



TACOMA HOUSING AUTHORITY

RESOLUTION 2013-7-24 (3)

DATE: July 24, 2013
TO: Board of Commissioners
FROM: Michael Mirra, Executive Director
RE: Second 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.

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 90 contaminated units. We estimate the average cost of remediation and unit put back is approximately \$25,000 per unit. In order to account for the contaminated units to date as well as newly contaminated units that may be discovered through the end of the year, we need to increase the contract amount. We seek an increase to a total of \$2.5 million.

We are also actively exploring cost control. Some possibilities related to cost reduction include:

- Renegotiate some of the terms of the contract including decreased costs for services such as unit "dry outs," profit and overhead, and time and materials.
- Re-procure these services under three distinct scopes of work: meth testing and remediation, unit put back, and emergency mitigation. By separating the work we might see more competition for each individual scope since it was originally difficult to find a single contractor able to do such a broad scope of services.
- Assess what work can be brought in house, with existing and/or additional staff. This work might include product ordering or unit put back.
- Explore a possibility we may have of resuming insurance coverage with another risk pool.
- Pursue grants to cover meth clean up costs.

- Review ways to better prevent the admission of additional meth users to our portfolio.

We have already created a sunset position of Meth Project Manager. That person will help us explore all these options.

This resolution will authorize the Executive Director to sign contract amendments to increase the value of the contract to \$2,500,000 to cover costs incurred through the end of the year.

The money for the PHA portion of the contract not covered by insurance is already included in the 2013 mid-year agency budget.

Recommendation

I recommend approving Resolution 2013-7-24(3) authorizing me to execute an amendment to the contract with Rainbow International, increasing its value to \$2,500,000 for the purpose of providing emergency mitigation services to all of THA properties.



TACOMA HOUSING AUTHORITY

RESOLUTION 2013-7-24 (3)

SECOND 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 trama), Drugs (meth) and Smoke Water and Fire cleanup (from fire, damage, water leaks and breaks).

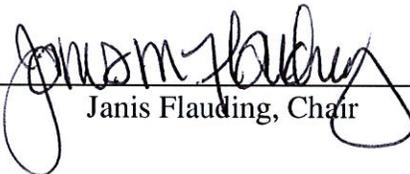
WHEREAS, the contract amount needs to be increased from \$1,200,000 to \$2,500,000 to account for the additional work of this sort THA requires;

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 and directed to execute a contract with Rainbow International in the amount of \$2,500,000 for the purpose of providing emergency mitigation services to all of THA properties.

Approved: July 24, 2013



Janis Flauding, Chair