

On Sat, Sep 27, 2025 at 1:14 AM Alex Bakshiyev <alexbak26@gmail.com> wrote:

Dear Committee Team,

I hope this message finds you well.

I conducted a review based on the information previously shared with the Engineering Committee, as well as documentation available via BuildingLink, I would kindly like to raise the following observations and concerns regarding the bidding process, Falcon's scope, and overall transparency:

1. Basis for Quantities and Scope

It appears that Falcon prepared a bid sheet listing estimated quantities for all required work, and contractors were instructed to provide unit pricing per line item. My primary concern is understanding how Falcon arrived at these quantities and defined the scope.

- Has Falcon conducted a FULL assessment of the building's conditions?
- Were any concrete elements scanned or evaluated using non-destructive methods?
- Are there inspection reports or field evaluations available to support the proposed scope?

The only supporting documentation I found in the spec book consists of six photographs. Additionally, the engineered drawings provided by Falcon are not as comprehensive as they promised they would be in their original proposal. These drawings seem to indicate identical repairs across all floors, which appears highly unlikely. It is unreasonable to assume that the same type of concrete cracking would occur in the exact same location on every floor. This inconsistency raises serious concerns about the accuracy and reliability of the proposed scope.

2. Lack of Contractor-Specific Input

Since Falcon dictated the estimated quantities, it limited the contractors' ability to perform their own review and pricing of the work. Furthermore, given the limited detail in the plans, even if a contractor attempted to conduct their own takeoffs, they would have insufficient data to base their proposals on. As a result, all contractors appear to be pricing the same Falcon-generated quantities rather than submitting unique, independently developed bids. Each contractor should be required to provide a detailed proposal that includes their own scope of work, inclusions, and exclusions. I have not come across any exclusions within the available documents. Reviewing

exclusions is critical to ensure we are not faced with change orders or added costs during the project. Also, it is unclear how the contractor is expected to track whether the estimated quantities are exceeded or underutilized during construction. This uncertainty is especially concerning, as the quantities do not appear to be derived from verified data, potentially leading to unexpected costs and change orders.

3. Permit Fee

In Falcon's memorandum (email from Tamia), two different estimates for permit fees are presented, 2% and 4%. This inconsistency requires clarification. That said, it is my strong recommendation that permit fees be excluded from the contractor's scope entirely. As per Falcon's proposal, they will manage the permit process, and the Association should pay actual permit fees directly to the City once the fees are issued. There is no benefit in guessing or inflating the project budget unnecessarily with estimated fees.

4. Mobilization Fee

According to the spec book, Line 1 (Mobilization Fee) and Line 2 (General Conditions) may be redundant. In standard construction practices, a "mobilization" fee typically refers to the upfront payment or deposit made at the time of contract execution. It is not usually treated as an additional cost to the overall contract sum but rather as an initial payment of a portion of the agreed total.

5. As-Built Drawings

The requirement for as-built drawings is clearly outlined in the plans, but it is unclear who will be responsible for preparing them. Is this within Falcon's scope? This responsibility does not appear to be addressed in either the spec book or the bid sheet. This is a minor concern, but still something I was able to discover in my review.

Lastly, based on the most recent bid sheet submitted by PG Restoration, the total cost allocated for painting and caulking amounts to nearly \$2.2 million. This figure appears unusually high and warrants further clarification. Additionally, I am curious as to why Falcon has not provided "estimated quantities" and instead considered only lump sum values for the painting scope of work. To properly evaluate the pricing, it is essential to understand the total square footage and linear footage involved, allowing us to assess the cost on a per-unit basis. I can assure you that there is a tremendous amount of savings with the proposed cost for painting. We should really look into this before signing any agreement.

I believe addressing the above points will help ensure the project proceeds with clarity, transparency, and fairness for all parties involved. I look forward to your feedback.

Warm regards,

Alex Bakshiyev

On Sat, Sep 27, 2025, 10:03 Alex Bakshiyev <alexbak26@gmail.com> wrote:

Team,

I was able to locate the Falcon reports posted on BuildingLink in June 2023. Could you please confirm whether these are the reports from which Falcon generated the estimated quantities reflected in the bid sheet? Additionally, have these quantities been verified by anyone on the committee? Were the reports reviewed and discussed during any committee meetings? I do not recall seeing emails with this information shared directly with the committee.

My concern remains as to whether the quantities outlined in the reports are consistent with those listed in the bid sheet. Upon initial review, there appear to be discrepancies, or at least a lack of clarity in how the figures were derived. It would be helpful to understand if the quantities used for bidding were extracted directly from these

reports. Please advise.

Regards,

Alex Bakshiyev

On Sat, Sep 27, 2025 at 2:41 PM Steve Sayuk <steve.s@mptower500.com> wrote:

Alex,

Let me respond to your points:

1. The quantities for the defined unit price work are based on the survey that Falcon conducted. The survey was part of the Milestone Report. It was a thorough non-destructive inspection but obviously could not possibly identify every single item/area that needs repairs. Accordingly, the quantities defined are those consistent with the

survey findings. The repair specifications defined in the RFP are based on Falcon's experience in these type projects. The repairs are generic for the various types of repairs. It is insane to think that there will be a specific repair specification for every single repair. If there were concerns about inconsistencies the contractors who are experienced in undertaking these projects they would have so stated but this was not the case. Keep in mind, Falcon is a respected engineering firm and is the engineer of record. They have to sign off with their license for our required recertification.

Needless to say, there will be another inspection as the project gets underway. It is on this inspection that the quantities and nature of the repairs will determine the cost to us. If there are higher quantities we pay more; if lower we get a credit. The Association will have review and approval authority on the proposed payments.

2. All 5 of the contractors received the RFP and had a joint site visit to see the property first hand. In addition, they had the opportunity to ask for clarifications and additional site visits. The object is to get a true apples-to-apples comparison. It is impossible to do so if every contractor is bidding different quantities, different scopes and different repair specs. How are we to know who is right? Therefore, the time tested process to achieve is the apples-to-apples is the one set forth by Falcon.

The RFP specifies in detail what is required for each of the Sections. Some contractors did mention exceptions. These were discussed and either withdrawn or would be evaluated as to how it would impact the bid vs the other contractors.

3. The permit fees are to be paid by the Association but it is the contractor who does the work to get the permits. The percentage is the same for all contractors. The cost of permits is not an insignificant dollar amount so it should be included in the bid so we can have this cost reflected in what the bottom line cost of the project will be based on the RFP. Again, this is standard for these type projects.

4. Yes the mobilization fee is paid upfront because this part of the work is completed at the start of the project. As defined the General Conditions do not include mobilization items so there does not appear to be the redundancy you mention.

5. It is not clear what Shop Drawings you are referring to. We are talking about repairs to concrete, rebar, stucco, sealing and painting. These items are covered with the drawings and manufacturer specifications.

6. It is difficult for any of us to judge how the contractor developed his bid. Where there were significant differences among the line items between contractors, they were asked to re-evaluate the item.

Your comment on lump sum is interesting. Lump sum means that the contractor has the responsibility to do the quantity and material takeoffs to arrive at his price. This is the final price. There is no applicable unit price. It is difficult to see how we would achieve tremendous savings when the bidders are all in the same relative price range.

I trust this addresses your points.

Steve

On Sat, Sep 27, 2025, 14:01 Alex Bakshiyev <alexbak26@gmail.com> wrote:

Steve,

Thank you for your prompt response! Please find below my detailed replies to each item:

1. At no point did I question or raise a concern regarding the proposed repair procedures. My concern lies specifically with the determination and verification of the quantities. Even after reviewing the assessment reports from 2023, the correlation between the quantities outlined in those reports and those presented in the bid sheet remains unclear to me. You stated that “the quantities defined are those consistent with the survey findings.” May I ask who has verified this? Furthermore, you mentioned that a follow-up inspection will be conducted once the project begins, at which point quantities will be verified. This raises important questions: At what stage do we intend to enter into an agreement, if quantities are still to be verified? Wouldn't it make sense to get into a contract after the fact? And what type of contract structure is being proposed? Will this be a lump sum agreement that encompasses all necessary work? Or will it be structured on a time and materials (T&M) basis? Will there be a clearly defined “not to exceed” amount? I trust that everyone copied on this email shares the same concern about ensuring this project does not become an open checkbook. We need to establish clear parameters and define the point at which scope, cost, and responsibility are controlled.

2. I do not have any particular objection to Falcon leading the effort in defining the quantities and scope of work, as this is a common and accepted industry practice. However, my primary concern is the accuracy and reliability of these quantities. While Falcon is providing direction to the subcontractors, it remains unclear who is responsible for independently verifying these quantities. Who will monitor whether we exceed or fall short of the estimated amounts? What procedures will be implemented on site to ensure ongoing verification throughout the construction process? Additionally, will there be any representatives from the association involved in overseeing this verification? Without clarity on these points, it is difficult to feel confident in the process. I believe it is essential that all parties involved have a clear understanding of how quantity verification will be managed to prevent the project from escalating beyond reasonable limits.

3. I respectfully disagree with the assertion that including permit fees in the contract cost is standard practice. The inclusion of permit fees is optional and can be handled in different ways. In my professional experience, I typically exclude permit fees from contracts I prepare. This is because permit fees are determined by the city and cannot be precisely known until the permit is ready to be issued. While estimates based on typical percentages can be useful for budgeting purposes, it is not obligatory for this to be the contractor's responsibility. It is more appropriate for the permit fees to be paid directly by the owner, in this case, the Association. Including permit fees in the contractor's scope may lead to unnecessary complications, such as change orders, should the actual fees differ from the estimates.

4. If you review the attached document from Falcon, you will notice the highlighted areas that demonstrate redundancy in regards to the mobilization fee. I am not disputing the use of a mobilization fee itself, but rather how the mobilization fee is being applied in this case.

To clarify, please find attached documentation from a recent painting project I was involved with, which serves as an example of the appropriate handling of a mobilization fee. Attached is an approved proposal totaling \$546,210, as well as the contractor's pay application with a detailed schedule of values. For that project, the contractor included two mobilization fees, one for interior work and one for exterior work, totaling \$27,200, which represents approximately 5% of the contract amount. It is important to note that this mobilization fee was not an additional charge on top of the contract price but rather a portion of the overall contract value allocated as a

separate line item. I hope this clarifies that a mobilization fee should not be viewed as an extra cost, but rather a portion of the agreed contract amount broken out for billing purposes, and to be paid upon contract execution, in other terms "a deposit".

5. Regarding the as-built drawings, please see the below screenshot, which appears on nearly every sheet of the drawing set. Could you please confirm whether the cost for preparing these as-builts is included in the current scope, and who will be responsible for their preparation? I would assume Falcon is responsible, but it would be best to clarify this now, to avoid potential change orders later.

14. **CONTRACTOR/ENGINEER TO PROVIDE FINAL AS-BUILT PLAN AND ELEVATION DRAWINGS SHOWING EXTENT OF ALL REPAIRS, LOCATION OF REPAIRS, AND REPAIR METHOD FOR EACH REPAIR. AS-BUILT PLANS SHALL BE SIGNED AND SEALED AND DATED BY ENGINEER OF RECORD AND SUBMITTED TO THE AUTHORITY HAVING JURISDICTION PRIOR TO REQUESTING FINAL INSPECTION.**

6. I am seeking clarification as to why, in the majority of the bid sheet, Falcon provided specific quantities, yet for the painting scope, it was presented as a lump sum. Providing detailed quantities for this scope would be highly beneficial. This is a simple and straightforward takeoff that Falcon is certainly capable of performing. I do not understand why they omitted this information.

You mentioned that contractors were asked to re-evaluate when there were significant discrepancies; however, please see the below comparison between the two bidders under consideration. How exactly has this \$400K discrepancy been re-evaluated? Moreover, how do you consider this to be in the same price range given such a substantial variance? Especially since painting constitutes a major portion of the work.

Based on the number of floors and the overall building footprint, I believe this cost should not exceed \$1.5 million. Yet, we are currently facing a proposed cost of \$2.2 million. I am confident that this can be negotiated to a more reasonable amount.

Lastly, I want to emphasize that my participation and correspondence within this committee are intended to support and assist the community by applying my expertise and knowledge of the construction industry. I bring a high level of experience to these discussions and speak from a well-informed perspective. I hope my comments are received not as confrontational, but rather as expressions of genuine care and concern for our community, ensuring that we manage these significant contracts responsibly.

Frankly, I am troubled by the current situation in the building, including the number of units being put up for sale and the general sentiment among community members. It is important that both the committee and the Board of Directors actively consider and incorporate input from the community and committee members alike.

Looking forward to your response.

Best Regards,

Alex Bakshiyev

From: **Steve Sayuk** <steve.s@mptower500.com>

Date: Sat, Sep 27, 2025 at 7:20 PM

Subject: Re: Facade Restoration Committee Recommendation

To: Alex Bakshiyev <alexbak26@gmail.com>

Alex,

The quantities for the concrete, stucco and rebar repairs were determined by Falcon. How do you want to verify their quantities- hire someone to do another survey? In any case the specified quantities are only a reference. As mentioned the actual quantities will be determined in the inspection at the start of the project.

The contract is a combination lump sum and unit cost arrangement. As stated lump sum means the final price for the elements that are lump sum. For the unit price items the unit price will be multiplied by the quantities based on the inspection at the time of the project.

The quantities will be determined by Falcon with Association review and approval for payments. Again how do you want to verify the Falcon quantities--hire more people to verify as there are limitations as who is permitted on the swing stages?

Regarding the mobilization fee. I fail to see the significance between it being called a deposit or a line item in the bid. The cost to the Association is the same and it is not an extra cost.

You may typically handle permits one way. My experience and that of Falcon is different. Nevertheless at the end of the day the Association pays the cost and it is in fact a cost for the project.

I have not seen where your "shop drawings" are required by the city for final inspection. It is difficult for me to see where the building inspection will want to sit-down and review each and every repair and it's precise location. However, I will consult with Falcon.

Regarding the painting as a lump sum. that is the basis Falcon chose and quite frankly I do not see an issue with it. You feel the cost should be \$1.5M. Great. But does that include all Section A items? Also, the fact is we had 5 contractors bid and the prices we got are the prices the contractors wanted for the job. They were asked to reconsider. So we did get adjustments. And the best prices we got were from PG and Structurally Sound at \$1.9-2.0M lump sum. This gave us a Total project cost (on the RFP basis) of just under \$3.9M

Steve