



Associated Property Management

BIDDING ON SERVICES

By Associated Property Management

Bidding on products and services for Community Associations is one of the most important aspects of a Board Members official duties. In some instances, there are state laws governing this practice (Chapters 718 and 719, Condominiums and Cooperatives) that should be adhered to. There are even some documents, which spell out bidding and contract procedures that need to be followed by the Board of Directors.

In most instances there are sound business practices and common sense to follow while bidding on services. These practices will be reviewed in this article.

First, the Board needs to define and determine the work that needs to be done. This should be in the form of a written document, which would act as a set of specifications for future bidders. If a Board does not have the technical background to write a set of specifications, then the Board may want to consider hiring a consultant to define the project and to help write the specifications. This would make sense for reconstruction projects, roofing and jobs that would require an engineer or technical expert.

A contractor trained in the performance of various materials will have the knowledge help the Board of Directors select materials best suited for the job. Make sure you receive written specifications on materials to be used on your job. If a technical expert is to be used, they should help you with this.

Consider having a pre-bid conference with your contractors in order to lessen any misunderstandings on the scope of work. At that time, the contractors will meet with the Board or the person in charge to review the job and answer any questions. This helps to make the bidding process more accurate.

Always inquire as to the type and kind of equipment that the contractor is going to use. A contractor with the right type of equipment and a trained and efficient crew can provide you with a superior job. Always make sure that the contractor is using his own employees and not sub-contracting the job out.

Get a minimum of three competitive written bids from similar sized companies. Prior to asking a company to bid, we suggest prequalifying all companies prior to bidding. This will help to

determine whether a company has the expertise and resources to properly complete your job.

Always ask to see their local and state contractors licenses, make sure that they are still in force and that all local and regional building codes will be followed. Permits should be drawn, as building inspectors will be following the job and ensuring that building codes are being met.

The same holds true for their insurance. Make sure that they have current certificates of both liability and workmen's compensation insurance in effect, with the Association being designated as an additional named insured.

Always ask for current and past references and check them. Go see the work as well, to see if the quality is up to the Association's standards.

Always have a written contract. If there is something that you do not understand have an expert help you. If it is of a legal nature, have an attorney review it. Always spell out the schedule of payment and at what stage of completion they will follow. Be wary of contractors who need money in advance!

Find out when the job should be started and when it should be completed. Make those items a part of the contract in order to ensure timely completion.

Never advance any payments to a contractor prior to work being done for the Association.

Use these steps in order to ensure competitive bids and professional results in all of your future service and product contracts

01-04-00