



Civil Resolution Tribunal

Date Issued: June 14, 2022

File: SC-2021-007545

Type: Small Claims

Civil Resolution Tribunal

Indexed as: *SS Electrical Limited v. Tribe Management Inc.*, 2022 BCCRT 696

B E T W E E N :

SS ELECTRICAL LIMITED

APPLICANT

A N D :

TRIBE MANAGEMENT INC. and The Owners, Strata Plan EPS5691

RESPONDENTS

REASONS FOR DECISION

Tribunal Member:

Kristin Gardner

INTRODUCTION

1. This dispute is about payment for an electrical permit.
2. The applicant, SS Electrical Limited (SS Electrical), says that it quoted \$4,290 plus GST to obtain an annual electrical permit for the respondent strata corporation, The Owners, Strata Plan EPS5691 (strata). The respondent, Tribe Management Inc.

(Tribe), is a strata management company, which manages the strata. SS Electrical says that Tribe agreed to its quote, so SS Electrical obtained the electrical permit. SS Electrical says that after several requests to pay its invoice, the respondents mailed a cheque for the full amount but then issued a “stop payment” on the cheque. SS Electrical says the respondents have failed to pay anything. It claims a total of \$4,534.50, including \$4,504.50 for its invoice plus a \$30 charge incurred for the returned cheque.

3. Tribe says it is not a proper party to this dispute because SS Electrical’s contract was with the strata. Tribe says it is the strata’s agent, and that it cannot be held responsible for the strata’s failure to pay under the contract.
4. The strata admits that it agreed to pay SS Electrical \$4,504.50 for the permit work, “once services are complete”. The strata says it properly requested supporting documentation that SS Electrical failed to provide. The strata says it will pay the agreed amount once SS Electrical confirms it has met the requirements of the strata’s electrical permit holder.
5. SS Electrical is represented by an employee or principal. Tribe is represented by an employee. The strata is represented by a strata council member.

JURISDICTION AND PROCEDURE

6. These are the formal written reasons of the Civil Resolution Tribunal (CRT). The CRT has jurisdiction over small claims brought under section 118 of the *Civil Resolution Tribunal Act* (CRTA). Section 2 of the CRTA states that the CRT’s mandate is to provide dispute resolution services accessibly, quickly, economically, informally, and flexibly. In resolving disputes, the CRT must apply principles of law and fairness, and recognize any relationships between the dispute’s parties that will likely continue after the CRT process has ended.
7. Section 39 of the CRTA says the CRT has discretion to decide the format of the hearing, including by writing, telephone, videoconferencing, email, or a combination

of these. Here, I find that I am properly able to assess and weigh the documentary evidence and submissions before me. Further, bearing in mind the CRT's mandate that includes proportionality and a speedy resolution of disputes, I find that an oral hearing is not necessary in the interests of justice.

8. Section 42 of the CRTA says the CRT may accept as evidence information that it considers relevant, necessary and appropriate, whether or not the information would be admissible in a court of law. The CRT may also ask questions of the parties and witnesses and inform itself in any other way it considers appropriate.
9. Where permitted by section 118 of the CRTA, in resolving this dispute the CRT may order a party to do or stop doing something, pay money or make an order that includes any terms or conditions the CRT considers appropriate.

ISSUES

10. The issues in this dispute are:
 - a. Is Tribe a properly named party to this dispute?
 - b. To what extent, if any, must the respondents pay SS Electrical the claimed \$4,534.50?

EVIDENCE AND ANALYSIS

11. In a civil proceeding like this one, the applicant SS Electrical must prove its claims on a balance of probabilities (meaning "more likely than not"). I have read all of the parties' evidence and submissions, but I refer only to what I find is necessary to explain my decision.
12. The background facts are undisputed. The strata hired SS Electrical in 2020 to renew a required annual electrical permit for its substation. On April 15, 2021, SS Electrical emailed Tribe to advise that the permit was due to expire the following week and asked if Tribe wanted SS Electrical to renew it again, for a cost of \$4,290 plus GST.

Tribe advised the strata council of the quote, and the strata confirmed that it approved the expense. Tribe sent SS Electrical an April 25, 2021 email confirming that SS Electrical should proceed with the permit renewal.

13. The evidence shows that SS Electrical emailed Tribe its invoice for the permit renewal, along with the new permit number, on April 25, 2021. The invoice totals \$4,504.50 including tax. It describes the service as “High voltage electrical annual permit carry through” and indicated the payment terms were “30 days”.

14. I find the parties’ emails in evidence establish the following relevant timeline:

- a. On June 10, 2021, Tribe emailed SS Electrical’s invoice to the strata council for approval to pay. A council member responded that the amount seemed high for a permit.
- b. On June 17, 2021, Tribe emailed SS Electrical asking it to explain the basis for permit renewal charge. SS Electrical responded that he invoiced for the amount quoted and agreed to.
- c. On July 16, 2021, Tribe emailed SS Electrical to provide an itemized list of what it completed for the operating permit, a full report of its findings, and estimate of repairs, if any. SS Electrical responded on August 9, 2021, that its fee included renewing the permit, ensuring compliance with the permit’s terms and conditions, ensuring electrical work is performed by a certified and licensed contractor, requesting city inspections required under the permit, and providing technical guidance, if needed. SS Electrical confirmed there were no changes made to the electrical high voltage system so far.
- d. On August 17, 2021, Tribe emailed SS Electrical that the strata council wanted a copy of the municipality’s invoice for the permit, proof that all electrical work was performed by a certified and licensed contractor, and confirmation of any city inspections requested. SS Electrical responded that what it paid to the city was irrelevant given the agreement to the quoted amount. It also advised that

because there were no changes to the high voltage room that year, no city inspections had been required.

- e. Tribe issued an August 26, 2021 cheque to SS Electrical for \$4,504.50, but then stopped payment on the strata's instruction and the cheque was returned. SS Electrical advised Tribe on September 8, 2021 that it was charged \$30 for the returned cheque and requested payment of \$4,534.50 by September 10, 2021. Tribe responded that the strata council was maintaining its request for a copy of the permit invoice, which SS Electrical declined to provide.

Is Tribe a proper party to this dispute?

15. As noted, Tribe says SS Electrical's contract was with the strata, not Tribe, and so Tribe says SS Electrical should not have named Tribe as a respondent in this dispute.
16. It is undisputed that the strata hired Tribe as its strata management company. Tribe provided a copy of its agency agreement with the strata, which I find gives Tribe explicit authority to enter into contracts on the strata's behalf, such as the one with SS Electrical. Based on this agency agreement, I find that Tribe was acting as the strata's agent at all times relevant to this dispute.
17. Under the law of agency, a principal (the strata) is bound by contracts its agent (Tribe) enters into with third parties on its behalf. So long as the agent discloses that they are acting as an agent for the principal, the agent will not generally be liable under a contract they make between the principal and third party.
18. I find that SS Electrical knew that Tribe was acting as the strata's agent when it entered into the contract with Tribe to renew the electrical permit. In its April 15, 2021 email to SS Electrical, Tribe asked for a quote so Tribe could "get it confirmed ASAP with the council". I also note that SS Electrical's invoice named "EPS5691" as its customer. Therefore, I find that Tribe cannot be held liable for the contract it made on the strata's behalf with SS Electrical to renew the strata's annual electrical permit. I dismiss SS Electrical's claims against Tribe.

To what extent, if any, must the strata pay SS Electrical the claimed \$4,534.50?

19. As noted, the strata admits that it agreed to SS Electrical's \$4,504.50 quote. I find there is no evidence in the emails between SS Electrical and Tribe that payment of the quoted amount was conditional on SS Electrical providing the strata with any documentation or proof of additional work being completed. Rather, I find the emails show that SS Electrical advised that "the annual operating permit for the sub station cost is \$4290 plus GST". Without asking for any further clarification about what was included in the quote, Tribe confirmed SS Electrical should renew the permit.
20. I find the strata's later emails with Tribe between June and August 2021 show that once it received SS Electrical's invoice, the strata expressed concern that the invoice was very high, and that it intended to seek comparative quotes for the following year. In an August 12, 2021 email, a strata council member requested that Tribe ask SS Electrical for the permit invoice it paid to the city, and stated that council would not pay "\$5,000 for a \$500 permit".
21. However, I find the strata's opportunity to negotiate the price with SS Electrical for the permit renewal service was before it agreed to pay SS Electrical's quote. The evidence shows SS Electrical renewed the annual operating permit for the strata's substation, as agreed.
22. I note that the strata submits it is obligated to ensure work it paid for has been completed according to the contract. It says there have been several electrical inspections and alterations to its electrical system since SS Electrical became the strata's permit holder in 2019, but that SS Electrical has not provided its service log to show the work it completed. However, the strata provided no evidence about the alleged electrical alterations. It also provided no evidence that SS Electrical has failed to perform work it was obligated to complete under the parties' contract. So, I find the strata has not proven any basis on which it is entitled to withhold payment of SS Electrical's \$4,504.50 invoice, and I order the strata to pay it.

23. As for the claimed \$30 service charge for the strata's returned cheque, SS Electrical provided no supporting evidence of this charge. While the copy of Tribe's returned cheque in evidence shows a fee of \$5.00, it is unclear whether this fee was charged to Tribe or to SS Electrical. Given the lack of evidence, I find the service charge amount is unproven.

INTEREST, CRT FEES, AND DISPUTE-RELATED EXPENSES

24. The *Court Order Interest Act* applies to the CRT. SS Electrical is entitled to pre-judgment interest on the \$4,504.50 from May 25, 2021, 30 days after the invoice date, to the date of this decision. This equals \$21.43.

25. Under section 49 of the CRTA and CRT rules, the CRT will generally order an unsuccessful party to reimburse a successful party for CRT fees and reasonable dispute-related expenses. I see no reason in this case not to follow that general rule. I find the strata must reimburse SS Electrical \$175 for CRT fees. SS Electrical did not claim any dispute-related expenses.

26. The strata claims \$1,000 in dispute-related expenses for an affidavit from an expert witness as well as courier and postage expenses. However, as the strata was unsuccessful, I find it is not entitled to any reimbursement. In any event, the strata did not file any affidavits or expert opinions as evidence, nor did it provide any documentation proving these claimed expenses. So, I would have dismissed the strata's claim for dispute-related expenses in any event.

27. Tribe claims \$4,156 for legal fees. SS Electrical initially issued the Dispute Notice naming only Tribe as a respondent. The evidence shows that Tribe advised SS Electrical that it should have named the strata instead. While SS Electrical later amended the Dispute Notice to add the strata as a respondent, it declined to withdraw its claim against Tribe. Tribe says that because SS Electrical maintained a "meritless and frivolous" dispute against Tribe, it could not avoid incurring the claimed legal fees.

28. CRT rule 9.5(3) says the CRT will not order a party to pay another party any fees a lawyer has charged unless there are extraordinary circumstances. Contrary to Tribe's submission, I do not find that SS Electrical maintaining its claim against Tribe constitutes an extraordinary circumstance. I find Tribe has not shown it could not have defended this dispute without legal representation. I find neither this dispute, nor Tribe's defense to it, was particularly complex. So, even though Tribe was successful in its position, I find extraordinary circumstances do not exist, and I decline to order reimbursement of Tribe's legal fees.

ORDERS

29. Within 30 days of the date of this decision, I order the strata to pay SS Electrical a total of \$4,700.88, broken down as follows:

- a. \$4,504.50 in debt,
- b. \$21.38 in pre-judgment interest under the *Court Order Interest Act*, and
- c. \$175 in CRT fees.

30. SS Electrical is entitled to post-judgment interest, as applicable.

31. I dismiss SS Electrical's claims against Tribe.

32. Under section 48 of the CRTA, the CRT will not provide the parties with the Order giving final effect to this decision until the time for making a notice of objection under section 56.1(2) has expired and no notice of objection has been made. The time for filing a notice of objection is 28 days after the party receives notice of the CRT's final decision.

33. Under section 58.1 of the CRTA, a validated copy of the CRT's order can be enforced through the Provincial Court of British Columbia. A CRT order can only be enforced if it is an approved consent resolution order, or, if no objection has been made and the time for filing a notice of objection has passed. Once filed, a CRT order has the

same force and effect as an order of the Provincial Court of British Columbia.

Kristin Gardner, Tribunal Member