

Ask The Maintenance Panel

By Dick Tippett

Question: "We asked for bids from roofing contractors to reroof our complex and got seven bids back. The bidders are offering us four different roof systems. The highest bid is more than three times the lowest bid. Three bids are fairly close in amount; the rest are all different.

"What should we do?"

Our answer this month comes from **Dick Tippett of ERTECH, Inc.**

The fact that you received seven bids means that roofing contractors are actively seeking work. Some, naturally, are hungrier for work than others. Your lowest bidder may have made a mistake in figuring his bid; your highest bidder may also have made one.

You didn't say who your bidders are or whether or not you pre-qualified them before you asked them to bid. This makes it difficult to judge the quality and accuracy of the low bid.

You say that the bidders offered you four different roof systems. This indicates that you probably didn't specify the kind of roof that you wanted them to bid on supplying. Different roof systems have different prices, based on the life expectancy of the roof and the amount of labor that the system takes to install.

A good rule of thumb to follow in a situation like this is to "throw out" or ignore both the highest and lowest bids. Focus on the three bids that are fairly close in amount. The fact that the three bidders are close to each other in amount probably indicates that they are offering roof systems that are similar in value. If the systems are similar in value, the closeness of the

bids also can indicate that each of the three bidders sees roughly the same amount of work required and the same degree of difficulty to do the job.

The board should do two things:

Investigate the roof systems being offered by the three bidders. What is the warranty? Where have the contractors installed the same roofs? How are the roofs performing? Has the roof system been in use for longer than five years? Is the appearance satisfactory?

Investigate the three roofing contractors. Have they been in business for at least five years? Do they have a line of credit with their suppliers? Do they have at least one million dollars general liability insurance that includes coverage for work on condominiums? Do their references check out? Can they offer extended roof manufacturers' guarantees? Can they meet your scheduling requirements? Will they protect your lawns and landscaping?

One or more of the three contractors will provide satisfactory answers to all of the questions. You can then choose one of those contractors to do your work, with reasonable certainty that the work will be professionally done.

Be sure to have your attorney draw up the contract between your association and the contractor. Hold back 10% of each payment until the work is completed. Be certain to get lien releases from the contractor's subcontractors and suppliers each time you pay him, to be certain he is paying his bills. Get final unconditional lien releases from all of them before you release the retained funds.

Good Luck!

Each month this column addresses a specific maintenance concern that every association faces. Our panel of experts is here to help answer questions you might have. We hope that you will find this page to be informative and please **Ask The Panel!**

Please use this information as a guide. It is recommended that you seek advice from your professional association manager or affiliated service provider. Should you have a question for the ECHO Maintenance Panel, please contact ECHO via email at info@echo-ca.org, or fax the panel at 408-297-3517.