

# CONDO

## MANAGEMENT

## Low bidder syndrome is a pervasive disease

by Carl A. Brown

**U**t seems that most of the horror stories told by consumers and property managers about their construction projects have a very common theme: shoddy or incomplete workmanship. These sad tales are reported over the full gamut of contracting work from A to Z, including roofing. In most cases, the property manager or homeowner places the entire blame onto the contractor/installer. That is not completely true, as a certain portion of the responsibility belongs with the buyer. Herein are some suggestions for purchasing construction services.

1) *Be aware of LBS, or "low bidder syndrome."* This insidious problem in the building industry is one of the main reasons projects go awry. Contractors are put under pressure to present a low bid by the buyers, who believe they are sharp purchasers. Buyers believe they will surely be taken advantage of, if they don't take the lowest bid.

Most buyers do not realize that there are contractors, even licensed ones, who either don't know how to estimate work correctly or simply make mistakes. Often, these are new licensees. In the building industry, the saying is: "The low bidder is the one who makes the biggest mistake."

Sometimes the low bidder doesn't realize the mistake, gladly accepts the contract and begins work. When confronted with reality, he tries to cut the cost (i.e., the work) and the project starts downhill. Alternatively, he realizes he is doing the project for free, and diverts his attention to other projects where normal profit is expected. Workmanship quality

of one project we surveyed recently went sour when the low bidder contractor was forced to cut the pay of the installing crew members. Naturally, they cut every corner they could, especially where unseen by the HOA. Other times, a contractor underbids the project on purpose because he sees a mistake or missing information in the bid request, and he knows he can claim for an "extra." In some cases, a low bidder contractor is simply a sharper estimator, a more aggressive purchaser of materials, or better organized.

2) *Accurate specifications.* The bid-

*In most cases, the property manager or homeowner places the entire blame onto the contractor/installer. That is not completely true, as a certain portion of the responsibility belongs with the buyer. Herein are some suggestions for purchasing construction services.*

ding process can only be successful if you are requiring "apples-to-apples" bids. This starts with a clear definition of what is included and what is not included in the project. The scope of work is critically important to a successful project. The size and area of work is equally important. It is a big mistake to believe that simply asking a contractor to provide a specific brand or type of roof is the same as purchasing a Ford or Chevy from a dealership. All roofs are custom installed by individuals, not made in a factory under controlled conditions.

3) *Only allow pre-qualified contractors to bid on your project.* There is no law that mandates private contracts be open at all contractors who wish to quote the job.

Tip: Do not depend solely on the reference list provided by a contractor, as they never list problem clients or projects.

4) *Inspection of the work in process by a qualified inspector.* This may be the most critical phase of the project, as very few property managers have the knowledge or desire to climb onto the roof and evaluate the installer's workmanship for industry standards or manufacturer's specifications. The quality of work can vary widely, even between crews in the same company. The inspection service should be completely experienced with the product being installed, and prefer-

ably hold a valid contractor's license in the appropriate class. However, I would be concerned about a company that presents itself as a consultant, and also installs HOA roofing.

Finally, if these suggestions make sense to you (or if you wish you had them before that last roofing project), you may want to locate an architect, a qualified construction manager or licensed roofing consultant to assist you. We suggest you start in the CAI directory, and don't be a victim of LBS.

*Carl A. Brown is a roof consultant and project manager with Advanced Waterproofing Solutions Inc. in Orange County, CA.*

# Advanced Waterproofing Solutions:

## Get the right work done, and the work done right.

**C**arl Brown is President & General Manager of Advanced Waterproofing Solutions serving San Diego, LA and Orange Counties. The company provides project management and consulting for roofing, decking and water control projects. Complete project management starts with a survey evaluation and report of existing conditions. The next steps include providing a budget, specifications and quality assurance for the work in progress.

Water control management is an insidious problem resulting in damage to foundations and structures. AWS can identify and resolve difficult water intrusion problems anywhere in the building envelope, roofs, decks, windows, walls and foundations. Of the eight community associations AWS worked with last year there are several projects that provide unusual lessons.

The Beachport Village HOA had ongoing water intrusion into two living areas for many years. Carl Brown narrates

the story.

"The apparent water source was from some large planters in the atriums which were an attractive part of the landscape, but a "money pit" for the repairs the association had spent trying to keep the water out of their homes. The board was very skeptical, and most wanted to tear out the planters. They finally voted to allow one more try by AWS. Using our digital moisture tester, we set probes all around the problem areas, and located the leaks in both planters. A spec was written and repair contractor hired. Water flooding tests showed problems were resolved." - Carl smiles.

Harbour Vista HOA offers another lesson. "This association had continuous complaints from residents about "swamps" around their patios and front walkways." Carl begins. "These "wetlands" were providing habitat for insects that like the standing water. In addition, they were replacing wood trim around windows and residents were experiencing mold and damp carpets. A complete evaluation was made of the landscape grading, sprinklers, watering system and

water runoff. The entire system was out of sync for the grade. There was over watering in the "swamp" areas and bone dry a few feet away. AWS provided the board a report and suggestions for correction of these problems which included changing or adjusting sprinklers, re-directing sprinklers away from the buildings, adjusting the watering timers, filling in the "wetlands", installing drain units and adjusting gutters and down spouts. The work was accomplished by the landscaping contractor and all issues are now resolved." concludes Carl.

AWS is a consultant, They solve problems and oversee the corrective measures needed. Carl Brown's credo is "Get the right work done, and the work done right." Brown feels that the biggest weakness in our industry is the "low - bidder syndrome" and has been a spokesman for quality work done at reasonable prices. He is an active member of CAI and wants to reduce and eliminate the headaches suffered by board members and property managers from shoddy workmanship.

## The ABCs of successful roofing & decking projects

**A** **Survey, Evaluation, Priorities:** AWS will conduct a complete roof/deck inspection to determine the existing conditions and renovation requirements. This detailed inspection includes roof/wall connections, metal flashings and critical details. AWS will provide a written report of the survey findings, along with our opinion about remaining roof/deck life, including a listing of buildings in order of their condition and/or need for repair or replacement. AWS will provide photos or videotape of areas we believe owners should see, without board members going onto the roofs.

**B** **Budget, Materials, Specifications:** With our knowledge of the hundreds of products and systems available for roofs/decks, AWS will provide guidance to the owners or property manager in selecting materials which will fit their requirements of budget, appearance, warranty and life-cycle costing. AWS will verify how local building code(s) may affect the selection of products, including installed weight, fire codes, etc.

AWS will prepare a specification and bid package in detail, to provide the bidders and to obtain the lowest responsible bid for the exact same work.

**C** **Contractor Selection, Schedule, Quality Assurance:** Upon receipt, at the time and place designated by the owner, sealed bids will be opened and evaluated. A spreadsheet analysis of the bids will be provided to the owner, along with our opinion of the bid results. AWS will prepare the building schedule of work, acceptable to the owner and selected contractor.

The Quality Assurance inspections can be performed on a daily basis, when the contractor is onsite, and any deficiencies can be promptly corrected. All work to be approved by AWS, before payment is made to the contractor. AWS will verify all work is complete per specs and standards, and all paperwork necessary (to protect the property from liens or other claims) is completed before submittal for final payment.