LevelUp
Co-op Learning Series

Managing Capital Projects

Empowering housing co-op mangers, board of directors, and members to achieve successful building upgrades

About LEVEL UP

- The LEVEL UP Learning Series is a partnership between the **Co-operative Housing Federation of Toronto** (CHFT) and the **City of Toronto**.

- CHFT would like to thank the City of Toronto for providing financial support in bringing this series to the co-op housing sector.

Land Acknowledgment

Where we are has been the site of human activity for 15,000 years.

This land is the territory of the Huron-Wendat and Petun First Nations, the Seneca and most recently, the Mississaugas of Credit River. The territory was the subject of the Dish with One Spoon Wampum Belt Covenant, an agreement between the Iroquois Confederacy and Confederacy of the Ojibwe and allied nations to peaceably share and care for the resources around the Great Lakes.

Today, the meeting place of Toronto is still home to many Indigenous people from across Turtle Island. We are grateful to have the opportunity to work in the community, on this territory. We are also mindful of broken covenants and the need to strive to make right with all our relations.

Agenda

- What is a capital project?
- What could possibly go wrong?
- How to achieve successful project results
- The Capital Project roadmap
- Budgeting
- Who is involved and their roles
- Pre-construction preparations
- Construction and close out

What is a capital project?

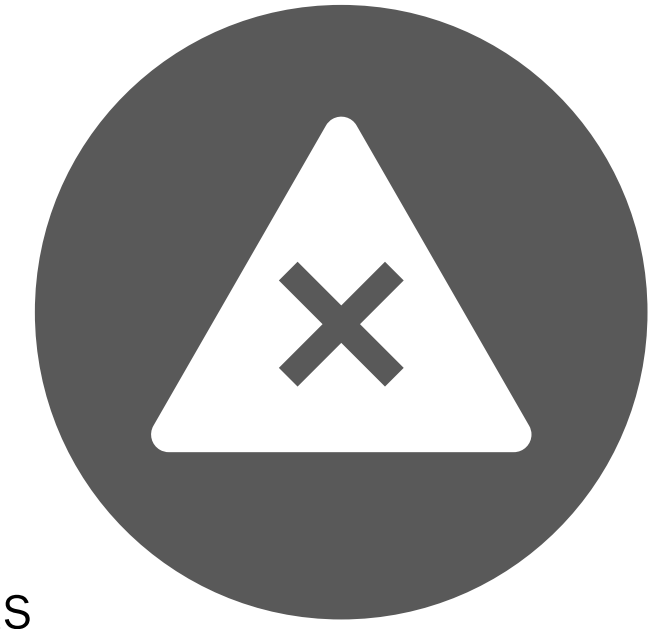
Why does it matter?

What could possibly go wrong?

- Injury or fatality involving members, staff, visitors, workers, or the public
- Interruption of essential services (electricity, communications, sewer, water)
- Illegal entry into member units
- Damage to or theft of co-op, member, or contractor property

What could possibly go wrong?

- Inconvenience to members
  - noise, parking, access/egress
- Inconvenience to contractors
  - delay in contract completion
- Additional contract costs
  - delay in contract completion
- Additional costs to the co-op
  - power supply, waste disposal, clean-up costs
- Loss of income to the co-op
  - unit(s) not ready for occupancy



How to Achieve Successful Project Results

- Understand your asset
- Spend time on pre-planning
- Build consensus with members & the board
- Ensure adequate funding is in place
- Get professional assistance
- Be fully engaged in the process

Planning

- What do you want to do?
- How will it be funded?
- How big is this project, and how disruptive will it be?
- Who will manage the project?
- Who will look after the co-op while the work is taking place?
- What are the potential problems or pitfalls?

Common investigations and studies

- Building Condition Assessment (BCA)
- Reserve fund forecast
- Building Envelope Assessment
- Designated Substance Survey (DSS)
- Groundwater/storm water
- Indoor air quality / Radon
- Asset management plan (AMP)

How do we successfully manage the capital project now that it is happening?

The Capital Project Roadmap

7 Simple Steps

1. Approve the project
2. Hire the right professionals
3. Set up for construction
4. Start the work
5. Monitor progress
6. Complete the work
7. Kick off the warranty period

Hire the right professionals

Project management assistance for all stages:

- Design and specifications
- Tendering
- Construction
- Completion / Commissioning

Project Budget

- Your capital budget includes:
  - Base contract cost
  - Soft costs (consultants, permits, testing)
  - Project management fees
  - HST
  - Contingency (10–15% for unknowns)

- The board does not manage construction.
  It manages the budget and makes decisions.

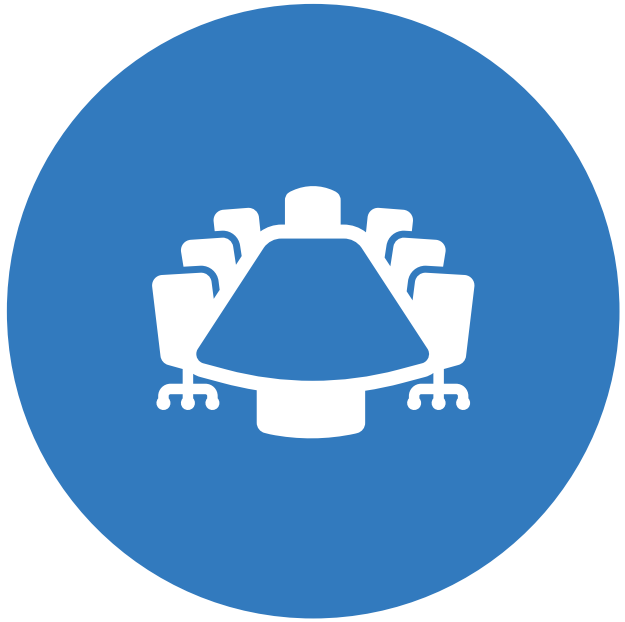
What Is Contingency?

Think of contingency as emergency money.

- Used for:
  - Hidden damage
  - Code-required updates
  - Safety fixes
  - Necessary repairs not visible until the project starts
- Not used for:
  - Upgrades
  - Changing finishes
  - “While you’re here, can you also…” requests

Who's Involved: Roles and Responsibilities

- Board of Directors – Governance
  - Approves contracts
  - Approves change orders
  - Receives high-level reports
  - Oversight



Who's Involved:
Roles and Responsibilities

- Property Manager / Management – Operational
  - Member notices
  - Access coordination
  - Issues tracking
  - Works closely with the Project Manager
  - Attends site meetings

Who's Involved:
Roles and Responsibilities

- Members – Community
  - Provide access when required
  - Follow notices and safety instructions
  - Report concerns

Who's Involved:
Roles and Responsibilities

- Project Manager / Engineer – Technical Leadership
  - Supervises contractor
  - Ensures quality & safety
  - Reviews change orders
  - Process payment certificates
  - Provides reports

Who's Involved: Roles and Responsibilities

- Contractor – Construction
  - Performs work
  - Maintains site safety (legal responsibility)
  - Provides schedule & updates

R.A.C.I.

- A tool to identify "who does what"

R = Responsible (does the work)

A = Accountable (final say)

C = Consulted (gives advice)

I = Informed (kept in the loop)

R.A.C.I - Example

Who is Responsible (**R**), Accountable (**A**), Consult (**C**), Inform (**I**)

Activity	Board of Directors	Property Manager / On-site Management Team	Project Manager / Project Consultant	Contractors	Members
Notices	I	R	C	C	I

R.A.C.I. - Activity

Who is Responsible (**R**), Accountable (**A**), Consult (**C**), Inform (**I**)

Activity	Board of Directors	Property Manager / On-site Management Team	Project Manager / Project Consultant	Contractors	Members
Safety					
Inspection					

BEFORE Construction Starts

- The team must prepare:
  - Final schedule
  - Safety rules and notices
  - Instructions to members
  - Parking and staging setup
  - Permits confirmed
  - Contract finalized
  - WSIB + insurance documents
  - Clear communication plan

Communication with Members

- ✓ Dates and timelines
- ✓ Noise disruptions
- ✓ Access requirements
- ✓ Safety warnings
- ✓ Contact information
- ✓ Regular updates

Good communication reduces complaints and builds trust.

DURING Construction: Monitoring and Meetings

The project manager and property manager:

- Hold regular site meetings
- Track progress
- Document with photos
- Review safety issues
- Update the board
- Address unexpected issues

The board:

- Receives summary reports
- Approves major changes or Change Order (CO)

VERY Important:

Always let the Project Manager or General Contractor handle all worker direction and safety.

Payment Process

Payments require:

- Work completed
- Contractor submits invoice
- Project Manager verifies
- Board signs off

Payment issued:

No payment should be made without:

- ✓ Inspection
- ✓ Documentation
- ✓ Approval

Project Close-Out

When work is done:

- Deficiency inspection
- Final walk-through
- Testing and demonstration of equipment
- Warranty documents collected
- Holdback released after lien period
- End-of-warranty inspection

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