

BREAKFAST BRIEFS



CONTRACTING BASICS

This course is approved by the Community Association Managers International Certification Board (CAMICB) to fulfill continuing education requirements for the CMCA® certification.

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BREAKFAST BRIEFS

CONTRACTING BASICS

- Community associations routinely enter into contracts for services.
- Value of the contract may range from a few dollars to a significant portion of the association's annual budget.
- Term of the contract may be brief or quite lengthy.

THE CONTRACTING PROCESS

THE PARTIES

- Association
- Contractor
- Engineer or Consultant
- Board of Directors
- Managing Agent
- Association Legal Counsel

THE CONTRACTING PROCESS

PRE-CONTRACT QUESTIONS

- Owner Approval
 - Addition, Alteration, Improvement
- Area of Responsibility
- Funding
 - Expenditure Restrictions
 - Available Funds
 - Budget

THE CONTRACTING PROCESS

RESTRICTIONS

Community association governing documents or condominium instruments may include limitations or prerequisites for contracts.

- Monetary Restrictions
- Term Length
- Contractor Qualifications
- Execution

THE CONTRACTING PROCESS

WORK REQUIREMENTS

- Description (Scope) of Work
- Calendar
- Work Standard
- Special Requirements

THE CONTRACTING PROCESS

BIDDING THE CONTRACT

- Design Documents
- Proposal Specifications
- Request for Proposals
- Analysis of Proposals

ESSENTIAL CONTRACT PROVISIONS

PRICE

- Total Due
- When and How Payment will be Made
- Charges for Non-Contract or Incidental Work
- Retainage

ESSENTIAL CONTRACT PROVISIONS

TERM OF AGREEMENT

- Time Period for Performance
- Automatic Renewal Terms
- Notice

ESSENTIAL CONTRACT PROVISIONS

*CONTRACTOR IS
AN INDEPENDENT CONTRACTOR*

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ESSENTIAL CONTRACT PROVISIONS

GUARANTEES AND WARRANTIES

- By Whom
- Of What
- Standards
- How Long
- Delivery of Warranty Certificates

ESSENTIAL CONTRACT PROVISIONS

INDEMNIFICATION AND HOLD HARMLESS PROVISIONS

- Unilateral
- Mutual

ESSENTIAL CONTRACT PROVISIONS

INSURANCE

- Workers Compensation
- General Liability
- Errors and Omissions
- Association Coverage
 - Directors & Officers Liability
 - General Liability

ESSENTIAL CONTRACT PROVISIONS

TERMINATION

- Notice
- Opportunity to Cure
- Consequences

CONTRACT REQUIREMENTS

STANDARD CONTRACT PROVISIONS

- Subcontracting
- Assignment
- Permits and Licenses
- Utilities

CONTRACT REQUIREMENTS

STANDARD CONTRACT PROVISIONS

- Inspection
- Discrimination
- Mechanic's Liens
- Notices

CONTRACT REQUIREMENTS

STANDARD CONTRACT PROVISIONS

- Damages
- Attorneys' Fees
- Applicable Law and Forum

CONTRACT PROVISIONS

OTHER CONSIDERATIONS

- Contractor and AIA Standard Form Contracts
- Execution
- Retainage

CONTRACT ADMINISTRATION

RECORD KEEPING AND CONTRACT ADMINISTRATION

- Written Agreement
- Contract Changes ~ Change Orders
- Work Log
- Work Inspection
- Payments

CONTRACT ADMINISTRATION

SPECIFIC CONTRACT CONSIDERATIONS

- Completion
- Management
- Towing
- Landscaping
- Construction

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DISCUSSION

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