

Chapter nine

Specifications and Statement of Work. Contents, we're gonna talk about specifications and statements of work, also known as SOW, also known as scope of work. PHAs, if you want somebody to do something, you have to tell them in writing. If you wanna receive the proper price, you have to write it in the bid doc. The specifications don't change much because I use what the architect did as an attachment to the bid. But here's the issue about specs. You will see right here that I have an introduction, I have rights, then I have scope of work. Now, anything pertaining to the work that they're to do during the contract phase is going to be included in this section right here. It might also be on an attachment referenced by that section. But I'm not gonna put the scope anywhere else in any other section. A work item. You need to have your bid's focus. Then, of course, I have the bid format they have to turn in. That's not part of the scope. That's the bid format, the bid evaluation, and the contract award.

When it comes to doing specifications, you have to be focused on what you want done. The people who sent me these specs the other day took over a month to prepare them. The reason that it takes a month to prepare them is I've trained them and their architect, and the architects already do this, this is why we hire architects, to focus on certain things that we have to inform people of. Those things include your requirements. What do you require them to do? Now, I am not going to, during this chapter, say, "Well, we ask the contractor to do this." We do not ask the contractor to do anything. We tell them to do it. Are you with me? There's a big difference. The deliverables, not only what you require them to do but what you want them to deliver to you. In the case of a construction, it's gonna be here's the drawings, here's the narrative of the drawings, the project manual for you to get there, but the drawings is when it's done, it's gonna look like this. When I do a specification for fee accounting, I've got people paying 60,000 a year for fee accounting of my clients. Yeah, you're a big place. Lot of work to be done there. The specifications are a page and a half long. Why? Because it's the kinda specification it is. It's a specification that's entirely focused on deliverables and not focused on requirement. And then your expectations. You have to ensure that vendors, contractors, proposers, bidders, whoever they are understand what is being required and allows them to determine how they can meet those needs so they can give you a price.

That's simple. I mean, that's a big duh, but we always wanna keep that in mind. Whatever we tell them that they're going to do, we wanna keep in mind it's to reach the goal that we have. We describe our requirements. It's many times very detailed and may even include descriptions about materials, which would be items with a brand name and what added on the end of every brand name, or equal. This is where, recently, people have gotten into trouble. By recently, I mean five years. That's what I think is recent. HUD started seeing that architects had wandered. Housing authorities had allowed them to wander from the thought of putting or equal on all of the narratives and requirements they put for product. They may say Moen 706B tub and shower valve, which is the very good shower valve. All you gotta add is or equal, and then whatever they give you has to be equal to that product. Yes, that's all you gotta do. That is not a difficult thing to do. There are three types of specifications, functional or performance, design, and brand name or equal. Now, a functional spec explains how the item will function or how the service will function, but it does not contain a lot of details about design. Now, a specification for audit, when you get my audit spec, you might look at it and go, "This is a page and a half long. "How in the world can I get what I want "from the auditor from this?" Well, it's very easy. It only talks about deliverables. It says things must be done by these dates, so you'll deliver them by these dates.

It must be in conformance with, yeah, it's in conformance with that, and then you tell them what your program looks like. They're going to tell us how they're gonna do it and then we're gonna judge and rate them on that. And remember, I told you about the two, one that was gonna give us 10 senior people and they were gonna charge about twice as much. The other one was gonna give us eight junior people with one senior person. Design specifications, what is our purest form of design spec? Purest form, construction drawings. See, we've got drawings, and we have a front view, back view, side view, top view, bottom view, cut-out view (laughs). Everything is all, it's drawn and it's all there. When this building was built, there was a drawing that showed these lights, these doors, those switches. They didn't decide where to put any of that. It's a design spec that says this is exactly how you're gonna do it. And what's cool about that kind of a design spec is they can walk with the drawings and look at the site and tell exactly if things are in their proper place. Hey, there was supposed to be three windows over there and one there. Well, I thought this was better. Well, things like that happened a lot or quite often. Yeah, and you go, "Wait a minute, you framed them in there. "Stop, let me get the architect and see." Now, sometimes the architect might come out. He goes, "Well, that's okay. "Why did you do that?" And he goes, "Well, because there was a beam over there." Now, really what's supposed to happen with a design spec is they're supposed to say, "Ah, you've got a problem. "You designed a window "with a beam going up through the middle of it. "And we can move it over here," and the architect looks and he goes, "Okay, the engineer did that, fine. "We can make that adjustment, there's nothing." And then what do we do then? The drawing has to be redone at the architect's expense, of course, or the engineer, probably. You'll go back on the engineer who did it.

Anyway, we'll do a contract modification or change order. And it might cost us money, and if it does, well, I'm probably gonna go back on the engineer for that. I'm probably gonna withhold that from the payment request. Typically, by agreement with both of us. But, do you know, it happens that (laughs) windows get designed. You can draw a window, just don't put the beam in it, but the beam's on another drawing and goes right through the window. Yeah, those kinda things do occur. And if they occur too much, you need to think about that architect, whether that's somebody you wanna continue to use. Remember, design is very specific. Everything is detailed. Now, performance specs require you to use more open-mindedness in evaluation. And remember, performance specs are more difficult to oversee in contract phase. Design specs don't require a lot of creativity on your part. You're getting a firm, fixed fee, and then when you go to oversee the work, it's a lot less risky because you've got drawings, you've got designs. Brand name or equal. Well, HUD says this is the least preferred and that's true. They say it in the handbook. However, it's hard to avoid 'cause we can't go into design to buy tools, and we go harshly, Brand names will bring design in and will bring performance specs in together. But we always put the word equal, so we list a model number and then we have an or equals spec that says these are the tolerances and the ranges. You have to be within a reasonable area of these. Let me show you real quick a brand name specification, a refrigerator quote. The spec is there and I do a summary. See, when you use a brand name, you use the brand name to show the people the quality of what you want, and they have to meet it within a reasonable range of tolerance, and then you have to list the essential characteristics or salient qualities.

Here's my product, Frigidaire. Now, the or equal is up here and the or equal is down here, but they can give me another brand name. They can give me another model number. Energy Star is required, yes. ADA compliant, yes, required. And then I go through all the different things, and they can list stuff over here as to how they compare. Now, I don't get this. I do not receive this as a part of the bid. I receive it from the winning bidder only, and if that winning bidder gives me something that does not meet the standards, I will throw them out and go to the next

bidder or give them another chance to meet it, whichever is appropriate. Your brand name is typically gonna be part of a bidding process or a quote process where there's a low-cost award. We must not use the specification merely to restrict competition. Any of y'all remember when the recessed handles came out on refrigerators? You remember that? I specified on the next bid that I wanted recessed handles, for my family units, not for my elderly. That's too hard for them. I still need their handles. But we had a lot of problems. Handles was our biggest breakage item, why? It don't matter if you're in the most difficult project in Oklahoma City or in the best place of Bel Air or Beverly Hills, California. When a three-year old sees handles on a refrigerator, they think, "Jungle gym, I'm gonna climb on it," and they pull them off eventually. So, I went to recessed for my family units. At that point, there was only one firm that did recessed handle. I wasn't doing it to restrict to that. I was doing it because I wanted a recessed handle. And there was some folks gonna protest, and I said, "Talk to your attorney. "You can protest, but I want the recessed handle." "Well, we don't have it." "Well, it's the coming thing, so you better get it," and they did. They didn't protest, but the attorneys said, "Well, we'll lose that "because they have the right to name a specification "if it's important to them." Always follow by the words or equal. Sometimes people use the words or equivalent or same as. Don't do it. The handbook says or equal.

Use the phrasing that HUD uses. Don't change the phrasing. You know what you're doing to HUD? You're saying, "I know more about this than you do." That's the subconscious reaction that people might get. And frankly, I believe it's justified. You are telling them you know better. Use their terms. That's what I say. It isn't each HUD employee who did that, but use the HUD terms. Like I told you, I use the HUD policies. I use stuff from HUD so that when I get audited, they're used to it. The offers have the opportunity to present either products or brand specifications within a reasonable range of tolerance. The statement of work is going to contain a lot of elements, including what your objectives are, any detailed work assignments. You know, when I do lawn care, I tell people, "You're gonna do stuff in a certain order," so I get what I want. First, they pick up the trash. Next, they edge and trim. Next, they cut. Now, why would I do those in that order? Some people say, "Well, I'll just suck all the trash up." No, looks so ghetto. It looks terrible, all this cut stuff around. You won't do that in Beverly Hills. You ain't gonna do it on my site. You don't do it at your house. You know what I mean? That whole thing of good enough for government work we ain't gonna take. You're doing the work, do it right. Pick up trash first. Now, why do I cut, edge, and trim? And by the way, I had a lawn maintenance company for 20 years. While I was working at the government, my dad ran it for me during the day. I had 15 employees. Because if you cut first and then you trim and leave that laying there, it looks that bad, right? Also, we would edge and trim so that when we went along, we would suck up with the mower all of the stuff off the walks.

The next thing you do is blow the walks, clean the parking lot, check sprinklers last. I don't usually shut down jobs, but a lot of the lawn companies, when I was at the agency, we would check them the first couple of times they cut 'cause they'd go back to their old way, backwards. And after they were done, I'd bring the superintendent over and look at all the stuff on walks. He goes, "Yeah, that's the way we do it," and I go, "Great, I assume you have brooms "'cause these walks are gonna be clean before you leave "or you ain't gonna get paid." We're done, noticed a cure goes immediately. The walks are clean. And if they don't clean 'em, which happened with one contractor one day, I sent my crew out and they cleaned them. My executive directors were nuts about curb appeal. They were just crazy. They hated stuff like that. We cleaned the walks and I gave them, and I back-charged them, took it off their first bill. That contractor didn't last long. He knew how to do everything better than me. Okay, we tell them what they're to deliver, what the criteria is for acceptable work. I just gave you the five things that they're gonna do and I'm gonna check on them. You always have to put in

timeframes. This lady did this landscaping bid, and she goes, "Cut the lawns as needed," and I said, "No, that's way too broad. "We usually do weekly cuts, every seven days." She goes, "Well, my boss said as needed. "They know how often to do them." Called me some months later, "We just got a bill. "They cut them twice in one week."

Pay the bill. "Why?" You said as needed. You left it up to them. Pay the bill. "We don't want to." Well, what do you want from me? Their spec was weak, flawed, yeah. I have a reporting even for lawn company. They're to tell me of any unsafe conditions. They're to tell me about stumps. My janitorial contractor was telling me about outlets that are hanging down. Yeah, I have a reporting requirement with every contract. Warranties, I was gonna get sued a number of years ago by a housing authority 'cause they say that I messed up the specifications for warranty. Well, in my specs, I tell them what the warranty is, and that's what I taught them during the seminar. However, this is what they did. Now, remember, I've said once before we do not ask contractors stuff. We tell them stuff. When you do a construction bid, do not ask contractors, "How long will you take to do the work?" No, you will tell contractors, "120 days." Now, if they have a problem with that, they can tell you before the question deadline. Otherwise, they've agreed to it. This housing authority had 800 units, 600, I don't know what, and they replaced, one mass buy, all of their refrigerators using capital funds. Had it all approved. What they did was they got prices in, and for \$500, they asked them for their warranty, and it was a two-year warranty on the compressor. And then they had somebody else who said \$540 and there's a five-year warranty on the compressor. And they had said, just like I taught them to do, I taught them this they said, "Ask them for their warranty." That isn't what I said. Let me tell you how that's a problem.

What I said is, "Tell them what the warranty is." They declared this bidder non-responsive, and awarded to this bidder, and this bidder said, "Wait a minute, what did I do wrong?" "We didn't like your warranty." "You didn't tell me anything different about the warranty." "Your warranty, we asked you for it." Anyway, their attorney was on the phone and he goes, "Your teaching was flawed," more or less. I don't remember the exact words. I said, "I told you to tell them the warranty." And it's in that, by the way, it's in my training manual. And they said, "Well, we didn't know, we don't know. "How could we have known what warranty we wanted?" Well, it really is this simple. Go down to that appliance shop on the corner and ask them, "I'm gonna do a bid for appliances. "Will you respond?" Sure. "Gonna buy 600," great. "Tell me, give me a budget figure. "How much is a two-year warranty with that appliance, "and how much is that appliance with a five-year warranty?" And then you could even make the decision then based on this, what we call anecdotal research or anecdotal information, information that's not proven but it's there. They said, "Well, we didn't think of that." Can I do anything else for you folks? (laughs) You asked them to tell you. We don't ask contractors to tell. We tell them. Okay. Always tell them whatever required licenses are needed, testing procedures, whatever you need from folks, you need to tell them you need it.