

# Selecting a Contractor for a Parking Lot & Driveway Paving, Maintenance or Installation Project

Driveway Maintenance, Inc.

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A White Paper

by Driveway Maintenance, Inc.

http://www.driveway.net



#### About Driveway Maintenance, Inc.

<u>Driveway Maintenance Inc.</u> (DMI) is a LEED-accredited full-service, self-performing <u>paving contractor</u> and <u>sealcoating company</u> serving clients throughout Florida, including Miami, Naples, Orlando, Palm Beach, Ft. Lauderdale, Ft. Myers, Tampa, Ft. Pierce, Delray and Daytona. DMI provides paving and sealcoating services to commercial entities, including apartment complexes, community associations, commercial office parks and retail shopping centers. Learn more at <u>Driveway.net</u>.

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Driveway and parking lot construction, renovation and maintenance are important components of property upkeep and value protection. A well-maintained driveway or parking lot retains structural integrity, which reduces degradation, pitting, potholes and other conditions that can damage vehicles and increase insurance costs. A well-kept facility presents curb appeal that lures patrons, improves tenant tidings, and can help maintain rents and overall property value.

Such quality construction, renovation or maintenance is the work of a quality contractor. Selecting the right contractor for any driveway or parking lot construction, renovation or maintenance project, though, is no easy process. Contractors vary by qualifications, capabilities and the scope of work they are capable of performing.

The key to a successful engagement is to realize cost should never be the sole determining factor when selecting the provider. In fact, three contractors of similar experience, size and qualifications likely will be within 10% of each other's bids – assuming they're responding to the same RFP. Thus, factors other than cost should determine who is awarded the bid.

Driveway and parking lot construction, renovation and maintenance can be significant, expensive and time-consuming capital investments in the long-term presentation, health and viability of commercial, office and residential projects. Property owners or management companies overseeing such an undertaking must be prepared. This includes...

- 1. Preparing a thorough and detailed request for proposals. This ensures the specific project needs, as related to your job or property, will be addressed by responding contractors
- 2. Seeking out qualified contractors and distributing the request to them.
- 3. Vetting potential contractors for qualifications, certifications, insurances, equipment and employee requirements, as well as price-versus-value equations, and assuring that their bids address in exacting detail the demands set forth in the RFP.
- 4. Entering an agreement with the contractor that submitted the "winning" bid.
- 5. Watching over the project in process to ensure the contractor is adhering to promised timetables, materials in use, sustainability practices, and ensuring the final product meets all specifications outlined in the agreement.

#### **Preparing the RFP**

Preparing a thorough and detailed request for proposal helps ensure the specific needs as related to your job or property will be addressed by responding contractors. This project specification will allow the

contractor to initially assess the nature of the job. The RFP should include as many specific details of the job as possible, which can include the project's size and scope, preferred materials, labor preferences, insurances / bonding, expected timetable, and other relevant factors.

#### **Seeking Out Qualified Contractors**

The term "Qualified" can be a source of confusion to some. An occupational or business license doesn't mean they are qualified to do paving work. Experienced and qualified contractors must hold appropriate state licenses. Some counties require licenses issued by the appropriate trade or qualifying board.

To find a vendor, ask fellow property owners or a property maintenance company for names. Additionally, request a list of licensed paving contractors from the state Department of Business and Professional Regulation or local construction Trade Qualifying Board. Finally, distribute the RFP only to those qualified, properly licensed vendors. This may help narrow the list to recommended or reputable vendors.

#### **Vetting Responding Contractors**

Vetting possible contractors for qualifications, certifications, insurances, equipment and employee requirements, as well as price-versus-value equations, may be the most important effort to help narrow the list.

Ascertain as much as possible the capabilities of the responding contractors. This can include asphalt and concrete, new construction, drainage, maintenance, resurfacing and striping services.

Review credentials for insurance, licensure and company history. Perform a business background check. This can include Dun & Bradstreet, the Better Business Bureau, and the State, County or Local Board of licensure. Licensure can be confusing. Some jurisdictions require it; others do not. Florida, for example, has no state paving license, but contractors must be licensed by the county, with some cities or villages requiring licensure as well. Moreover, no one license fits all work. A license to seal coat, for example, does not authorize the holder to perform asphalt, concrete or paving work.

Insurance is a significant factor when selecting a contractor. Insurance ultimately protects the owner in case of harm or injury to anyone on the site. The difference between a small vendor and a large vendor often can be found in the level of insurance the contractor carries. Insurance and bonding, and whether the company is considered A-rated by its carrier, are tell-tale signs for prospective customers.

Are the vendors under consideration insured for the appropriate coverage? Contractors should provide proof of individual, company, job site and vehicular insurance. Is every person on the site covered? Is "Any Auto" and therefore every vehicle to be used on the jobsite insured – as opposed to a rider for "scheduled vehicles" that may be used on a site?

Do they carry appropriate Workman's Compensation coverage, where required? Or are exemptions included for officers or owners? Take note to see that all employees are covered.

#### The image on the left has insufficient coverage. The image at right has sufficient coverage.

INSR LTR	TYPE OF INSURANCE	INSR	ADD'L NSRD	TYPE OF INSURANCE
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR	A		X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR X Add'l Insd
	GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO- LOC			X Blkt Waiver  GEN'L AGGREGATE LIMIT APPLIES PER:  POLICY X PRO- LOC
В	ANY AUTO ALL OWNED X SCHEDULED AUTOS NON-OWNED AUTOS	A		AUTOMOBILE LIABILITY  X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS
	UMBRELLA LIAB OCCUR EXCESS LIAB CLAIMS-MADE  DED RETENTIONS			X NON-OWNED AUTOS
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)			ANY AUTO
	If yes, describe under DESCRIPTION OF OPERATIONS below	A		X OCCUR CLAIMS MADE
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#### Other details to consider...

- Is the staff trained or versed in different materials applied or concepts employed, like asphalt, concrete, Americans with Disabilities Act compliance, green certification / sustainable pavement methods?
- Will the company provide professional, detailed phasing plans to outline how the project will progress? Will the company schedule the work to limit inconvenience to tenants and guests? How will the contractor phase the project to limit lane closures, barricading, temporary closure of the parking lot, etc.? Addressing and mitigating such factors up front can help ensure tenants and guests are inconvenienced as little as possible.
- Is the company willing to provide value-based engineering alternatives, or different options based on the project's budget? Are they and all company executives professional, courteous, and responsive to inquiries?
- Do the vendors have an established reputation in the community, and are they able to provide testimonials and photographs of prior jobs and site visits?

#### **Entering into Agreements**

Entering into an agreement with the contractor that submitted the "winning" bid requires more than signing a contract and/or paying a deposit. It's vital that the customer reviews the agreement as presented and ensures that all specifics from the RFP are included in the agreement.

The agreement should include what the contractor will deliver at the completion of the project. If a job was handled locally, close-out could be a walk-through with the contractor and client. If the owner or property manager is remote, the contractor could provide photographs of the completed project. Some companies deliver a minimum standard completion package that often surpasses even what a local customer may expect. This can include a list of product / materials used, specific job elements addressed, and a quality control or internal review process checklist.

#### **Watching the Project in Progress**

Site visits allow the client to watch over the project in process to help ensure the contractor is adhering to promised timetables, materials in use, safety protocols, etc. This also includes sustainability practices to ensure your project meets green mandates.

#### **Hiring Contractors With Qualified Supervisory Staff**

Though last in the list, this should be among a property owner or manager's first considerations when qualifying and engaging a contractor for a driveway or parking lot project. Materials, equipment, employee issues, timetables and other variables can dramatically affect a project's cost and delivery. This can help define project parameters and mitigate against unforeseeable events that can impact project delivery.

#### **Conclusion**

Selecting and hiring an experienced contractor in Florida or any national market, and ensuring the best outcome from that contractor, requires numerous steps. Contractors vary by qualifications, experience and capabilities, and because the scope of work for the project varies, the selection process must go beyond the RFP. The process must include qualifications, licensure, insurance coverage, experience in the field, and the contractor's willingness to build a relationship with the client during the course of the project.

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