



CRHC
The Capital Region's Housing Corporation

**CAPITAL REGION HOUSING CORPORATION
BOARD OF DIRECTORS MEETING**

AGENDA

10:00 a.m., Tuesday, July 25, 2017
625 Fisgard St., Victoria
Room 488

- | | <u>Att. #</u> |
|---|-------------------|
| 1. Approval of Agenda | |
| 2. Approval of Minutes of June 27, 2017 Meeting | 17-13 |
| 3. Landscaping | PPS/CRHC 2017- 21 |
| 4. Adjournment | |



**Minutes of a Meeting of the Capital Region Housing Corporation Board of Directors
Held June 27, 2017 in Room 488, 625 Fisgard St, Victoria, BC**

PRESENT: Directors: D. Screech; J. Carline; B. Braude; G. Young; S. Price; W. McIntyre; R. Cooper; B. Desjardins (CRD Chair)
Absent: W. McIntyre
Staff: K. Lorette; C. Culham; D. Metcalf; R. Loukes; P. Kitson;
Guests: D.Hennighan (CRD Manager IT)
Recorder: K. Kusnyerik

The meeting was called to order at 10:01a.m.

1. APPROVAL OF AGENDA

It was **MOVED** by Director Braude, **SECONDED** by Director Price
 That the agenda be approved with the addition of item 2.1 IT security update.

CARRIED

2. APPROVAL OF THE MINUTES OF APRIL 25, 2017

It was **MOVED** by Director Carline, **SECONDED** by Director Price
 That the minutes of April 25, 2017 be approved as circulated.

CARRIED

2.1 IT SECURITY UPDATE

D.Hennigan Senior Manager of the CRD Information Technology department reviewed the various systems and processes that are in place to ensure CRD computer documents and data are secure. C.Culham thanked him and his team for all their support with CRHC's recent IT upgrade.

D.Hennigan left at 10:13am

3. CASTANEA PLACE LANDLORD – OPERATOR AGREEMENT

C.Culham presented the report. It was discussed that the transition to the new management company Thompson Community Services is anticipated to be seamless since they are retaining the same on site staff.

It was **MOVED** by Director Braude, **SECONDED** by Director Young
 Authorize two members of the Executive Committee to sign the Castanea Place Landlord - Operator Agreement for Units 201 and 202 – 2860 Quadra Street, Victoria B.C. with Thompson Community Services.

CARRIED

4. LANDSCAPING SERVICES

C.Culham presented the staff report.

Discussion ensued regarding the need to address tenant concerns with regards to landscaping and gardening. C.Culham apologized for not including in the report the deliverables of the tenant engagement pilot project as she felt this may have addressed these concerns.

R. Loukes arrived at 10:29am.

B.Desjardins arrived at 10:35am

It was **MOVED** by Director Price **SECONDED** by Director Screech
Tender two contracts for 2018, based on Property Management Portfolios, increase service levels as per staff recommendations.

NO VOTE DUE TO REFERAL MOTION

It was **MOVED** by Director Young **SECONDED** by Director Carline
Refer back to staff and an ad-hoc committee to recommend options. Staff to send an email to the board soliciting members for the ad-hoc committee.

CARRIED

D.Price opposed

5. CARILLON PLACE ROOF REPLACEMENT 17/192

C.Culham presented the report.

It was **MOVED** by Director Price **SECONDED** by Director Braude
Award Contract 17/192 for the Carillon Place Roof Replacement to Universal Sheet Metal in the amount of \$395,898 to be completed in 2017.

CARRIED

6. WESTVIEW DEVELOPMENT ARCHITECT CONTRACT

C.Culham circulated the architectural contract that was inadvertently omitted from the agenda package. Staff will circulate the contract via email prior to the contract being signed.

It was **MOVED** by Director Braude **SECONDED** by Director Price
Award Contract CRHC-CP-WV 17.102 for the Westview architectural services to Joe Newell Architect Inc. in the amount of \$299,900.

CARRIED

7. MANAGEMENT REPORT

D.Metcalf provided an updated on the recently completed landscaping at The Heathers which was part of the building envelope remediation.

It was **MOVED** by Director Carline **SECONDED** by Director Braude
Receive the report for information.

CARRIED

8. ADJOURNMENT

It was **MOVED** by Director Price **SECONDED** by Director Carline
That the meeting the adjourned.

CARRIED

The meeting was adjourned at 11:25.m.

David Screech, Chair

Kristine Kusnyerik, Recorder



**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS
MEETING OF JULY 25, 2017**

SUBJECT Landscaping Services

BACKGROUND

On June 27, 2017, staff presented the Landscaping Services Report (Appendix A) to the CRHC Board of Directors. The Board gave staff the following direction: *Refer back to staff and an ad-hoc committee to recommend options. Staff to send an email to the board soliciting members for the ad-hoc committee.*

The Ad hoc committee met on July 14, see attached Appendix B – approved minutes of the July 14, 2017 Ad-hoc Committee on Landscaping.

RECOMMENDATIONS

1. Tender two contracts for 2018, based on Property Management Portfolios, increase service levels as per staff recommendations.
2.
 - a) Prior to tendering the landscaping contract, direct staff to engage all tenants through the circulation of a questionnaire, requesting written feedback with concerns and suggestions to improve the landscaping and gardening at their communities. This feedback will inform the scope of work to be included in the contract;
 - b) Direct staff that the contract shall provide for some flexibility for staff to direct the contractor to modify methods or scope of work, within the overall limits specified in the contract, to reflect suggestions which may emerge from tenant engagement which staff believe could be followed without harm;
 - c) Direct staff to host one meeting with the successful contractors and tenants so that interested tenants can share areas of concern from past service and suggest ideas for improvement; and
 - d) Direct staff to be open to opportunities where tenants would like to be more engaged in improving the gardening and landscaping. Opportunities for tenants to be engaged will be incorporated into the tenant engagement pilot project.

Christine Culham
Senior Manager
Capital Region Housing Corporation

Keyin Lorette, P.Eng., MBA
General Manager
Planning and Protective Services
Concurrence

Attachment: Appendix A and B



**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS
MEETING OF JUNE 27, 2017**

SUBJECT Landscaping Services

ISSUE

In January 2016, the Capital Region Housing Corporation (CRHC) Board of Directors struck the Tenant Engagement Task Force (Task Force) to examine possible tenant engagement measures and reported back to the CRHC Board of Directors in October, 2016. The Task Force noted two main areas for improvement: the need for increased tenant engagement and improved landscaping services.

In December 2016, the Capital Region Housing Corporation (CRHC) Board of Directors directed staff to review the current landscape services and report back to the Board on how to improve the current services including a review of potential models of service delivery in 2017.

BACKGROUND

History of Landscaping Services at the CRHC

The landscaping services within the CRHC can be broken down into two categories: landscaping services and tree care services.

Landscaping services are contracted out for all areas except "tenant limited use areas" that are defined in the tenancy agreements as areas where the tenant is obligated to maintain. These are defined in the landscape contracts as "areas at tenant rear patios where the privacy fence has less than a 48" wide opening or a gate."

The "tenant limited use areas" are a mix of grass and flower beds. The level of tenant involvement varies widely. At unit turnover, the staff returns the tenant limited use area to standard plantings in place, the lawn cut and no moss on the patio surface. The upgrades completed by the previous tenant are removed unless otherwise directed by the prospective tenant at viewing. Senior's buildings are the exception whereby the landscapers provide all outside landscape, including garden patios, unless the tenant is active in their garden beds.

In April 2011, staff received bids at least 30% higher than CRHC had paid in 2010. The contracts were not awarded due to budget restraints by BC Housing (BCHMC). Two CRHC auxiliary staff were used full time in the spring to cut lawns and tidy garden beds at several sites. The balance of sites were awarded to the lowest bidder under modified conditions for the balance of 2011 and 2012.

In 2013, the landscape contracts were arranged into packages representing CMHC and BCHMC funded properties. The CMHC sites, which had stronger funding, included basic grass cutting, weeding of beds, pruning and leaf mulching whereas due to funding limitations at BCHMC buildings, the contracts only included grass cutting and weeding of beds. In the fall, pruning would be approved as budgets allowed. This contract went out for tender and has produced our current contractors.

In 2015, due to the consolidation of operating agreements under the Umbrella Operating Agreement (UOA), the BCHMC building contracts were updated to include the pruning and leaf mulching. The contracts have been renewed annually until December 2017, with a new tender needed for 2018.

Tree care services are delivered in two streams: plant health care and hazardous pruning. These services are delivered by a contractor specializing in tree care for the entire portfolio.

Landscaping and Tree Care Budgets 2015-2017

The total budget for landscaping and tree care services can be found in Table 1.

Table 1. Landscaping and tree care budgets

Budget category	2015 (\$)	2016 (\$)	2017 (\$)
Landscaping	314,979	317,142	319,457
Tree care	69,420	79,171*	79,015
Total (\$)	384,399	396,313	398,472

*increased levels of hazardous pruning from 2015 to 2016

Through a review of current levels of landscaping services, on average, landscaping contractors are on site 265 hours per week across the CRHC properties.

Landscaping services has been identified through The Task Force, the Tenant Satisfaction Survey and the Field Services Review (FSR) as requiring improvement.

There are four potential models that staff have reviewed for improving landscaping services: Maintaining status quo, changing the current contract allocation structure, bringing landscaping in-house delivered either through a specialized landscaping crew or delivered through the current caretaker framework.

ALTERNATIVES

1. Tender two contracts for 2018, based on Property Management Portfolios.
2. Tender the three contracts (status quo) for 2018.
3. Deliver landscaping services internally through the development of a specialized landscaping team and adjust staff complement by 9 FTE in 2018.
4. Deliver landscaping services internally, integrating landscaping duties into caretaker job descriptions and adjusting staff complement by 9 FTE in 2018.
5. Refer back to staff.

IMPLICATIONS

OPTION 1:

Tender two contracts for 2018, based on Property Management Portfolios.

The tendering of the contracts based on operating agreements in 2012/13 were determined based on variances in budget allocations across agreements. BCHMC properties have been underfunded and pruning hadn't been included in the contracts and was only done "as needed" and budget permitting. This was altered in 2015 due to the implementation of the UOA. Currently all contractors have the same scope of work for all sites.

The current service delivery for onsite operations is divided into two portfolios: West and Peninsula. These portfolios are based on geography, not operating agreements. Yet, the contracts are based on operating agreements, leaving the Property Managers (PM) and caretakers to provide oversight to all three contractors and their many landscapers.

If CRHC tenders the two contracts based on the two PM portfolios, each PM will be responsible for the oversight of one contractor. Onsite, caretakers will also only be working with one contractor and will therefore have a better understanding of the scope of work. There will be greater consistency in expectations across sites, resulting in more effective evaluation of services and improved relationships. The cost of this option is estimated at \$324,250, based on the current contract increases determined by the Consumer Price Index (CPI) index and current fuel prices. The standard annual increase for all three contractors over the term of the contract has been approximately 1.5%.

OPTION 2:

Tender the three contracts (status quo) for 2018, based on the three operating agreements.

Staff have determined that this model makes it difficult to develop strong relationships with the contractors and landscapers on site, to evaluate their performance and to manage the contract deficiencies. This service delivery framework made sense when operating agreements were funded individually but is not relevant under the Umbrella Operating Agreement.

As in Option 1, the cost of this option is estimated at \$324,250.

OPTION 3:

Deliver landscaping services internally through the development of a specialized landscaping team and adjust staff complement as required.

The benefit of this system would be:

- The CRHC would directly hire and supervise the staff that are providing services on site.
- As staff, they would be more closely linked to the vision, mission and priorities of the corporation, such as tenant engagement.
- Staff that are hired would have the specific qualifications and employment experience to provide landscaping services.

On average, landscaping contractors are on site 265 hours per week across the CRHC properties. This would be equal to approximately 7 FTE. This increase in staff levels would also require the coordination and supervision of an additional PM and Property Assist (PA). These costs are outlined in Table 2 below.

Table 2. Staffing costs associated with Option 3.

Staffing allocation	Cost (\$)
1 FTE - PM	91,035
1 FTE - PA	74,008
7 FTE - Caretaker	502,537
Total 8 FTE (\$)	667,579

In the first year, an initial capital expenses for equipment and vehicles would total \$360,750. A list of these items can be found in Table 3 below.

Table 3. Initial capital expenses required for purchase to provide Landscaping Services for Option 3

Equipment	Estimated Unit Cost (\$)	Number of units	Total (\$)
Full sized vans/truck	38,000	5	190,000
Pick-up truck	33,000	1	53,000
Landscape Trailer	6,500	5	32,500
Riding Mowers	12,000	5	60,000
Self-propelled Mowers	1,500	5	7,500
Gas and Hedge Trimmers	450	15	6,750
Other			11,000
Total (\$)			360,750

Also, there would be a requirement to maintain and replace the equipment associated with the landscaping tasks as well as associated operating costs. Annual operating expenses and replacement contributions associated with Option 3 can be found in Table 4 below.

Table 4. Annual operating expenses and replacement contributions associated with Option 3*

Expenses	Cost
Annual Insurance, maintenance, and fuel expenses	87,600
Annual equipment replacement contribution	18,000
Annual vehicle replacement contribution	32,000
Annual operating expenses and replacement contributions (\$)	137,600

Total annual costs for Option 3 can be found in Table 5.

Table 5. Total annual expenses associated with Option 3.*

Expenses	Cost
Salaries	667,579
Operating Costs and Annual Replacement Expenses	137,600
Total Annual Expenses	805,179

OPTION 4:

Deliver landscaping services internally, integrating landscaping duties into caretaker job descriptions and adjusting staff complement as required.

The benefit of this system is:

- Through the introduction of 7 new caretakers, each caretaker would be able to spend more time at each site, allowing them to increase opportunities for tenant engagement.
- As mentioned above, as staff, they would be more closely linked to the vision, mission and priorities of the corporation and would be directly hired and supervised by the CRHC.

This option would also require an additional 9 staff (1 PM, 7 caretakers). The initial capital expenses would be estimated to cost \$388,300 (Table 6), although vehicles would not be required, riding mowers would be required for almost all sites.

Table 6. Initial capital expenses required for purchase to provide Landscaping Services for Option 4

Equipment	Estimated Unit Cost (\$)	Number of units	Total (\$)
Riding Mowers	12,000	23	276,000
Self-propelled Mowers	1,500	45	67,500
Gas and Hedge Trimmers	450	44	19,800
Other			25,000
Total			388,300

The overall operating costs would be less than Option #3 but the staff would be generalists and would be required to integrate this additional work into their existing diverse duties. Due to the fact that landscaping is not a current requirement of the job description, the majority of the workforce would not have the required expertise and significant training could be required.

Table 7. Total annual expenses associated with Option 4*

Expenses	Cost
Salaries	\$667,579
Operating Costs and Annual Replacement Expenses	\$41,000
Total Annual Expenses	\$708,579

Please see Table 8 for a cost comparison of estimated operating and capital expenses for Options 1-4 for 2018.

Table 8: Total Estimated Operating and Capital Expenses for 2018 for Options 1-4

Expenses	Option 1 (\$)	Option 2(\$)	Option 3(\$)	Option 4(\$)
Landscaping Services	324,250	324,250	N/A	N/A
Salaries	N/A	N/A	667,579	667,579
Operating Costs and Annual Replacement Expenses	N/A	N/A	137,600	41,000
Tree care	79,015	79,015	79,015	79,015
Sub-Total(\$)	403,265	403,265	884,194	787,594
Initial capital expenses	N/A	N/A	360,750	388,300
Total	403,265	403,265	1,244,944	1,175,894

CONCLUSION

Landscaping services have historically been underfunded. Pruning services were not provided regularly in BCHMC buildings for at least five years and were only restated in 2015 due to the implementation of the UOA. Due to the contract structure, it was difficult for front line and property management staff to provide effective contract management. Bringing landscaping services in-house would have significant cost implications.

Therefore, Option 1, of tendering two contracts in 2017 based on Property Management Portfolios, is the preferred option. Each PM will be responsible for the oversight of one contractor. This will ensure greater consistency, resulting in more effective evaluation of services and improved relationships.

RECOMMENDATION

Tender two contracts for 2018, based on Property Management Portfolios, increase service levels as per staff recommendations.



Christine Culham
Senior Manager
Capital Region Housing Corporation



Kevin Lorette, P.Eng., MBA
General Manager
Planning and Protective Services
Concurrence



**Informal Minutes of a Meeting of the CRHC Board Ad-hoc Committee on Landscaping
Held July 14, 2017 in Room 488, 625 Fisgard St, Victoria, BC**

PRESENT: **Directors:** D. Screech; J. Carline; B. Braude; R. Cooper
 Staff: C. Culham;
 Recorder: K. Kusnyerik

The meeting was called to order at 1:00p.m.

C.Culham reviewed the draft terms of reference. It was discussed that the deliverable of the committee is to make a recommendation to the CRHC Board of Directors regarding landscaping services.

Various opinions and suggestions were discussed as to how landscaping services and tenant engagement relating to gardening could be improved.

The committee is recommending to the Board that the following tenant engagement processes will be implemented:

- 1) Prior to tendering the landscaping contract, staff are directed to engage all tenants through the circulation of a questionnaire, requesting written feedback with concerns and suggestions to improve the landscaping and gardening at their communities. This feedback will inform the scope of work to be included in the contract;
- 2) Direct staff that the contract shall provide for some flexibility for staff to direct the contractor to modify methods or scope of work, within the overall limits specified in the contract, to reflect suggestions which may emerge from tenant engagement which staff believe could be followed without harm;
- 3) Direct staff to host one meeting with the successful contractors and tenants so that interested tenants can share areas of concern from past service and suggest ideas for improvement;
- 4) Direct staff to be open to opportunities where tenants would like to be more engaged in improving the gardening and landscaping. Opportunities for tenants to be engaged will be incorporated into the tenant engagement pilot project.

The committee is also recommending that the staff recommendation in the June 27, 2017 staff report PPS/CRHC 2017-17 Landscaping Services be approved.

Tender two contracts for 2018, based on Property Management Portfolios, increase service levels as per staff recommendations.

Meeting adjourned at 2:45pm.