHANGE ORDER

- Oversized Units - One (1) bedroom or studio apartments in loft type space where the square footage is exceedingly large. For example, we have run into one bedroom unit exceeding 5,000 square feet and a one bedroom unit with large areas of home office space. The contractors have requested price adjustments for these situations. This includes four (4) bedroom units. EPA has agreed to field verify when the contractor identifies a four (4) bedroom unit (#1 CC Attachment A).
- Large Terraces - The contractors have requested a price adjustment to address the cleaning of large terraces that are accessible from an individuals residence (#4 CC Attachment A).
- An HVAC qualified contractor (Termon) requested that they be able to clean HVAC units utilizing the partial unit cleaning scheme provided for in the SOW. They also requested that encapsulation of the internal insulation components of the units be priced since cleaning of insulation is not effective and the bid sheets do not provide for encapsulation techniques (#6 CC Attachment A).

- Common Space Carpeting - In situations where a building owner requests that carpeting be removed, and the work does not fall under the NYC asbestos abatement program, the contractors requested a price adjustment for the cost of carpet removal and disposal as ACM. (#3 CC Attachment A).

- Evaluation of kitchen and bathroom vents was not specifically priced in the bid sheets. Based upon limited field observations we observed that evaluating five of these vent systems is roughly equivalent to the level of effort to evaluate one HVAC system. Accordingly, we recommend that a five to one ratio be utilized to price evaluations of these units (#2 MC Attachment A).

ITEMS DEP WILL NOTIFY THE CONTRACTOR THAT NO MODIFICATIONS WILL BE MADE:

CLEANING CONTRACTOR

- The contractors requested that the contract be modified to contain a "termination for convenience" clause in case scheduling issues persist and customer interest in the program declines (#2 Attachment A).

- One contractor (Termon, Quad D) suggested that they should have the ability to bill up-front for out of pocket expenses and make cost adjustments since the ratio of supervisors to staff is out of line due to slow rate of cleaning at this point (#5 Attachment A).

- Termon requested an adjustment for additional compensation for removal of materials associated with carpet removal, like underlying padding, tacking and glue strips (#7 Attachment A).

- Termon had a question about cleaning HVAC systems to NADCA standards but not performing microbial cleaning. According to Termon, NADCA standards include microbial cleaning and they are willing to do it, for a cost adjustment (#8 Attachment A).

- Termon did not include the cost for cleaning supply and return plenums providing HVAC to apartments in their unit price for cleaning partial HVAC systems. Termon interpreted this item as providing cleaning for HVAC systems without extensive duct systems. If this situation occurs Termon will provide pricing on a case by case basis (#9 Attachment A).

MONITORING CONTRACTOR

- Offsite scheduling work is not reimbursable under the terms of the contract. It is considered part of overhead. The Contractors claim that they are spending a much greater amount of time than expected reaching out to tenants to schedule cleaning (#1 Attachment A).

- Contractors requested that they be compensated for the travel time it takes to deliver their samples to the lab and the cost of sampling cassettes resulting from the large amount of samples they need to run (#3 Attachment A).

- Contractors requested that they be compensated for their time accompanying their HVAC subcontractors during field inspections (#4 Attachment A).

- Dealing with F2L and the data base in general is taking much longer than expected. F2L can't be run on multiple machines and therefore when you have work ongoing in several locations it creates logistical problems that cost the contractors time. Furthermore, they claim they are spending at least one hour waiting for F2L to print the chain of custody forms. At the pre bid meeting they clearly remember being told by us that data base management activities would take minutes not hours. This is a major issue for them and they are requesting appropriate pricing adjustments. Furthermore, they believe that data base management is really project management time (not project monitor) and this position is not provided for under the contract (#5 Attachment A).

- (Athenica) The quantity of HVAC inspections specified on the bid sheet was 750. Athenica got a unit price based on this volume of work. Athenica doesn't think they will get the volume of HVAC inspections in Battery Park City to warrant a low unit cost price from their subcontractor and as a result are incurring higher unit price costs than anticipated (#6 Attachment A).

- (Athenica) Unanticipated costs associated with faxing, mailing and copying information for dissemination to residents requesting cleaning or testing (#7 Attachment A).

In addition, there are three (3) pricing issues that are not included in Attachment A but were discussed during our meeting, they are as follows:

- 1) EPA has requested that DEP allow the Monitoring Contractors to continue personal monitoring for another four (4) weeks. This extension is necessary due to the delay in EPA and OSHA receiving data from the MCs. Also, it was discovered that once the data was submitted it was PCM only when in fact the contractor was required to submit both PCM and TEM. The contractors need to be reinstructed by DEP regarding the analysis requirements and OSHA has requested that they provide additional information regarding work practices during sampling.

- 2) Compensation for No-Shows - It was agreed that the MCs would be compensated for 4 hours for "Test Only" and should be notified of such. However, the Cleaning Contractors are concerned about scheduling issues and cancellations limiting the amount of cleaning conducted to date. They are worried that if the trend continues they will not recoup the money they laid out for insurance and equipment. They are requesting 24-36 hour advance notice of scheduled cleaning from the Project Monitor. Cancellations are also creating problems with their workforce. Workers want a guaranteed eight hour day. When residents cancel cleaning with less than 24 hour notice workers

are sent home after 4 hours and the Cleaning Contractors want compensation (estimates for this are provided in Attachment B).

3) Background Checks - the contractors raised concerns regarding the expense of obtaining extensive background checks on an extremely variable workforce. EPA has concluded that the following background checks will be appropriate. It was decided that two separate standards for background checks would be necessary, one for one for permanent employees and one for temporary employees hired on for this job.

For permanent employees the background checks should include:

1. Social Security Trace Report - The purpose of the social security trace is to reveal all addresses of residence based on the employees social security number
2. County Felony /Misdemeanor Criminal Search - For each county of residence for the past 5 years
3. Federal District Court Search for each residence for the past 5 years
4. Statewide Criminal Record Search for each residence for the past 5 years
5. Check of Professional Licences and Certifications

For temporary employees hired specifically for this project background checks should include a complete criminal history screening for five years including checks against county, superior, and municipal courts, federal district court; a social security trace and a check of professional licences and certifications.

In addition, there is one item that was recently raised, but never discussed between EPA and DEP, the amount of reimbursement the MC will receive for overseeing the sampling technicians. There is no consistency among the contractors on this issue. DEP should inform EPA and the contractors regarding the amount of oversight that is billable under the contracts.

I appreciate your cooperation with these matters. It is my understanding that DEP will notify the contractors directly pertaining to these issues. If you have any questions/concerns or need additional information, please contact me at (212)637-3116 or Ray Basso at (212)637-3121.

Sincerely yours,



Kathleen C. Callahan
Assistant Regional Administrator
for New York City Response & Recovery Operations

Enclosures

ATTACHMENT A **CONTRACTOR PRICING ISSUES**

CLEANING CONTRACTOR PRICING ISSUES

- 1) Oversized units - One bedroom or studio apartments in loft type space where the square footage is exceedingly large. For example, we have run into one bedroom unit exceeding 5,000 square feet and a one bedroom unit with large areas of home office space. The contractors have requested price adjustments for these situations.
- 2) The contractors requested that the contract be modified to contain a "termination for convenience" clause in case scheduling issues persist and customer interest in the program declines.
- 3) Common Space Carpeting - In situations where a building owner requests that carpeting be removed, and the work does not fall under the NYC asbestos abatement program, the contractors requested a price adjustment for the cost of carpet removal and disposal as ACM.
- 4) Large Terraces - The contractors have requested a price adjustment to address the cleaning of large terraces that are accessible from an individuals residence. (Note: DEP agreed to address this issue)
- 5) One contractor (Termon, Quad D) suggested that they should have the ability to bill up-front for out of pocket expenses and make cost adjustments since the ratio of supervisors to staff is out of line due to slow rate of cleaning at this point.
- 6) An HVAC qualified contractor (Termon) requested that they be able to clean HVAC units utilizing the partial unit cleaning scheme provided for in the SOW. They also requested that encapsulation of the internal insulation components of the units be priced since cleaning of insulation is not effective and the bid sheets do not provide for encapsulation techniques.
- 7) Termon requested an adjustment for additional compensation for removal of materials associated with carpet removal, like underlying padding, tacking and glue strips.
- 8) Termon had a question about cleaning HVAC systems to NADCA standards but not performing microbial cleaning. According to Termon, NADCA standards include microbial cleaning and they are willing to do it, for a cost adjustment.
- 9) Termon did not include the cost for cleaning supply and return plenums providing HVAC to apartments in their unit price for cleaning partial HVAC systems. Termon interpreted this item as providing cleaning for HVAC systems without extensive duct systems. If this situation occurs

Termon will provide pricing on a case by case basis.

MONITORING CONTRACTOR PRICING ISSUES

- 1) Offsite scheduling work is not reimbursable under the terms of the contract. It is considered part of overhead. The Contractors claim that they are spending a much greater amount of time than expected reaching out to tenants to schedule cleaning.
- 2) Evaluation of kitchen and bathroom vents was not specifically priced in the bid sheets. Based upon limited field observations we observed that evaluating five of these vent systems is roughly equivalent to the level of effort to evaluate one HVAC system. Accordingly, we recommend that a five to one ratio be utilized to price evaluations of these units.
- 3) Contractors requested that they be compensated for the travel time it takes to deliver their samples to the lab and the cost of sampling cassettes resulting from the large amount of samples they need to run.
- 4) Contractors requested that they be compensated for their time accompanying their HVAC subcontractors during field inspections.
- 5) Dealing with F2L and the data base in general is taking much longer than expected. F2L can't be run on multiple machines and therefore when you have work ongoing in several locations it creates logistical problems that cost the contractors time. Furthermore, they claim they are spending at least one hour waiting for F2L to print the chain of custody forms. At the pre bid meeting they clearly remember being told by us that data base management activities would take minutes not hours. This is a major issue for them and they are requesting appropriate pricing adjustments. Furthermore, they believe that data base management is really project management time (not project monitor) and this position is not provided for under the contract.
- 6) (Athenica) The quantity of HVAC inspections specified on the bid sheet was 750. Athenica got a unit price based on this volume of work. Athenica doesn't think they will get the volume of HVAC inspections in Battery Park City to warrant a low unit cost price from their subcontractor and as a result are incurring higher unit price costs than anticipated.
- 7) (Athenica) Unanticipated costs associated with faxing, mailing and copying information for dissemination to residents requesting cleaning or testing.

ATTACHMENT B**PROJECTIONS OF NUMBER OF ITEMS BASED ON EPA'S FIELD OBSERVATIONS TO DATE**

	Quad A	Quad B	Quad C	Quad D	TOTAL
1) Cleaning Requests > 2,000 sq/ft	250	270	160	50	730
2) Number Apts > 4 Bedrooms	15	90	7	50	160
3) Number of Terraces > 200 sq/ft	130	150	35	30	245
4) Number of Bath/Kitchen vents	250	450	350	600	1650*
5) Common Space Carpet Removal sq/ft	96,000	40,000	NA	60,000	196,000
6) Post Cleaning Sampling No Shows	65	63	65	70	241
7) Cleaning Contractor No Shows	65	63	65	70	241
8) HVAC Systems Requiring Encapsulation	1(IDP)	10	15	50	76

*** EPA and DEP recognize a field decision was made that a 5 to 1 ratio (of exhaust vents to a HVAC evaluation) will be used to price these evaluations.**