



FAQ

ASK AN ENGINEER — Their Top 5 FAQs

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Q: “Why not just accept a contractor’s proposal, the price is fair and he has worked for us before?”

A: A contractor proposal may well provide the work the association needs. Any attached terms in the contractor’s proposal will be favorable to the contractor. Usually, there will be little to address the concerns of the association: Starting work date, when the job should be completed, restrictions or use of the property and insurance are all conditions that should be considered and favorable to the association. Contractor payment terms may also be weighed towards early payment and progress payments scheduled with no relation to the actual progress on the job.

Q: The follow-up question naturally is, “If we should not use the contractor’s proposal, what should I use?”

A: There are several good standard construction contract templates that can be customized for small and medium projects. The American Institute of Architects, form AIA A-101-2017 or the Engineers Joint Control Documents Committee, form C-520 are two examples of contracts between owner and contractor. They define the scope of the project, reference plans and specifications, insurance, use of premises, schedule, liability, conflict resolution, payment schedule, and many more important construction contract issues. Some associations employ legal counsel to draft construction contracts. If the association uses one of the templates identified above, legal

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counsel should be involved in reviewing those documents.

Q: "Do I really need plans and specification for this project?"

A: If it is a really small and simple project like a one for one replacement

of an appliance or air conditioner, maybe. Even then, improvements in the replacement product selected may be available. It would be prudent to research and if possible, get higher efficiency or better features in a replacement such as an Energy Star rating. Remember contractors like to install what they have experience with and can obtain from their suppliers.

For any large project a specification with materials and the details of how they are installed is highly recommended. The specification should also include the form of contract that the association will use so contractors bidding will know what to expect.

Q: "Why do we need a reserve study every 3-5 years?"

A: Conditions change. Heavy use, lack of maintenance, natural disasters can have a significant impact on the remaining useful life of any common component. Perhaps a common element has been prematurely replaced and now its remaining life is extended beyond the previous study's expectation. If the annual funding has changed or the recommendations of the previous study not followed, there will certainly need to be an update. Look on the bright side, perhaps it has not snowed in 3 years and that avoided operating expense has been transferred to the reserve account. Some associations have entered into contracts with utilities that provide the association a revenue stream directed to the reserve fund — another reason to update the reserve. Recent events in Florida have prompted some associations to plan for periodic structural inspections. That too is a new reserve funded expense.

Q: "Why should I pay for construction monitoring?"

A: Construction projects are complex. Even with good plans and specifications there are many opportunities for a contractor or tradesman to not understand the intent of the spec or

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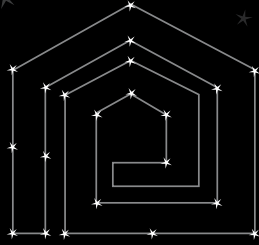
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drawing. Following details is critical in the successful installation of a product. Construction monitoring can identify where plans are not followed before it is too late to be corrected. Questions can be answered on site in real time to keep the project moving on track. Confirmation that the specified materials were delivered and installed is important too. Monitoring can also help keep projects on schedule and the contractor progress payment requests paid to accurately represent progress. ■



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