

A Successful Major Renovation Project: From Concept to Completion

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For many years, some community association boards have been looking at the components in their reserve study, thinking that replacement of the big ticket items like pavement, the roofs and vinyl siding was way off in the future. But now the associations built in the 1980s and early 90s are finding that the time for replacement of those items is creeping up on them and they are now facing major renovation projects.



These projects can be complex, expensive and disruptive and will likely impact every member of the association. The project could affect everything from the community's budget to parking during construction and property values after completion. It is critical that these projects be carefully planned and executed to assure success and benefit to the entire community. This article provides a step-by-step method for developing a successful renovation project from identifying the need for the project through the bidding process. The following steps will help guide the association through a renovation project:

Step 1. Needs and Goals of the Project

Defining the need for a renovation project can be as simple as a note in the Association's meeting minutes which states, "the roofs on all buildings are leaking and need to be replaced". The goals of the project can go beyond the basic need. The roofs may need to be replaced because they leak, but the goal may be to replace them with a more efficient roof system which will reduce cooling costs, decrease storm water runoff.... and won't leak. Defining the goals of the project can take ten minutes, or may require multiple board meetings. Regardless of the time it takes, it is critical that the board agree on the

goals and that the goals be recorded in the minutes. If they are not in the minutes, the board can find itself revisiting the topic over and over, particularly after a change in board members.

Step 2. Assemble the Team

By assembling a complete team, the board can greatly improve a project's chances for success. The team must include the board, the association's manager and various committees made up of qualified community members. This is a good way to tap the resources of the community and to involve more members of the association. The team is also likely to include the following professionals:

Engineer or Architect: Most larger renovation projects will require an engineer or architect to assist the association with technical aspects of the project, material selections, compliance with building codes and preparation of specifications. In addition, for most major renovation projects, the municipal building official will require submission of plans or specifications that are signed and sealed by an engineer or architect before building permits are issued.

Attorney: Throughout a renovation project, the association may require legal guidance. Issues that are likely to arise include, ownership of building components (win-

dows, doors, decks, driveways, etc.), the association's right to special assess, the association's right to gain access to individual units, uncooperative residents, etc. It is important that the attorney be involved from the start of the project to avoid or prepare for roadblocks along the way.

Accountant: The association's accountant should also be consulted on the financial status of the association during the preparation of the project budget. The accountant can offer advice on funding the project and if the association is going to take loans to fund the project, the bank will want current financial statements.

Once the team is selected, it is critical that communication protocols be established and enforced. The board and committees should be encouraged to work together and communicate freely. However, a record of all meetings and important decisions should be kept and made part of the project record. All communication between the board or committees and the team's professionals should flow through one "gatekeeper", typically the association's manager. If the professionals are receiving communications from multiple sources, they may receive conflicting directions which may not reflect the consensus of the board. In addition, the board may be shocked when they receive a large bill for professional time spent responding to mul-

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tiple phone calls and/or emails from various board and committee members.

Step 3. Program Development

Once the project's goals are established and the team is in place, the program can begin to take shape. The engineer or architect should perform a detailed evaluation of the existing conditions with the project's goals in mind. Based upon this evaluation, they should provide a concept plan for achieving the project's goals. The plan should identify and address the root cause of any deficiencies or failures that have been identified. The plan should also identify selections or decisions to be made by the board, along with cost-benefit information for each option. It is important to consider related work that may impact the project:

- A siding project is likely to affect the roof and vice-versa
- Window replacement must be considered prior to a siding project
- Copper HVAC lines may soon require replacement. Should empty chases be created prior to replacing siding to allow future copper line replacement?
- Consider installing empty electrical conduits under the roadways before repaving so that, if the streetlight wiring fails or a utility like Verizon Fios comes to your area, the new pavement won't have to be disturbed
- Code required upgrades

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These types of issues can be easily incorporated into a project during the planning stages. If, however, they have to be addressed last minute as the project is proceeding, the cost and difficulty increase significantly.

The team must consider, in detail, the impact of the project on the individual unit owners and residents. Things to consider include:

- Will access to the interior of the unit be required to perform the work?
- Will the units experience cosmetic damage such as nail pops, cracked sheetrock, etc?
- The contractor may need to use Association parking spaces to store equipment and material.
- Is the association going to require unit owners to replace windows, doors, decks, etc?

The board should consider passing resolutions clarifying their policy on such issues. The resolutions should become part of the project records.

Once the concept plan is prepared, the project budget must be reviewed. If the program cost estimate exceeds the project budget, either the plan or the budget must be revised.

The final program must be written down. It should provide a detailed outline of the proposed project, including any specific materials that have been selected, time requirements, budgets and resolutions adopted by the board.

Step 4 Present the Project to the Members

Once the program development is complete, present the final program to the community at an open meeting or a special meeting. Notice of the meeting should be distributed in accordance with the Association's governing documents, along with an outline of the final program. At the meeting, the team should present a summary of the project from project goals through program development. Issues such as cost, financing and impact on individual units should be discussed. The entire project team should attend the meeting so that questions from membership can be directed to the person with the appropriate expertise. The more informed the members are the more cooperation the project will receive from the unit owners.

Step 5 Develop Specifications

The final program must be turned into a set of plans, specifications and bid documents. The project specifications provide the technical information regarding materials and methods for the project. In addition, the specifications should include the contractual details for the project, such as the amount of time allowed to complete the project, insurance requirements, warranties, work hours, payment schedules, etc. All contractors must be bidding on the same specifications to ensure that the board is comparing "apples to apples" when evaluating the bids. The specifications must be clear and unambiguous and should include specific performance standards for all work. These standards will provide the basis for enforcement of the specifications during the construction phase of the project.

Step 6 The Bid Process

The final plans, specifications and bid documents should be assembled into bid packages and distributed to qualified contractors to solicit their bid proposals. The bidders list should be developed by the entire project team. The bid packages should be distributed to all bidders simultaneously and it is important that bidders be given adequate time to inspect the site and ask questions of the property manager or engineer/architect. A record should be kept of all such discussions should any concerns be raised in the future about the process. All bidders should also submit their bid proposals at the same date and time to ensure the integrity of the process. After receipt, all bids should be reviewed and tabulated into a bid summary spreadsheet and presented to the board for its review. The board may choose to interview two or three of the lowest bidders to clarify their bids or ask any questions. Based upon the bids and interviews, the board should have adequate information to select a contractor for the project.

Once the contractor is selected, the proposal and the specifications should be forwarded to the association's attorney to draft a contract and the project. Once the contract has been finalized and executed the work may proceed.

The team is not finished when construction begins. Thorough inspection, administration and accounting are critical to the success of the project. In a future article we will discuss these aspects of the project in detail. ■