



February 20, 2024

TO: CADA Board of Directors

**SUBJECT: February 23, 2023, Board Meeting
AGENDA ITEM 9
FY 2023-2024 ABATEMENT CONTRACT**

CONTACT PERSON: Russ Juneau, Facilities Maintenance Manager
Frank Czajka, Construction & Rehabilitation Manager
Tara Gandara, Contracts & Office Manager/Board Secretary

RECOMMENDATION:

Staff recommends the Board adopt a resolution (Attachment 3) authorizing the Executive Director, or her designee, to award the FY 2023-2024 Abatement contract to ATI Restoration, LLC in an amount not-to-exceed \$326,522.88 for toxic abatement at various locations with an option to renew for two (2) one-year periods, for the same average monthly amount of \$27,210.24.

BACKGROUND

Over the past several years, the class B and C segment of the multifamily rental market has emphasized upgrades to apartment finishes. This has included a shift to LVP (luxury vinyl plank) flooring and new baseboards throughout the apartment, quartz countertops, and improved cabinets. To remain competitive and to continue to reinvest in the quality of our housing stock, CADA has shifted towards replacing carpet in CADA apartments' bedrooms and VCT (vinyl composite tile)/tile flooring in bathrooms with LVP and upgraded baseboards. At the same time, where necessary and as appropriate, staff is upgrading kitchen cabinets and countertops. These products are longer lasting and will also result in lower costs and less waste over time.

During the course of performing this work, CADA has encountered potential asbestos-containing materials in and below many of the floors that are covered with VCT. This has required testing and abatement where asbestos has been found, often at significant cost and in excess of the budget CADA had set aside at fiscal year start for asbestos abatement. CADA has responded by limiting VCT replacement only to kitchens and bathrooms where the VCT is obviously in need of replacement due to age or where so many layers of VCT have been laid down over the years that laying down another layer is inadvisable. However, this adjustment will not be enough to mitigate an increase in asbestos abatement costs.

Since the shift to these finishes, monthly abatement costs have varied based on the number and age of units being turned and the design and finishes specifications of each unit. With the age of CADA's housing stock and the range of unit layouts and finishes, this cost fluctuates. In some months zero units require abatement, while in other months abatement is required in 9-12 units. When CADA was seeing months with higher costs, staff and the flooring contractor identified ways to avoid abatement when the flooring is low enough to just receive the vinyl plank on top rather than require full removal of the underlying flooring with asbestos. Based on this shift and

abatement experience since the finishes change in September, staff has seen an average of 8 units requiring asbestos abatement each month, with each unit typically requiring one to three workdays, or up to 24 work hours for abatement.

CADA awarded a contract to ATI Restoration, LLC on July 1, 2022 in the amount of \$21,926.80 for FY Toxic Abatement. On July 1, 2023 the contract was increased to \$30,000 by way of the Board's annual contract extension approval. On December 8, 2023 the contract was increased to \$72,000 to fund additional work between then and March 1, 2024 based on the increased need for these services and the pending bid process.

Staff now brings a new formally-bid contract to the Board for approval of a contract to start March 1, 2024. Staff issued a request for bids on February 6, 2024. ATI Restoration, LLC (ATI) was the only responsive bid with a quoted hourly rate of \$141.72 for asbestos abatement. Using the information above, that on average, eight units per month require abatement and that a typical unit requires 24 hours of work time, the estimated monthly cost with ATI's hourly rate is \$27,210.24. Staff is requesting four months of this rate for the remainder of the year, at \$108,840.96 and authority to utilize this bid for an annual contract renewal with ATI Restoration, LLC of \$326,522.88. These are not-to-exceed amounts. Actual charges will be based on staff, the flooring vendor and the asbestos testing vendor all determining the need for abatement prior to ATI Restoration being called in for the work. This will ensure checks and balances on when funds are used.

POLICY

This item comes before the Board because the contract amount will exceed the Executive Director's \$50,000 contract approval authority.

STRATEGIC PLAN

The proposed action addresses the following 2016-2021 CADA Strategic Plan goals: "Provide Superior Property Management."

FINANCIAL IMPACTS

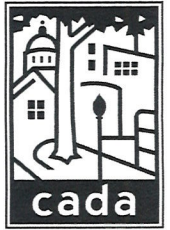
The proposed not-to-exceed contract amount of \$326,522.88 (approximately \$27,210.24 monthly) is projected to cover the regular services requested during the year. While this is the total annual contract amount, the current fiscal impact to CADA for the remaining term of this contract, March 1, 2024 through June 30th, 2024, will be \$108,840.96, based on the monthly rate. The current budget will cover these expenses.

ENVIRONMENTAL ISSUES

This item does not require CEQA review or certification as it is not considered a project under CEQA.

Attachments:

1. Bid Tabulation Form
2. Resolution 24-12: Authorization of Contract with ATI Restoration, LLC



CAPITOL AREA DEVELOPMENT AUTHORITY — Bids Received

Project: FY Abatement – Various Locations, Sacramento – FY 2023-2024

Bid Opening: Tuesday, February @ 10:00 a.m. @ 1522 14th Street, Sacramento

	Name of Company	Bid
1.	Cal Inc	\$67,101
2.	Jm Environmental Inc	\$39,600
3.	ATI Restoration LLC	\$22,675.68
4.	West Coast Environmental	\$14,400
5.	PARC Environmental	\$27,200
6.		
7.		
8.		
9.		
10.		

N/R

N/R

~~N/R~~ ~~W~~
FD

N/R

N/R

Verified: 2/20/24
Date

Jack McCluskey
Signature

[Signature]
Signature

→ N/R = Non-Responsive

RESOLUTION NO. 24 – 12

Adopted by the Capitol Area Development Authority

February 23, 2024

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO
ENTER INTO A MAINTENANCE CONTRACT FOR FY ABATEMENT
WITH ATI RESTORATION, LLC**

WHEREAS, in July 2022 the Executive Director entered into a \$21,926.80 contract with ATI Restoration, LLC for FY Toxic Abatement;

WHEREAS, in July 2023 the Executive Director entered into an annual extension to the original contract with an increase to \$30,000;

WHEREAS, in December 2023 the Board approved the Executive Director to enter into a change order in the amount of \$42,000;

WHEREAS, CADA conducted a formal bid process for the new FY Abatement contract for various locations for the remainder of Fiscal Year 2023-2024 through Fiscal Year 2025-2026;

WHEREAS, ATI Restoration, LLC was the only responsive, responsible bidder with a quoted hourly rate of \$141.72 for asbestos abatement and has confirmed with CADA its interest in being awarded the contract and completing the work; and

WHEREAS, this contract is necessary to carry out the work ATI bid on, as well as to perform additional asbestos remediation that will be required as part of CADA's program to update and make its apartments competitive in the current market.

NOW, THEREFORE, BE IT RESOLVED, by the Capitol Area Development Authority Board of Directors that the Executive Director, or her designee, is hereby authorized, on behalf of the Authority, to enter into an annual contract with ATI Restoration, LLC in the amount of \$326,522.88, with an average monthly rate of \$27,210.24.

Ann Bailey, Chair

ATTEST:

Tara Gandara
Secretary to the Board of Directors