

PROPERTY MAINTENANCE

- Property Maintenance (also known as Facilities Maintenance) is the process of operating, maintaining, repairing and replacing common property.
- A Community Association has Four (4) Major Maintenance Goals:
 - 1) To meet the needs of the individual residents as they relate to the community association's responsibilities.
 - 2) To preserve and enhance the common property.
 - 3) To limit potential exposure or injury to residents, guests and employees.
 - 4) To protect property values of the homes or units through successful maintenance of the common property.

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Determining Maintenance Responsibilities

- Review **Governing Documents** for specific maintenance responsibilities assigned to the developer, association or owner.
- Review **State Statutes** to determine if they require certain maintenance to be done.
- Review **Board Resolutions** to identify specific maintenance responsibilities that were not detailed in other documents.
- Identify any areas where the maintenance responsibilities may not be clear and prepare recommendations for clarification.

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Determining Responsibilities – Useful Tools

- **Responsibility Chart** – Helps keep track of who is responsible for the maintenance of various property elements or areas.
- **Maintenance Contact Sheet** – Records the contacts for various maintenance services and any pertinent information needed during an emergency.

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Identifying Maintenance Needs

- Conduct a detailed, thorough site visit of the property. Take photos for future comparison and historical record.
- Examine any available building plans or specifications.
- Review any reserve studies that have been prepared.
- Review all maintenance records.
- Interview board members, employees or contractors providing maintenance services.
- Review product or equipment information from manufacturers.

Effective Maintenance Systems:

To get the maintenance work done, a manager must organize the maintenance work & create controls for ensuring the work is actually done.

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Types of Maintenance Programs

- **Routine Maintenance** – Regular, recurring upkeep that must be done (ie. cleaning, cutting grass, etc.)
- **Preventive Maintenance** – Periodic maintenance to avoid disruptive breakdowns and to prolong the useful life of the physical asset in question (ie. maintaining pool pumps, etc.)
- **Emergency Maintenance** – Responding to unpredictable problems (ie. sewer backups, elevator failures, etc.)
- **Requested Maintenance** – Maintenance requested by an owner, a tenant, the board, recommended by a contractor, or identified during a routine site visit of the property (ie. a pothole in the street).
- **Reserve Replacement** – Replacing physical assets as they wear out or break (ie. roofs, asphalt, concrete, etc.)

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Maintenance Planning Tools/Management Tools

PLANNING TOOLS:

- **Maintenance Calendar** – A schedule that identifies what needs to be done during the year, and how frequently.
- **Maintenance Record** – A record of when maintenance was actually done.

MANAGEMENT TOOLS (means to track, record, remind)

- Checklists; Charts of Information; Calendars or Schedules; Records of Action Taken; Inventories; Computer Generated Works Orders; Request Forms; Response Forms.

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Reason for Site Visits

- Provides documentation of current conditions and outstanding items.
- Provides verification of completed work.
- Helps to identify potential problems.
- Enables onsite meetings with staff or contractors.
- Provides a method for follow up on previous maintenance items.

Site Visit Checklist: Documents your current maintenance standards and helps to identify **potential** problems.

Site Visit Report: A compilation of all the maintenance needs identified during a site visit. Use it to assign maintenance tasks to staff or contractors; budget for maintenance needs; identify preventive maintenance that needs to be done; determine when on-site staff or contractors are not properly performing work on time; demonstrate to the board that you are visiting the property and complying with contractual obligations.

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Work Order Systems

Work Order Systems ensure that jobs are documented and completed efficiently. A work order/response form:

- Documents owner and tenant requests.
- Assigns maintenance tasks to both maintenance staff and contractors.
- Evaluates staff and contractor performance.
- Processes feedback from residents.
- Is a basis for allocating charges, when appropriate.

Benefits of a Work Order/Response Form:

- Identifies whether the need is an emergency and requires attention.
- Allows follow-up to evaluate satisfaction.
- Provides a means of monitoring costs.
- Provides a history of the repairs made.
- Documents any problems with contractors reported by owners or tenants.
- Indicates if the work is a recurring problem requiring further evaluation.

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Evaluating Maintenance Systems & Efforts

An **effective** maintenance system will reflect:

Smooth daily operation of the community; Scheduled preventive maintenance programs; Efficient and prompt response to requests; Buildings and grounds in good condition; Efficient use, maintenance and replacement of equipment; Positive, supportive and respectful attitude among owners, board, staff and manager, etc.

An **ineffective** maintenance system will reflect:

Budget overruns; Crisis-oriented management; Slow response time; Poor record-keeping; Frequent equipment breakdowns; Buildings and grounds appearing “run-down”; Residents and/or board shows a lack of respect to management, employees and all parties involved with maintenance, etc.

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Methods to Evaluate Maintenance Systems & Efforts

- **Implement Report Cards**: Have your BOD fill out a report card that addresses the community association’s basic maintenance programs.
- **Conduct Surveys**: Get owner/resident feedback.
- **Review Costs**: Review budget costs of previous year to determine how much money was allocated, what the results were, etc.
- **Review Work Orders**: Review type, time, money disbursed and other key factors.
- **Inspect the Property**: To visually identify maintenance issues and to ultimately create a punch list or inspection report.
- **Compare Associations**: Visit other similar community associations to obtain first-hand comparison.

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CONTRACTING

WHEN DECIDING WHETHER TO CONTRACT FOR WORK – CONSIDER THE FOLLOWING:

- **Do You Have Enough Personnel on Your Team?** (Number of people; Expertise; Supervision; Ability)
- **Do You Have the Time?** (Urgency of the Work; Estimated Cost for Completion)
- **What Is the Cost?** (Cash Outlay Required; Real Labor Costs Involved)
- **Do You Have the Necessary Tools, Equipment & Supplies?** (Specialized Tools, Equipment, Supplies; Storage Space for the Tools)
- **Do You Have the Proper Insurance Coverage?** (Necessary Insurance Coverage like Commercial General Liability, Use of Owned or Non-Owned Vehicles, Workers' Compensation Coverage, etc.)
- **Do You Have the Licenses & Permits Necessary?** (Special licenses or permits needed according to proper authorities)

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Requests for Proposals (RFP)

A Request for Proposal (RFP) is an announcement that a community is interested in receiving proposals for a particular project. The RFP should be used primarily for larger purchases or for ongoing services.

The RFP Packet includes the following:

- The bid specifications or detailed instructions about the products or services requested.
- Information about the association that the contractor will need in order to prepare the bid.
- Information about work conditions.
- Requests for information about the contractor that will help the association evaluate the contractor's ability to perform the work and meet the specifications.

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Preparing an RFP Packet

1. **Gather Preliminary Information:** Survey the area where the work will be done; Outline the work to be done in detail (this may include consulting with a professional engineer or architect); Specify the materials to be used and where they will be stored; Set a realistic deadline for completion of the work.
2. **Compile a Complete RFP Packet which includes:** The full name, address and telephone number of the association; A detailed description of the work to be done; Key dates; Name of person to call for information or inspection of the site; Where to submit the bid; Request for 3-5 references from previous jobs of similar size and scope; Warranties required.
3. **Review for Accuracy & Thoroughness:** Ensure that all your bidders are bidding on the same job; Ensure the specifications are complete and accurate so the work doesn't end up costing more, taking longer than you plans, or creating disputes with the contractor.
4. **Conduct a Pre-Bid Walk Through.**

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Evaluating Bids

1. Review each bid to verify that it conforms to your specifications.
2. Check each bidder's references.
3. Verify insurance compliance. Obtain original certificate of insurance.
4. Verify licenses (if required).
5. Eliminate any bids that are unacceptable based upon above items.
6. Compare the remaining bids in terms of price.
7. Recommend a contractor to the board based on the following criteria:
 - *Demonstrated understanding of what needs to be done.*
 - *Possession of the necessary qualifications to do the job.*
 - *Reasonable price.*

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Contract Provisions & Key Elements of a Contract

A Contract is an agreement between two or more parties, enforceable by law, by which each party promises to do, or not to do, something.

Key Elements of a Contract:

- **Parties to the Contract:** A contract should state the complete names, addresses and telephone numbers of the two parties to the contract. *The community association, not the management company, should clearly be identified as one of the contracting parties.*
- **Scope of Work:** Requirements that the contractor conform to all applicable codes, industry standards, or manufacturer's specifications; Requirement that the contractor provide sufficient employees; Requirement that the contractor cleanup after the work is performed and restore the common elements to their prior condition; Provide exact location where work is to be performed; Working hours; Provisions for tools and equipment; Materials; Storage; Job and Safety Requirements, etc.

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Key Elements of a Contract

- **Compensation:** Total agreed upon amount that will be paid for the product or service; When payment(s) will be made; In what manner they will be made; On what terms and amount of retainage, if any.
- **Time Period:** When the work will begin and when it must be completed; Provide for liquidated damage payments by the contractor or reduction in cost if the contractor is responsible for not meeting deadline.
- **Standard of Performance:** An objective standard against which a contractor's work can be judged.
- **Warranty:** A promise or guarantee that parts, material or labor will last for a designated period of time.
- **Restoration:** A clause stating that if the contractor's employees, agents or subcontractors damage any common or individual property in the community while performing contracted work, the contractor agrees to fully restore the property to its condition prior to the damage.

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Key Elements of a Contract

- **Indemnification:** A clause stating that the contractor will indemnify and hold harmless or reimburse the community association for any amount the association is required to pay because a claim was made against the association as a result of the contractor's work – as well as for any legal costs associated with defending the association against any claims.
- **Insurance:** A requirement that the contractor have all necessary insurance for the project, including liability, workers' compensation and vehicle insurance.
- **Licenses & Permits:** A requirement that the contractor demonstrates that they have the necessary licenses and permits for the work before the work begins, and that they will comply with all regulations and codes, etc.
- **Notices:** The names and addresses of the individuals representing both parties for the purposes of the contract.

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Key Elements of a Contract

Key Elements of a Contract:

- **Termination:** A way for the community association to extricate itself from a contract if it so desires.
- **Default:** Identifies what constitutes a default or failure of either party to fulfill the terms of the contract; Identifies what each party's rights are if the other defaults.
- **Financial Protection:** A provision for the community association's financial protection if the contractor should default, including:
 - **Performance Bond:** A guarantee by a surety (a third party) to protect the community association if the contractor fails to perform or finish the work.
 - **Payment Bond:** A guarantee by a surety that the contractor's suppliers and any subcontractors will be paid if the contractor does not pay them. This protects the association from having a mechanic's lien placed against them.
 - **Waiver of Lien:** A document giving up the right to make a claim against the community association for payments not received.

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Provisions That Address the Legal Binding of a Contract

- **Assignability**: This provision states that neither party may assign its obligations under the contract to anyone else.
- **Modification**: This provision states that the contract may not be modified.
- **Waiver**: This provision states that a waiver (permission) by one party of any breach of contract (failure to fulfill a provision) by the other party shall not act as a general waiver of future breaches.
- **Governing Law**: This provision states that the law of a particular state will be applied if there are any disputes.
- **Severability**: This provision states that if a court finds that any clause is illegal or unenforceable, that clause should be severed or separated from the rest of the contract.
- **Entire Obligation**: This provision states that the written, signed contract constitutes the entire agreement between the parties.