

# MAINTENANCE GUIDEBOOK I - MAINTENANCE PROGRAM

## CHAPTER TWO - ANNUAL PLAN

### SECTION A COMPONENTS OF THE PLAN

When HAs can anticipate their work requirements, materials, equipment, and staffing needs, they should address them in a planned and cost-effective manner. Preparing an annual plan is vital to the effective management of a comprehensive maintenance program. The annual plan should establish the work items, a schedule for completing them, and the resources needed to complete them on a timely basis. (See Sample Maintenance Plan in Appendix A.)

The first step in developing an annual plan is to determine the overall scope of work for the fiscal year. Realistic goals should be established for the HA as a whole, including each development, site, building, and all supporting facilities. A schedule for attaining these goals should be developed and prioritized, based on HUD requirements and HA policies. In developing a schedule, there are at least three important factors to consider. First, in addition to the planned preventive and seasonal maintenance, there are unforeseen maintenance functions, such as maintenance requests by residents and emergency items, which can only be estimated on the basis of past history. The schedule should be flexible enough to accommodate unplanned demands. Second, the schedule should include all items that affect the PHMAP indicators and scores—emergencies handled within 24 hours, vacancy turnaround in 20 days, and work orders from annual inspections completed within 25 days. Third, the schedule should consider the available and planned resources to accomplish the plan. Once goals and schedules are established, a sound budget should be prepared to support them.

The annual plan should include, but not be limited to, the following components:

- Routine and Seasonal Work,
- Annual Inspections,
- Vacant Units,
- Preventive Maintenance (PM),
- Emergencies,
- Extraordinary Repairs,
- Service Contracts,
- Staff,
- Materials, Supplies, and Equipment,
- Budget.

## **SECTION B ROUTINE AND SEASONAL WORK**

In-house staff should be designated to perform all routine and daily-recurring maintenance tasks. These would include routine work requests (work orders initiated by residents), emergencies, and vacancy prep. Most, if not all, of this work would be requested, prioritized, scheduled, and performed through the work-order system (see Chapter Seven). After allowances are made for routine work requirements, seasonal work can be scheduled as required. For example, grass mowing can be planned for between April and September (adjusted for local climates), and space heaters and furnaces can be scheduled for service in late spring and for lighting in the fall. If these, or similar work requirements, exceed available resources, seasonal help or service contracts can be used to complete them in a timely manner.

## **SECTION C ANNUAL INSPECTIONS**

Given the requirements for routine and seasonal work, the next item to be scheduled should be annual unit and systems inspections. These inspections are important for maintenance purposes which are mandated by HUD and evaluated by PHMAP indicator #7. The inspections should be made annually and performed at a level at least equal to Housing Quality Standards (HQS), a basic habitability standard. However, HAs are encouraged to maintain inspection standards above the basic level. Problems identified during the inspection process must be corrected within 25 days for an "A" rating for PHMAP indicator #7. Inspections should be scheduled for the first ten months of the year to allow time for corrective and follow-up work.

## **SECTION D VACANT UNITS**

The annual plan should include provisions for aggressively turning vacancies into habitable units that meet the standards of the HA and HUD (See Chapter Six, Section C). Vacant units result in reduced housing resources to meet community needs and in reduced income for the HA. In addition, they invite vandalism and other security breaches, creating the possibility of additional costs for the HA. Finally, vacant units represent an unpleasant and unsafe environment for residents of nearby units.

For planning purposes the HA should review the previous year's move-out records, because those records will enable them to estimate the vacancies likely to occur during the coming year. In addition, where appropriate, transfers should be included in the estimate to adequately reflect the total estimated work load.

## **SECTION E PREVENTIVE MAINTENANCE**

Preventive maintenance (PM) is a planned program to ensure proper functioning and extend the lifetime of basic facilities and equipment, and to avoid or minimize extensive and costly repairs (see Chapter Five).

The PM should be scheduled in the annual plan, based on manufacturers' recommendations, historical information, and seasonal considerations. Planned maintenance is always more effective and productive than unplanned activities. Advantages, beyond those previously mentioned, include increased resident satisfaction, fewer complaints, and increased maintenance staff productivity, since the PM lessens the frequency of regular maintenance work and extraordinary repairs.

A complete PM cycle should be scheduled for each development before the beginning of every fiscal year, ensuring that appropriate attention will be given to all affected facilities and equipment. PM will also allow repairs to be made as needed, and problems to be identified and corrected in a timely manner. It should be scheduled over no more than ten months of the year to allow sufficient time for other maintenance work, and should be scheduled for completion on a timely basis. For example, boiler and furnace work should be completed before the beginning of the heating season, and roof work before the rainy season. Other PM work can be accomplished as time becomes available between seasonal and emergency work.

## **SECTION F EMERGENCIES**

The annual plan should contain provisions for handling emergency situations. Response to emergencies is the highest priority of all maintenance-related work items. Emergencies will meet one or both of the following conditions: residents and/or staff are faced with a health or life-threatening situation, or there is a condition which might result in serious structural or systems damage if not corrected within a 24-hour period. Some examples would include:

- Gas leaks;
- Exposed electrical wires;
- Broken water lines;
- Clogged sewage lines;
- Major roof leaks;
- Broken entrance door;
- Natural disasters.

Emergencies will fall into one of two categories—those happening during the regular workday or those that occur after hours or on weekends.

### **1. EMERGENCIES DURING THE REGULAR WORKDAY**

For emergencies occurring during the regular workday, the following procedure should apply:

- The emergency is identified and the maintenance office is notified.
- A work order with an emergency classification is generated and assigned to a mechanic, or a contractor's service is solicited.

- The emergency is corrected immediately.
- The completed work is inspected and appropriate action taken to prevent future similar occurrences.

## **2. AFTER-HOURS EMERGENCIES**

While the same basic procedure will apply for emergencies that occur after hours or on weekends, some additional steps need to be taken. The HA should implement a system for notifying the appropriate personnel. There should be an after-hours emergency phone number for residents and other interested parties to contact a designated person. The responsibility for responding to such after-hours calls should be shared on a rotating basis among qualified maintenance personnel.

To assure that after-hours emergencies are handled in an expeditious manner, the following should be readily available:

- A list of qualified contractors, listed by skills, including phone numbers and addresses;
- Written guidelines for contracting on a non-competitive proposals basis;
- Open purchase agreements for acquisition of supplies and equipment;
- Access to needed materials, tools, equipment, and keys (authorized persons should know their locations).

All necessary information should be maintained in an "Emergency Response" file that is continuously updated and readily available to all designated emergency personnel.

## **SECTION G SERVICE CONTRACTS**

HAs may need to contract with outside firms when the required services exceed the capabilities of their maintenance staffs, when there are other limiting factors like insufficient time or resources to perform them, when tasks require licenses or certifications the maintenance staff does not have, or when tasks can be performed more economically by a contractor. Some examples of such work include:

- Utilities-system inspection and repair;
- Boiler-plant maintenance;
- Extermination services;
- Vacant-unit preparation and painting;
- PM painting;
- Vehicle maintenance;
- Cooling and air conditioning services;
- Grass mowing;
- Snow removal.

Before contracting for services, careful consideration should be given to several factors:

- State and federal procurement requirements;
- Staff or union objections to using non-HA personnel;
- Cost difference between the HA's and the contractor's performance of the task;
- Availability and capacity of HA's employees to monitor the contractor's performance;
- Cost of training staff for a technical or licensed job.

The services should be procured in accordance with the HA's procurement policies, based on HUD regulations at 24 CFR 85.36. Before soliciting offers for services, HAs are required to make independent cost estimates. If the estimate is less than \$25,000 (or lesser amount if required by state law), small-purchase procedures may be used. If the estimate exceeds the small-purchase limitation, the sealed-bid or competitive-proposal method, as applicable, should be followed.

Detailed statements of work and specifications should be developed for all contract services, clearly outlining the acceptable quality, quantity, and timeliness of the service required. When the competitive-proposals method is used, the Request For Proposals (RFP) should clearly state the evaluation factors and their relative importance, such as price, the contractor's qualifications, and the experience necessary to successfully complete the task or service requested. The HUD regulations require that the RFP be solicited from an adequate number of qualified sources through publication, and that a fixed-price or cost-reimbursement contract be awarded to the selected responsive and responsible firm.

Prior to awarding the contract, the contractor's qualifications, experience, and responsibility should be confirmed by checking the references. This should also include the contractor's past history of meeting deadlines. HAs should reserve the right to reject any bid or proposal, regardless of price, that is determined not to be responsive to the specifications, terms, and conditions defined in the solicitation documents. The HA should also require that it be named an "Additional Insured" by endorsement to the contractor's insurance policy. The endorsement should require notification of the HA if the policy lapses or is canceled. The contractor should not be permitted to start work until the HA has received the endorsement along with satisfactory performance and payment bonds.

In general, the steps outlined below should be followed to execute a contract for services and to monitor its progress (for more details, see HUD 7460.8 REV-1):

- Conduct a pre-bid or pre-proposal conference:
  - Clarify bid or RFP terms of the specifications;
  - Clarify the nature or structure of the required proposal;
  - Clarify the necessary qualifications;
  - Provide public and uniform responses to offerors' questions.

- Execute a contract with the selected contractor. (Make sure that the contract is covered with performance-payment bond(s) issued by insurance companies listed on the most recent Treasury Circular 570).
- Conduct a pre-construction conference:
  - Clarify the technical nature of tasks;
  - Explain prevailing wage-rate obligations;
  - Clarify affirmative-action compliance and reporting requirements;
  - Confirm work and payment schedules;
  - Provide the contractor with the necessary construction report and payment forms and explain their use.
- Issue a notice to proceed.
- Perform regular inspections and keep a daily construction log.
- Review and process change orders.
- Develop a timely payment authorization system that minimizes the HA's exposure.
- Require regular receiving reports.
- Perform final and follow-up inspection.
- Utilize warranty-enforcement protections.

## **SECTION H STAFF**

Upon determination of the goals and schedules for the fiscal year, develop staffing requirements (see Chapter Three) to accomplish the stated tasks. A general rule of thumb is that one maintenance employee is required for every 50 dwelling units, although this will depend upon the age and condition of each development and its resident composition. For example, an authority with 250 units may have five maintenance employees: one Working Foreman, two Maintenance Mechanics, one Maintenance Mechanic Assistant, and one Laborer.

## **SECTION I BUDGET**

The final requirement of the annual plan is to develop a fiscally responsible budget, based on established goals, schedules, staff, and known income sources. Budgeting is a vital process. Careful planning helps to increase the efficient use of available dollars. In addition, the budget provides a tool for monitoring on-going costs and allocations, which will allow the HA to measure the true cost of goods and services, to identify savings (if any), and to quantify the authority's unmet needs requiring capital improvements. The general steps to follow in the budgeting process are:

- Define financial needs of each development:

At least six months before the beginning of the fiscal year, data should be collected on the previous

and current year's spending. In this process, input from the staff and residents is very important. They should be consulted about additional needs for the new fiscal year. Once identified, the items should be prioritized so that available funds can be allocated for the most important or pressing needs.

- Consider the revenue:

Although revenues are generally fixed by HUD allocations and rent collections, a good maintenance program can increase the value of available funds. For example, reducing the vacancy turnaround time and renting out the units without delay, timely repair of energy-related defects, reducing or eliminating costly vandalism, and involving the residents in maintenance will increase the HA's income. Additionally, HAs should consider ways to improve rent collections.

- Formulate an overall HA budget:

The overall budget for the HA should be coordinated with the anticipated maintenance costs which normally represent the bulk of the operating budget. Maintenance work items should be prioritized to ensure that the most important items are completed with available funds. The maintenance budget should fit into the overall budget for the entire HA.

- Seek board approval:

The operating budget should be approved by the Board of Commissioners before submission to HUD.

- Submit budget to HUD:

The operating budget should be submitted to HUD at least 90 days before the start of the fiscal year. Managers, staff, and residents should be informed of any changes to the proposed budget, when the approved budget is received from HUD.

- Allocate spending authority:

Levels of spending authority should be established and implemented. The spending authority will be pyramid-shaped, reflecting the shape of the organizational chart and budgetary responsibilities.

- Monitor results:

On a regular, on-going basis, actual expenditures should be reviewed against the established budget. Any abnormalities should be identified and corrected on a timely basis.

## END OF CHAPTER TWO