

## Developing Bid Specifications

Community associations enter into three types of basic contracts: for services, specific repairs and preventive maintenance. Before signing any contract, boards and managers must first locate the right contractor for the job, and the key to finding the right contractor is compiling a comprehensive list of bid specifications.

Association boards and managers sometimes wonder what to include in bid specifications. When preparing these documents for construction, extensive renovation or complex projects, you'll need specialized help. Before drafting these types of specifications, consult an architect, engineer or consulting firm. Otherwise, for most contracts, the following elements are essential:

- **Parties to the contract:** Make sure you not only clearly identify the association as the contracting party, but also include names and contact information for key individuals.
- **When and where:** Specify the exact location where work is to be performed. Be sure to include the address, building number, building description and a map of the area. Also, specify what days and hours work may be performed.
- **Time period:** When are bids due? What is the time-frame for the job? An open-ended contract could allow work to drag on for months.
- **Penalties:** Specify the penalties for failing to complete work on time or to comply with specific contract provisions.
- **Manner and schedule of payment:** Will the association pay by check, cash, weekly draw, percentage or work completed? Specifying this prevents confusion and work from stopping if a payment is disputed.
- **Materials:** Specify material quality, type, color, quantity, delivery method and date. Also, be sure to note who's responsible for selecting, providing, storing and disposing of materials.
- **Storage:** Specify where materials may be stored (on-site, if possible) and clarify responsibility for security and missing materials.
- **Insurance:** Clarify association and contractor liability and require prospective contractors to provide proof of insurance.
- **Bonds and licenses:** Determine the need for a completion bond and reflect it in the specifications. Assign the responsibility and cost for work licenses and permits to the contractor, if they are required.
- **Warranties:** Be sure that you clearly define warranty requirements.
- **Clean up:** Specify that the contractor must clean up, provide containers for and dispose of trash, secure the work area and maintain tools and equipment in an orderly and safe manner.
- **On-site supervision:** Specify that the contractor must maintain on-site supervision during all work hours.

Once the specifications have been completed, send the bid specifications to five or six companies. When the bids come in, a committee or the board should meet to review and discuss them. Then, they should determine whether the bid follows the specifications. Contractors that agree to detailed specifications and clearly understand the extent and limitations of their duties are more likely to produce satisfactory work.