



# **LookUpStrata**

**WA STRATA REFORMS INFORMATION SESSION**

## **Engaging a Contractor**

Presented by

Greg McCulloch, Westside Fire Services

## ENGAGING A CONTRACTOR

**The new Western Australia strata laws require all Council of Owners to act honestly, with loyalty and in good faith.**

Western Australia Building Regulation 48A requires a building's safety measures to be maintained.

Owners have a duty of care to ensure building services are always operating effectively and are compliant.



## ENGAGING A CONTRACTOR

A significant portion of a strata company's budget is allocated to repairs and maintenance.

To gain greater control of your budget the Council of Owners should nominate and train a responsible person to oversee all matters relating to each major building service, even if a Strata Manager coordinates the work.

It's your money so take an interest.





## ENGAGING A CONTRACTOR

Larger strata schemes have building services such as lifts, air conditioning, plumbing, electrical, security and fire systems.

Before appointing a maintenance company, the responsible person should familiarise themselves with the various types of systems in the building and the relevant Australian Standards.

If you actively engage in the management of the building's services you are more likely to gain control over your budget.



## ENGAGING A CONTRACTOR



## VETTING

Modern building systems are complex in design; therefore, you need companies that have knowledge about the components, configuration and performance specifications of your systems.

Before calling for prices confirm potential candidates have the technical knowledge to maintain your particular systems. What is the depth of their knowledge? Is it only held by one person?

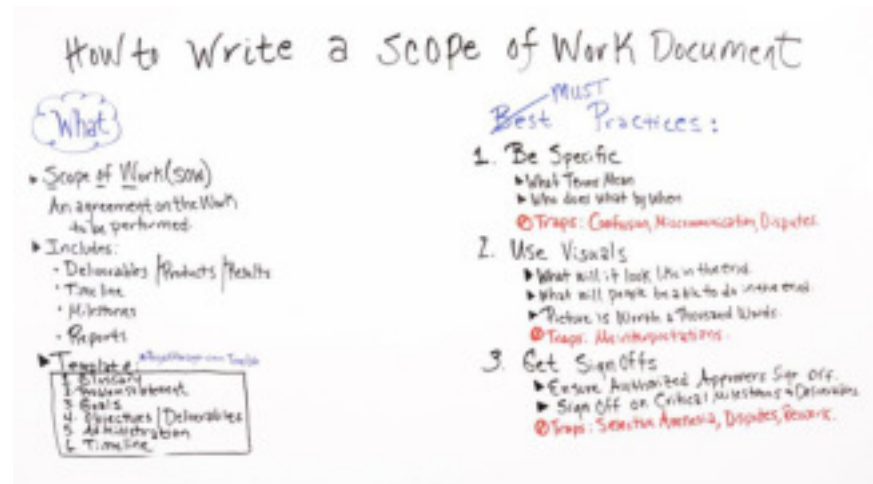




## VETTING

Ensure a scope of works is provided to each candidate to provide the best chance of consistency with pricing.

Special requirements should be in the scope of works such as access times, response times, spare parts kept on site etc. Can the candidate provide the level of service you require?



**How to Write a Scope of Work Document**

**What**

- **Scope of Work (SOW)**  
An agreement on the Work to be performed.
- **Includes:**
  - Deliverables / Products / Results
  - Time line
  - Pictures
  - Reports
- **Template**
  - 1. Standard
  - 2. Scope statement
  - 3. Goals
  - 4. Structures / Deliverables
  - 5. Administration
  - 6. Timeline

**Best Practices:**

- 1. Be Specific**
  - What, When, How, Who
  - Traps: Confusion, Miscommunication, Disputes
- 2. Use Visuals**
  - What will it look like in the end?
  - What will people be able to do in the end?
  - Picture is Worth a Thousand Words
  - Traps: Misinterpretation
- 3. Get Sign Offs**
  - Ensure Authorized Approvers Sign Off
  - Sign Off on Critical Questions/Deliverables
  - Traps: Selective Amnesia, Disputes, Re-work



## VETTING

Arrange a site inspection to ensure each candidate fully understands the equipment to be maintained and the condition of the property.

Also, interview a manager of the company to ensure you are comfortable working with them. This is important because when things go wrong it will be the manager that you rely on to resolve the issue.





## VETTING

What documentation is provided by the candidate? Most reputable companies have a customer portal that provides all the maintenance reports, repair quotations and invoices.

They should also provide an asset register for each type of system.



## PRICING

Conventional wisdom is to obtain three prices.

Over time contractors have developed different pricing models to differentiate themselves. Each price may not cover the work you expect.

If you have provided a scope of works then ensure all items are included in the price.



## PRICING

Remember that the lowest upfront price will not always result in less money being spent over the year. The price for routine maintenance should include all the usual consumables.

Confirm if zero defects are found that no additional fees will be charged. The pricing model of a low initial price followed by expensive consumables is similar to that of some car mechanics.





## PRICING

It is important to confirm if the contractor's salespeople and technicians work on commission.

If a portion of their pay is reliant on sales then be aware that their advice may be biased towards the over supply of products and services.



## PRICING

Confirm the call out charges for normal and after hours visits. What do the callout charges include e.g. travel and one hour labour? What are the labour rates once the included labour has been used? What are the normal and after hours time periods?

Strata Managers and Council of Owners generally don't receive commissions from contractors. If they do this should be disclosed as part of the selection process.



## PRICING

Breakdown replacements are not normally included in maintenance agreements. It is best for the incumbent maintenance contractor to undertake the work, as they have the best knowledge of the system. Usually it is an emergency and there is no time to obtain quotations.

The relationship with the contractor should be strong enough to trust that the price will be reasonable.





## PRICING

For major upgrades confirm who determined the need for the work to be done. In some cases an industry consultant should be called on to verify that the work is required and that the proposed work is the best solution.

Obtain at least three quotes from suitable contractors based on a scope of works, prices can vary based on the workload of the contractors.



## RELATIONSHIP

The relationship should be more than a visit by a technician and an invoice.

The contractor should be part of the team that is looking after the safety and comfort of the building's occupants.

It is important that the relationship with the contractor is two way.



## RELATIONSHIP

Some maintenance requires access to all apartments, this can be very difficult to arrange because occupants don't see it as a priority.

In the event of an insurance claim the assessor will review the equipment's service records. Owner's don't want to be in a position of having a claim denied because the contractor was prevented from carrying out required maintenance.

Contractors don't want to be in a position of explaining to an insurer, or worse, a coronial inquest that the system failure was due to uncooperative occupants.





## RELATIONSHIP

Implement an education program for all occupants of the premises to make them aware of the building's systems, how they operate, the maintenance requirements and what the common faults are.

Working together ensures faults are quickly investigated and fixed. It also ensures the systems are compliant with the relevant Australian Standards.



## RELATIONSHIP

Strata Managers and the Council of Owners are responsible for managing contractors. Technical building systems should not be a barrier for non industry people getting value for money.

The Strata Manager or Council of Owners' representative should have regular meetings with all contractors to review their performance, maintenance records, outstanding defects and recommendations for improvements.

If you are unhappy with any aspect of a contractor's performance, then obtain a second opinion from a suitable alternative.





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Westside Fire Services provides free of charge a contractor selection card.


The card can be used for any building service to vet potential contractors and provides a record of the process.



### CONTRACTOR SELECTION

Name: Building	
Address:	
Building Representative:	
Building Service:	
Contractor:	
Contractor Representative:	
TECHNICAL	COMMENT
Scope of work provided	Yes / No
Special site needs confirmed	Yes / No
Work to Australian Standards	Yes / No
Site inspection of work completed	Yes / No
Technical knowledge confirmed	Yes / No
Depth of technical knowledge confirmed	Yes / No
PRICE	COMMENT
All items in scope of work included	Yes / No
Routine maintenance included (consumables)	Yes / No
Call out rates confirmed	Yes / No
Call out times confirmed	Yes / No
After-hours service confirmed	Yes / No
Technical people paid commissions	Yes / No

For fixed and more stuff go to [www.westside.com.au](http://www.westside.com.au)



### CONTRACTOR SELECTION

RELATIONSHIP	COMMENT
Interviewed the contractor's manager	Yes / No
Manager available after hours	Yes / No
New point of contact	Yes / No
Customer portal for service requests	Yes / No
Building fire training provided	Yes / No
Disruption education provided	Yes / No
Simple terms and conditions	Yes / No
Clear termination of service	Yes / No
References checked	Yes / No
Regular review meetings agreed	Yes / No
Conflict of interest declared	Yes / No
Commissioner's gift declared	Yes / No
SCORE	
Technical	1 2 3 4 5 6 7 8 9 10
Price	1 2 3 4 5 6 7 8 9 10
Relationship	1 2 3 4 5 6 7 8 9 10
TOTAL	Recommend / Not Recommended

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