

Module 2: Samples

Sample #1: General Contract

THIS CONTRACT, entered into by and between
located at _____ City
State _____ ZIP _____, phone _____, hereinafter
referred to as "Contractor," and Association
_____, hereinafter referred to
as "Owner," a (State) _____ non-profit corporation managed by
_____, located at (Street)
_____ (City) _____, (State)
_____ (ZIP) _____, hereinafter referred to as "Agent." The work
to be performed is located at _____,
herein after referred to as "Job Site" or "Premises."

In consideration of the covenants and agreements set out herein and the
payments provided for herein, Owner and Contractor agree as follows:

A. WORK SPECIFICATIONS

1. Description of work to be done:
2. Term
 - 2.01. Unless canceled or renewed pursuant to paragraphs 2.02 or 2.03 below, this Agreement, shall be in effect for a term of _____ commencing _____.
 - 2.02. Termination by either party. Notwithstanding any other provision of this Agreement (including Section 2.03) for the convenience of the parties, this Agreement may be terminated by either party by giving written notice of termination at least thirty (30) days in advance of date of termination.
 - 2.03. Renewal. This Agreement will automatically renew for additional one-year term unless one party has given the other party written notice of its election not to renew this Agreement at least thirty (30) days before the end of the current term.
3. Hours of Work
 - 3.01. Work shall be performed Monday through Friday between the hours of 8:00 A.M. and 6:00 P.M.

Sample #1: General Contract (cont.)

4. Clean Up

4.01. The contractor shall remove all debris generated from the work performed each visit.

4.02. If a dispute arises between contractor and separate contractors as to their responsibility for cleaning up as required herein, Owner may clean up and charge the cost thereto to the contractor responsible therefore as determined by Owner.

B. CONTRACT AMOUNT

5.01. Price

Owner shall pay Contractor

per _____, including all applicable taxes, for the work described herein. This contract price shall be for a "turn-key" project; all costs related to the undertaking and completion of this work shall be for the above fee, unless specified as follows:

C. PAYMENT PROCEDURE

6.01. Payment will be made (at the end of the month for services rendered during the same month, upon original invoice from Contractor).

D. TERMINATION OF WORK

7.01. Termination by Owner

If the contractor defaults or persistently fails or neglects to carry out the work in accordance with the contract documents or fails to perform any provision of the contract, the owner, after five days' written notice to the contractor and without prejudice to any other remedy it may have, may make good such deficiencies and may deduct the cost thereof from the payment then or thereafter due the contractor or, at its option, may terminate the contract and take possession of the site and may finish the work by whatever method it may deem expedient, and if the unpaid balance of the Contract Sum exceeds the expense of finishing the work, such excess shall be paid to the contractor, but if such expense exceeds such unpaid balance, the contractor shall pay the difference to the owner.

Sample #1: General Contract (cont.)

7.02. Contractor Default

If the contractor defaults or neglects to carry out the work as specified herein and fails within seven days after receipt of written notice from Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to any other remedy he may have at law and equity, make good such deficiencies. In such case an appropriate change order shall be issued deducting from the payments then or thereafter-due contractor the cost of correcting such deficiencies, including compensation for any consultant's service made necessary by such defaults, neglect or failure and such attorney's fees as required. If payments then or thereafter due Contractor are not sufficient to cover such amount, Contractor shall pay the difference to Owner. Should such a default or neglect occur, Owner may, at that point, terminate the contract with Contractor and select another, without penalty.

E. PERMITS, LICENSES AND FEES

8.01. Contractor Responsibility

Contractor shall secure and pay for all permits and governmental fees, licenses, and inspections necessary for the proper execution and completion of the Work.

8.02. Contractor shall alert all appropriate utility companies of the scheduled work. Contractor shall give all notices and comply with all laws, ordinances, rules, regulations, and lawful orders of any public authority bearing on the performance of the Work.

8.03. Contractor shall provide and pay for all labor, materials, equipment, machinery, transportation, and other facilities and services necessary for the proper execution and completion of the work to be performed.

F. Verification of Specifications

9.01. It is not the responsibility of the Contractor to make certain that the specifications attached hereto are in accordance with applicable laws, statutes, building codes, and regulations. If Contractor observes that any of the specifications are at variance therewith in any respect, he shall promptly notify Owner in writing, and any necessary changes shall be accomplished by appropriate modification.

9.02. If Contractor performs any work knowing it to be contrary to such laws, ordinances, rules, and regulations, and without providing such notice to Owner, he shall assume full responsibility therefore and shall bear all costs attributable thereto.

Sample #1: General Contract (cont.)

9.03. Owner will not be required to make exhaustive or continuous onsite inspections to check the quality or quantity of the Work. The Owner will not have control or charge of and will not be responsible for construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, and will not be responsible for the Contractor's failure to carry out the Work in accordance with the Contract Documents.

9.04. Manufacturers' Specifications
Contractor shall comply with all manufacturers' labels and directions for use.

G. LIENS

10.01. Contractor agrees to pay off and satisfy all claims for labor employed or used by it in connection with the work performed hereunder, and to permit no liens of any kind to be affixed upon or against the property of Owner by Contractor's laborers or suppliers and agrees to indemnify, protect and save Owner and Agent harmless from and against all such claims and liens.

H. RESPONSIBILITY FOR DAMAGE

11.01. Contractor shall promptly remedy all damage or loss (other than insured damaged or loss to any property caused in whole or part by Contractor, any Subcontractor, or any Sub-subcontractor, or anyone else directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable, and for which Contractor is responsible except damage or loss attributable to the acts or omissions of Owner or Agent or anyone directly or indirectly employed by either of them, or by anyone whose acts either of them may be liable, and not attributable to the fault or negligence of Contractor, and for rain damage to the interior of any units under roofs being repaired.

I. SAFETY PRECAUTIONS AND PROGRAMS

12.01. Contractor shall be responsible for initiating, maintaining, supervising all safety precautions and programs in connection with the work.

J. INDEPENDENT CONTRACTOR

13.01. Contractor acknowledges, affirms and agrees that he is not an employee of the Owner, nor is he a borrowed employee or borrowed servant of the Owner. In this connection, Contractor acknowledges that while the Company may direct the work to be performed,

Sample #1: General Contract (cont.)

Contractor retains the absolute right to control the details of the performance of the work and how such work shall be accomplished. It is the express intent of Contractor to acknowledge that in fact he is an independent contractor, is not an employee and that he at no time shall seek to make any claims to be an employee or as an employee, specifically, any claim for compensation or any other benefits under the worker's compensation statutes of Texas.

13.02. Contractor expressly acknowledges that his contractual relationship with the Owner is dependent upon his assertion and acknowledgment that he is not an employee and he recognizes that the Owner would not otherwise have entered into any contractual relationship with Contractor, but for his acknowledgment that he is not an employee.

K. PERSONNEL AND SUPERVISION

14.01. Contractor shall pay his employees and shall comply with all payroll deduction and reporting requirements and all laws regarding wages, hours, and legal residency or citizenship of such employees. Contractor shall be responsible for all employment decisions pertaining to his employees, including hiring, termination, and discipline decisions.

14.02. Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the project site during the progress of the Work. The superintendent shall represent Contractor and all communications given to the superintendent shall be as binding as if given to Contractor.

L. SUBCONTRACTORS

15.01. A subcontractor is a person or entity who has a direct contract with the Contractor to perform any of the Work at the site. Contractor shall procure Owner's prior written approval to subcontract any portion of the work described herein.

Sample #1: General Contract (cont.)

M. INSURANCE

16.01. Contractor agrees to maintain and require its subcontractors to maintain at all times the following coverage at no less than the limits indicated:

Workers Compensation	Statutory
Employers Liability	\$ 100,000
Automobile Liability (including Owned and Non-Owned autos):	
Bodily Injury	\$ 500,000 each occurrence
Property Damage	\$ 100,000 each occurrence
Commercial General Liability:	
Combined Single Limits for Bodily Injury and Property Damage:	
\$ 500,000 each occurrence for premises/operations, including all broad form CGL Liability coverage.	
\$ 500,000 Products/Completed Operations aggregate	
\$ 1,000,000 General Aggregate	
Umbrella Liability:	
\$ 1,000,000	each occurrence
\$ 1,000,000	annual aggregate
\$ 25,000	self-insured retention

16.02. Contractor's coverage must be written on an Occurrence (not claims made) basis with companies acceptable to Agent and Owner and must stipulate that no take-out endorsements are included on the General Liability policy. Each policy providing coverage hereunder shall contain provisions that no cancellation or material reduction in coverage in the policy shall become effective except upon thirty (30) days prior written notice thereof to Agent and Owner. Agent and Owner shall be named as an additional insured with respect to liability imposed upon resulting from the performance of work under this contract. There shall be no right of subrogation against Agent and Owner, and this waiver of subrogation shall be endorsed upon the policies.

Sample #1: General Contract (cont.)

16.03. Prior to the commencement of performance of work, Contractor shall furnish certificates to Agent and Owner, evidencing compliance with all requirements herein. The limits of such insurance shall in no way be construed as limiting Contractor's obligation to completely defend, indemnify and hold harmless Agent and Owner.

N. INDEMNIFICATION

17.03. To the fullest extent permitted by law, the Contractor shall indemnify, and hold harmless the Owner and their agents and employees from and against all claims, damages, losses, and expenses, including but not limited to attorneys' fees arising out of or resulting from the performance of the work, provided that any such claim, damage, loss or expense (1) is attributed to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the work itself) including the lose of use resulting therefrom, and (2) is caused in whole or part by any negligent act or omission of the contractor, any sub-contractor, anyone directly or indirectly employed by any of them or anyone for whose act of them may be liable, regardless of weather or not it is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any part of persons described in this paragraph 26. In any claims against the owner or any of their agents or employees by any employee of the contractor, any Subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation under this paragraph 26 shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Contractor or any Subcontractors under workers' or workmen's compensation acts, disability benefits acts or other employee benefit acts. The indemnity provided for in this paragraph shall have no obligation to any claim, liability, or cause of action resulting from the sole negligence of Agent and Owner.

O. ASSIGNMENT

18.01. Contractor shall not assign this Contract without prior written consent of the owner.

Sample #1: General Contract (cont.)

P. CONFLICT RESOLUTION

19.01. In the event of a disagreement on the withholding of payment, the assessment of damages, or any other matter arising out of this Contract, Contractor and Owner shall utilize whatever legal recourse available, including binding arbitration, to resolve the dispute. Attorney fees and related costs will be awarded to the prevailing party.

Q. WARRANTY

20.01. Contractor expressly warrants that he shall be responsible for abiding by all applicable codes, regulations, standards, etc. which may be required of him by all applicable local, state and federal jurisdictions and their respective agencies, offices, bureaus and other administrative/regulatory entities.

20.02. Contractor agrees that he shall be liable to Owner for actual damages requiring replacement or repair of property, materials or services caused by this damage or destruction of Owner's or individual resident(s)'s property.

R. ENVIRONMENTAL RISKS

21.01. Covenants, Representations and Warranties of Contractor Contractor covenants, represents and warrants that no toxic or hazardous substances, including without limitation, asbestos or any substance containing asbestos and deemed hazardous under any Hazardous Materials Law (defined below), the group of organic compounds known as polychlorinated biphenyls, flammable explosives, radioactive materials, chemicals known to cause cancer or reproductive toxicity, pollutants, effluents, contaminants, emissions, or related materials and any item included in the definition of hazardous or toxic waste, materials or substances ("Hazardous Material") under any law relating to environmental conditions and industries hygiene, including without limitation, the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. Sec. 6901 et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. Sec. 9601-9657, as amended by the Superfund

Sample #1: General Contract (cont.)

Amendments and Reauthorization Act of 1986 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Sec. 6901, et seq., the Federal Water Pollution Control Act, 33 U.S.C. Sec. 1251 et seq., the Clean Air Act, 42 U.S.C. Sec. 741 et seq., the Clean Water Act, 33 U.S.C. Sec. 7401, et seq., the Toxic Substance Control Act, 15 U.S.C. Sec. 2601-2629, the Safe Drinking Water Act, 42 U.S.C. Sec. 300f-300j, and all similar federal, state and local environmental statutes, ordinances, and the regulations, orders, decrees now or hereafter promulgated there under (collectively the "Hazardous Material Law") will be installed, used, generated, manufactured, treated, handled, refined, produced, processed, stored or disposed of, in completing the improvements set out in this agreement.

24.02. Contractor hereby agrees unconditionally to indemnify, defend and hold Owner harmless against any (i) loss, liability, damage, expense or claim arising from the imposition or recording of a lien, the incurring of costs of required repairs, clean up or detoxification and removal under any Hazardous Material Law (as defined above with respect to the Property or liability to any third party in connection with any violation of a Hazardous Material Law), (ii) other loss, liability, damage, expense or claim which may be incurred by or asserted against Owner directly or indirectly resulting from the presence on or under, or the discharge, emission or release from the Property into or upon the land, atmosphere, or any watercourse body of surface or subsurface water or wetland, arising from the installation, use, generation, manufacture, treatment, handling, refining, production, processing, storage, removal, clean up or disposal of any Hazardous Material placed upon or installed by the Contractor.

24.03. Contractor shall pay when due any judgments or claims for damages, penalties or otherwise against Owner, and shall assume the burden and expense of defending all suits, administrative proceedings and resolutions of any description with all persons, political subdivisions or government agencies arising out of the occurrence set forth in this Agreement. In the event that such payment is not made, Owner, at its sole discretion, may proceed to file suit against Contractor to compel such payment.

24.04. The terms of this Article Q only apply to persons under the direct supervision and/or control of Contractor and shall include without limitation all suppliers and subcontractors of Contractor.

Sample #1: General Contract (cont.)

THIS AGREEMENT entered into as of the _____ day of _____,
20____.

CONTRACTOR: _____

OWNER: _____

By: _____

By: _____

Sample #2: Action Checklist

Here is a list of the many things to consider before, during and after a hurricane. Some of the safety rules will make things easier for you during a hurricane. All are important and could help save your life and the lives of others.

Stay or Leave?

When a hurricane threatens your area, you will have to make the decision whether you should evacuate or whether you can ride out the storm in safety at home.

If local authorities recommend evacuation, you should leave! Their advice is based on knowledge of the strength of the storm and its potential for death and destruction.

In general:

- If you live on the coastline or offshore islands, plan to leave.
- If you live near a river or in a flood plain, plan to leave.
- If you live on high ground, away from coastal beaches, consider staying. In any case, the ultimate decision to stay or leave will be yours. Study the following list and carefully consider the factors involved especially the items pertaining to storm surge.
- At beginning of hurricane season (June) make plans for action
- Learn the storm surge history and elevation of your area
- Learn safe routes inland
- Learn location of official shelters
- Determine where to move your boat in an emergency
- Trim back dead wood from trees
- Check for loose rain gutters and down spouts
- If shutters do not protect windows, stock boards to cover glass

When a Hurricane Watch is Issued for Your Area

- Check often for official bulletins on radio, TV, or NOAA Weather Radio
- Fuel car
- Check mobile home tie-downs
- Moor small craft or move to safe shelter
- Stock up on canned provisions
- Check supplies of special medicines and drugs
- Check batteries for radio and flashlights
- Secure lawn furniture and other loose material outdoors
- Tape, board, or shutter windows to prevent shattering
- Wedge sliding glass doors to prevent their lifting from their tracks

Sample #2: Action Checklist (cont.)

When a Hurricane Warning is Issued for Your Area

- *Stayed turned to radio, TV, or NOAA Weather Radio for official bulletins*
- *Stay home if sturdy and on high ground*
- *Board up garage and porch doors*
- *Move valuables to upper floors*
- *Bring in pets*
- *Fill containers (bathtub) with several days' supply of drinking water*
- *Turn up refrigerator to maximum cold and don't open unless necessary*
- *Use phone only for emergencies*
- *Stay indoors on the downwind side of house away from windows*
- *Beware of the eye of the hurricane*
- *Leave mobile homes*
- *Leave areas which might be affected by storm tide or stream flooding*
- *Leave early in daylight if possible*
- *Shut off water and electricity at main stations*
- *Take small valuables and papers, but travel light*
- *Leave food and water for pets (shelters will not take them)*
- *Lock up house*
- *Drive carefully to nearest designated shelter using recommended evacuation routes*

After the All-Clear is Given

- *Drive carefully; watch for dangling electrical wires, undermined roads, flooded low spots*
- *Don't sight-see*
- *Report broken or damaged water, sewer, and electrical lines*
- *Use caution re-entering home*
- *Check for gas leaks*
- *Check food and water for spoilage*

Community Actions

Beyond individual and family actions during a hurricane emergency there is much to be done at the community level. Many communities on the Atlantic and Gulf coasts have made plans for action in the event a hurricane threatens, such as delineation of areas to be evacuated, shelter-designations, evacuation routes, and emergency operations of fire, police, and other public service units. But many exposed coastal communities are not prepared for a hurricane, and others have waited for disaster's expensive lesson before taking corrective steps. To encourage community preparedness, NOAA's National Weather Service has invented a town, named Homeport, and made it a model of hurricane preparedness.

Copies of The Homeport story are available from Superintendent of Documents, U.S. Government Printing Office, Washington D.C., 20402. Stock number 0317-0046. Ask G.P.O. for current price

Sample #3: At Your Service

Common Ground Magazine
Molly Brennan

Five tips for building—and maintaining—successful relationships with your professional providers

The honeymoon is over. The giddy excitement has subsided. Your relationship is comfortable, but growing routine. Now, you and your service provider are left to figure out how to keep the flame burning.

A soured relationship with any of the assorted landscapers, accountants, community managers, bankers, roofers, insurance specialists and others who serve your community could spell more than heartbreak. It could incite a resident rebellion and lead to financial ruin. So, these bonds need to be nurtured and taken seriously. Take your contractors for granted and pretty soon they'll be taking you for granted. Through interviews with homeowners, managers (who have the unique perspective of being both the one hired and the one doing the hiring) and a wide variety of contractors and professional service providers, we've identified five keys for building and maintaining strong relationships. It's not rocket science, but it does involve the effort of both parties. Read on to learn how to be lucky in love, or at least keep the relationship intact.

1. Make your expectations clear.

First impressions matter. The first impression—good or bad—is usually a lasting one. For many vendors, the first impression of a community association comes via the "request for proposal," or RFP. RFPs that are informal, sloppy or incomplete are a red flag for many contractors and professional service providers. In their eyes, it indicates the association either doesn't know what it wants, and so the contractor is destined to fail or the association is not organized enough to prepare a formal RFP, which could indicate a lack of professionalism and poor management.

"From 19 years of experience, I've learned that if I see a less-than-acceptable RFP, it's best to steer clear," says James Rademacher, CEO of Rezkom Enterprises, Inc., an Ocean, N.J.-based maintenance services company.

But losing a quality vendor over something as basic as an RFP is both irresponsible and totally avoidable, Rademacher says, adding that many busy managers and volunteer board members simply underestimate the importance of a clear bid request. "Most managers I talk to say, 'I didn't know this bothered the vendors,'" he notes.

So Rademacher, who also serves as vice president of the CAI New Jersey chapter and a national CAI trustee, organized a series of educational seminars on the bid process for managers across New Jersey. Preparing a detailed RFP isn't difficult, but it does take time.

First, RFPs should always be in writing. "We've gotten requests for proposals that come via phone, and I won't even entertain that," he says. "There are simply too many variables to consider."

Sample #3: At Your Service (cont.)

Then, at the very least, an RFP should contain:

- Detailed scope of work
- Contract period—starting and ending dates
- Payment terms
- Insurance requirements
- Site map or plan
- Contact information

And though it may seem cumbersome to put together an RFP—especially when you're seeking a bid from a vendor who is already familiar with the community, manager and board—it pays to put in the effort on the front end, says Christi Wells, CMCA, a vice president at Community Association Banc & CondoCerts in Allen, Texas, and a former community manager.

"Expectations must be clear and comprehended by all parties," she says. "Don't assume anything when it comes to what services are to be provided for the price of the contract. As a contractor will tell you, if it wasn't on the plans or in the scope of work, don't expect it to happen."

A good bid is detailed, customized and time consuming to prepare, which is why associations should be respectful of the effort vendors put into them, says David Caplan, CMCA, AMS, PCAM, CEO of Community Association Management, which manages about 40 communities in the Stevenson, Md. area. "Sometimes a community will just be looking for a budget number. You must tell the vendor this and not waste their time," advises Caplan, who sits on CAI's Association of Professional Community Managers Board. "The next time, the price you get may be higher than it should be since the vendor might not think you're asking for real."

There's nothing wrong with doing a little comparison shopping, since most associations require three bids per project; but you need to be truthful, says Diana Stiller, PCAM, a board member of the CAI Greater Los Angeles chapter and general manager of the Century Hill Association, a luxury, single-family home community in Los Angeles. If your board members are asking for bids just because they are fishing, let the vendor know that you are researching rather than hard bidding, she advises. "The contractor may decline to bid under those circumstances. But having been honest, you will be able to go back to the contractor in the future," she says. "Vendors and contractors who feel 'used' will decline to bid in the future."

Even if you give a bid fair consideration, but go with a different contractor or service provider, show the vendor professional courtesy, says Joanne Pena, CMCA, AMS, PCAM, a manager with Horizon Management Company in Los Angeles. "I will thank the vendors for taking the time to submit a bid and let them know why theirs was not accepted, whether it is their price, presentation, lack of references, whatever," she says. "I have found that most vendors appreciate this kind of feedback."

2. Monitor, but don't micromanage.

For the most part, board members are dedicated and hard-working advocates for their communities. They have a fiduciary responsibility to act in the best interest of their communities and most take that responsibility very seriously. After all, it's their investment on the line, too.

Sample #3: At Your Service (cont.)

That fine-tooth-comb approach usually serves the community well, but it can lead to trouble with contractors and professional service providers. While board members know what's in the best interest of their community, they usually don't know the ins and outs of lien foreclosure, pool maintenance or reserve analysis and may question the pricing, timeline or nature of a project. Understanding the limitations and scope of their own knowledge and abilities, and knowing when to step back and let contractors and professional service providers take the lead is key to both successful relationships, say seasoned board members.

Take the manager-board relationship, for instance. In most mid- and large-scale communities, the day-to-day oversight of contractors and professional service providers falls on the manager. Many managers have some professional education, and most have experience dealing with a wide variety of professional service providers. A strong board knows how to tap that knowledge and experience, without relinquishing decision-making authority.

Such is the case at The Grande at Colts Neck Association in Colts Neck, N.J., says Jack McGrath, a member of CAI's Board of Trustees and chair of CAI's Community Association Volunteers Committee. There, the board frequently solicits the manager's advice on preferred vendors, RFPs and contractor relations. What makes her advice so valuable and trusted says McGrath, is that she offers it as an opinion—not a final say on the matter.

"She'll say, 'Based on my experience, this is what I think,'" McGrath says. "Nine times out of 10, we're going to follow her advice. Otherwise, why do you have her?" Offering advice on vendors and RFPs is one thing. Isolating the board from vendors completely is another, and it's something managers and board members need to avoid. That's because too little board involvement raises concerns for many vendors, Rademacher says. As part of all large RFPs, Rademacher requests a meeting with the association's board. "If I'm going to sign an \$80,000-a-year contract, I want to make sure the board is on the same page as the manager," he says.

Similarly, Michael Nagle, a Columbia, Md.-based community association attorney, requests a meeting with the board president whenever he senses the manager is operating too independently. "When push comes to shove, [the manager] is not the client to whom we owe a duty," he says.

3. Establish clear lines of communication.

Staying in touch with professional service providers and contractors is sometimes unavoidable—if a painter is in your hall every day for a week, it's easy to keep an eye on the project. But many times, contractors work independently, without direct supervision, and communication must be sought. Making the extra effort to communicate with service providers, however, will likely pay off since communication is the most important component of any relationship.

Most managers and board presidents now give—and request—cell phone numbers and after-hours contact information. But even with 24-hour accessibility, nothing beats a face-to-face meeting. Caplan schedules regular lunch meetings with vendors "to see how our overall relationship is going." Ed Coogan, an account executive with

Sample #3: At Your Service (cont.)

Engle-Hambright & Davies, a broker and risk management firm in Lancaster, Pa., visits clients on a quarterly basis.

At Charleston Place Association, a condominium community in Aurora, Colo., the contract for maintenance services stipulates that the contractor provide a monthly report to the board—either in writing or in person at board meetings, says former board president Rita Guthrie. And at the Windsong Condominiums in Denver, association President Michael Rouse, CMCA, routinely invites vendors to attend homeowner meetings. "Residents with project-related technical questions can ask the vendors directly," says Rouse, who is also a board member of CAI's Rocky Mountain chapter. "This reduces the amount of time our manager needs to spend addressing and researching questions for our homeowners."

This is a good example of open, but controlled communication. Too many lines of communication can be overwhelming and counterproductive. Whether the contractor answers to a manager or the board president, it's imperative a single point of contact be established, says Denise Bower, CMCA, AMS, PCAM, vice president of Community Management, Inc., in Portland, Ore. This is especially true of on-site service providers, such as landscapers and security and maintenance providers, who are often approached by homeowners with personal requests.

"You basically have as many bosses as there are owners—plus their children and spouses, too! [Contractors] have to know who to listen to and when to go to the community manager and say, 'Hey, Peter Smith is asking us to research this bylaw or take out this bush. What do you want us to do?'" Bower says. "We try to have most communications go through the management company, or at least let the contractor know who his one contact person is."

4. Build and maintain trust.

"Establish trust" sounds like one of those platitudes we're hoping to avoid in this article. But, just as with any relationship, mutual trust and respect are key components. Without them, the relationship will deteriorate and eventually end. For associations, broken trust means either the loss of a quality service provider or, worse, poor service from a contractor.

In many communities, the manager is the public face of the association, and so it falls to him or her to build and maintain trust. There are the obvious good-business practices that convey professionalism and help gain trust: be where you say you're going to be; do what you say you're going to do.

But that alone won't gain a contractor's trust; you have to convey professional respect, says Jolene Macrae, CMCA, director of operations for Colonial Property Management in Mesquite, Nev. And you do that, she explains, by treating the contractor as a partner, not a hired hand. "It is extremely important to remember that you are all a team in this endeavor. If you make the vendor feel like a team member instead of an outsider, you will have a better working relationship." "A dream client would be the business that looks at us as a business partner, not a line item on their balance sheet," Coogan agrees.

Respect also means deferring to the contractor's know-how. "Remember that your vendor was hired because of his expertise," Macrae says. "When you ask him

Sample #3: At Your Service (cont.)

something, tell him you trust his opinion—'he's the expert, what does he think?' Then, you have cemented the bonds of trust and respect."

At the same time, don't be completely hands-off, and show some interest in the service or project, Stiller recommends. "Learn as much as you can about the basics of each trade and profession you are using," she says. "The more interest and understanding you can show, the more dedicated that person will become to assisting you."

And remember: trust is a two-way street. Break trust with your vendors, either by not adhering to contract terms or not showing professional respect, and you could be the jilted partner. "I believe in firing your customers. Some situations are not worth the trouble," says Debbie Yeats, owner of Color Innovations Painting in Forth Worth, Texas, and a past president of CAI's Dallas-Fort Worth chapter. "If a customer is not responding to your needs, is difficult to work with, or has unreasonable expectations, sometimes it's best to move on."

Over the years, Pena has fired three associations. The relationships were doomed, she says, because the board members failed to take her advice or that of legal counsel. They "micromanaged their service providers, held them to unreasonable standards, beat them down in price, or refused to pay them in a timely manner." In fact, failing to pay on time is one of the fastest ways to lose trust. The Grande at Colts Neck lost a good vendor due to problems with slow payment. It was the result of a mix-up between the manager and the accounting department of the management company, McGrath says. The association approached the vendor recently about a new RFP and offered assurances that the payment delays had been addressed. "Hopefully he'll come back," McGrath says.

You can sometimes combat problems like that and build a reservoir of good faith by giving credit where credit is due, says Rouse, the association president from Denver. If a contractor does a great job, let him know. "We recognize our vendors for the work they do by giving them awards or certificates and having vendor luncheons," he says. "Everyone likes to be recognized and appreciated," Stiller seconds.

5. Keep things in perspective.

No relationship is perfect, and even healthy relationships occasionally encounter bumps in the road. Distinguishing between minor problems and relationship-ending issues is key to long-term success, says Lee Thompson, CMCA, AMS, president of T.M.C. Realty & Management, Inc., in Las Vegas.

For example, when complaints or problems arise, first try to address them in a proactive manner, Thompson suggests. It may be that the vendor doesn't understand what is expected, or he or she may be unaware that performance has slipped. "Advise your vendor what the issues are and work together to resolve them," he says. "We have an in-person review or conference and some clearly defined benchmarks for performance when things are going badly. If we have to move on to another vendor, at least we will have tried to do our part in making the relationship work."

Sample #3: At Your Service (cont.)

And remember to cut your vendors some slack, advises Marilyn Brainard, a member of the CAI Community Association Volunteers Committee and past president of the master community association of Wingfield Springs in Sparks, Nev. "Don't shop around if one little thing goes wrong," she says. "You have to give people a chance to get used to a job."

Even if the service provider has been on the job for years, mistakes happen and you need to keep things in perspective, says Macrae. The longtime reserve specialist for one of her communities once submitted a reserve study—on the wrong association. Rather than take him to task for this time-consuming and time-wasting mistake, Macrae decided this trusted and usually reliable vendor had made an honest mistake. "I jokingly called him and teased him," she recalls. "We laughed about it and he corrected the situation in a matter of days." Because the reserve specialist quickly accepted culpability and rectified the situation, he put Macrae's worries to rest. When a contractor is defensive or evasive about a mistake, however, that's a more serious problem, Caplan says. "All vendors make mistakes, just like all managers make mistakes," he says. "Those contractors that acknowledge their mistakes and correct them without delaying or griping are the contractors we work best with."

There are times, of course, when the error is too grievous or the damage too extensive and the relationship must be ended. When that's the case, be polite but pointed, Macrae advises. "If you must terminate, be polite in your letter of termination, and tell him—personally—why," Macrae recommends. If you explain why the contract was terminated and offer a clear explanation of the shortcomings or problems, the contractor will have an opportunity to address and correct them. Down the road, the new and improved vendor might be someone you'll want to do business with, Macrae says.

Long term doesn't always mean healthy. Change can be disruptive, costly and distracting to community associations. That is why long-term relationships are so valued, and why we've dedicated this space to tips for building lasting relationships. But just because a relationship has endured doesn't mean it's healthy, cautions Jerry Boswell, past treasurer and president of a sub association in the Highlands Ranch master association in Highlands Ranch, Colo. "It's not always a positive thing to have a long relationship with a provider because that can indicate that the association is too lax and has ceded too much authority to the provider," he says. Boswell, who also serves on CAI's Community Association Volunteers Committee, recommends seeking RFPs every three years. It keeps service providers on their toes, he says, and ensures their rates are in line with the current marketplace. "Even if it's a good provider, it's smart to do them [RFPs] every few years."

A vendor you work with today may bear little resemblance to the company you hired five years ago. Staff, ownership and business philosophy can change, which is why long-term relationships don't necessarily translate to long-term partnerships, Pena says. "I have ended relationships with vendors after using them for years because of changes in personnel, quality of workmanship or pricing," she notes. "We must represent the best interests of our associations, and sometimes that means going out for a competitive bid even though everything is status quo."

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Sample #4: The Art of Maintenance

Common Ground Magazine

The Art of Maintenance

A Paving Parable

Christopher P. Hodges, P.E.

Imagine that you've finally answered the call to service and accepted a position as the head of your association's building and grounds committee. This seems like a good way to devote more time to your community, and you eagerly approach your first task: paving.

You and the board have long recognized the need for some serious pavement maintenance. The potholes that scar the major drive lanes into the community have gotten pretty large, especially after two years of El Niño. Oh, and don't forget, your 20-year-old association is also responsible for a three-level, 75,000-square-foot concrete parking garage.

As if the tension weren't already mounting, you've just met your two new committee members. Both are long-standing members of the community with every good intention in the world. But Committee Member A has a brother-in-law who happens to be a paving contractor, and he's promised the best prices in town. Member B, meanwhile, thinks that you don't need to spend any money at all on things like paving and parking garage maintenance. Your building engineer, after all, does a fine job.

Let the Games Begin

Now you have your work cut out for you. You've met with your compatriots and decided the first step is to get some bids from contractors to fix the parking lot and parking garage. Where do you start? Well, the yellow pages are as good a place as any. You pick three contractors—the ones with the most attractive ads—and start making calls. It soon becomes apparent that the worlds of asphalt paving and concrete parking structures just don't mix. Three contractors with three different proposals have now doubled to six, to accommodate the concrete repair work needed in the parking garage.

After leaving work early a number of days in a row, you've finally managed to give tours to each of the contractors bidding on the repair work. You've also gotten an education on pavements and parking structures along the way. But you're getting a bit confused, because not all of the contractors were talking about the same types of repairs.

Nevertheless, the committee meets to review the bids that have trickled in. Since each contractor had an opportunity to look over the site and formulate a proposal, each has summarized the quantity of repairs and methodology. Pavement Contractor A has proposed to perform 2,000 square yards of "full-depth" pavement repairs and 8,000 linear feet of crack sealing, to apply a seal coat, and to re-stripe the parking lot. He's included a bond cost, a two-year contractor's warranty, and a disclaimer that his "full-depth" repairs don't include supplying additional sub-grade material or preparation. Contractor A's price is \$120,000.

Contractor B (Committee Member A's brother-in-law) has really come through on his promise. His price is \$72,000, but his proposal is to "edge-mill and overlay the parking lot." He's broken out the price to construct the overlay and re-stripe the parking lot (no mention of "full-depth" pavement repairs, warranties, bonds, or disclaimers). Contractor C has indicated he'll perform pavement repairs for \$68,000. That's it. No breakdown, no scope of work—he'll just "perform pavement repairs."

Sample #4: The Art of Maintenance (cont.)

Frustrated and hoping to end your meeting before midnight, you turn your attention to the parking garage bids. Garage Contractor A has proposed to do 500 square feet of “full-depth” concrete slab repairs, 4,000 square feet of “partial-depth” concrete repairs, and 200 square feet of overhead repairs. Contractor A has also proposed to apply a traffic-bearing coating to all of the elevated slabs once the repairs are made. The price is \$275,000.

Garage Contractor B has proposed 2,200 square feet of “partial-depth” slab repair as well as the application of a penetrating sealer to the elevated slabs once the repairs are done. Garage Contractor B’s price is \$98,500. Contractor B has also included numerous “unit rates” (if necessary to complete the job). Rounding out the pack is Contractor C, who will repair the parking garage for \$325,000. Again, that’s it!

At this point, you’re faced with not only the nearly impossible task of interpreting the bids, but also the reality of two other committee members who each have an interest in going right to the low bidder. It’s getting toward midnight, and you and your committee really don’t know what an “edge mill and overlay,” full-depth repair, traffic-bearing coating, or penetrating sealer is. What do you do?

To Pave and Pave Not

It’s time to get help, and it’s really not as hard (or expensive) as you may think. A lot of community managers, architects, and engineers make it their business to know repair and maintenance. They can help you through the maze of products and repair methods on the market today.

Let’s tackle the pavements first. If you see signs of potholes and alligator cracking (with its distinct checker-board pattern) in your parking lot, chances are you have base failure. Base failure occurs when the pavement cross-section doesn’t have the ability to carry traffic loads. This usually results when the pavement section is too thin, or the sub-grade soils are weak. This could be a design issue, or an issue of improper construction. Unfortunately, base failure is rarely corrected by a pavement overlay (applying a thin layer of asphalt over the entire pavement). Base failure can be corrected only by full-depth pavement repairs (removal and replacement of the damaged sections).

For this scenario, base failure must be corrected prior to installing an overlay. Indeed, an overlay may not be necessary at all. If an overlay were attempted without fixing the base failure first, the overlay could fail in the first few years because it’s usually not designed to overcome base failure. If the full-depth repairs were made, that might be all that’s necessary—and the additional service life of the repaired pavement might exceed 10 years. Contractor A may have proposed a fix at two-thirds greater cost than Contractor B, but the service life of the repair could be three to five times as long. We won’t even discuss Contractor C.

Now on to the parking garage. Concrete repairs are tough to call because no matter how hard we try to predict how much deteriorated concrete needs to come out, we won’t know the exact amount until we start going at the area in question with concrete saws and jackhammers. Damaged concrete is usually dealt with using conservative quantity estimates of partial-depth repair, full-depth repair, and underside repairs.

Sample #4: The Art of Maintenance (cont.)

Garage Contractor A appears to have submitted the most conservative estimate. Contractor B has merely alluded to the fact that unit rates may be necessary for repairs in excess of the estimated 2,200 square feet. What are the unit rates, and how do they compare to Contractor A's? You may not know how much removal and replacement is necessary until the work is done.

The other significant difference is that Contractor A has proposed a traffic-bearing coating on the elevated slabs once the deteriorated concrete is removed and replaced. Contractor B has proposed a penetrating sealer. Both materials are acceptable, but the traffic-bearing coating provides a significantly greater level of protection to the concrete from moisture and chloride penetration. Unfortunately, the cost of the traffic-bearing coating is about three times the cost of the penetrating sealer. The benefits are in a service life that's two times that of the sealer and a much higher degree of concrete protection (i.e., less future deterioration). Again, we won't even discuss Contractor C.

Obviously, this scenario has been carefully constructed to make Contractor A the winner—but certainly not the obvious winner. Making this type of decision on your own can be quite risky. There are many professionals who can help by preparing specifications and bid packages that offer a consistent, effective approach to repairs. If you do it this way, you can choose a repair method before pricing becomes an issue, allowing an apples-to-apples comparison. Although the fees involved to get this level of professional help may be several thousand dollars, the risk of making a several-hundred-thousand-dollar mistake is greatly reduced or eliminated. You do the math.

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