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# TO BID OR NOT TO BID

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*"Another bad idea for the property manager to be practicing engineering without a license."*

**W**ith apologies to the Bard, "That is the question." A big project is on the horizon. Roofing is at the end of its useful life; pavement is cracked and pot holes are growing; the elevator is unreliable after years of abuse by renters. Something has to be done. The board recognizes its fiduciary responsibility to make the capital improvements and, even better, you have prudently funded the reserve account. You are ready to go, but where do you start?

One of the board members or perhaps a property committee member has some construction experience and offers to help get the project done. Her experience is she can get a few contractors in, look at the job and get a few quotes. *Not a good idea.* While the Samaritan has the association's best interests foremost, this is not the best approach.

First, a written specification is needed. Without a clear specification, the contractors bidding on the project will undoubtedly propose different approaches. Evaluating the merits or shortfalls of each proposal might be difficult and how do you compare quoted prices if the scope of the proposals are different? If the project proceeds and something goes wrong, will the Samaritan be blamed or even sued if someone is hurt or costs get out of control? Sometimes, a property manager will say, "Oh I have a roof spec from this other property I manage. We can use that to get bids." *Another bad idea for the property manager to be practicing engineering without a license.* Something else to remember, neither the board's directors and officers insurance nor the property manager's insurance will protect either if something goes wrong.

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The answer to “That is the question” is yes, to bid with a professionally prepared specification. There will be costs, but they are far outweighed by the benefits.

A professional engineer will lead and guide the board through the process:

**1.** Meet with the board or property manager to define the scope of the project. Defining what parts of a roof, for example, are common elements and what are owner’s property needs to be known. Depending on your documents, skylights, chimney caps, and chase covers could be owner’s property, but may be in need of replacement. Then, there is scheduling and

phasing. Contractors bidding on the project want to know when construction is planned and, for a large development with many buildings, will it be done in phases – next spring and the following fall, for example.

**2.** The engineer then develops the specification. A careful site inspection will identify the typical configurations and unusual construction details where particular attention to design and identification on drawings will be required. The contractors bidding on the project will need specific instructions on how to handle an unusual condition. Don’t leave it to the contractor to devise a fix on the fly. There will probably also be shortcomings in the original design or construction that can easily be corrected. For exam-

ple, in a paving project, sunken storm catchments caused by poor soil compaction during construction can be elevated.

**3.** Part of the specification is the bid form. It will define when bids are due and to whom they will be delivered. Typically, both property manager and the engineer receive bids simultaneously, often electronically. In addition to the price for the specified project, it is advisable to obtain prices for contingencies. Returning to the roofing project as an example, prices for replacing rotted plywood sheathing, fire rated plywood, miscellaneous trim, and framing lumber should be obtained as part of the contractor’s bid.

**4.** The association board should review the draft plans and specification to satisfy themselves that the scope is the extent of work they want completed. The board may also have had good experiences with particular contractors who they want included on the bid list.

**5.** Following issuance of the specification to contractors, there will often be a pre-bid meeting at the site. Details of the project will be discussed. Places for parking, dumpsters, toilet facilities, and clean up are important for the contractors to know in order to submit a bid. After the pre-bid meeting, there will often be an addendum issued to formally answer questions and issue clarifications raised at the pre-bid. All the contractors need the same information so they are bidding on the same scope.



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**6.** When bids are received, the comparative evaluation performed by the engineer begins. Each bid is reviewed for compliance with the specification; any exceptions taken by the contractor or substitution of products from those specified; insurance and contractor licenses in place. Then the prices are compared. Base price is important but so are the contingency unit prices. It can be very surprising how different contractors will price the same sheet of plywood. Finally, references need to be checked to confirm contractors have performed well on previous projects. When the evaluation process is complete, the engineer should provide a written report for the board to make a selection to award.

**7.** The last step in the process is the formality of a contract between the association and contractor. The American Institute of Architects (AIA) publishes several good contract templates for different size projects. They have places to include by incorporating the specification, plan drawings, insurance coverage, conditions and duration of the project. The Engineers Joint Contract Documents Committee (EJCDC) also has good standard construction contracts. Both AIA and EJCDC documents are available online for a nominal fee. Your attorney should have the last word on signing your contract.

Follow the bid process with the help of professionals, your property manager, engineer and attorney, and you will have a successful project. The costs of the bid process are worth getting the project completed successfully. ■



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