



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-3-27 (1)

DATE: March 27, 2014
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Third Increase in Contract Amount for Emergency Mitigation Services

Background

The THA Board of Commissioners approved Resolution 2012-12-19 (6) allowing the Executive Director to execute a contract with Rainbow International to provide Emergency Mitigation services that included Hazardous Materials (lead based paint, mold and asbestos), Bio-Hazardous Materials cleanup (unattended death and trauma), Drugs (meth) and Smoke Water and Fire cleanup (from fire, damage, water leaks and breaks) in the amount of \$250,000.00. The Board approved a second resolution 2013-4-17 (2) allowing for an increase in this Contract to \$1.2 million. An additional Resolution 2013-7-24 (3) was approved to increase the Contract to \$2.5 million.

The primary purpose of this Contract has been to test units for methamphetamine contamination, remediate contaminated units and return units to rent ready condition. To date, THA has had over 124 contaminated units. We estimate the average cost of remediation and unit put back is approximately \$33,000 per unit. In order to account for the contaminated units to date as well as newly contaminated units that may be discovered through June 30, 2014, the contract must be increased.

We have exceeded the \$2.5 million previously approved by the Board and are requesting ratification of this excess as well as the overall increase to cover the remaining term of the contract.

We are actively exploring cost control measures. With the authorization of the contract amount increase, we will also renegotiate some of the terms of the Contract to include the following:

- Overhead and profit to be reduced to 14% instead of 20%
- Cost reasonableness on materials and appliances
- Lower the turnaround time between unit remediation and returning the unit to rent ready condition
- Liquidated Damages of \$500.00 per day when the turnaround time is not met.

This contract amendment will take us through June 30th in order to allow us to further redefine our needs and restructure future contracts to decrease the costs related to this work. We have identified the following plan to reduce the costs:

- Separate the remediation and unit put back work into two contracts to avoid the mark up associated with sub-contracting under the current contract.
- Re-procure the high and heavy put back units with a roster of contractors that will be available when a unit tests hot for methamphetamine contamination.
- Light unit turns work can be brought in house, with existing and/or additional staff. This work might include product ordering or unit put back.

This resolution will authorize the Executive Director to sign contract amendments to increase the value of the contract to \$5,000,000 to cover costs incurred through June 30, 2014.

The money for the contract is included in the 2014 agency budget.

Recommendation

I recommend approving Resolution 2014-3-27 (1) (i) authorizing the Executive Director to negotiate and execute an amendment to the contract with Rainbow International, increasing its value to \$5,000,000 for the purpose of providing emergency mitigation services to all of THA properties; (ii) ratifying expenditures to date under this contract..



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-3-27 (1)

THIRD INCREASE IN CONTRACT AMOUNT FOR EMERGENCY MITIGATION SERVICES

WHEREAS, Tacoma Housing Authority (THA) signed a contract with Rainbow International for Emergency Mitigation Services to provide Emergency Mitigation services that included Hazardous Materials (lead based paint, mold and asbestos), Bio-Hazardous Materials cleanup (unattended death and trauma), Drugs (meth) and Smoke Water and Fire cleanup (from fire, damage, water leaks and breaks).

WHEREAS, the current Contract expended exceeds the amount of the Contract by \$1,000,000 and this resolution will ratify this expended amount;

WHEREAS, the contract amount needs to be increased from \$2,500,000 to \$5,000,000 to account for the additional work of this sort THA requires;

WHEREAS, the contract amount exceeds the \$100,000 spending limit for the Executive Director.

Resolved by the Board of Commissioners of the Housing Authority of the City Of Tacoma, Washington, that:

1. The executive director is authorized to negotiate, and if those negotiations are successful, to execute a contract with Rainbow International in the amount of \$5,000,000 for the purpose of providing emergency mitigation services to all of THA properties.
2. The Board ratifies expenditures to date under this contract.

Approved: March 27, 2014



Greg Mowat, Chairman