

Snowmass Mountain Condominiums Home Owners Association

To: SMC Owners

From: Board of Directors

Date: July 29, 2015

RE: Latest developments on the fireplace/flues project.

For the past two months the Board has solicited and received bids from three different contractors to replace fireboxes and flues and return fireplaces to their original state. Each contractor was interviewed, asked to complete a statement of work and respond to a series of detailed questions, and escorted throughout the complex to view the fireplace in every unit. Yesterday the Board received their final bids, which ranged from \$486,002 to \$759,300 to \$944,054. After much discussion of the different strengths of each contractor in meeting our goals of having new wood-burning fireboxes and flues installed and condo units usable in time for winter season, the Board voted in a 3-2 split decision to award the contract to the S&S Construction Company whose \$486,002 bid was deemed the most reasonable and affordable by Mike Mitchell, Greer Fox, and Carl Vill. Lori McCool and Kirk Samsel favored the not to exceed \$944,054 bid of Summit Construction of Snowmass Village, due to their experience and expertise in engineering and construction fields and their electronic planning tools. Summit offered that savings during construction may be possible, but that these were field decisions that would be decided upon by the contractor once construction was in progress. The terms of a final contract are now being negotiated with S&S. Work on the project is scheduled to start very shortly and to be completed by Thanksgiving.

Over the past seven weeks, as more information was learned about the state of the flues and fireboxes in our condo units, it became evident that the project was more complicated and the “fix” more difficult and more extensive than the information we brought to Owners in our earlier communications. New fireboxes were required to address safety concerns and code requirements, as well as differently sized flues than those currently in place in about half the units. Further, The Town of Snowmass Village informed us that glass enclosures are now required on all wood-burning fireplaces. As a result of these several factors, the costs of the project have grown, as has the corresponding size of the total assessment to Owners. How much more will be determined soon, but for now the Board will maintain the schedule and size of the first installment of the assessment originally communicated to Owners. The size of the second installment due in January 2016 is under review. A third and final installment will be billed to Owners in April 2016.

This has been an exceptionally difficult project for the Board to work through. The main reason is because of the concerns over the impact to the interior of Owners units, but other factors included the increased cost, the logistical complexity of the job, the unknowns that we may discover when we actually start construction, materials availability and the timing of the project. There is unfortunately no “dream solution” to this project, but we need to repair the flues and have now selected a contractor and an approach to do this.

We are currently working to finalize a contract and work is expected to start in the first half of August. The current plan is to start with Building A, progress to the lower buildings and then do the upper ones. We will update Owners with a clearer timeline for work on their particular building and unit as soon as we can.