Condo Insights

#58 Elevators

In 1990, the Americans with Disability Act (the "ADA" required that all public buildings in the United States should be accessible to people with limited mobility. Initially, the ADA applied to new construction only but now requires existing buildings to be retrofitted for greater accessibility. Generally, the ADA calls for an elevator to be installed if a building has three or more stories, or if each floor of the building exceeds 3,000 square feet. Subsequently, elevators have become essential equipment in most condominium buildings that are three or more stories.

Over time, an elevator will be one of the most expensive assets to operate and maintain for most associations, after the roof and exterior facade. Elevators are complex pieces of equipment that have many components that work together to move people up and down. With many complex parts and interrelated systems, elevators are prone to mechanical malfunctions that result in unexpected and uncontrollable service interruptions and expenses for many associations. For many condo boards, the elevator is the most complicated and least understood association asset.

For associations with elevators, a service contract is essential. An elevator service contract ensures safe and reliable operation of elevators by providing regular maintenance which helps identify and address potential issues before they become problems and cause breakdowns, ultimately saving the association money by extending the lifespan of the elevator system and minimizing downtime for passengers. Elevator service contracts also provide peace of mind with generally predictable maintenance costs and emergency response procedures when needed. Poorly maintained elevators can also consume excessive energy. Routine maintenance ensures elevators operate efficiently, reducing both energy consumption and operating costs.

What can the condo board do to ensure the elevator provides maximum service life, as well as efficient and cost-effective service? Hire an experienced and reputable company for service, follow the manufacturer's periodic maintenance schedule for the type of elevator and ensure those maintenance services are performed according to manufacturer recommendations and State regulations. The service contractor should maintain comprehensive records of all maintenance activities, repairs, upgrades and inspections. Documentation is invaluable in the event of recurring problems, malfunctions, incidents or warranty claims.

Elevator maintenance does not have to be performed by the elevator manufacturer or the company that sold and installed the elevator. Associations have the flexibility to choose any qualified and certified company for maintenance services. The choice of service provider is very important.

Many associations select an elevator service contractor because the company manufactured or installed the elevator originally or offered the lowest price when the board solicited for service contracts. How can a condo board perform due diligence when evaluating and selecting an elevator service contractor? The most frequently followed course of action (identify qualified contractors, check references and verify license and insurance) doesn't always ensure a condo board is hiring the best service contractor for its building and elevator.

In addition to numerous national and regional elevator maintenance service companies, there are different types of maintenance service contracts, from basic coverage which include minimal services and do not include replacement parts to very comprehensive contracts that provide regularly scheduled service inspections, mechanic participation in all mandated safety inspections and replace components when they wear out. When negotiating or executing a maintenance service contract, the association should understand its responsibility for various operational scenarios including damage to the car or shaft opening, debris in the door sill tracks that affect operation, replacement of stuck or broken buttons, vandalism, misuse, entrapments or items of value that fall to the bottom of the elevator shaft.

Some associations might benefit from retaining an elevator consultant. The role of an elevator consultant is frequently overlooked and often underappreciated, but their services can provide significant value to an

An independent elevator consultant retained by the association can perform an assessment of elevator performance and provide an unbiased assessment of the elevator condition. An elevator consultant working on behalf of the association ensures that the elevator is being properly maintained, and that the elevator maintenance company is satisfying requirements in the service contract. Elevator consultants assist in preparation of requests for maintenance service contract proposals and selection of an elevator service contractor. Most elevator consultants are former elevator mechanics or worked for elevator manufacturers or service companies and they understand how elevators work, they know where to obtain hard-to-find parts, they know what service companies do and understand the nuances and details in an elevator service contract.

An elevator consultant becomes more valuable to an association board when its elevator is reaching the end of its service life. Elevator modernization is a costly and complicated project outside the realm of professional expertise for most board members. The elevator consultant will prepare modernization specifications, identify and vet qualified contractors, oversee the bidding process and guide the board through the modernization project. An elevator consultant ensures that association funds for elevator repairs and/or modernization are spent wisely and appropriately.

Elevator upgrades and modernization specifications should incorporate equipment and systems to enhance resiliency. In the past few years, the Southern New Jersey area has experienced strong storms and unexpected widespread electrical service interruptions. Elevator resiliency refers to the ability of an elevator system to continue functioning effectively even during disruptions like power outages, storms, floods, or other extreme events, essentially meaning it can withstand disturbances and remain operational to safely transport people, especially in critical situations like emergencies. Condo boards would be well served to ensure their elevators are designed with flood protection, backup power and electrical surgesuppression systems, smart controls, monitoring systems, safety and accessibility.

Elevators are complex systems of equipment providing essential service to associations and their members. Association boards' approach to elevator maintenance and management should ensure safe, efficient and cost-effective operation of this critical asset.

Jim Yost owns Elite Management and Advisory Services, LLC and is co-owner / Managing Partner for Ocean Property Management Corporation, based in Wildwood. The firms provide management and advisory services to numerous community, condominium and homeowner associations in southern New Jersey. He can be reached at yostopmc@comcast.net.

Karim Kaspar, Esq. is Senior Counsel with Lowenstein Sandler LLP. He serves as general counsel to numerous community and condominium associations throughout New Jersey. He specializes in complex commercial litigation and real estate matters and has been active and instrumental in the firm's pro-bono

activities. He can be reached at kkaspar@lowenstein.com.

The entire Condo Insights series of articles is available online at www.oceanpropertymgmt.com.