

UPWARD directions

SUMMER 2003

NBC-CAM'S NEWSLETTER FOR CERTIFIED MANAGERS OF COMMUNITY ASSOCIATIONS

Presentation Perfect

HOW TO PUT TOGETHER WINNING BID SPECS BY STEPHEN R. BUYP, CMCA, AMS, PCAM

Built in 1961, the four-lane Woodrow Wilson Bridge in the Washington, D.C., metropolitan area was designed to carry 75,000 vehicles a day for the next 20 years. When, after only eight years, the number of vehicles per day hit the 200,000

mark, it became clear that the bridge was going to need major repairs. Thus, a few years ago, experts in Virginia and Maryland put together a great set of bid specifications, and a bid went out that requested proposals for the entire job. But it turned out that the specs were a little *too* good—only one contractor responded, with an estimate that was \$33 million over budget.

The Maryland State Highway Administration and the Virginia Department of Transportation changed tactics. They revised their bid, soliciting for work by component parts rather than one inclusive package. The result? Bids came

pouring in from multiple contractors, and the states were able to meet their budgets.

Clearly, when it comes to preparing bid specs, presentation counts. Community managers know this. Indeed, one of our main challenges is to determine what the non-negotiable components of a job are, in order to put together a bid spec that doesn't say too much, but also doesn't say too little.

Figuring this out will depend largely on the job you're bidding for. Managers can draw up specs for

something as small as the production and printing of newsletters or as large as insulating exterior walls. The most common specs relate to such routine jobs as paving, concrete replacement, roofing, gutter cleaning, painting, and carpet replacement.

When preparing bid specs, consider these important factors.

Timeline. Include a timeline for when the project should be started and completed. If you're ordering goods or materials in bulk, be sure to specify when you need them delivered. If you need 1,000 light bulbs by July and the manufacturer

continued on page 2



Standard Language

MAKING CHANGES TO GOVERNING DOCUMENTS

BY JAMES W. SUTTON III, ESQ.

An association's governing documents are an all-encompassing force in a community. Official and legally binding, they outline what your residents may and may not do—all in the spirit of maintaining an equitable and amiable place to live.

It would stand to reason that such important documents would be carefully drafted and tailored to fit each association's needs. But,

usually, that's not quite the case.

Governing documents are generally born when a developer and an attorney sit down to draft the rules that will manage a community. To simplify matters, the developer may use boilerplate documents and make minor changes (filling in new dates and names, for example). That means that an association may wind up with ambiguous provisions, missing language, or language that

continued on page 7

3 GOOD QUESTION
▲ Inheriting a new property

4 BOARD CERTIFIED
▲ 90 managers receive CMCA

5 ETHICS CORNER
▲ Truth in customer service

6 LEGISLATIVE UPDATE
NBC-CAM NEWS

7 FEATURE ARTICLE
▲ HVAC operations

can't get them to you until December, for example, you've immediately eliminated that proposal.

■ **Insurance.** All contractors should have liability insurance and a worker's compensation policy. Further, any contractor using a vehicle (dump trucks, pick-up trucks, vans, cranes, etc.) should have vehicle insurance. Ask contractors to submit their insurance certificate with their proposal; when you ultimately choose a contractor, make sure the association is named on the certificate.

■ **Warranties.** Sometimes managers put out bids for supplier-only specifications, for jobs that require only parts and material—no labor. For example, you might order stair treads to help prevent slips and

but there should also be some wiggle room for contractors to make estimates based on their expertise.

■ **Material specifications.** Material specs give a contractor some idea of what types of supplies you want them to work with, and how. For a paint job, for example, you need to tell contractors whether you want latex or oil-based paint. You'll also want to outline some general requirements for how the job should be done. Do you want painters to prime and seal the surface first?

■ **Technical data.** Managers commonly confuse material specifications and technical data. If you go to the store and pick up a gallon of paint, you'll be able to quickly assess what kind it is (latex or oil-based) and what color it is. But if you read the fine print, you'll see a lot more information—like how much water, oil, and chemicals are in it.

Do you really need to know that information to bid out a paint job? No. But for some jobs, this technical information is vital. If you're contracting for an exterior insulation finishing for condominium walls, for example, you'll want to tell contractors up front that the thickness of the finished material needs to be so many millimeters, with an additional two inches of foam insulation. If you aren't familiar enough with a job to know what to specify, call an expert (in this case, an architect).

Why bother outlining all this information if the contractor is supposed to be the expert? Well, for one thing, you want to know that the experts you're hiring know their stuff. If you're contracting for a paving job, you may have one company that proposes one inch of compacted topping, another that proposes one-and-a-half inches, and a third that proposes two inches. One might want to use a power tamper to smooth it out instead of a roller. If you don't specify what you want, you'll wind up with three entirely different proposals for widely varying prices.

Consistency of information will make it much easier for your board members to compare and consider proposals. On each board, some members are more concerned with price than quality (and vice versa). If you present one bid for \$8,000 and one for \$15,000, you've set a trap for yourself, and will probably spend a three-hour board meeting debating the cost of doing a job correctly versus doing it cheaply.

When you put specs together correctly, you should be able to garner similar proposals, with bids in the same ballpark. If you don't know what to ask for, contact each contractor and ask lots of questions. The more facts you have, the easier it will be to assemble the kind of specs that will help the board make a good decision.

Use contractors as resources, and educate yourself. Paint manufacturers such as Benjamin Moore, Duron, and Sherwin-Williams all employ technical representatives who can help prepare specs. Experts may also be willing to inspect and approve the work after completion (and before the association makes any payments). Other resources include trade associations (the American Asphalt Institute, the National Roofing Association, and the National Swimming Pool Association all can be particularly useful) and trade shows, where managers can talk to contractors face-to-face.

Don't ever be afraid to ask questions. Faced with an intelligent set of bid specs, most contractors will be happy to work with you, not against you. ▲

Stephen R. Bupp is president of Condominium Ventures Inc., in Greenbelt, Maryland. For more information on bid specifications and contractor relationships, check out Bid Specifications & Contract Preparation (GAP #9) and Selecting the Landscape Maintenance Contractor (GAP #12). To order, call CAI Direct, at (703) 548-8600, or visit www.caionline.org/bookstore.cfm.

IT'S FUNNY how three different contractors can measure the same parking lot and come up with three different sets of measurements.

falls and plan on your maintenance employees installing them; all you need is a quality product at a decent price. Think about where you'll be installing such products. If you'll be installing the stair treads outside, for example, what temperature do they need to withstand? Are they warrantied to zero degrees Fahrenheit? A good way to handle warranties is to list a ballpark figure: "I'm looking for a 10-year warranty, minimum. What can you provide?"

■ **Maps.** It's funny how three different contractors can measure the same parking lot and come up with three different sets of measurements for how much of it needs paving. Avoid numbers disputes by simply including a map of the community, highlighting the areas or buildings that need work, and letting the contractors take their own measurements. When managers list too many items and details, they run the risk of attracting bids that are too high. The specs should be complete,