

Co-op Coalition Survey: Preventive/Predictive Maintenance

Although the following survey was sent only to buildings with fewer than 50 units, we are sharing this with all Coalition members in the event the information could be of some value.

Below are 7 responses, all from co-ops with fewer than 50 units. Smaller co-ops are often the ones most in need of information and sharing one another's experiences can save much time and money reinventing the wheel! Thanks for helping!

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In a message dated: Sat, Aug 31, 2019 4:43 pm

This survey is going only to the board presidents of older buildings with fewer than 50 units, similar to the requesting Coalition co-op member. If you are unable to answer the question, please forward this to the person you know who can answer the question. Please "Reply" by Friday, September 20. And as always, thanks for helping out one another. Their question follows:

We would like to know how often other cooperatives' preventive and predictive maintenance plans are done/updated.

- 1) what does your coop review or assess for additional maintenance on an annual basis? How much do you typically pay for each review and what is the scope of work?
- 2) do you do predictive maintenance such as foreseeing the life expectancy of systems?

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<p><25 units</p>	<p>Our coop has 12 units.</p> <p>Our Board last contracted for preparation of a Reserves Analysis in 2017. The current Board has been advised that best practices require a new analysis/report be prepared every five years. Although the cooperative did not follow that schedule previously (the last report before the 2017 report was prepared in 2009), that is our plan going forward.</p> <p>Although it is not feasible for our cooperative to contribute as much to reserves annually as is recommended by the reserves report (our shareholders prefer to pay for maintenance via a combination of accumulated reserves and special assessments), we do find the report very helpful with respect to planning when we can generally expect to face significant maintenance projects and how much they might cost.</p> <p>Both reserve reports were prepared by Property Diagnostics, Inc. They charged us \$1,800 for the most recent report, for the following scope of work (from our contract with them):</p> <p><i>-Review and evaluate the current replacement reserve schedule being used by the Association. The review shall be for comprehensive and reasonability of the replacement costs and remaining useful lives of the major components.</i></p>
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	<p><i>-Review plans, any records, and any other available pertinent documents pertaining to the maintenance, repairs, and construction of the cooperative.</i></p> <p><i>-Review the project's common area architectural system, site, structure and miscellaneous mechanical and electrical systems for the purpose of developing a replacement reserve schedule on the major components.</i></p> <p><i>-Inspect the property to review the components for the assimilation of information pertinent to the development of the report.</i></p> <p><i>-Measure (where needed) accessible areas to determine the square footage, square yard, linear feet, and any other needed measurement for typical areas such as roofs, asphalt, concrete, caulking, etc.</i></p> <p><i>-Prepare a replacement reserve schedule in three sections:</i></p> <p><i>a. The first section will identify the item, the approximate costs for replacement in current dollars, normal useful life, estimated remaining life, and the repair or replacement costs that should be set aside every year.</i></p> <p><i>b. The second section, the Cash Flow Method incorporates the repair and replacement needs of the property over the next thirty years, to include anticipated repair/replacement of components and materials that are performed on a cyclical or routine basis. The Cash Flow Method allows the property owners to reserve funds to maintain the property based on the limited estimated requirements over the next thirty years.</i></p> <p><i>c. The third section will footnote the first and second sections to explain in more depth Property Diagnostics, Inc.'s analysis of the components. This may cover options, procedures, condition of item, an explanation of costs or useful life, or any information Property Diagnostics, Inc. deems relevant to explain the item.</i></p> <p><i>-Provide a short review of the property for deficiencies. This is not a complete or thorough review, but rather areas of concern noted during the development of the Replacement Reserve Report.</i></p>
<25 units	<p>Our board does our own assessment each year and that assessment is planned out 15 or 20 years. A number of our board members have served for 10 years and know the history of maintenance of the building. One of our members is an engineer and keeps up with the life expectancy of major systems such as the boiler, water heaters etc. But of course we have some surprises and we anticipate in our budgeting replacement of pipes each year.</p>
<25 units	<p>1) we do not have a formal analysis performed on an annual basis. Maintenance projects are assessed / identified by members and evaluated by the board.</p> <p>2) yes. We had a reserve study completed by Property Diagnostics in 2019 which assess all "major building components." Our last reserve study was completed in 2010. We are using the 2019 study to inform our maintenance priorities for the next 3-5 years.</p>
25 – 49 units	<p>1 - we do not currently assess for maintenance on an annual basis.</p> <p>2 - we do contract a reserves study ~every 5 years to assess life expectancy of all systems, this helps identify if certain elements should receive preventative maintenance to extend those numbers</p>
25 – 49 units	<p>Not sure if I understand question 1; but regarding "predictive maintenance", we have commissioned an engineering review of all our building components twice in the last 10 years or so, with estimates of replacement cost and remaining useful life. I believe the study cost us about \$5,000, perhaps a</p>

	<p>touch less. We used that information, with modifications we felt to be reasonable, to develop our capital improvements plan/budget.</p>
25 – 49 units	<p>We have not necessarily reviewed maintenance on an annual basis.</p> <p>We have had two reserves studies completed, one in 2003 and one last year 2018. Based on that information, we developed an excel spread sheet to track anticipated expenses over the remaining lifespan for each item. We have also compared our current yearly maintenance and reserves against the information from the reserves study. From the information we have, we developed a plan to significantly increase the portion of HOA allocated to reserves each year as a way to be more prepared for the larger anticipated expenses on the horizon.</p> <p>We have also started to compare that against real quotes. For example, we know the windows will need to be replaced within the next few years. We have started contacting fenestration engineers to provide the scope of work and recommendations to confirm if the anticipated amount from the reserves study is truly enough in comparison to an actual bid.</p>
25 – 49 units	<ol style="list-style-type: none"> 1) We don't formally do an annual review. 2) We had a replacement study done a few years ago and refer to it in making decisions for periodic maintenance and planning for expenditures at the end of building components' life cycles.