

Preventive Maintenance: Capital Improvements

As a finale to the series on preventive maintenance, it is to be assumed that as a result of the Boards/Committee/Managers inspection of the property that a list of "action items" will be generated. This means that more than likely a contract or contracts with a vendor(s) will be entered into to make the repairs or the replacement to the components determined to require that action now. As with all capital improvements, bidding of these jobs is important to obtain the most benefit at the best cost to the Association.

To ensure that bids are comparable, a set of specifications for the job should be drafted. If the job involves extensive renovation or construction, it is highly recommended that a professional be engaged to write the specifications. This professional may also be qualified to act as the project manager or simply as a consultant. Specifications may save the Association money by limiting the number of change orders that may occur as a result of unknown conditions or additional materials needed to complete the job.

A good contract should include items such as:

- Time frame for job completion
- Penalties for failing to meet the deadline
- Hours and days when work may be performed
- Guidelines for the use of facilities by workers while on the job
- If job requires the removal of debris, locations where dumpsters will be placed and how frequently they will be emptied. Anticipate any damage that may occur while loading and unloading the dumpster
- Requirement for proof of liability and workers compensation insurance
- Progress payments based on work completed
- 10% retention pending final review of work and/or inspections being passed by governing municipality.

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NEVER advance funds unless the job requires custom components. In jobs with a cost of \$2500 or more, ensure that a Notice of Commencement is filed. Make sure that a partial or full lien release is obtained before releasing payment(s).

Not all contracts will be this complex or require this level of detail, but all contracts should be carefully read and understood by both parties.

If the contract provides for warranties, know that they come in two forms: Material and labor. Material warranties come from the manufacturer and are generally subject to proper installation. Labor warranties are generally offered by the installer and may be of relatively short duration, six month, a year or two. Make sure what the conditions are for honoring warranties and get them in writing.

Finally, before releasing that final 10% retention, walk the job with the contractor. Resolve any details before releasing the final payment. The vendor will be more likely to resolve any issues before that final payment than after when he has moved on to his next job.