



# **MANAGING MAJOR PROJECTS**

**(BASIC CONSTRUCTION MANAGEMENT FOR CAM)**

This course is approved by the DBPR Council of Community Association Managers, for 4 hours of continuing education credit in the area of:  
**PHYSICAL PROPERTY**

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## **Introduction**

This Physical Property Course discusses terms and strategies related to the responsibility of a community association to preserve, maintain, and enhance the property, its value, and the association assets, including properly maintaining all physical property – pool, parking lots, grounds, landscaping, building components, and so on. Well maintained property and assets:

- ♦ Sustain property values and enhance “curb appeal”
- ♦ Result in less accidents and insurance claims, thus lowering insurance
- ♦ Help keep assessments lower

While this course discusses certain general aspects of maintenance, its primary focus is management of major capital projects. This will include identifying elements of a project, determining the professional expertise necessary for design work and oversight and costing out the different elements. We will use a hypothetical association with major project needs. We will also briefly discuss the roles reserve studies, preventive maintenance, competitive bidding, and bonding play in assuring their projects are completed as planned.

The course materials are equally applicable to condominiums, cooperatives, timeshares, homeowners associations, and mobile homes. The course is not designed to provide a specific strategy for any one association, but rather to help the manager and board by providing sufficient information to make informed decisions for their associations.

Some of the information presented in this course may not apply to every community association. However, the DBPR requires that community association managers be familiar with the laws and rules governing all types of associations. Further, by doing so, a manager may find him- or herself more qualified to advance within the community association management profession.

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### Managing Major Projects - Overview

Perhaps the most important responsibility of a community association is to preserve, maintain, and enhance the property, its value, and the association assets. The board's fiduciary responsibility requires that it safeguard and provide maintenance for the common elements. This includes properly maintaining all physical property – pool, parking lots, grounds, landscaping, building components, and so on. Well maintained property and assets

- ♦ Sustain property values and enhance “curb appeal”
- ♦ Result in less accidents and insurance claims, thus lowering insurance
- ♦ Help keep assessments lower

When the board selects and hires a manager, it delegates to him the responsibility for planning, oversight, and coordination of the physical property maintenance. The board assumes that he understands, and can select contractors and employees competent to carry out day-to-day maintenance requirements

In some cases, the association has used the same vendors for years – to service the pool & elevators, to perform landscaping, to inspect fire safety equipment, etc. Further, in many buildings, the maintenance supervisor has overseen repairs the building since turnover, 15 or 20 years before. This individual may have little formal training, but has learned through trial and error what he must do to keep the components working. Often, the message conveyed by the board is keep costs down – so the maintenance supervisor makes patchwork repairs to systems. The board wants no significant changes, as it perceives the association working, not *quite* like a well-oiled machine – but no one is complaining.

In other cases, the board has kept the property relatively well maintained, and has experienced no major problems – to date. It expects its manager to keep the property and association running on a steady keel, with no major changes in maintenance practices.

Older associations often do not practice preventive maintenance, may schedule routine maintenance only when required by statute or code, and provide maintenance on an emergency and/or requested basis – that is, when a component stops working. The associations do not schedule inspections of equipment or components, and are often surprised when a component fails. Emergency repairs to components raise costs substantially – and often result in unexpected major projects.

Many managers and boards are unprepared to oversee major projects – replacement of roofs, concrete restoration, replacement of expansion joints, and so on. If the association or manager does not plan and execute a major project properly, the association could face significant cost overruns, and the owners, large special assessments.

This course briefly addresses the various types of maintenance. Its primary focus is major projects. This will include identifying elements of a project, determining the professional expertise necessary for design work and oversight and costing out the different elements. We will use a hypothetical association with major project needs. We will also briefly discuss the roles reserve studies, preventive maintenance, competitive bidding, and bonding play in assuring their projects are completed as planned.

### Summary of Association Maintenance

- Each community association has five (5) types of required maintenance work that could be budgeted for and performed:
  - ▶ **Routine Maintenance:** Regular recurring maintenance activities, usually routinely scheduled, and requiring little oversight. Examples: pool cleaning, lawn mowing, window washing, cleaning the lobby, vacuuming hallway carpet. These costs are usually included in the operating budget.
  - ▶ **Preventive Maintenance:** Periodic maintenance performed on property, machinery, or components to ensure proper operation, to avoid breakdowns and to prolong the useful life. Examples: Cleaning sewer lines, servicing elevators, cleaning air handlers, cleaning and sealing roofs, etc. While the Internal Revenue Service considers preventive maintenance costs an operating expense, associations often budget preventive maintenance occurring less than annually in the reserve budget.
  - ▶ **Emergency Services Maintenance:** Responses to emergencies or unpredicted problems and breakdowns. Examples: roof leaks, pipe in wall breaks, leak in emergency generator fuel tank, damage due to storm. Depending upon the extent and nature of the problem, the association may use operating or reserve funds, or may special assess.
  - ▶ **Requested or Corrective Maintenance:** Work requested by an owner, a tenant, the board, or identified during a routine inspection of the property. The association schedules this work via a work order or service request system. Example: removal of wasp nest, leak in air conditioner water tower, etc. The association generally includes funds for corrective maintenance in its operating budget, and/or invoices an owner when the repair is due to owner negligence, or the documents define the component as the responsibility of the owner.
  - ▶ **Scheduled Replacement:** Maintenance work, replacement, or rehabilitation of major components and systems. Generally, the association programs these items as part of its reserve program. Examples: concrete restoration, building waterproofing and painting, resealing asphalt lots, repair of seawalls, roof replacement, etc.

### Maintenance Scheduling & Reporting Systems

To carry out maintenance, the association should establish a system to ensure the required activities occur as planned. The manager (or maintenance supervisor) should set up two schedules: one that shows projects and work to be performed in the current year, and one that shows multi-year projects. The manager may wish to develop a calendar that shows major activities for the year, and a weekly schedule that displays work performed on a routine basis.

For routine work, the manager may develop a checklist, on which the staff or contractor will mark progress. A checklist works well for janitorial & grounds clean-up functions, for instance, while the board may request a written progress report for major projects or work.

The manager should establish a work order, or service delivery, system, through which the association receives requests for, and tracks, repairs. Computerized work order programs and pre-printed work order forms are available from a variety of companies and through most office supply stores and property management supply companies.

Usually, the manager, maintenance supervisor, or office assistant will receive complaints regarding maintenance.<sup>57</sup> That individual will enter this onto a service request form. The manager reviews the service request, noting materials, and staff (or contractor) time needed. He will schedule the work, depending on its urgency. If the problem is one that will be addressed during routine or preventive maintenance activities, or during a special project currently underway, the manager should note this on the work order. He files a copy of the work order when the job is completed and he has inspected and approved it. Some associations provide an owner who requested service with a copy of the work order, so that the owner knows the repair was made.

The association should require the contractor or staff to periodically provide the association with reports detailing work completed. The manager or maintenance supervisor<sup>58</sup> normally oversees work progress and reports to the board. If the association has a maintenance supervisor, the manager should periodically observe progress, and inspect completed job, to ensure all work was performed as required according to performance standards. The manager should periodically report to the board on all maintenance work.

The manager may adjust schedules, completion dates, or work assignments, based upon progress. The manager is responsible for verifying that work and work practices comply with applicable laws and documents. If the manager observes a problem such as unsafe work practices, or contractor unable to meet schedule, the manager should investigate, meet with appropriate parties, and take the steps necessary to resolve the problems.

#### Owner Required Repairs

If an owner was responsible for the repair, the work order should document the cost of labor and materials, and provide a basis for charge backs to the owner. Many associations fail to do so, to the detriment of their owners. When the association pays to repair one owner's leaking condenser, it sets precedence. How can it, in the future, tell another owner that the association will not cover the cost? Further, when an association maintenance employee spends time repairing repairs for which the owner is responsible, it takes away from maintaining the common elements.

Many owner responsibilities are basic and simple: cleaning & oiling window components; checking & adjusting shutters to assure they close properly; replacing washers so faucets do not leak; re-caulking tubs & showers. If not performed routinely, the repercussions can be significant – blown-out windows during hurricanes; leaks into common areas and units, resulting in mold; water intrusion into concrete. We recommend that the association periodically remind owners of their maintenance & repair responsibilities. The board may even want to conduct periodic inspections to identify owner-required maintenance.

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<sup>57</sup> For this course, we will assume it is the manager.

<sup>58</sup> If the association has one.

### Minor & Major Projects

There are no industry standard definitions of major and minor projects. In surveying managers and contractors, they distinguish a “major” project from a “minor” project through certain characteristics. A major project:

- exceeds a certain dollar value
- will occur over a period of days, weeks or months
- prolongs the life of a structure or component through rehabilitation, repair or replacement

Examples of major projects include roof replacement, concrete restoration, replacement of balconies, replacement, or repair of expansion joints, elevator modernization, and painting & waterproofing. Projects such as replacement of flooring or wallpaper, pool remarketing, landscape refurbishment, parking lot resurfacing, and even hurricane clean up may be major projects, based upon the requirements and extent of the job.

### How are problems identified?

Managers and boards identify problems in many ways:

- Current condition of components
- Repair histories of components
- Continuing problems or emergencies
- Damage due to hurricane or other disaster
- Construction defects
- Scheduled rehabilitation or replacements
- Building Code Requirements

It is important for the manager to conduct periodic property inspection, especially if the association does not have a maintenance supervisor. The manager should carry a checklist (See Appendix 1), on which he notes problems. These may be easily corrected – such as informing cleaning crews to more thoroughly clean hallways, or they may reveal larger problems – such as a water leak near the hot water boiler. The more familiar a manager (or maintenance supervisor) is with the problem, the more quickly he will notice and catch problems before they become major.

The manager should ensure that inspections and maintenance performed by outside vendors occurs as required. If the pool service vendor is properly performing his job, the manager should not learn that the heater needs replacement when an irate owner complains that the water is cold.

Assuring that maintenance occurs as required prolongs the life of equipment and reduces cost of repairs. If you carry out the appropriate checks, and follow through on required maintenance, it is less likely that components will fail suddenly and without notice – and less likely you will get that midnight call to come handle a problem.

### Reserve Study

Some associations contract for **reserve studies** in order to properly identify, schedule, and cost out replacement/repair of components, or to identify defects in construction and cost out repairs.

A reserve study presents a current snapshot of components and equipment, and projects short and long term the costs to repair, replace, or rehab components. It will provide the board with guidance on how to keep association physical assets from deteriorating faster than financial assets increase. A reserve study team may include an engineer, a CPA, a community association manager, or other persons qualified and experienced in examining building components, determining maintenance requirements, component life cycles, and costs for maintenance repairs and major projects.

Reserve study teams generally inspect the community and prepare a written report for the association. The reserve study specialist will:

- review the association documents
- determine maintenance responsibilities (between association & owners)
- identify physical components
  - an inventory of all common area items
  - age & condition of components,
  - current maintenance requirements
  - life cycles of and cost to repair or replace common components
  - preventive maintenance requirements & scheduling
  - likely remaining useful life if properly maintained
  - estimated cost of maintenance
  - estimated replacement/repair/rehab cost
- establish if/when the association should repair, replace or rehab components and
- present the financial needs per year, and/or a cash flow plan:
  - estimate what the replacements will cost (in today's dollars)
  - analyze financial resources needed to maintain the common elements over time
  - examine current association financial condition
  - recommend an appropriate strategy to maintain items now and to fund major maintenance work in the future
  - advise the board how to balance the size of the reserve fund against the deterioration of the common elements

A reserve study, in certain ways, is a report card to the owners, purchasers, lenders and others on the health of the association, and reveals how the board is handling its responsibilities to protect, preserve, & enhance the property, association, and assets.

A good reserve study will look not just at major components, such as elevators and roofs, but will examine every component of a system. It then provides a plan for replacement of the system.

An association should update the study annually, to reflect changing conditions of components. For instance, perhaps the team stated that the roof some not require replacement for an additional 5 years. A hurricane hits, weakening the roof, and the association finds it must move the replacement up in its scheduled maintenance.

Elements of Projects:

All projects share certain elements, beginning with identification of one or more problems.

- Professional opinions of extent of problem & method(s) of repair/replacement
- Legal requirements for corrective action/replacement
- Development of plans, specifications & bid documents
- Minimum qualifications for bidders (in-house or contract out)
- Bid/proposal packages
- Ranking & selection of qualified proposers/bidders
- Required government permits
- Funding
- Timeframes
- Bonding & insurance requirements for contractors

While you are overseeing roof replacement, or concrete restoration, or painting, the day-to-day activities of the association continue – collection of assessments, janitorial services, use restriction violation follow-up, board meetings, preventive maintenance, supervision of employees, pipe leaks in units. The Manager must stay on top of the day-to-day matters as well as keep

During the remainder of this course, we will undertake a case study, through which we will learn about each of these elements.

Case Study – Oscines Whirr Condominium

Oscines Whirr Condominium is a 23-year-old high-rise, with 180 units. It is situated on AIA, bordering the Atlantic Ocean. It has 30 stories:

- 1<sup>st</sup> story: Garage, entrance into building, maintenance shop, mechanic rooms
- 2 story: Garage, lobby entrance, management office, card room, mailboxes, library
- 3<sup>rd</sup> floor: Elevated swimming pool, sauna, terraced decks & gardens, storage for units, small conference room, party room with kitchen, gym facilities
- 4<sup>th</sup> – 28<sup>th</sup> floors: 7 units each
- 29<sup>th</sup> & 30<sup>th</sup> floor: 5 units, 2 stories each

The 30<sup>th</sup> floor also houses shared terrace that the penthouse owners use. It includes a Jacuzzi and gazebo. All units are equipped with washers & dryers.

A central air & heat system services the units, with the boilers located on the first floor the cooling towers on the roof of the 30<sup>th</sup> floor. Certain elevator equipment is also located on the roof. This equipment is contained in an enclosed, fenced area, with only maintenance, security, and management having access via a stairwell from the 30<sup>th</sup> floor.

Oscines Whirr has four passenger elevators and one service elevator. Owners may only access the service elevator through the 1<sup>st</sup> floor garage, with a key provided by either security or the manager. The 4 passenger elevators are accessible on all floors. However, the elevators require a key to open them on the 1<sup>st</sup> and 2<sup>nd</sup> floors. Security stationed at the front desk overrides the key to admit guests.

Visitors to Oscines Whirr enter through a security gate, manned 24 hours a day by guards. All guests are required to valet park their vehicles. Because of the limited parking available, the valets often double & triple park vehicles in the garages. Oscines Whirr has very little grounds, other than its beachfront. The ground it does have is heavily landscaped with a variety of native species trees and plant life. A portion of the beach is covered with protected sea grapes and a small mangrove. Oscines Whirr provides beach chairs for its residents wanting to use the beach itself.

Five years ago, the Board retrofit the association with CCTV, so that Security can now monitor the garage, hallways and grounds. It also upgraded the security fence surrounding the property, taking it down to the mean high tide line.

Most of the Oscines Whirr Board members have remained unchanged since the early 1990s. Ownership of the building, originally predominantly retirees living on investments and social security, has recently begun to change. The mid 1990's saw working professionals with no children buying into the building. Now, with several new schools within walking distance, more and more purchasers are families with one or two children.

Oscines Whirr has a maintenance supervisor and three maintenance employees, who are responsible for janitorial work and maintenance repairs. It contracts out Security, valet, and landscaping. The maintenance supervisor, Flavio, started as a crew member when the condominium was built, and gradually moved into his current position. He has a certification in air conditioning and has taken the swimming pool technician course. He handles day-to-day pool responsibilities, with a pool company servicing the pool and Jacuzzis twice a week. Flavio prides himself on his knowledge of the building and ability to make almost any repair. He points to the pool heater, noting how he patched together a broken pipe using irrigation equipment, and, except for a little leaking, it is still working 2 years later.

At first, the association fully funded its reserves. However, as other expenses rose, the owners voted to reduce reserves to keep a lower level of maintenance. The Board had prided itself that it currently has the lowest monthly maintenance in the City of Goldencrest along A1A – and that its units have held their prices.

Johnny Geianto, the Oscines Whirr manager of 15 years, retired last year, and the board members have been looking for a manager to replace him. Shortly after he retired, the 2007 hurricane Josefina struck. Although Oscines Whirr did not sustain major damage, Flavio has reported a few small roof leaks. Some of the owners are complaining that, when it rain, the water comes through the garage ceiling onto their vehicles. A city inspector recently cited the building for cracking and spalding of balconies. Shortly after a new resident was trapped in the elevator for an hour, the fire department cited the building for failure to have required fire safety equipment. He also reported that the current alarm system no longer met code. After the fire department visit, Flavio reported that he could not fix the generator, as the manufacturer is out of business and he cannot find the parts.

During this period, the Oscines Whirr Board had advertised for a new manager. Finally, after interviewing 32 candidates, they have selected you. The board has informed you that your first order of business is to identify the major projects that Oscines Whirr must undertake, which projects it can defer, how much money it will need, and when, and how these objectives will be completed. The President has also warned you that the owners are very upset with rumors of big special assessments and, with the election coming up, she expects your support in assuring the current board is re-elected.



Fortunately, Salley Kelley, the administrative assistant, a 62-year-old retired legal secretary, has managed to keep the association running while waiting for the new manager. She has maintained the QuickBooks files, made sure the board paid the vendors and employees, and taken minutes of the meetings. She has a box of delinquent owners, contract renewals, City notices, tax forms, and other paperwork that needs your attention. When she meets with you, she hands you a notice from the elevator service company that, due to a roof leak, the cab in passenger elevator 3 requires major renovation. The company recommends shutting it down in the interim.

Flavio takes you around the building, pointing with pride to his little fixes – duct tape, gorilla glue, and so on – all holding together worn components. He tells you: “I can fix anything. We don’t need to spend lots of money.” When you ask Flavio for the maintenance schedule, he provides you with a crinkled piece of paper, noting repairs made that week. You notice that the two maintenance men spent several hours replacing leaking hoses for owners’ washers, and cleaning out dryer vents. The President informs you that this is just a little something they do for the residents.

You ask Flavio for a copy of the preventive maintenance schedule for equipment; he tells you: “When it breaks, me or one of the guys fix it.” You notice that the men’s room is filthy, and ask Salley for the cleaning schedule. She replies: “We don’t really have one; things get cleaned when the President tells Flavio to do it.”

The President has Salley provide you with an initiation package. As you look through it, you notice that there are no job descriptions; employees do not appear to have set hours; and you cannot locate any personnel policies. You also notice that there are no forms to track maintenance or janitorial work. When you ask Salley about these, she replies: “Johnny did not think these were necessary. He figures we all should know what to do since we’ve been here awhile.”

The President and board have given you a week to identify problem areas and develop a plan of action. The President notes that your primary focus must be on the building repairs.

Plan of Action <sup>59</sup>

**What problems have you identified at Oscines Whirr?**

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**How will you address these problems?**

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**In what time frame can the board expect these problems to be addressed?**

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Professional Opinions of Extent of Problems/Methods for Repair/Replacement

We have identified that Oscines Whirr has problems in its day-to-day operations. In the previous exercise, we provided a plan of action to the board to address those issues. The Board has accepted our plan and wants us to focus on the major maintenance problems.

We have identified five major maintenance areas most critically affecting Oscines Whirr:

- ✓ Roof Leaks
- ✓ Elevator components
- ✓ Garage Leaks – expansion joints?
- ✓ Balcony spalding/cracking
- ✓ Fire safety (including alarm & generator)

We have recommended to the board that it obtain a professional opinion of the extent of each problem and the possible repairs for each. We prepared a Request for Qualifications <sup>60</sup>to hire an engineering or architectural firm qualified in construction, suggesting 3 phases for the qualified consultant: Inspection/design; solicitation of bids, and monitoring/quality assurance.

We explained that, by separating the consultant's work into 3 phases, the Board can determine at each phase if it is satisfied with the work, if it wants to hire a different consultant for the next phase, or even if a consultant is required.

We placed a notice of the RFQ in the local newspaper, and in several professional journals. Four engineering firms expressed an interest, and visited the property. Three sent proposals, providing a

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<sup>59</sup> Answers provided in Appendix B

<sup>60</sup> See Appendix C

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flat rate for phases 1 & 2, and an hourly rate for phase 3. We checked the firms out, calling references and checking insurance, and provide the Board with a summary chart:

Principal/Firm	Years in Business	Insured?	References	Phase 1	Phase 2	Phase 3
Hank Powell – Bauer, Powell & Blair	10	Y	Excellent	\$25,000	\$15,500	\$150/hr
Juan Delatorre – Delatorre & Franklin	5	Y	Good	\$12,500	\$17,000	\$175/hr
Anna Camacho – Bryner & Camacho	7	Y	Good	\$36,500	\$29,000	\$175/hr

The board interviews the 3 firms, and selects Bauer, Powell & Blair, who have agreed that they can complete Phase 1 in 1 month. At the Board’s direction, we provide Mr. Powell with information from the Code Inspections, vendors, and owner complaints. We also provide him with a copy of our insurance claim to Citizens<sup>61</sup> for clean-up and damage to the roofs. The President notes that Citizens has not yet acted on the claims, nor has it sent out an adjustor.

At the next Board meeting, Mr. Powell presents his report, with a summary of his findings (Table 1). Mr. Powell observes that the association had replaced the roof in 1997. As the roof has a 20-year warranty, he believes that Hurricane Josefina caused much of the current damage.

One of the owners informs the Board that, in another association where he owns a unit, a roofing contractor had repaired the roof, at a fraction of the cost to replace it. The contractor advised the Board that the roof would last another 7 years with these repairs. Mr. Powell agreed that roof repair was an alternative that the Board could consider, but, in his professional opinion, the roof requires complete replacement due to hurricane damage.

Mr. Powell recommends that, as the damage to the elevator cabs is due to roof leaks, the association may want to claim partial repair costs through its windstorm insurance. He provides photographs of the damaged balconies. Some areas reveal damage due to wind shear. Mr. Powell urges the board to amend their claim to Citizens.<sup>62</sup>

The President notes that Citizens has denied the claims of several associations within the surrounding area. Mr. Powell suggests that Oscines Whirr hire a public adjustor, to work with the Association in recouping insurance monies for its losses. A public adjustor, he explains, charges 10% of the insurance he recovers, plus costs. So, if the adjustor negotiates a settlement of \$1 million, he receives \$100,000, plus out of pocket costs. Mr. Powell warned the Board that the process can be lengthy. If the public adjustor and Citizens cannot come to an agreement, the Board has a right to arbitration. This incurs additional costs of an appraiser and the arbitrator.

<sup>61</sup> The reports to Citizens included 3 videos; one taken one month prior to the start of hurricane season, showing the condition of the property; one taken immediately following Hurricane Josefina, and the third after the initial clean up. The report also included itemized bills from vendors who performed work related to Hurricane clean-up, and reports from vendors evidencing the current problems.

<sup>62</sup> Windstorm insurance often does not include a “Code & Ordinance” rider. This means, if insurance pays for the replacement of the roof, it may do so to the standards of the last replacement roof (1997), and the association may be required to bear any costs to meet the current code.

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Problem	Recommended Solution	Estimated Cost	Workdays to Correct	Rec. Start Date	Proposed Source Fund
Roof Leaks: Roof requires replacement	Replace roof	\$550,000	150	w/in 30 days	Insurance/Spec. Assessment
Elevator components – minor rehab to cabs; motors corroded	Replace elevator motors & rehab cabs	\$250,000	90	After completion of roof	Insurance/Spec. Assessment
Garage Leaks – Expansion joints have some deterioration due to water seepage.	Reseal expansion joints, with planned replacement in 5 years	\$175,000	120	Concurrent to roof	Special Assessment
Balcony spalding & cracking; concrete deterioration 70% of balconies	Concrete restoration	\$12,000/balcony	180	Concurrent to roof	Insurance/Spec. Assessment
Fire safety – alarms & retrofit	Replace alarm system	\$25,000	90	Concurrent to roof	Special Assessment
Fire safety – alarms & retrofit	Install engineered fire safety equipment	\$225,000	120	Concurrent to roof	Special Assessment
Generator & fuel tank	Replace generator; install new feed system from tank; check tank for leaks	\$75,000	60	Concurrent to roof	Special Assessment
<b>Estimated construction costs</b>		\$2,812,000			
<b>Estimated Engineering<sup>1</sup></b>		70,500			
<b>Estimated Permits</b>		40,000			
<b>Contingency</b>		281,000			
<b>Grand Total</b>		\$3,203,500			
<b>Average per Unit</b>		\$ 18,000	Without insurance proceeds		

<sup>1</sup> Includes fees for Phase 1.

Table 1

After discussion, the board votes to hire a public adjustor, and directs you to contact three, check their references, and set up interviews for the board.

The Board also directs you to begin drafting a special assessment, for review by its accountant and attorney. It approves Phase 2, directing Mr. Powell to draft Request for Bid (RFB) for the various projects.

The Board notices that Mr. Powell has included permit fees, and ask what these are. He explains that the Association must make all repairs in accordance with the Florida Building Code. The President asks what the Code is and how it affects Oscines Whirr.

Legal Requirements for corrective action/replacement

The Board notices that the engineers have referred to the Florida Building Code, and ask what the Code is and how it affects Oscines Whirr.

**Background**

In 1992, Hurricane Andrew, a Category 4 storm, with wind gusts over 200 mph, ripped through South Florida, causing more than \$25 million of damage and the loss of over 130,000 homes. Many professionals believed that much of the damage could have been prevented were stronger building codes in place and strictly enforced. Therefore, in 1996, the Legislature established the Florida Building Codes Study Commission, to examine the 400 plus local & county building code systems within Florida and to develop a single Florida Building Code.

As a result of the Florida Building Code studies, the Legislature instituted a unified Florida Building Code, to be used by all jurisdictions. The Florida Building Code does address local and regional conditions by allowing local jurisdictions to apply for more stringent codes when warranted. However, the Florida Building Commission must agree to the stronger code before the local jurisdiction can enforce it. Additionally, the Florida Building Code has a South Florida Regional section, which requires certain building practices to better protect against windstorm damage (High Velocity Hurricane Zone).

The Building Code set minimum standards to ensure that buildings in high intensity hurricane areas were more able to withstand winds and windborne debris. Shatter resistant glass or shutters must protect exterior glass, doors, and other building openings, and buildings must be constructed to

A townhome condominium in Hollywood sustained significant roof damage after Hurricane Wilma. The manager strongly recommended that the Board hire a professional engineer to evaluate the condition of the roof and recommend repair or replacement.

The President contacted two roofers; one stated the roof required complete replacement, the other stating it needed major repair, and possible replacement. The President heard from a neighboring association of a roofer who would fix the roof, and would negotiate directly with Citizens for payment.

The President and Board met with the roofer, who informed them the roof needed "minor Repairs," that he would guarantee the work for 7 years (the remaining life of the roof), and that he could get Citizens to pay for the entire job.

The Board signed a contract with the roofer immediately – and then sent it to the association attorney. The attorney pointed out that the roofer was only guaranteeing his labor for a year – and had no guarantee on materials.

The roofer completed the work in April 2007, and obtained payment from Citizens for \$275,000.

In January 2008, the association began experiencing major roof leaks. The roofer advises these are new leaks unrelated to his work. Three other roofers have informed the Board that the roofs require total replacement. The association returned to Citizens for additional money – only to learn that the association – through its roofer – had signed a release from further claims at the time it accepted the \$275,000.

Lesson: Consult with appropriate professionals before committing funds to a project.

withstand certain wind pressures that occur when a window breaks due to hurricane force winds. The Code adopted 5 wind zones:

*Wind Speed Zone:* Winds calculated as per previous code; buildings must adhere to the American Society of Civil Engineers, ASCE 7-95.

*Special Protection Zones:* Areas within 1,500 feet of coastal construction control line, with 1,500 feet of the mean high tide line, whichever is less.

*High Velocity Hurricane Zone:* Encompasses Miami-Dade & Broward Counties, which are required to meet stricter construction and design measures, as defined by ASCE 7-98.

*Wind-Borne Debris Region Areas:* Encompasses areas with winds in excess of 120 mph and/or areas within 1 mile of the coast, where winds are 100 mph or greater/ Buildings in such areas must be designed to protect openings or withstand increases in internal pressure that will occur if a window or door fails.

*Panhandle Protection Provision Zone:* Encompasses area from Franklin County to the Alabama line, and defines the wind-borne debris region as within 1 mile of the coast.

The Florida Building Commission also noted significant discrepancies in local requirements for building code officials and plans examiners. It created standardized training and testing procedures, which all local building officials must meet. All licensed construction professionals must take a standard 4-hour "CORE" class on the Florida Building Code. It also recommended to the Legislature that certain construction professionals be regulated.<sup>63</sup>

Lastly, the Florida Building Commission recommended a statewide information system, into which all locales would enter code violation and disciplinary actions on locally and state licensed contractors. This eliminates the problem of a contractor moving from one location to another to escape a history of code violations. The Legislature required the Department of Business & Professional Regulations (DBPR) to create an automated information tracking system for all licensing boards, through which local governments can report and track problems with licensees, registrants, and certificate holders. Local governments are still required to maintain records about contractors during business in their area.

The Department of Community Affairs & the Florida Building Community both maintain the current code and all amendments on line.

### **Current Requirements**

The Florida Building Commission updates the Florida Building Code every 3 years, to reflect changes in technology and to better protect property and residents. The Code requires all new buildings to comply with the 2006 changes, and requires certain buildings undergoing substantial rehabilitation or repair, or total replacement of certain components to meet the 2006 Building Code requirements.

Every community association must re-evaluate certain maintenance responsibilities in light of the Florida Building Code. Replacement of doors, windows, roofs, skylights, etc., must comply with the Florida Building Code requirements. Costs of replacing such components may be significantly higher, and association will need to consider the higher costs when budgeted for these

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<sup>63</sup> See Appendix D for a list of professional governed by the Florida Building Code

components. Therefore, if the Association roof must be replaced, it must meet the 2006 Building Code, not the original code of the mid 1980s.

The January 1, 2002, modifications to fire safety requirements may also impact Oscines Whirr. The Legislature amended F.S. 633 to require existing high rises to retrofit with sprinklers or engineered life safety systems by 2014. Oscines Whirr can opt out of this retrofit, except the common elements, if it obtains the written consent or personal vote of 2/3s of all the owners. Additionally, Oscines Whirr must assure its audible alarm system is working – a failure found during the recent inspection by the fire department inspection.

In summary, Oscines Whirr must assure that it complies with all building code requirements. It may also be required to meet federal standards, such as ADA, for entry ramps, elevator panels, doors and windows, and so. Presumably, Mr. Powell is aware of and will assure contractors meet these requirements.

#### Development of Plans, Specifications & Bid Documents

Not all repairs, replacements, or rehabilitation activities require or merit bids or even contracts. Condominiums and cooperatives must, by statute, competitively bid any project that is 5% of the total budget, including reserves. HOAs must, by statute, competitively bid any project that is 10% of the total budget, including reserves. Associations should estimate internal guidelines, or parameters, for bidding work. Such parameters may include:

- ✓ Any requirements of applicable statutes
- ✓ Any conditions of governing documents
- ✓ Nature of project
- ✓ Length of time project will take
- ✓ Amount of monies committed to project
- ✓ Complexity of service or repair

For instance, associations have statutory requirements to hire external elevator service providers. This is practical, as operating and maintaining elevators is complex; when not properly maintained, an elevator could fail and seriously injure or kill a resident. Most associations hire pool contractors and pest control providers. Both required licensed and/or certification and most associations do not have sufficient staff or the requirement to merit certified or licensed individuals on staff.

Clearly, roof replacement, concrete restoration, fire safety systems, all require licensed and/or certified professionals. The Board has directed Mr. Powell to prepare one or more bid

A small Aventura condominium of 88 units sustains substantial damage to its 20-year-old roofs. Citizens agreed the roofs required replacement, but denied the claim, stating the damage was “ordinary wear & tear.” The replacement cost of averaged \$15,000 a unit. With other necessary repairs, each unit was asked to pay approximately \$20,000.

The association levied the special assessment, collecting an average of \$3,500 in Phase 1, and borrowed the remainder through a construction loan. It also hired a public adjustor to argue its case. The Board advised the owners that it would not levy any additional assessment if it received an adequate settlement with Citizens.

The Citizens appraiser and association appraiser could not agree on the cause of the damage, and the case went to arbitration. Approximately 15 months after signing the agreement with the public adjustor, the arbitrator awarded the association \$1.8 million. After deductibles, fees and expenses, the association received \$1.2 million – enough to cover all roof repair & replacement expenses.

The Board are now “heroes” for replacing the roof and making major improvements at an average \$3,500 a unit.

specifications for the work to he has identified. Mr. Powell has recommended that the association break the work down into four contracts, and he has prepared and issued Requests for Bid (RFB) for each.<sup>64</sup>

- ✓ Roof replacement
- ✓ Building repairs (Concrete/balcony restoration & expansion joint repairs, generator system)
- ✓ Elevator repairs
- ✓ Fire safety systems

#### Minimum Qualifications for Bidders

Mr. Powell has included certain general requirements in each:

- Contractor must be licensed and/or certified in applicable specialty within Florida
- Contractor must have no outstanding complaints against his license
- Contractor must have been in business a minimum of 10 years, 5 of which are in Florida
- Contractor and any subcontractors must have general liability, vehicle, E & O, workers compensation, and other required insurances, at levels as determined by the association insurance agent
- Contractor must have experience working with community associations, and provide at least 3 references for work within the past 3 years
- Contractor must put up performance<sup>65</sup> and materials & labor bonds<sup>66</sup>, or agree to a 15% retention and notarized sign-offs by suppliers and subcontractors before receiving payment
- Contractor must include a start date, number of days to complete project (exclusive of rain or bad weather days)
- Penalty of \$500 per day for each day late after scheduled completion day (taking into account bad weather days)
- Contractor must agree to submit invoices on a % completion schedule

Mr. Powell has stated that all bids should state the estimate amount of permits separately, and that the association will pay permit fees directly. However, the contractors must identify the responsible party(ies) who will pull contracts and deal with local building officials. Although Mr. Powell will provide onsite supervision, he advises the board that the City will send its own code inspectors to approve work.

He also provides a fee schedule for the contractors to file out for each job. That is, a contractor bidding on the garage and the balconies will need to file out a form for each.

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<sup>64</sup> Sample RFBs available upon request. See Appendix E for Scope of Work specification description.

<sup>65</sup> Performance bond: A bond that provides monies to complete a job, should the contractor be unable to do so

<sup>66</sup> Materials & Labor Bond: A bond that pays suppliers and subcontractors, should the contractor fail to do so. Often, in lieu of this bond, association will require affidavits from suppliers and subcontractors, attesting that they have been paid amounts due to date before issuing a check to the contractor.

Budget Item	Amount	Association Use: Ranking: _____
Mobilization Cost		
Labor		Man-hours:
Materials – Specify		
Other Costs		
Contingency		
Overhead		
Permit Fees		
Total		

Mr. Powell also states in the RFB that final payment is dependent upon:

- ✓ Acceptance by the association
- ✓ Sign-off by the City of Goldencrest
- ✓ Sign-off by the manufacturer’s representative (where appropriate)
- ✓ Sign-off by Bauer, Powell & Blair, the engineering company

The RFB will provide most of the information required for the contract between the association and the contractors selected. <sup>67</sup>

Bid/Proposal Packages

Generally, if the association is using an engineer or other consultant to assist with the bid & award process, the consultant will receive all bid/proposal packages. The association may or may not request that the consultant evaluate the proposals. In Oscines Whirr, the association has requested that Mr. Powell receive and evaluate the bids for the board.

As bids are received, Mr. Powell’s secretary stamps each with the date and time received. She has set it aside for the board meeting at which all packages will be presented.

Mr. Powell sent out bids to 34 contractors, and received the following:

- ✓ 6 bids from roofers
- ✓ 3 bids from general contractors for the building repairs
- ✓ 5 bids from elevator companies
- ✓ 2 bids from fire safety companies

At the board meeting, Mr. Powell opens the packages, and determines that, on initial review, all appear to meet the bid requirements. The board asks him to meet with you and review and rank the bidders. The President notes that you need to be involved at this stage, as much of the actual on-site supervision will fall to you. You ask that Flavio also sit in.

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<sup>67</sup> Sample Bids available upon request.

Ranking & Selection of Qualified Proposers/Bidders

Mr. Powell has set up a chart to evaluate each of the bidders for each project. He starts with the roofing. He provides you and Flavio with an outline of how he believes the bid evaluation process should be handled.

Although we are presenting only the roofing bids and contractors, Mr. Powell and the Board will be examining each set of bid packages and selecting contractors for the work. As the engineer, Mr. Powell should help establish a schedule so that projects work together, utilizing association resources without halting association day-to-day activities. You, as the manager, will ultimately be responsible for coordinating the projects with the

1 – Verification that bid conforms to specifications and scope of work. We verify that all roofers meet the basic qualifications and have properly completed the information forms. However, there are a couple of questions about two of the roofers. Mr., Powell writes the questions on the sheet, and will call each company to clarify our areas of concern.

2 – Each roofer has provided at least 3 references. Mr. Powell splits the packages, with each of us taking two. He provides us with a desk and phone, so that we can check the references. Mr. Powell reminds us to write down exactly what the references say, with no interpretation. If we ask for clarifications, he reminds us to note what our questions were, as well as what the reference responded.

3 – As we receive information, Mr. Powell has his secretary enter it onto a spreadsheet. The final column indicates the cost. In the coast of the roofs, there are several costs, and we have put each separately, with an estimated total as the final column.

Mr. Powell explains that price, while not necessarily the deciding factor, is a critical piece of information. A bid that is much higher than other bidders may indicate a contractor unfamiliar with this type project, or an unreasonable profit margin, or even a disinterest in the project. A bid that is substantially lower than the other bidders may, again, demonstrate bidders lack of familiarity with the project, or an unreasonable projection of costs that could lead to the contractor not completing the job, or that the contractor plans to cut corners once the job is awarded. Mr. Powell explains that he usually throws out very high and very low bidders.

When we finish our calls and comparisons, we prepared our chart as follows:

Bidder	Insurance?	Experience?	References?	Cost
Alright Roofing	Yes	12/10	Excellent	\$575,000
Becam Roofers	Yes	15/5	Good	\$625,000
Golden Roofers	Yes	12/7	Good	\$750,000
Roof-in-Time-Saves-9	Yes	10/5	Fair	\$350,000
Savin Roof Corp	Yes	10/5	Fair	\$550,000
Zach's Roof Company	Yes	25/25	Excellent	\$565,000

Mr. Powell arranged a meeting with Zach's Roofing Company, based upon the evaluation. During that meeting, we again reviewed expectations and objectives, payment schedules, and all other

terms of the contract. We noted the President's concern that no debris be left on the property at the end of the day. Zach Johnson, the owner, promised that, if we encountered a problem, he, his son, Junior Johnson, or his daughter Deborah Calahan, would come to Oscines Whirr within an hour to find a solution. Mr. Johnson noted that he learned the roofing business from his father, and had retained customers whose roofs his father replaced 25 years ago

Mr. Powell discussed his price of \$565,000, and noted that the lowest credible bidder was \$550,000. Mr. Johnson agreed to split the difference at \$557,000, if Oscines Whirr permitted the roofing employees access to a refrigerator and air conditioned lunch area. Mr. Powell consulted with the President, who believed the association could permit use of a card room for this purpose.

Based upon our analysis and research, we prepared the following motion for the Board:

The Board of Oscines Whirr, based upon a deliberative analysis of qualifications and costs, does hereby authorize Mr. Hank Powell, of Bauer, Powell & Blair, to negotiate a contract with Zach's Roof Company, pursuant to approval by the association attorney, at a cost not to exceed \$557,000."

At the Board meeting, the directors voted 7-0 to approve the contract in concept, and forward the bids, contracts terms, bid negotiations sheets and other pertinent information to our attorney, Barry Bedstone.

The President directed you & Mr. Powell to work with Mr. Johnson to put together all necessary paperwork and pull permits for the roofing while Mr. Bedstone reviewed the contract. She also directed Mr. Powell to move forward with review of the bid responses to the remaining working – balconies, garage, etc. And she directed you to develop a time line demonstrating the likely progress of the projects through the next year, indicating what services in the building were likely to be affected.

Once the attorney for each party has signed off on the contract, the President of the Board and a principal of Zach's Roof Company will each sign off on the project.

### Change Orders

When the association agrees to a contract, it usually agrees to a fixed price for the project, or cost for labor and materials used, with a total dollar ceiling. If the association properly prepares its specifications and carefully reviewed the bids received, the total dollars in the costs should be sufficient to complete the project. Right?

This is true for many projects – such as flat roof replacement, or waterproofing and painting. However, some projects are not conducive to fixed dollar amounts, and there quite possibly will be cost overruns. A very good example of this is concrete restoration and balcony replacement. An engineer evaluates the deterioration of the concrete and balcony, and provides an estimate of the cost. However, when the general contractor (GC) removes the deteriorated sections, he may find that rebars require replacement, or that the water damage has resulted in mold under the concrete, or warping of the sliding glass doorframes, or other problems.

While a good GC will account include a contingency for additional damage, not all boards will agree to include the extra money (assuming that, if it is in the contract, the GC will spend it one way or another). If a contractor finds additional problems, he should carefully document the problems, including taking photographs, and present them with a revised estimate of cost to the board. The revised estimate is called a "change order." It increases both the scope and dollar amount of the project.

Occasionally, a contractor may request a change order due to cost increases. For instance, steel and aluminum costs fluctuate. Natural disasters throughout the world influence material (and labor) costs. The contractor may have bid, assuming a certain marginal increase. However, if a flood in Indonesia destroys 4,500 homes, he may find certain materials costs sharply increased. He will document these changes and submit a change order.

Lastly, the association may decide, after a project is underway, that it wants to add - or remove - certain elements. The contractor will provide a change order documenting the additions or deletions.

The board should permit the President or manager certain discretion in approving change orders, perhaps a set dollar amount. However, change orders materially affecting project elements, or significantly increasing the costs, should always be approved by the board.

Note that the board should include a contingency in its project budget for potential change orders. Most engineers suggest a contingency of 10% to 15% of the construction costs. By including the project contingency, the association should protect itself from calling for a second special assessment, or having to borrow additional money – both signs of poor planning and management.

### Funding

As this course focuses on the physical property aspects of major projects, we will not commit considerable time to a discussion of funding. Oscines Whirr has two choices initially to fund the major projects:

- 1 – **Special assessment.**<sup>68</sup> For the full amount of all projects, this averages \$18,000 per unit. The association will not require all the funds at once, so it may wish to schedule the assessment in 3 to 5 payments, due over the course of the projects. This is a financial and political decision for the Board. Can the owners afford this pay out? Has the Board properly prepared the owners for the large assessment, through newsletters, meetings, and information letters from the manager or president? The more informed the owners are about association problems, the easier time the Board will have “selling” the special assessment.
- 2 – **Construction loan.**<sup>69</sup> Most banking institutions that service community associations offer construction loans for large project. The construction loan is usually for 12 – 24 months. The association applies for a certain amount (\$3,203,500). Additional costs include attorney’s fees and bank origination fees (usually about 1% of the loan). These costs are paid out of the proceeds. Loan approval time ranges from 3 weeks to several months. Interest is usually prime plus 1%.

If the bank approves the loan, the association “draws down” the money it needs each month.

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<sup>68</sup> Note that many association documents require unit owner approval for special assessments over a certain amount. The manager should carefully review the documents and check with the association attorney. After preparing the special assessment, the manager should have the attorney review the special assessment language to assure it is legally sufficient.

<sup>69</sup> Note that many association documents require unit owner approval for bank loans over a certain amount. The manager should carefully review the documents and check with the association attorney. After preparing the special assessment, the manager should have the attorney review the special assessment language to assure it is legally sufficient.

Usually, the bank will require that it receive the invoices from the contractors, on AIA forms.<sup>70</sup> The bank will review and sign off on each invoice. The association pays interest only for the duration of the loan. At the end of the loan period, the association can either roll the loan over into a conventional loan, or pay it off.

The association will need to collect sufficient special assessment funds to pay the interest on the construction loan. It will need to alert contractors that it is funding the work through a constructor loan, and the bank may require additional details with their invoices. Depending on the bank, turnaround for an invoice is 2 weeks to 30 days.

- 3 – **Conventional loan.**<sup>14</sup> If the association rolls the loan over into a conventional loan, most banks will waive a portion of the origination fees. Interest is currently prime plus 1% - 2%. Many banks will provide a 5-year repayment, although some will provide up to 15 years to repay the loan.

The bank will require the association secure the loan with a specific source of money (usually a dedicated special assessment).

- 4 – **Small Business Administration (SBA) Loan.**<sup>14</sup> If the association can demonstrate that the repairs/rehab are due in part to hurricane damage, the association may be eligible for a loan interest SBA loan. An SBA loan may be structured to draw down the monies as needed, rolling over into a conventional loan once all projects are complete. SBA loans often give associations up to 20 years to repaid loans, and require that any loan be secured with a dedicated source of funds. The SBA interest rate after Hurricane Wilma was 4% for not-for-profits (approximately 2% below market loans). The SBA has strict record keeping requirements.

- 5 - **Grants.** The association can try to obtain a grant through FEMA or through the Florida Department of Community Affairs. These grants are usually small (under \$50,000), and limited in use.

- 6 – **Insurance.** As we discussed earlier, Oscines Whirr voted to hire a public adjustor to work with the association on obtaining insurance for the damage to the roof, balconies and elevator cabs. A good public adjustor will hold an initial meeting with the association, review pertinent documents, and ascertain if he believes the association has a claim. If he does not think the association can prevail, he will inform them of this and advise they proceed in a different direction.

If the public adjustor believes there is a valid claim, he will charge the association 10% of any monies to receives from Citizens. That is, if Citizens gives it no money, the public adjustor receives \$0. The public adjustor will walk the property, meet with Citizens adjustors, discuss damages and repair work with contactors and vendors, seek expert opinions (for which the association may have to pay a small fee), and take any other action he deems necessary to demonstrate that the claim is valid. Note that this is a lengthy process. The association will need to seek alternative sources of funds in case it does not prevail and to pay contractors while the insurance claim process is underway.

- 7 – **Reserves.** If the association has set aside reserves for a special project (such as roofing), these monies may used to fund the project in its entirety (funds being sufficient) or in part. The owners of the association may also, by a majority vote of owners present in person and by

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<sup>70</sup> These are industry-approved forms for construction work. They require that the engineer sign off on all invoices prior to submission.

limited proxy at a duly called and quorumed meeting, vote to use reserve funds to fund other project needs

Oscines Whirr has decided to levy a special assessment averaging \$5,000 per unit, due in 30 days, to provide start up funds. It has hired Jonas McDeeb, a well known public adjustor, to handle its claim with Citizens. Mr. McDeeb believes that Oscine Whirr has a good case, due in part to the videos it took before and after the storm, and during clean up. He anticipates the process to take a year.

Oscines Whirr has also applied for and received a construction loan for \$3.2 million from its bank, at an interest rate of 5.7%.

Timeframes

Zach has provided the association with a schedule for completion of the roofing. We have integrated that with the other projects, and posted it on the bulletin board for all owners to see.



Based upon this schedule, we will send out notices to owners, advising them if/when vehicles need to be moved, when elevators will be down, etc.

Required Government Permits

As discussed earlier, the roofing contractor must “pull” permits from the City of Goldencrest for the roof replacement work. To do so, it will submit the detailed roof drawings Mr. Powell prepared, along with paperwork signed by the association representatives (see Appendix F).

The contractor completes all paperwork, submits the drawings to the Plans Examiners, who carefully review all aspects of the drawings to assure changes, modifications and additions are consistent with the current Florida Building Code.

If the Plans Examiner finds a problem, he returns the drawings to the contractor, with an explanation of the modifications required. If the Plans Examiner finds that the drawings meet code requirements, he authorizes a permit for the requested work and notifies the contractor that the permit will be issued upon payment of a specific fee.<sup>71</sup>

After approving the permit, the City issues a permit card, a “Notice of Commencement” (NOC), which the contractor completes, and an association representative signs. The association must display both the permit card and NOC on property, and must have the plans available at the site, as long as the project is underway. **Note that the contractor cannot perform any work until the permit is approved and the City has issued a notice of commencement.**

As each project proceeds, the manager will need to be in daily communication with each project supervisor on special requirements they may have. For instance, as work proceeds on balconies, owners will need to remove all objects from the balconies. When repairing the expansion joints, certain parking spaces may be blocked from use. Contractor needs change from day to day, and the manager should prepare and have notices hand delivered every afternoon, advising residents of contractor needs for the following day. The Board will need to establish penalties for residents who do not comply with requirements, e.g., do not move vehicles. Delays that occur when a resident fails to meet contractor needs may result in cost overruns and penalties to the association.

Some municipalities require that a complete NOC be provided at the time the association submits the drawings and permit request. The municipality sees that the NOC is recorded. The City then provides the recorded NOC when it issues the building permit.

The City will issue a separate permit and Notice of Commencement for each project. If a project has more than one phase, the City may require a permit for each phase.

Note that, if the association is performing work on a dock or seawall, it may be required to obtain permits from the Army Corps of Engineers or the State environmental agency.

Payment of Vendors & Construction Lien Law<sup>72</sup>

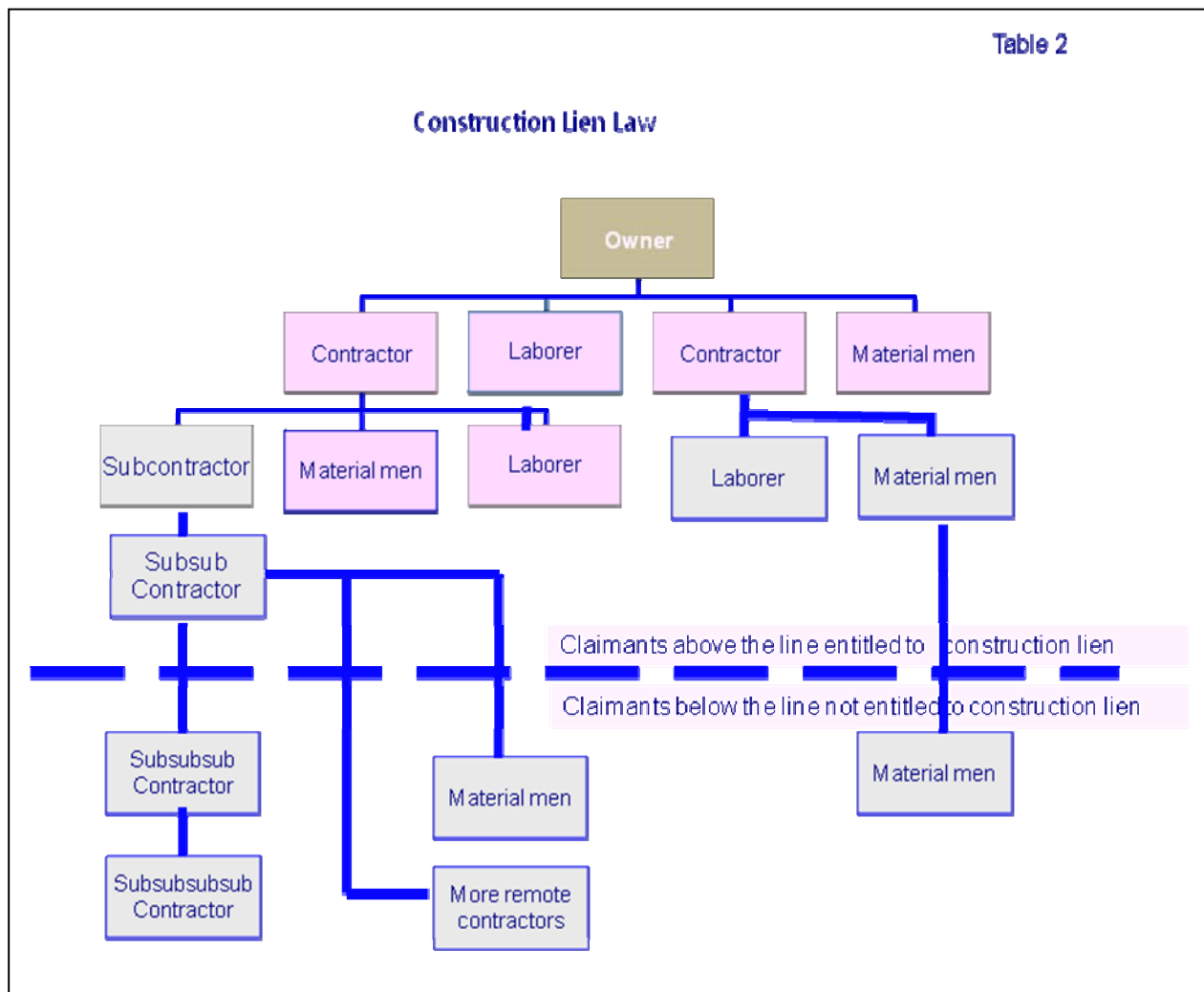
Oscines Whirr has a responsibility to pay not only the primary contractor, but also subcontractors and suppliers to that vendor. It is for this reason that Oscines Whirr has requested Zach’s Roofing Company to either post a labor & materials bond or, alternatively, provide notarized affidavits from subcontractors and suppliers, for their portion of payments, each time Oscines Whirr issues a check to Zach’s.

<sup>71</sup> Fees vary from municipality to municipality and based upon specific work to be performed. For instance, replacement of a hot water heater may be \$200; replacement of a roof may be \$12,000.

<sup>72</sup> See Table – Appendix A



Table 2



- Notwithstanding any other provisions of the law, no lien may exist in favor of any contractor, subcontractor, or sub-subcontractor unless such person or entity is licensed as a contractor pursuant to the laws of the state and/r locale in which the work has occurred.

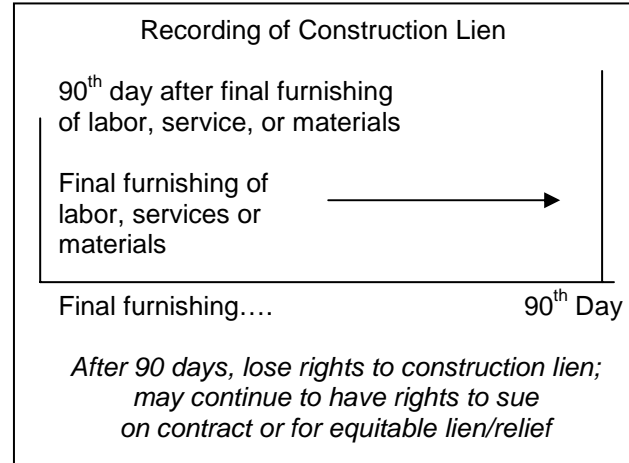
Subcontractors, materials men and sub subcontractors who are not “in privity” with the owner must, as a condition to perfecting a lien and recording a claim of lien, serve notice on the owner. A sub subcontractor or materials man to a subcontractor must file a notice on the contractor as a condition to perfecting a lien and recording a claim of lien. A materials man to a sub subcontractor must serve notice to the owner on the contractor as a condition to perfecting a lien and recording a claim of lien. A materials man to a sub subcontractor must serve notice to the owner on the subcontractor if the materials man is aware of the name and address of the subcontractor. A notice must be served regardless of the method of payment by the owner, whether proper or improper, and does not give to the lienor serving the notice any priority over other lienors in the same category. The failure to service the notice, or to serve it in a timely manner, is a complete defense to the enforcement of such liens. The notice itself is not a lien or encumbrance on the property. The vendor must file the lien for it to be valid.

The vendor, subcontractor or supplier may record a claim of lien at any time while the project is ongoing, or up to 90 days after the final furnishings of labor or service or materials, or, if the supplier provided rental equipment, within 90 days after the date the equipment was last on the job site. So, the courts measure the rime period for recording claim of lien from the last day of providing labor, services, or materials.

The claimant must file the lien in the clerk's office. If the property is located in more locales (for instance – if it were Gulfstream, located in both Miami-Dade and Broward Counties), the claimant must file the lien in both locales. Note that the validity of the lien and right to record a lien are not invalidated by insolvency, death of the owner, bankruptcy, or certain other conditions before it is recorded.

The claimant may amend the claim of lien during any time allowed for the recording of the lien, as long as the amendment does not cause damage to any person who acted in good faith in reliance of the original claim. If the claimant fails to serve the claim of lien

before its recording or within 25 days after its recording, the claim of lien may be voidable if it can be shown that the delay was prejudicial to a party reliable on the service of lien.



Construction liens are valid for 1 year after recordation, unless the claimant takes action through the courts to enforce the lien. The association or its agent may elect to shorten the prescribed time to enforce a lien by protesting the claim. The clamant has 60 days after service of this notice to act, or the lien shall be extinguished.

Service of notices, claims of liens, affidavits, assignments and other related instruments must be:

- Delivered to the person, a partner or officer or business agent
- Mailed to the above noted, by registered or certified mail. Certain limitations apply.
- Post on the premises. If more than one person owns the property, the clamant need only serve one.

Liens may be bonded or transferred. Certain conditions prevail when such liens are bonded or transferred, which we will not discuss in this class. Such a clamant bond or transfer a claim of lien, the association should contact it attorney.

**Priority of Liens**

Professionals & liens for subdivision improvements – attach at time of recordation and take priority at that time

Liens of contractors, subcontractors, sub subcontractors and materials men & labors attach and take priority at the time of recordation of commencement. If notice of commencement not file, then at time claim of lien filed

All such liens have priority over any conveyance, encumbrance, or demand not recorded against real property prior to time such lien attached.

Any conveyance, encumbrance, or demand filed prior to claim of lien has priority over claim of lien

Waiver or Release of Lien

When the association provides a payment to the primary contractor, it should require a partial waiver of lien from the contractor, subcontractors and suppliers, attesting that they have received payment to date. The waiver of lien usually states:

*The undersigned lienor, in consideration of the sum of \$\_\_\_\_\_, hereby waives and released its lien and right to claim of lien for labor, services or materials furnished through [date] to [name of association] on the job of [project name] to the property herein described:*

*Legal description of property*

*This waiver and release does not cover any retention or labor, materials, or services furnished after the above stated date.*

*Date: \_\_\_\_\_*

*Signature: \_\_\_\_\_ Name: \_\_\_\_\_*

*(Authorized representative)*

Every attorney has his preferred waiver of lien. Many require the contractor, subcontractors and suppliers to have the statement notarized, and they file the waivers with the clerk of the court.

At the time of final payment, the association should receive final waivers and releases of lien. Note that a lienor who executes a lien waiver and release in exchange for a payment may condition the waiver and release on the check processing. However, in the absence of a payment bond protecting the association, the association may withhold funds for work not satisfactorily completed or for contractually agreed upon retention.

Disputes on Payments

Construction lien law has a specific process for handling contract disputes. While an association may withhold funds for a bonafide dispute, it should contact its attorney for advice. Once the association has identified a dispute that it cannot reconcile, all communications with the contractor should occur through the association attorney.

Note that the Construction Lien Law has strict penalties for misapplication of funds, with penalties ranging from a third degree felony to a first degree felony.

Project Management

All associations enter into contracts, using funds collected from owners. The board has a fiduciary responsibility to assure that the services are performed in accordance with the contract, at the agreed upon level and at a reasonable cost. The board usually delegates to the manager the responsibility for overseeing these contracts. He may delegate some contract monitoring to the maintenance supervisor, or, for administrative equipment, his administrative assistant.<sup>75</sup> In some cases, board members oversee certain contracts. This is common in self-managed associations. In either case, the association has assigned a "project manager," who is responsible for that contract.

However, many associations do not consider using a project manager for major contracts. The Boards may assume that the engineer will provide sufficient oversight, or they may assume the project will just run itself. This is a serious fallacy.

Management of major projects is not a routine responsibility of a community association manager.

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<sup>75</sup> Assuming that the association has such staff.

The manager is charged with operating and overseeing the day-to-day responsibilities of the association. These duties alone typically consume 40 – 60 days a week.

A project manager for a major contract should have certain qualifications:

- ✓ Knowledgeable and recognized professional
- ✓ Thoroughly understands the scope of services
- ✓ Monitors each phase of every project
- ✓ Understand relationship among concurrent projects and can coordinate them to most effectively complete each project
- ✓ Identifies any product or workmanship that varies from the scope of work
- ✓ Is authorized to evaluate any unanticipated issues while work is in progress and recommend corrective action
- ✓ Performs inspections, evaluates completed work and pre-approves contractual progress payments
- ✓ Serves as a resource for the board on project issues

Product manufacturer will usually have regional field staff available to oversee certain portions of a project. For instance, the roofing manufacturer will want to oversee certain portions of the roof installation, to assure that the roof is applied in accordance with manufacturer specifications. This will assure that the warranty is maintained. However, in most cases, these representatives do not provide day-to-day services.

The association may also want to consider hiring a general contractor for all facets of the work. The GC is then responsible for project management activities. It is likely that the GC will hire someone specifically trained in project coordination and management. The association can expect an additional charge for this service. While there are certain advantages of using a single GC who selects all other contractors, it provides the association with fewer alternatives when a problem occurs with one of the projects. Often, when a problem arises, the association must terminate the GC – and renegotiate with subcontractors – thus delaying project completion and increasing costs.

When an association undertakes a major project, it needs to consider if its manager:

- ✓ Has the above qualifications to oversee the projects, and
- ✓ Has sufficient time and resources to adequately perform the functions of project manager.

Oscines Whirr decided to contract with an engineer, who will provide a certain level of monitoring and coordination for the various projects it has undertaken. However, the board is also relying upon the manager to handle certain aspects of the project, including:

- ✓ Day-to-day coordination with owners
- ✓ Accounting & bookkeeping of project expenses
- ✓ Communication with on-site supervisions of problems & issues requiring immediate attention
- ✓ Coordination of major problems with day-to-day maintenance operations

An association should maintain separate accounts for the major projects. That is, it should not commingle any special project funds with operating accounts. If reserve monies are used, they should be transferred to the special account for the major project work. The association should also consider having quarterly reviews by its accountants, to assure monies are properly accounted for.

When an association engages in a multifaceted project, where great demands will be placed upon the manager, it should consider including a fee to hire an assistant to handle some of the manager's routine day-to-day activities. If the association does not do so, it may find the manager burns out from too many stressful, long hours, or that day-to-day routine problems slight by the way. The additional monies allocated for the administrative support to the manager will pay off in a project that is better managed and less stressful for both residents and management.

### Summary

The most important responsibility of a community association is to preserve, maintain, and enhance the property, its value, and the association assets. Well maintained property and assets

- ♦ Sustain property values and enhance "curb appeal"
- ♦ Result in less accidents and insurance claims, thus lowering insurance
- ♦ Help keep assessments lower

This sometimes involved major repairs, replacements, and rehabilitation to various components of the association.

Once the association identifies a need for major repairs or rehabilitation, it should seek professional assistance in drawing up specifications and obtaining bids from contractors. A professional can also assist the association in obtaining necessary governmental permits and adhering to government requirements. The professional will also know which contractors require governmental licensure or certification, and assure that these are current. The association should consider using the professional to help monitor and coordinate the projects, although the manager will need to provide some daily oversight.

Managing major projects is very complicated, and the association should assure that it keeps its attorney involved as it proceeds. Construction lien law requires payment to vendors in a certain manner, which, if not followed, can result in liens against owners.

Associations should carefully consider funding alternatives for major projects, and select the funding method that best serves its owners and the association in the long run. The association should maintain separate accounts for the major projects and not comingle fund with either operating or reserve accounts.

Lastly, during the major project work, the association should assure that it communicates with owners any problems, issues, changes and other information. In that manner, the project can move forward with the least impact on resident lives. The objective is to complete the project on time, within budget – and with the least stress to residents possible.

CAM CONTINUING EDUCATION 2008 EDITION

APPENDIX A

AREA	GOOD	FAIR	POOR	MAINTENANCE REQUIRED	ASSIGNED TO	DUE DATE
Hallways/Units						
Floors clean/rugs vacuumed						
Free of debris						
Doors dusted & cleaned						
Handrails clean & undamaged						
Windows clean						
Window frames dusted & leaned						
Ceilings clean & damage free						
Odor free						
Floors/walls undamaged						
Windows undamaged						
Windows free of signage						
Doors undamaged						
Fire Equipment working						
Lights working						
Free of stored items						
Other						
HVAC/Air Conditioning						
Chillers						
Cooling Towers						
Heat Exchangers						
Filters						
Hoses						
Heating Plant						
Floors/walls clean						

CAM CONTINUING EDUCATION 2008 EDITION

**APPENDIX A**

AREA	GOOD	FAIR	POOR	MAINTENANCE REQUIRED	ASSIGNED TO	DUE DATE
Pop Safety						
Water Column						
Heat Timer Settings						
Vacuum System						
Gauges						
Insulation						
Fire Extinguishers						
Water Treatment						
Oil Filters						
Blow Down Valve						
Pre-heaters						
Roof						
Water Tank						
Tank Durnage						
Rain Proof/Leaks						
Coping Systems						
Bulkheads						
Flashing						
Surface/Tiles						
Gutters/Downspouts						
Outvents/Fans						
Elevators						
Signage						
Lighting						
Leveling						

CAM CONTINUING EDUCATION 2008 EDITION

**APPENDIX A**

AREA	GOOD	FAIR	POOR	MAINTENANCE REQUIRED	ASSIGNED TO	DUE DATE
Door Operation						
Indicators						
Signal Buttons						
Doors						
Cab Floor						
Cab Ceiling						
Ventilation Fans						
Floor Numbers						
Emergency Phone						
Emergency Button/switch						
Mechanical						
Ejector Pumps						
House Pumps						
Electric Switch Gear						
Gas Pipe						
Stand pipe						
Hot Water Circulation						
Exhaust Fans						
Hoses & Connections						
Generator						
Electric Switch Gear						
Gas Pipe						
Stand pipe						
Storage Tank						
Exhaust Fans						

CAM CONTINUING EDUCATION 2008 EDITION

APPENDIX A

AREA	GOOD	FAIR	POOR	MAINTENANCE REQUIRED	ASSIGNED TO	DUE DATE
Hoses						
Connectors						
Log book						
Key						
Stairwells						
Landings & steps clean						
Free of debris/Odor Free						
Doors & railings dusted & cleaned						
Window frames dusted & cleaned						
Ceilings clean & damage free						
Floors/walls undamaged						
Windows undamaged						
Doors undamaged						
Fire Equipment working						
Exit Signage						
Lights working						
Other						
Mailboxes						
Names						
Locks						
Dusted & clean						
Area free of debris						
Bulletin Board						
Other						
Swimming Pool						

CAM CONTINUING EDUCATION 2008 EDITION

**APPENDIX A**

AREA	GOOD	FAIR	POOR	MAINTENANCE REQUIRED	ASSIGNED TO	DUE DATE
Pump						
Chemical Systems						
Pool Room						
Motors						
Pool Log						
Deck Area						
Tile						
Fence						
Heater/Thermometer						
Signs						
Lockers						
Dressing Rooms						
Saunas						
Bathrooms						
Safety Equipment						
Association Signage						
Signs clean/undamaged						
Fire Exits						
Directional						
Office Signage						
Entryboard						
Apartment Numbers						
Other						
Parking Lot						
Lights clean, undamaged						

CAM CONTINUING EDUCATION 2008 EDITION

APPENDIX A

AREA	GOOD	FAIR	POOR	MAINTENANCE REQUIRED	ASSIGNED TO	DUE DATE
Lights working						
Timers working						
Curbs clean & undamaged						
Curb marking clear & readable						
Free of debris						
Free of stored materials						
Unauthorized vehicles						
Lot surface undamaged						
Fire lanes unblocked						
Access to dumpsters						
Handicapped spaces						
Other						
Grounds						
Grass cut/free of weeds & pets						
Shrubs trimmed/free of vines						
Shrubs/tree free of pest						
Trees trimmed						
Palms absent dead fronds						
Sprinklers in good working order						
Trash containers clean						
Trash area free of debris						
Walkways clean/undamaged						
Other						

## APPENDIX B

### Plan of Action – Suggested Answers

#### **What problems have you identified at Virago Seas?**

- Maintenance
  - ✓ Roof Leaks
  - ✓ Damage to elevator cab
  - ✓ Garage Leaks – expansion joints?
  - ✓ Balcony spalling/cracking
  - ✓ Elevator – Fire Safety
  - ✓ Alarm system not to code
  - ✓ Generator Failure
  - ✓ No routine maintenance system
  - ✓ No preventive maintenance
  - ✓ No janitorial or maintenance checklists
  - ✓ No work order system
  - ✓ Employees doing work for unit owners on association time
  
- General
  - ✓ No follow up on delinquent owners
  - ✓ Contract renewal overdue
  - ✓ May owe taxes
  - ✓ No job descriptions or set hours

#### **How will you address these problems?**

There are 5 distinct areas of problems:

Problem 1: Association employees have no set responsibilities or hours

Answer: Prepare personnel brief for board approval, to include position descriptions, salary ranges, schedules, etc. This may include meeting with the employees and finding out what they currently do, or think they should be doing, and what they believe needs to be done.

Salley can be an asset here, as she can call other associations and trade organizations to get sample job descriptions, work schedules, salaries & benefits.

You may need to meet one on one with the directors and the employees, and explain how and why your system will work better.

While this does not address the bigger problems, it supports correcting the larger problems by redirecting the employees to support the longer term work.

Problem 2: Employees are misdirected in their activities, e.g., making repairs to owner components

Answer: This may be a political problem for the board, especially if the association has long engaged in repairing and maintaining owner components. It is important to address it so that the association can redirect employee resources where it needs them.

At the same time, you may be able to take advantage of the employee-owner relationships to begin inspections of units to identify problems that require owner attention – such as water heater leaks.

Prepare an analysis of the monies lost when the association repairs owner components. Develop two alternatives

(a) employees no longer provide services

(b) employees provide services, with a charge back to the owners

The board may find it necessary to educate owners on why this change is occurring, and, if the directors agree, may want to phase it

Problem 3: Important administrative responsibilities not been completed

Answer: Prioritize what needs to be completed, such as – take appropriate action against delinquent owners; review due contract & solicit bids; contact accountant to file extensions for tax forms.

Again, Salley can be a great help here in organizing the information, calling for bids, and so on.

The board may wish to automatically renew certain contracts. Given the other priorities of the association, bidding them out may be a battle better fought at a later date.

Problem 4: Routine & preventive maintenance activities are not being performed, thus leading to component failures

Answer: Flavio should be of great assistance here. Assign him to inventory all components, including the age, condition, manufacturer, serial #.

After the list is developed, you (or Salley) contact manufacturers to find out maintenance schedules. You may also need to check with an engineer to ascertain if there are building code required inspections.

Once you have the information, you develop a maintenance schedule, assigned to Flavio.

You will also need a work order system. Many good systems are available. Salley can research each system, and you can present them to the board, with your recommendation, for approval.

Note that it is particularly difficult to address this when dealing with major component failures.

Problem 5: There are major component failures

Answer: Oscines Seas appears to have 5 component problems:

- ✓ Roof Leaks
- ✓ Elevator components
- ✓ Garage Leaks – expansion joints?
- ✓ Balcony spalding/cracking
- ✓ Fire safety (including alarm & generator)

Draft a Request for Qualifications (RFQ) to hire an engineer or engineering firm with the qualifications to evaluate each of these problems. The engineer will then advise on the extent and nature of the problems.

**In what time frame can the board expect these problems to be addressed?**

The board will, of course, want all problems solved quickly and painlessly. Be realistic. You must balance how quickly you believe the work can be done with the unforeseen events that will occur. How often have you stated Monday morning with a list of reasonably achievable objectives, and, come Friday morning, you got one completed. Why? Because unforeseen problems arose – other problems came along that the President and/or board believed took priority.

Things rarely work as smoothly as we wish – and that projects we have never done before (as well as some we have) always take longer than we thought they would. The board will not criticize a manager for completing a job earlier than expected – if it is done to or surpasses expectations.

Problem 1: If you think it will take a month to write and put in place the personnel brief, give yourself 2 months. Involve the employees by having them description first what they do, and what they think they should do.

Problem 2: This may be an unachievable objective, depending on the will of the board. In one association, the employees had routinely repaired toilets & sink leaks; replaced a/c filters, even changed light bulbs, during association-paid time. Although the board agreed in principle with the manager's recommendation to cease this practice, it decided to phase in having owners pay for services – over a 2-year period. At the end of the 2 years, the board voted to “table” the price list for services, thus effectively continuing the practice without change. At minimum, you should assume at least a year to phase in charges or phase out services. You should also explore alternatives such as a bulk contract with Service America, Pride, or one of the many home service providers.

Problem 3: Getting collectibles under control is a multi-task activity. Written policy to the board: within 30 days. Once approved: To get the 1<sup>st</sup> letter issue – within 3 days after the next month's due period (e.g., if maintenance is due the 10<sup>th</sup> of the month, and this is April, then the 1<sup>st</sup> letters to go out by May 13<sup>th</sup>). Sending collections to the attorney follows from the first letter. You should research attorneys to assure that the association hires one who understands community association law and is aggressive at collections. With regard to overdue taxes – all information to the accountant within one week. Let the accountant handle assuring the taxes are correctly reported and properly paid. Expired contracts – this is a contract by contract decision. If the landscaping contract is expired, and the landscaper appears to be doing a good job, perhaps it is not the time, given the other problems, to bid out landscaping. If the fire/alarm system contract is due, you may want to hold it while to ascertain the reason for the current problems. Is the company in default? If so, perhaps another vendor is the best response.

Problem 4: Routine & preventive maintenance schedule take time to properly implement. You need to work with your maintenance supervisor to properly determine the capability of performing services by staff or contract. You may need to complete the major component repairs in some cases before handling certain routine or preventive maintenance.

At minimum, you should set up a work order system – preferably computerized. Off the shelf software work order systems are readily available, and can usually be set up, to need the maintenance requirements of the association. It is important, however, to have sufficient staff to input data, or sufficient funds to acquire handheld computer equipment.

Objective: 60 to 120 days to get the system in place. Another 60 – 90 days to train staff and work out glitches.

Problem 5: The remainder of our course will focus on these projects, beginning with hiring a consultant to evaluate the extent of the problems and recommend appropriate solutions.

## APPENDIX C

### Request for Bids Engineering Services

Due Date: 30 days from date of issue

Oscines Whirr Condominium Association (Association) comprised of 180 units in a 30 story building, is seeking proposals for engineering or architectural services to inspect its buildings for necessary roof, concrete, expansion joint, elevator and fire system repairs, and to replace and upgrade its generator system, to prepare specifications for bid for repair/rehab or replacement of same, if necessary, and to assist in the selection of a contractor to perform repairs. The Association will also consider using this consultant to inspect and certify the contract work performed. Consultants must present separate bids for each phase of the contract.

### Background

is a 23-year-old high-rise, with 180 units. It is situated on AIA, bordering the Atlantic Ocean. It has 30 stories:

- 1<sup>st</sup> story: Garage, entrance into building, maintenance shop, mechanic rooms
- 2 story: Garage, lobby entrance, management office, card room, mailboxes, library
- 3<sup>rd</sup> floor: Elevated swimming pool, sauna, terraced decks & gardens, storage for units, small conference room, party room with kitchen, gym facilities
- 4<sup>th</sup> – 28<sup>th</sup> floors: 7 units each
- 29<sup>th</sup> & 30<sup>th</sup> floor: 5 units, 2 stories each

The 30<sup>th</sup> floor also houses shared terrace that the penthouse owners use. It includes a Jacuzzi and gazebo. All units are equipped with washers & dryers.

A central air & heat system services the units, with the boilers located on the first floor the cooling towers on the roof of the 30<sup>th</sup> floor. Certain elevator equipment is also located on the roof. This equipment is contained in an enclosed, fenced area, with only maintenance, security, and management having access via a stairwell from the 30<sup>th</sup> floor. The City of Goldencrest has cited the Association for its fire safety system and for cracking and spalding of the balconies. The Board has also noted small roof leaks, including into the 2<sup>nd</sup> floor garage. The association requires replacement of its generator to meet new Building Code requirements. This may mean an upgrade to the current generator fueling system.

The Association seeks an engineer or architect who will inspect each component, write specifications for repair(s), and oversee the repairs to assure they are performed in compliance with the specifications and City of Goldencrest Code.

### Requested Services

#### Phase 1 – Inspection & Report

1. Review all structural drawings available.
2. Perform a visual inspection and/or sounding of the exterior of the buildings, including balconies, windowsills, balcony edges and structures, soffits, columns, walls, ceilings, and all other structural components of the buildings, including the roof and expansion joints.
3. Provide a written report including photographs, diagrams showing locations of problems and

estimated repair for each location, and a summary of estimated repairs for the entire project. The report should prioritize repairs and provide an explanation of deferring or not performing such repairs. The report should include an executive summary written so that the layperson can understand it.

4. Attend one Board meeting to review the results of the survey.

### **Phase 2 – Specifications & Selection of Contractor(s)**

1. Prepare specific and general specifications in sufficient detail to permit receiving bid proposals for the required work. This should include engineer drawings, plans, and any other documents necessary for the Association to receive accurate bid proposals from contractors. The bid package should also include standard American Institute of Architects Contract forms tailored for this project.
5. Provide recommendations of contractors to whom the bid package should be sent.
6. Provide ten (10) copies of the bid package.
7. Attend and staff mandatory pre-bid conference for prospective contractors.
8. Assist Board and its agent in review and analysis of bids received.
9. Attend one board meeting to present and review bids.
10. Assist Board and its agent in negotiating contract with selected vendor.

### **Phase 3 – Inspection & Certification of Work**

1. *Provide contract administration and requisition approval.*
2. *Provide necessary inspections of work performance by contractor to ensure that the work is done in accordance with contract specifications and City of Goldencrest Code.*
3. *Maintain a log of in-progress inspections.*
4. *Meet with Manufacturer's Representatives of all products used to verify that all work will be performed in accordance with requirements of warranty programs.*
5. *Monitor quantities of materials used and advise Oscines Whirr of any additional materials and/or work that may be needed, after securing documentation from contractor*
6. *Ensure appropriate Releases of Lien are received before any payments are authorized and that normal and customary warranties of work and materials performance are received.*
7. *Attend one Board meeting per month to update on progress of work.*
8. *Provide final approval and sign off on work, including walkthroughs per sections of the buildings in order to expedite the final inspections.*

### **Conditions**

#### **Minimum Qualifications:**

Must be a Professional Engineer, licensed in the State of Florida, or an architect qualified to inspect and certify construction work pursuant to Florida Statutes.

Insurance of no less than \$1 million liability and \$500,000 E & O. Must also carry workers compensation.

**Proposals should provide**

1. Qualifications, including the names and qualifications of each person who shall perform work.
2. Discussion of experience working with condominium associations.
3. Proof of licensure and insurance.
4. References from no less than three condominium, multi-condominium, or master condominium associations, or from comparable type buildings.
5. Documentation of qualification to conduct business with City of Goldencrest.
6. Separate price for each phase of the project. Cost proposals must be submitted in a separate envelope. Costs in addition to fees must be clearly outlined. Failure to provide costs in a separate envelope will result in disqualification.

**Other**

The firm or individual selected will report to the Association Manager. During the initial period of the conference, the selected firm or individual selected should expect to meet with the Manager no less than weekly.

Copies of Association documents and plans shall be provided upon signature of the contract.

**Process**

1. Oscines Whirr will rank vendors based upon qualifications, references, and cost proposals.
2. At its option, Oscines Whirr may interview firms.
3. Oscines Whirr will negotiate with highest ranked firm.
4. If an agreement cannot be reached with highest ranked firm, Oscines Whirr will negotiate with second highest ranked firm.
5. Although it is the intent of Oscines Whirr to utilize one firm for all three phases, Oscines Whirr reserves the right to contract with different firms to provide each phase if required.

An original and five copies of the proposals should be mailed to:

Oscines Whirr  
P O Box 9490  
Goldencrest, Florida 33775

For additional information, please contact Carlton Medina, CAM, at 451.666.1234, or e-mail [manager@oscineswhirr.com](mailto:manager@oscineswhirr.com).

**APPENDIX D**  
**PROFESSIONS GOVERNED BY THE FLORIDA BUILDING CODE**

Regulated professions affiliated with local governments:

- ▶ Building Officials/Building Code Administrators: Responsible for plan review, inspection and enforcement of the Florida Building Code and applicable federal, state and local construction requirements in:

- |                 |              |                   |
|-----------------|--------------|-------------------|
| ✓ Structural    | ✓ Plumbing   | ✓ Fire Prevention |
| ✓ Electrical    | ✓ Mechanical | ✓ Energy          |
| ✓ Accessibility | ✓ Gas        | ✓ Wind load       |

*Licensed by Building Code Administrative & Inspectors Board pursuant to F.S. 468, Part XII.*

- ▶ Plans Examiners: Determine if plans submitted for a building code comply with Florida Building Code and other applicable federal, state, and local construction requirements. *Licensed by Building Code Administrative & Inspectors Board pursuant to F.S. 468, Part XII.*
- ▶ Building Code Inspectors: Inspect construction for compliance with Florida Building Code, other applicable federal, state, and local construction requirements, and the plans as submitted. *Licensed by Building Code Administrative & Inspectors Board pursuant to F.S. 468, Part XII.*

**Regulated professions in Building Industry:**

- ▶ Architects: Design building and use of space within the building. Architects provide planning, preliminary designs, and drawings and specifications. Architects may inspect and/or administer projects. *Licensed through the Board of Architecture & Interior Design.*
- ▶ Engineers: Provide mathematical, physical, and engineering science services related to design of buildings and their systems. Specialties include electrical, structural, and ventilation systems. *Licensed through the Board of Professional Engineers.*
- ▶ Interior Designers: Design non-structural elements of buildings, such as lighting, space planning, and furnishings. *Licensed through the Board of Architecture & Interior Design.*
- ▶ Landscape Architects: Provide site, landscape designs environmental impact statement services. *Licensed through the Board of Landscape Architecture.*

**Regulated Construction Contractor Professions in Building Industry:**

- ▶ Construction Contractors: Provide construction, remodeling, alteration, repair, rehabilitation, and demolition of buildings. *Regulated under F.S. 489, Part I.*
  - ✓ The Construction Licensing Board tests and licenses certified construction contractors.
  - ✓ Local jurisdictions issue competency cards to registered construction contractors. They may only work within those jurisdictions that have granted competency cards.
  
- ▶ Specific classifications include:
  - ✓ *Construction Contractor*. Performs construction, alteration, remodeling, repair, or demolition of buildings.
  - ✓ *Certified Construction Contractors* perform the same types of work, but must be tested and licensed by the Construction Industry Licensing Board. They are certified to work statewide.
  - ✓ *Registered Construction Contractors* perform the same work, but have local competency cards and may only work in those jurisdictions that have issued them a card. Registered Construction Contractors must be registered with the appropriate state licensing board.
  
- ▶ Specific constructions trades contractors include:
  - ✓ **General contractor**. Services are unlimited as to the type of work which he or she may do, who may contract for any activity requiring licensure under this part, and who may perform any work requiring licensure under this part, except as otherwise expressly provided in s. 489.113.
  - ✓ **Building Contractor**. Limited to *construction* of commercial buildings, single family dwellings, or multiple dwelling residential buildings *3 stories or less and remodeling, repair, or improvement of any size building* if the services do not affect building structure.
  - ✓ **Residential Contractor**. Limited to construction, remodeling, repair, or improvement of single family, duplex and triplex residences that do not exceed two habitable stories above no more than one uninhabitable story.
  - ✓ **Sheet Metal Contractor**. Works in ferrous or nonferrous sheet metal work (using U.S. No. 10 gauge or its equivalent or lighter gauge and of other materials, such as fiberglass), used in replacement of air-handling systems, including the setting of air-handling equipment and reinforcement of such equipment.

- ✓ **Roofing Contractor:** Unlimited in the roofing trade, with experience, knowledge, and skill to install, maintain, repair, alter, extend, or design, and use materials and items used in the installation, maintenance, extension, and alteration of all kinds of roofing, waterproofing, and coating, except when such materials are not to protect, repair, waterproof, stop leaks, or extend the life of the roof.
- ✓ **Class-A Air-Conditioning Contractor:** Unlimited in the execution of contracts requiring the experience and knowledge, to install, maintain, repair, fabricate, alter, or design, central air-conditioning, refrigeration, heating, and ventilating systems, including duct work. May not work on liquefied petroleum lines, natural gas fuel lines, potable water lines, sanitary sewer lines, swimming pool piping, or electrical power wiring.
- ✓ **Class-B Air-Conditioning Contractor:** Limited to 25 tons of cooling and 500,000 BTU's of heating in any one system. May execute contracts, within the size restriction, requiring the experience, knowledge, and skill to install, maintain, repair, fabricate, alter, extend, or design, central air-conditioning, refrigeration, heating, and ventilating systems, including duct work.
- ✓ **Mechanical Contractor:** Unlimited in the execution of contracts requiring the experience, knowledge, and skill to install, maintain, repair, fabricate, alter, extend, or design, (when not prohibited by law), central air-conditioning, refrigeration, heating, and ventilating systems, including duct work in connection with a complete system only to the extent that such duct work is performed by the contractor as is necessary to make complete an air-distribution system. May also work on boiler and unfired pressure vessel systems, lift station equipment and piping, and all appurtenances, apparatus, or equipment used in connection therewith.
- ✓ **Commercial Pool/Spa Contractor:** Work involves, but is not limited to, the construction, repair, and servicing of any swimming pool, hot tub or spa, whether public, private, or otherwise.
  - ▶ Authorized to work on the installation, repair, and replacement of existing equipment, any cleaning or equipment sanitizing including partial disassembling.
  - ▶ May also perform the work of a swimming pool/spa service contractor.
  - ▶ Not authorized to perform the following functions: filter changes, installation of new pool/spa equipment, interior finishes, installation of package pool heaters, installation of all perimeter piping and filter piping, construction of equipment areas or rooms or housing for pool/spa equipment
  - ▶ Not permitted to directly connect their work to a sanitary sewer system or to potable water lines (this work reserved for plumbers)

- ✓ **Residential Pool/Spa Contractor:** Involves, but is not limited to, the construction, repair, and servicing of any residential swimming pool, hot tub or spa. Includes:
  - ▶ installation, repair, or replacement of existing equipment plus any cleaning or equipment sanitizing which requires at least a partial disassembly of equipment
  - ▶ installation of new pool/spa equipment, interior finishes, the installation of package pool heaters, the installation of all perimeter piping and filter piping
  - ▶ construction of equipment rooms and housing for pool/spa equipment
  - ▶ scope of work of a swimming pool/spa servicing contractor
  - ▶ excludes direct connections to a sanitary sewer system or to potable water lines
  
- ✓ **Swimming Pool/Spa Servicing Contractor:** Involves, but is not limited to, the repair and servicing of any swimming pool, hot tub, or spa, whether public or private, or otherwise, regardless of use, including repair or replacement of existing equipment and any cleaning or equipment sanitizing which requires at least a partial disassembling.
  - ▶ Excludes from filter changes, installation of new pool/spa equipment, interior refinishing, reinstallation, or addition of pool heaters, repair or replacement of all perimeter piping and filter piping and the repair of equipment rooms or housing for pool/spa equipment.
  - ▶ Restricted from the substantial or complete draining of a swimming pool, or hot tub or spa, for the purpose of any repair or renovation.
  - ▶ May not make direct connections to a sanitary sewer system or to potable water lines
  
- ✓ **Plumbing Contractor:** execution of contracts requiring the experience, financial means, knowledge, and skill to install, maintain, repair, alter, extend, and design plumbing systems, including:
  - ▶ sanitary drainage or storm drainage facilities; septic tanks
  - ▶ venting systems
  - ▶ public or private water supply systems
  - ▶ drainage and supply wells
  - ▶ swimming pool piping
  - ▶ irrigation systems
  - ▶ solar heating water systems and all appurtenances, apparatus, or equipment used in connection therewith, including boilers and pressure process piping and including the installation of water, natural gas (excluding liquid petroleum gases)
  - ▶ storm and sanitary sewer lines
  - ▶ water and sewer plants and substations
  
- ✓ **Electrical contractor:** Conducts business in the electrical trade field and has the experience, knowledge, and skill to install, repair, alter, add to, or design, in compliance with law, electrical wiring, fixtures, appliances, apparatus, raceways, conduit, or any part thereof, which generates, transmits, transforms, or utilizes electrical energy in any form, including the electrical installations and systems within plants and substations, all in compliance with applicable plans, specifications, codes, laws, and regulations.

- ✓ **Alarm system contractor.** Includes execution of contracts requiring the ability, experience, science, knowledge, and skill to lay out, fabricate, install, maintain, alter, repair, monitor, inspect, replace, or service alarm systems for compensation, including, but not limited to, all types of alarm systems for all purposes.
- ✓ **Underground utility and excavation contractor.** Limited to the construction, installation, and repair, on public or private property, whether accomplished through open excavations or through other means, including, but not limited to, directional drilling, auger boring, jacking and boring, trenchless technologies, wet and dry taps, grouting, and slip lining, of main sanitary sewer collection systems, main water distribution systems, storm sewer collection systems, and the continuation of utility lines from the main systems to a point of termination up to and including the meter location for the individual occupancy, sewer collection systems at property line on residential or single-occupancy commercial properties, or on multi-occupancy properties at manhole or wye lateral extended to an invert elevation as engineered to accommodate future building sewers, water distribution systems, or storm sewer collection systems at storm sewer structures.
  - May install empty underground conduits in rights-of-way, easements, platted rights-of-way in new site development, and sleeves for parking lot crossings no smaller than 2 inches in diameter, provided that each conduit system installed is designed by a licensed professional engineer or an authorized employee of a municipality, county, or public utility and that the installation of any such conduit does not include installation of any conductor wiring or connection to an energized electrical system.
  - Shall not install any piping that is an integral part of a fire protection system as defined in s. 633.021 beginning at the point where the piping is used exclusively for such system.
- ✓ **Solar contractor.** Services consist of the installation, alteration, repair, maintenance, relocation, or replacement of solar panels for potable solar water heating systems, swimming pool solar heating systems, and photovoltaic systems and any appurtenances, apparatus, or equipment used in connection therewith, whether public, private, or otherwise, regardless of use.
- ✓ **Pollutant storage systems contractor.** Limited to, and who has the experience, knowledge, and skill to install, maintain, repair, alter, extend, or design, when not prohibited by law, and use materials and items used in the installation, maintenance, extension, and alteration of, pollutant storage tanks.
- ✓ **Specialty contractor.** Scope of work and responsibility is limited to a particular phase of construction and whose scope is limited to a subset of the activities described in the categories established in one of the paragraphs of this subsection.

**Non-regulated professional include:**

- ▶ **Home Inspectors:** Inspect residential property and report conditions of home's major components, systems, and structure. American Society of Home Inspectors provides minimum standards.<sup>76</sup>
- ▶ **Residential designers:** Prepare drawings and specification for 1 and 2 family homes, consulting with appropriate licensed professionals for wind load and other structural components. American Institute of Building Design provides minim standards.
- ▶ **Mold Assessors & Mold Remediators** physical sampling & detailed evaluation of data obtained from building history & inspection re: origin, identity, location, & amplification of mold growth > 10 sq. feet<sup>1</sup>

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<sup>76</sup> Required to be licensed & tested effective 7/1/2010

**APPENDIX E**  
**SCOPE OF WORK FOR REQUESTS FOR BIDS**

**Location:** Identify by address each building and/or unit number. In Oscines Whirr, each balcony will be listed by apartment number.<sup>77</sup>

**Survey or map:** Include a survey or map of the association, identifying parking lots, buildings, amenities, etc.

**Performance Criteria or Measures:** Explanation of association objectives and how it will measure progress of each job.

**Type Maintenance:** Is this on-going or routine maintenance, corrective maintenance, emergency repairs, etc?

**Reason for Contract:** Provide copy or extract of engineer's report documenting the findings for the repairs/replacement

**Permits:** Denotes that the contractor must pull all required permits and clarifies which entity will pay for the permits. Usually, the contractor is required to provide a copy of the permit to the association before it commences work. It also obtains a "Work Commencement" permit sheet from the municipality, which must be posted on the job for its duration.

**Licenses:** Stipulates that contractor be required to provide evidence of current licensure and/or certification, including occupational licenses. This includes providing copies to the association. The association may want evidence that on-site supervisors are licensed or certified, and that certain professionals, such as electricians, assigned to the project, are licensed or certified.

**Insurance:** Bid should detail the minimum insurance coverage for general liability, workers compensation, owned and non-owned vehicles & equipment, completed operations, etc. The association should be a named insured, and receive proof of this prior to the commencement of work. If the insurance expires during the project, the association should require a second proof of coverage and certificate as named insured.

**Bid Response:** Establishes date and time for receipt of the bid. Provides a date for any required pre-bid conference, for submission of questions clarifying bid and publication of responses to bid questions.

**Contract Period:** Indicates date contractor is expected to commence work and time frames for completion of work. This is always subject to negotiation and must take into account rain (weather) days.

**Mobilization:** Discusses requirements for start-up. Usually identifies an area for equipment, storage containers, dumpsters & other necessary materials.

**On-Site Supervision:** Names individual(s) assigned responsibility for workers for each contractor, or each phase of the contract. This is usually the person to whom problems or complaints are given.

**List of Suppliers & Subcontractors:** Required submission of a complete list of suppliers, materials men, and subcontractors, if the bidder will be using any. Must include firm name, contact person, mailing address, phone, fax, cell, email address, materials provided or work to be performed, anticipated schedule for receiving materials or performing work, anticipated dollar amount of payment, and schedule for payments.

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<sup>77</sup> Samples of Surveys, Product Data Sheets, Bid Response Forms, and other documents are available upon request.

**Materials:** Detail which party (contractor, association, or engineer) will select, purchase, store, and/or otherwise provide materials necessary for the job. This should include type, color, quantity, delivery storage requirements, and ownership of any materials remaining at the end.

The bid documents should also state which party is responsible for removal and disposal or materials being replaced, including the cost.

**Product Data Sheets:** Usually supplied by the engineer or the manufacturer, these detail the requirements for installation and/or application. The product data sheets are part of the job performance standards.

**Warranties:** The RFB will require that the contractor specify all warranties. It may require a minimum warranty on materials & labor. For instance, 15 year warranty on roof materials & 7 years on labor.

**Service manuals:** Require that manufacturers provide service manuals, which include all warranty terms, explains maintenance requirements and how warranty repairs are to be made in order to preserve the warranty.

**Inspections:** Establishes frequency of inspections of work-in progress, and the authorized individual(s) who will make the inspection. Also defines inspections for contract compliance and code compliance.

**Storage & materials:** Specifies locations (on-site or off-site) for storage of contractor's equipment & materials, and details who is responsible for any required security provisions while materials on site.

**Penalties & Incentives:** The bid should state if there are any incentives for early completion of the job, penalties for delays or failure to complete work on schedule, or penalties for failure to meet contract terms.

**Payment Terms:** The Bid should establish the invoicing procedure, the documentation required with each invoice, the method & timing of payments, and any retention until work is completed and accepted. In the Oscines Whirr bids, the engineer has required contracts use the AIA forms and invoice on a percentage completion schedule. Contractors could invoice weekly, or monthly, or by completion of phases.

**Bonds:** The association should establish if it will require a performance bond and/or a labor & materials bond. If it does, it must establish the amount of the bonds, and the date by which the bonds are to be submitted and to whom. Note that some associations require a "bid bond," which is returned when if the contractor is not awarded the project.

**Damage:** Identified which contractual party is responsible for damage to the property or to personal belongings and how damage claims will be compensated. Often, the association will take videos of the property before, during, and after construction work, so that it can clearly demonstrate damages caused y a contractor.

**Clean-up:** Defines contactor responsibility for daily clean-up of the site, including how often during the day the site is policed. Often associations include a specific clause regarding food & beverages, that any such debris be bagged and placed in a closed dumpster, so as to prevent rodent infestation.

APPENDIX F – PERMITS & NOTICES OF COMMENCEMENT

# City of Goldencrest

## BUILDING PERMIT APPLICATION

**APPLICANT FILL INSIDE HEAVY LINES ONLY**

Date \_\_\_\_\_ Tax Folio No. \_\_\_\_\_  
 Owner's Name \_\_\_\_\_  
 Owner's Address \_\_\_\_\_  
 Owner's Telephone \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Fee Simple Titleholder's Name (if other than owners) \_\_\_\_\_  
 Fee Simple Titleholder's Address (if other than owners) \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Contracting Co. \_\_\_\_\_  
 Contractor's Tel No. \_\_\_\_\_  
 CC No. \_\_\_\_\_ Social Security # \_\_\_\_\_  
 Contractor's Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Job Name \_\_\_\_\_  
 Job Address \_\_\_\_\_  
 City \_\_\_\_\_ County \_\_\_\_\_  
 Legal Description \_\_\_\_\_  
 Bonding Company \_\_\_\_\_  
 Bonding Company Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Architect/Engineer's Name \_\_\_\_\_  
 Architect/Engineer's Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Mortgage Lender's Name \_\_\_\_\_  
 Mortgage Lender's Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**Contractor's Affidavit:** Application is hereby made to obtain a permit to do the work and installation as indicated. I certify that no work or installation has commenced prior to the issuance of a permit and that all work will be performed to meet the standards of all laws regulating construction in this jurisdiction. I understand that a separate permit must be secured for ELECTRICAL WORK, PLUMBING, SIGNS, WELLS, POOLS, FURNACES, BOILERS, HEATERS, TANKS, AND AIR CONDITIONERS, ETC.

Signature \_\_\_\_\_ Contractor's Qualifier \_\_\_\_\_

Sworn to and subscribed before me \_\_\_\_\_  
 who is personally known to me or produced \_\_\_\_\_  
 as identification, this \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_

Notary Signature \_\_\_\_\_  
 Printed Name Notary \_\_\_\_\_  
 Commission No. Expiration \_\_\_\_\_  
 Seal \_\_\_\_\_

**Owner's Affidavit:** I certify that the foregoing information is accurate and that all work will be done in compliance with all applicable laws regulating construction and zoning.

**WARNING TO OWNER: YOUR FAILURE TO RECORD A NOTICE OF COMMENCEMENT MAY RESULT IN PAYING TWICE FOR IMPROVEMENTS TO YOUR PROPERTY, IF YOU INTEND TO OBTAIN FINANCING, CONSULT WITH YOUR LENDER OR AN ATTORNEY BEFORE RECORDING YOUR NOTICE OF COMMENCEMENT.**

Signature \_\_\_\_\_  
 Owner or Agent (attach an owner's authorization form if signed by an agent)

State of Florida, County of \_\_\_\_\_

Sworn to and subscribed before me \_\_\_\_\_  
 who is personally known to me or produced \_\_\_\_\_  
 as identification, this \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_

Notary Signature \_\_\_\_\_  
 Printed Name Notary \_\_\_\_\_  
 Commission No. Expiration \_\_\_\_\_  
 Seal \_\_\_\_\_

MASTER PERMIT NO.	PERMIT NO. (OFFICE USE ONLY)
PROCESS NO. (OFFICE USE ONLY)	(OFFICE USE ONLY)
	Registration up to date? <input type="checkbox"/> Yes <input type="checkbox"/> No
	Insurance Current? <input type="checkbox"/> Yes <input type="checkbox"/> No

Aventura Permit Fee: \$ \_\_\_\_\_  
 Other Fees: \$ \_\_\_\_\_  
 Dade County Code Comp.: \$ \_\_\_\_\_  
 Radon: \$ \_\_\_\_\_  
 Impact Fees: \$ \_\_\_\_\_  
 Flood Plain Review: \$ \_\_\_\_\_

This permit does not become valid until signed by an authorized representative of the City of Aventura and all fees are paid and acknowledged in the space provided.

ISSUED BY: \_\_\_\_\_

**TOTAL PERMIT FEE: \$ \_\_\_\_\_**

FLOOD ZONE \_\_\_\_\_ ELEV: \_\_\_\_\_  
 Lowest Finished Floor Elevation (Including Basement)  
 Lowest Floor As Building Elevation Survey is required before making any inspection above lowest floor

ELEV SURV. \_\_\_\_\_ DRAINAGE PLAN \_\_\_\_\_ MIN. FL. ELEV. \_\_\_\_\_  
 REQD. Y \_\_\_ N CHECKED (PROJ) Y \_\_\_ N ABOVE FL. CR \_\_\_\_\_

NUMBER CONCRETE TESTS REQUIRED \_\_\_\_\_

WELDING \_\_\_\_\_ ENG. SUPER \_\_\_\_\_ PILE DRIV. \_\_\_\_\_  
 INSPECTOR Y \_\_\_ N SUPER Y \_\_\_ N SUPER Y \_\_\_ N OTHER \_\_\_\_\_

GROUP AND DIVISION \_\_\_\_\_ TYPE \_\_\_\_\_  
 CONST. \_\_\_\_\_

SHOP DWGS. \_\_\_\_\_ SEAL \_\_\_\_\_  
 REQUIRED Y \_\_\_ N REQUIRED Y \_\_\_ N

LOT % COVER \_\_\_\_\_ CUBIC CONTENT \_\_\_\_\_ SQUARE FEET \_\_\_\_\_

PRESENT USE OF LAND \_\_\_\_\_

WORK DESCRIPTION \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

SQUARE FT. \_\_\_\_\_

ESTIMATED JOB COST \_\_\_\_\_

ZONE \_\_\_\_\_ CUBE REQUIRED \_\_\_\_\_

OFFICIAL HWY. WIDTH \_\_\_\_\_

DEDICATED WIDTH \_\_\_\_\_

LOT DIMENS. \_\_\_\_\_ LOT AREA \_\_\_\_\_

DEED REST'R & RESOLUTION CHECKED \_\_\_\_\_ Y \_\_\_ N

	PROCESSING			
	APPVD	DATE	DIS. APPVD	DATE
ZONING				
BUILDING				
STRUCTURAL				
PLUMBING				
ELECTRICAL				
MECHANICAL				
ADA				
LANDSCAPING				

Conditions under which approved \_\_\_\_\_  
 \_\_\_\_\_

For plans processor notes \_\_\_\_\_  
 \_\_\_\_\_

Permit # \_\_\_\_\_ Folio # \_\_\_\_\_

**NOTICE OF COMMENCEMENT**

The undersigned hereby gives notice that improvement will be made to certain real property and in accordance with Chapter 713, Florida Statutes, the following information is provided in this Notice of Commencement :

\_\_\_\_\_ this space reserved for recorder

1. Legal Description of Property: Lot \_\_\_\_\_ Block \_\_\_\_\_ Unit # \_\_\_\_\_ Bldg # \_\_\_\_\_  Lengthy legal attached  
 Subdivision / Condominium: \_\_\_\_\_  
 Street Address if available: \_\_\_\_\_
2. General description of Improvement : \_\_\_\_\_
3. a. Owner name and address: \_\_\_\_\_  
 b. Interest in property: \_\_\_\_\_  
 c. Name and address of fee simple titleholder (if other than Owner): \_\_\_\_\_
4. a. Contractor name and address: \_\_\_\_\_  
 b. Contractor's phone number: \_\_\_\_\_
5. a. Surety name and address: \_\_\_\_\_  
 b. Surety's phone number: \_\_\_\_\_  
 c. Amount of bond: \$ \_\_\_\_\_
6. a. Lender name and address: \_\_\_\_\_  
 b. Lender's phone number: \_\_\_\_\_
7. a. Persons within the State of Florida designated by Owner upon whom notices or other documents may be served as provided by Section 713.13(1)(a)7., Florida Statutes:  
 Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 b. Phone number: \_\_\_\_\_
8. a. In addition to himself or herself, the Owner designates \_\_\_\_\_ to receive a copy of Lienor's Notice per Section 713.13(1)(b), Florida  
 b. Phone number of person or entity designated by owner \_\_\_\_\_
9. Expiration date of notice of commencement : \_\_\_\_\_  
(the expiration date is 1 year from the date of recording unless a different date is specified)

**WARNING TO OWNER:** ANY PAYMENTS MADE BY THE OWNER AFTER THE EXPIRATION OF THE NOTICE OF COMMENCEMENT ARE CONSIDERED IMPROPER PAYMENTS UNDER CHAPTER 713, PART I, SECTION 713.13, FLORIDA STATUTES, AND CAN RESULT IN YOUR PAYING TWICE FOR IMPROVEMENTS TO YOUR PROPERTY. A NOTICE OF COMMENCEMENT MUST BE RECORDED AND POSTED ON THE JOB SITE BEFORE THE FIRST INSPECTION. IF YOU INTEND TO OBTAIN FINANCING, CONSULT WITH YOUR LENDER OR AN ATTORNEY BEFORE COMMENCING WORK OR RECORDING YOUR NOTICE OF COMMENCEMENT.

Signature(s) of Owner(s) or Owner(s)' Authorized Officer/Director/Partner/Manager

By \_\_\_\_\_ By \_\_\_\_\_  
 Print Name \_\_\_\_\_ Print Name \_\_\_\_\_  
 Title/Office \_\_\_\_\_ Title/Office \_\_\_\_\_

STATE OF FLORIDA  
 COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_  
 By \_\_\_\_\_  
 Individually, or  as \_\_\_\_\_ for \_\_\_\_\_  
 Personally known, or  produced the following type of identification: \_\_\_\_\_

Signature of Notary Public: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 (SEAL)

VERIFICATION PURSUANT TO SECTION 92.525, FLORIDA STATUTES

Under penalties of perjury, I declare that I have read the foregoing and that the facts stated in it are true, to the best of my knowledge and belief.

Signature(s) of Owner(s) or Owner(s)' Authorized Officer/Director/Partner/Manager who signed above:

By \_\_\_\_\_ By \_\_\_\_\_



**FINAL EXAM**

1. Well maintained property and assets
  - A. Result in less accidents and insurance claims, thus lowering insurance
  - B. Sustain property values and enhance "curb appeal"
  - C. Help keep assessments lower
  - D. All of the above
  
2. Routine maintenance is:
  - A. Periodic maintenance performed on property, machinery, or components to ensure proper operation, to avoid breakdowns and to prolong the useful life
  - B. Work requested by an owner, a tenant, the board, or identified during a routine inspection of the property
  - C. Regular recurring maintenance activities, usually routinely scheduled, and requiring little oversight
  - D. Responses to emergencies or unpredicted problems and breakdowns
  
3. Managers and board identify maintenance problems by:
  - A. When they encounter continuing problems or emergencies with equipment
  - B. When neighboring associations have similar component problems in their associations
  - C. Based upon the number of owner complaints per month
  - D. When they have a persistence number of use restriction violations
  
4. A reserve study:
  - A. Is limited to estimating capital replacement requirements
  - B. Must be performed by an engineer
  - C. Establishes if/when the association should repair, replace or rehab components
  - D. Is only useful in developing the reserve schedule for the association
  
5. Elements of a project include:
  - A. Professional opinions of extent of problem & method(s) of repair/replacement
  - B. Legal requirements for corrective action/replacement
  - C. Development of plans, specifications & bid documents
  - D. All of the above
  
6. The Florida Building Code
  - A. Requires all community associations to have reserves for glass & shutters, unless waived by the owners at a duly called & quorumed meeting
  - B. Requires certain buildings undergoing substantial rehabilitation or repair, or total replacement of certain components to meet the 2006 Building Code requirements
  - C. Exempts existing buildings from retrofitting their buildings with sprinklers or engineered life safety systems, by a vote of 3/4 of the owners present in person or by proxy at a duly called and quorumed meeting
  - D. Both b & c above
  
7. Some parameters a board may wish to establish when it is bidding our work include:
  - A. Any requirements of applicable statutes
  - B. Any conditions of governing documents
  - C. Complexity of service or repair
  - D. All of the above

8. RFB is a common industry term. It means:
  - A. Reference Formula Bonding
  - B. Request for Bid
  - C. Rational Fund Basis
  - D. Rate for Bonding
  
9. A performance bond is:
  - A. A bond demanded by the bank, to assure payment of a construction loan in case of default by the association
  - B. A bond set aside by the contractor to pay subcontractors and suppliers, should the contractor fail to do so.
  - C. A bond set aside by the contractor to complete a job, should the contractor be unable to do so.
  - D. A bond, provided by the condominium to the contractor, which demonstrates good faith payment for work to be performed.
  
10. In the Oscines Whirr RFB, the engineer provided that final payment to contractors should be dependent upon:
  - A. Acceptance by the association, and sign-off by the City of Goldencrest
  - B. Sign-off by the manufacturer's representative (where appropriate)
  - C. Sign-off by the engineer
  - D. All of the above
  
11. In determining which contractor to choose for a project:
  - A. The association should always take the low bidder
  - B. Past performance is not important, as projects differ substantially
  - C. Only contractors whose bids conform to the required specifications and scope of service should be considered.
  - D. Number of years doing a specific type of contracting is not relevant, as contractors have many specialties.
  
12. Funding sources for major projects could include:
  - A. Special assessments from owners
  - B. Loans from the Small Business Association
  - C. Construction loans
  - D. All or a combination of the above
  
13. A permit:
  - A. is based upon a verbal statement of the condominium of work to be done
  - B. requires the submission of detailed plans and drawings of work to be performed
  - C. once issued, allows work to proceed immediately
  - D. is not required if the contractor obtains a Notice to Commence instead

14. Construction lien law:
- A. Allows certain construction professionals to file liens against the association before commencing work
  - B. Grants certain professionals and contractors the right to a claim of lien, to be recorded only if the association fails to pay 50% of the contract amount
  - C. Is very complex, and associations should work closely with their attorneys during construction projects to assure they follow all required procedures related to liens and claims of lien
  - D. Applies only to the primary contractor and excludes subcontractors and supplies
15. Service of notices, claims of liens, affidavits, assignments and other related instruments must be:
- A. Delivered to the person, a partner or officer or business agent
  - B. Mailed to the above noted, by registered or certified mail, with certain limitations.
  - C. Post on the premises.
  - D. Any or all of the above are satisfactory means of delivery.
16. A project manager should:
- A. Always be a member of the board of directors
  - B. Be accredited through the National Conference of Construction Managers
  - C. Be licensed by the Florida Board of Project Managers
  - D. Understand relationship among concurrent projects and coordinate them to most effectively complete each project
17. When accounting for a major project
- A. Accounting information should be combined with operating fund records
  - B. Accounting information should be merged with reserves, as major projects are similar to reserves
  - C. Accounting information should be maintained separately
  - D. Any of the above
18. Regulated professions affiliated with local governments do not include
- A. building code inspectors
  - B. plans examiners
  - C. building code administrators
  - D. project managers
19. Regulated professions include:
- A. architects
  - B. engineers
  - C. sheet metal contractors
  - D. all of the above
20. The community association manager is employed by the association specifically to:
- A. Identify any product or workmanship that varies from the scope of work in a major project
  - B. Operate and oversee the day-to-day responsibilities of the association
  - C. Perform inspections and pre-approve contractual progress payments in major projects
  - D. Assure major project components are installed in accordance with manufacturer specifications

## **INSTRUCTIONS**

### **READ CAREFULLY PRIOR TO COMPLETING ANY COURSES.**

**Step 1** Select the course(s) you need to take. Be sure that you select the appropriate course(s) for your specific needs. No credit is given for taking the same course more than once. (CE requirements are listed in the front of this book or you can contact the CAM Council's office.)

**Step 2** Read the course materials for each course you take.

**Step 3** Find the "**CAM CONTINUING EDUCATION ANSWER SHEET**", located at the back of this book. ***There is space to complete all courses on the one answer sheet.*** Fill in the "**Student Information**" section and the "**Payment Information**" section. **(Courses will not be processed until complete payment has been made.)**

**Step 4** Complete your answers for each course by completely filling in one "bubble" per question. Note: A specific type of pen or pencil is not required.

**Step 5** We suggest that you make a photocopy of your answer sheet for your own records.

**Step 6** For "**Standard Grading**", mail your Answer Sheet to Gold Coast Professional Schools, Inc., 5600 Hiatus Road, Tamarac, FL 33321. Your Answer Sheet is graded and your course completion certificate(s) will be mailed as soon as possible, usually within 5 business days.

We also offer an optional "**NEXT DAY**" fax service. This optional service is provided for an additional \$10. Fax your completed Answer Sheet to us by 5 p.m. and we will fax your completion certificate(s) to you by 5 p.m. on the following business day. Your original completion certificate(s) will be mailed to you.

To use this service, fax your Answer Sheet to us at: **(954) 485-9865**

**Note:**

- To use the optional fax service, payment must be made by credit card.□
- The optional fax service is available in the continental United States only.□
- We will attempt to fax your completion certificate(s) to the number you provide up to a maximum of three times. If the third transmission does not go through, your certificate(s) will be mailed to you.□

**Step 7** When you receive your certificates, ***verify that you have received certificates for each of the courses you took.*** If there are any errors or omissions, call our office at: **1-800-732-9140** as soon as possible.

**Step 8** Under the new reporting procedures, Gold Coast will report your results directly to the DBPR. You should still retain your course completion certificates in case of audit.

**Note:** Students who do not achieve a score of at least 75% will be required to redo their examination, and pay a \$5 handling fee for the re-examination. If a student does not successfully pass the second time, they will be given a different exam. If a student is not successful on the re-examination they will have one final chance to redo the second examination. Any student who is not successful after two attempts, at two different examinations will not be allowed to attempt another through our school. The tuition paid (excluding handling fees) for the correspondence course will be credited towards the same course, offered in any of our classroom locations.

