Cost Guidelines - Advanced Guidance

The Cost Guidelines for the LRAP program were developed to give Lead Construction Managers (LCM) flexibility and choices in making decisions for what "reasonable costs" should be for multiple measures that arise in the lead hazard control process.

However, a variety of things have occurred resulting in rising costs for lead work throughout the program. This document provides additional guidance and information that should help LCMs in developing Scopes of Work with more consistent and reasonable costs.

In addition, more specific guidance is included in the revised Cost Guidelines document that is being sent to every LRAP agency/municipality. **We suggest that you give both this document and the revised Cost Guidelines to your lead contractors.**

There are several measures that have been the most difficult to deal with and where excessive costs have been identified. These include:

1. window replacement
2. set-up/work preparation
3. cleaning
4. lead disposal

WINDOW REPLACEMENT

Window replacements are perhaps the most common measure to control lead hazard and often the most expensive given the number of replacements that are often needed. A range was provided to allow for flexibility in deciding actual costs of a replacement, based individual units and need. However, we have noticed several consistent issues when it comes to window replacement:

1. contractors going to the top of the range regardless of the window size or cost
2. costs that exceed what is reasonable to account for materials, installation costs and profit

Window Cost Range and Size: For the LCM, the cost for a window replacement should be based on two things -- the size/type of the window and the expected cost for installation. Of course, this comes with a reasonable expectation of profit for the contractor.

Obviously a bedroom window (32" x 52") will cost more than a basement sliding window (32" x 16") , or a 24” x 36” bathroom window, that's why the guidelines have a range. We are seeing small or large windows being put on SOWs at the top of the range. The price range

also includes fixed units such as transoms and picture units. The costs for those units will vary depending on sizes and styles.

Who can say what is reasonable? Well, we can make some estimates based on actual materials costs and possible labor costs. Here's an example:

Single/Double hung standard window replacement estimated costs

Materials: $350 or less (American Craftsman, Plygem, Tafco) These are Home Depot prices. Contractors can often get similar or better deals from a local window company.

Installation Labor: Replacing a single window can take anywhere from 30 minutes to 2 hours. So let's estimate on the high side -- 2 hours. Let's also estimate on the high side of what an installer is being paid at $50/hr. (They wish!) So that's 2 hrs. X $50/hr. = $100 Even at 3hrs!, labor costs would only be $150. (And honestly if your contractor is taking 2-3 hours to replace a window they should not be in your pool. I'm told that a skilled person can replace a window in about an 30 minutes.)

So we have -- on the high side -- $350 + $150 = $500 for materials and installation.

Profit: It's hard to say exactly what contractors need as far as a margin for all fixed costs to run their business (insurance, accounting, rent, etc.), but a reasonable margin would be 20% of any cost item. So, $500 x .2 = $100 + $500 = $600

So, $600 "all in" for a standard window replacement. This allows for all direct costs and profit for your contractor. This doesn't even account for the money they are getting for set-up, cleaning (we'll talk about this next) and to address casings and sills.

These are the calculations that LCMs should be making for each window size. Picture windows or basement slider. (This goes for doors too!)

SET-UP/SITE PREPARATION FOR LEAD WORK

We have seen excessive costs for site preparation for lead work. Site prep includes both materials (plastic sheeting, zip walls, etc.) and labor (time). The cost for Site Prep is dependent upon the size of the unit and the number of rooms being worked on.

Materials $100 + Labor $150 + Profit $100 (generous!) = $350

The range on the guidelines is perhaps *too generous* ($20-$200 per room). For a reasonable sized unit with $8k-$13k worth of lead hazard work a reasonable charge would be in the neighborhood of $300-$350. This could be lower or higher based on size.

CLEANING FOR CLEARANCE

Besides the higher than usual number of 2nd clearances we are seeing, the other issue on SOWs is an unreasonable cost for cleaning. Cleaning should be a two-step process. A preliminary cleaning after each room receives work (cleaning verification should be used) and then a final cleaning of the entire unit prior to the Clearance examination. The preliminary cleaning can be done with an ***EPA approved HEPA vacuum*** (always HEPA and not just a standard HEPA filter. Must be for lead abatement. They are expensive.) of the area and a wipe down of all un-sheeted surfaces. The final cleaning to clearance must be done with proper cleaning supplies and following HUD guidelines. Just as a reminder, if you will indulge me, one proper way to clean to clearance is to:

1. Start with new buckets and sponges or disposable cleaning pads.
2. Use three bucket cleaning method as described in HUD guidance. Wash surfaces with the all-purpose cleaning solution, such as Simple Green OR use D-Lead cleaner specifically made to clean lead dust. A Swiffer can also be used for floors, but the disposable pads must be changed frequently.
3. Start up high and work down to the floors. Follow the wash procedure with the clear water rinse. Change the wash and rinse water frequently (at least once per room) and use disposable towels.
4. After the cleaned surfaces have completely air dried, HEPA vacuum (EPA approved) all surfaces again.
5. Put all cleaning items (towels, disposable mop heads, etc.) in a plastic bag. Tie the bag closed and throw away in garbage. Remove paint chips and empty water down a toilet

Costs for Cleaning to Clearance

It's hard to work in absolutes with these types of projects. Costs are always dependent upon the size of each work area and the number of work areas. These costs could be higher if there are 15 separate work areas, or lower if there are 2 or 3. For the average remediation with *proper daily cleaning*, the final clean should take between 1-4 hours.

Materials: $50
Labor: $40-$160 (4@$40/hr.
Profit/Overhead: $100
Total: $190-$310

LEAD DISPOSAL

As we all know, housing components, including doors, windows, trim and other materials with lead based paint can be disposed of in regular trash or landfill if properly bagged. This means that costs for lead disposal should almost always be very reasonable. Reasonable should be mostly on the lower end of the range ($25-$300).

If a trip to the "dump" is warranted by the amount of lead debris, costs should be in line with what it might cost in time and labor to send workers to the dump and the cost at the dump.

A quick look around the state of NJ for garbage dump "tipping" fees shows very low costs for dumping garbage. For example, Hunterdon County charges $32 per truck load , Cumberland County charges $95 per *ton* for construction debris, Morris County $110 per ton, Atlantic County charges $5.95 per 100lbs, Union County charges $100.38 per ton.

Labor/Mileage: Let's say 2 hours to drive to the dump, unload the debris and return home or to the office. Let's allow for 20 miles to and from the dump -- 40 total. And let's throw in a toll or two - $15.

Tipping Fee: Let's be generous and say 200 lbs. of debris @ $6 per 100lbs.=$12

Reasonable Scenario: 2hrs. x $30 = $60 + 40 miles x .7/mile = $28 + tolls $15 + tipping fee $12 = $115

Extreme Scenario: 4 hrs. x $30=$120 + 40 miles x .7/mile = $28 + tolls $30 + tipping fee $110 = $288

So somewhere between $120 and $290 would be reasonable. If costs are outside of that number, *make the contractor justify those costs* (i.e. needed to rent a dumpster, dump is far away, high number of windows and doors, etc.). Even then you must be able to justify the higher cost.