



# Chapter 1

## INTRODUCTION

This *Maintenance Guide* is one in a series designed to help non-profit societies and housing co-operatives manage affordable housing developments. The guide explains how to set up maintenance systems for the buildings and property you manage in partnership with BC Housing. Together, these guides provide detailed reference material and form a comprehensive Housing Provider Kit that covers key areas of housing management:

- Operations
- Financial Management
- Governance
- Maintenance
- Management Performance

Following the practices outlined in this series will enable your organization to operate safe, secure, affordable housing communities that:

- Demonstrate excellence in management and maintenance.
- Provide residents with secure tenure and opportunities to participate in decision-making.

Your organization owns and manages the development, because community groups are in the best position to understand and meet local housing needs. BC Housing plays a dual role as a resource and monitoring agency. We provide the subsidies you need to run the development, and review the administration and use of public funds to ensure housing program goals are met.

For a copy of any of these guides, contact BC Housing's Home Office at 604-433-1711, or visit our website at [www.bchousing.org](http://www.bchousing.org), and select the Housing Provider Kit in the *Housing Provider* section.

## What's in this Guide?

In the first chapter of the *Maintenance Guide*, we list the most Frequently Asked Questions about maintenance, with answers for quick reference. You'll also find these FAQs on our website at [www.bchousing.org](http://www.bchousing.org).

Chapter two outlines building and maintenance records you need to maintain.

Chapter three explains how to handle construction deficiencies and protect developments from liens.



In chapter four, we describe your maintenance responsibilities under the *Residential Tenancy* and *Co-operative Association Acts*, regular, cyclical and emergency maintenance requirements, and the asset planning necessary to maintain the structure, function and aesthetic value of the development.

In chapter five, we outline your maintenance obligations under the *Homeowner Protection Act* to ensure your warranties remain valid.

Chapter six defines the various maintenance inspections required to keep your facilities, equipment and property in good condition.

And chapter seven explains how to tender, set up and monitor contracts for goods and services needed to build and maintain a development.

## Frequently Asked Questions

### **What maintenance work can be funded from the replacement reserve?**

The Housing Provider Checklist in the *Housing Provider* section of our website – [www.bchousing.org](http://www.bchousing.org) – contains a list of items you can pay for from replacement reserve funds. These items include:

- *Appliances* ~ dishwashers, dryers, fridges, wall ovens, stoves, washers.
- *Flooring* ~ carpets, linoleum/vinyl (suites and common areas).
- *Heating* ~ furnace, boiler, electric heat, hot water tanks, water/oil pumps.
- *Interior Structure* ~ air conditioning, countertops.
- *Painting* ~ exterior painting, exterior trim painting, interior painting (suites and common areas).
- *Paving* ~ driveways.
- *Roofing* ~ roof replacement.
- *Window Coverings* ~ blinds, drapes, awnings.
- *Exterior Structure* ~ balcony coverings, deck and deck coverings, fencing, playground equipment, security gate.
- *Other* ~ fresh water pump, sewage/pressure/relay.

See chapter six of the *Financial Management Guide* for more information on replacement reserves.



### **Are housing providers required to get three quotes for maintenance projects?**

Here are BC Housing's purchasing guidelines for different price ranges, which can be adapted to suit your organization:

- *\$100 or less* ~ Make the purchase using petty cash.
- *\$101 to \$5,000* ~ Obtain a minimum of one verbal quote, preferably two or three.
- *\$5,001 to \$30,000* ~ Obtain a minimum of three written quotes.
- *\$30,001 to \$50,000* ~ Use an *Invitational Tender* to obtain a minimum of three written quotes.
- *More than \$50,000* ~ Advertise a *Public Tender* in the *Journal of Commerce* and local newspapers in the area where the work will be performed. Include the time and location tender documents will be available for pick up. You'll find sample advertisements on pages 71 and 72 in the appendix. A minimum of three sealed bids is required. We recommend you contact your Property Portfolio Manager for assistance setting up a contract of this value.

For amounts greater than \$5,000, BC Housing requires contractors to provide a *Statutory Declaration* that all supplies and labour have been paid, when the work is completed. You can use this amount or set a different level for the *Statutory Declaration* requirement. A *Statutory Declaration* form is included on page 99 in the appendix. See chapter seven, beginning on page 39, for more information on tendering projects.

### **Does BC Housing help housing providers tender large projects or provide tendering guidelines?**

BC Housing's Regional Maintenance Managers are available to help societies and co-ops tender large projects. We have a list of contractors with expertise in a variety of trades. In most cases, you have two options:

- You can request the Maintenance Manager act as your agent and tender the project for you, or
- You can choose to tender the project yourself.

Refer to chapter seven, beginning on page 39, for information on tendering guidelines. You can also contact BC Housing's Purchasing Department at 604-433-1711 for assistance with tendering questions.

### **Does BC Housing have specifications that societies and co-ops can use for tendering purposes?**

BC Housing has developed Master Specifications that are available in the *Housing Provider* section of our website at [www.bchousing.org](http://www.bchousing.org), in the *Resource Directory*. You can use these specifications verbatim or as guidelines to develop your own documents.



### **Does the *Builders Lien Act* require housing providers to hold back 10 per cent of development invoices?**

Yes, the *Builders Lien Act* does require you to hold back 10 per cent of each invoice, for a period of 55 days from the date substantial completion is declared. You are also required to establish a holdback account for each contract valued at \$100,000 or more.

BC Housing holds back funds for projects exceeding \$5,000. You can use this figure or set a higher amount for holdbacks, when using reliable, reputable contractors you have worked with before.

Failure to hold back funds may have negative legal and financial implications. For example, a supplier or subcontractor can place a lien on a development if the contractor fails to pay them, until payment is received. If you hold back 10 per cent, you will limit your liability as owner.

### **Does the *Builders Lien Act* require housing providers to ask contractors for a Statutory Declaration, confirming they have paid all suppliers, subcontractors, and employees?**

The Act gives you the right to ask contractors for a *Statutory Declaration*, confirming they have paid their bills. BC Housing requires contractors to submit a *Statutory Declaration Form 9A* for second and subsequent payment draws and when requesting release of the lien holdback. The lien holdback must be paid 55 days after the contractor declares substantial performance, provided no liens have been filed. Conduct a lien search before making the payment. The contractor is confirming bills have been paid when the *Statutory Declaration* is signed, which will limit your liability for unpaid contractor accounts. See page 13 for more information on lien searches.

### **What documentation should housing providers obtain from contractors before proceeding with a new development?**

After the tender has closed and you have determined the lowest qualified bidder, use a “Notice of Award” letter to confirm your acceptance of the contractor or supplier’s bid, subject to receiving some or all of the following documents, within 10 business days:

- Proof of current Workers’ Compensation Board coverage.
- Proof of current Comprehensive General Liability insurance for not less than \$2,000,000, showing the society / co-op as the Additional Insured.
- Proof of Third Party Legal Liability Insurance covering the duration of the project (Insurance Corporation of BC form APV47).
- Names of subcontractors and a description of the work they will perform, or confirmation that no subcontractors will be involved in the project.
- A *Schedule of Work*. (This information is only required on construction projects where the work may take an extended period.)
- At least two copies of the contract document for the contractor to sign.



- Performance, and Labour and Material Bonds (if applicable).
- Business Number (BN) for GST registration.

Your contract administrator should select the appropriate documents from this list to include in your Notice of Award letter. If the contractor/supplier will be entering your work site, ensure their Workers' Compensation Board and liability insurance are kept current during the whole term of the contract.

### **Are there any advantages for societies or co-ops in hiring a building manager/caretaker on a contract basis?**

Housing providers that manage small developments with no need for a full-time caretaker may benefit from hiring someone on a contract basis to perform specific tasks such as grounds work or cleaning common areas. Less supervision is required than with an employee. Organizations that manage larger or multiple developments may need one or more full-time caretaker(s), hired as employees.

If you hire a contractor rather than an employee, the *Real Estate Act* requires any contractor acting as an agent – collecting rent, showing suites, signing agreements, for example – to be licensed by the Superintendent of Real Estate.

If you choose to use a single contractor as a full-time caretaker, Revenue Canada may deem the position to be an employee. Please call Revenue Canada at 1-800-267-1267 for a copy of the pamphlet – *Employee or Self-Employed?* – which lists the criteria for determining whether someone is working as an employee or contractor.

### **Does the BC Non-Profit Housing Association (BCNPHA) help its members develop maintenance operating systems? What about the Co-operative Housing Federation of BC (CHF BC)?**

The BCNPHA has a *Policy and Procedures Manual* for non-profit housing providers, and offers a property management workshop. Call 604-527-8859 or 1-800-494-8859. The CHF BC offers a maintenance and property management workshop. Call 604-879-5111 or 1-866-879-5111 for information.

### **How can we find reliable, competitive small contractors such as plumbers or roofers?**

Your Property Portfolio Manager may be able to refer you to local suppliers and contractors. The BC Non-Profit Housing Association has prepared a *Supplier Directory* by geographic area, and can be reached at 604-527-8859 or 1-800-494-8859.

Provincial associations such as the Roofing Contractors Association of BC ([www.rcabc.org](http://www.rcabc.org) or 604-882-9734), the BC Floor Covering Association ([www.bcfc.ca](http://www.bcfc.ca) or 604-689-9928), and the Master Painters and Decorators Association ([www.paintinfo.com](http://www.paintinfo.com) or 604-298-7578) can provide names of member tradespeople.



You can also visit the Better Business Bureau at [www.bbbvan.org](http://www.bbbvan.org) and select *Company Reports*, which lists member service providers and their service record. The Greater Vancouver Home Builders Association website at [www.vancouverhomebuilders.org](http://www.vancouverhomebuilders.org) also lists member contractors in the *Members* section.

The Co-operative Housing Federation of BC has building envelope consultants who can assess damage and advise co-ops on the steps to take to remedy building envelope problems.