



V N E W S O F V A L U E

SPRING CLEANING—TIPS ON CHOOSING THE RIGHT LANDSCAPE CONTRACTOR

Landscaping is often a community association's greatest asset—and it can be one of its greatest expenses. Keeping the grounds mowed and shrubs trimmed seems so simple that hiring an expert can seem unnecessary. Yet hiring a professional may make sense for many community associations.

Why should we use a landscape contractor?

Using a contractor may save associations money by lowering labor and equipment costs and mitigating liability exposures. The quality gained from using a professional landscaper translates to curb appeal, happy residents, and higher property value. Professional landscapers know and adhere to laws regarding hiring and firing practices, chemical application and storage, and workers compensation. Since many landscaping jobs are seasonal (removing leaves in the fall, for instance), a contractor will have the flexibility to hire employees for special work. A well-trained contractor is less likely to make a hazardous mistake, but if an accident does occur, the association's liability is reduced—usually the contractor will face the lawsuit. Claims against the contractor generally do not affect the association's liability policy rating.

What should we look for in a landscape contractor?

First and foremost, you should check the company's reputation. The Better Business Bureau (www.bbb.org) has records of complaints of local companies. Ask the contractor for a list of references and visit the properties. Pay attention to details—how well is the lawn groomed? Are the hedges trimmed? Do you see any weeds in the mulch areas? Also, speak with the managers or maintenance personnel there. You may also wish to speak with employees of the company you are considering hiring. When you are soliciting bids from contractors, develop a Request for Proposals that is detailed and accurate. Make sure that all potential contractors complete the RFP so you can compare apples to apples. Finally, be prepared to invest enough money in grounds maintenance—many community associations underestimate this budget item.

Is there such a thing as insurance for landscaping?

Yes. Insurable exposures include theft, vehicle damage, lightning, and storms. Since many community associations invest substantial sums for landscaping, insurance to cover this investment makes sense. Cleaning up and replacing a single mature tree destroyed by wind or ice could easily exceed \$10,000, \$25,000, or even \$50,000. Without landscaping insurance, this would be an out of pocket expense for most community associations.

What specifics do we need to know about insurance?

It is essential that the association have a Certificate of Insurance on file indicating that the contractor has appropriate insurance coverage. Policy limits should be provided, to the fullest extent possible, to the benefit of the association, or the contractor should be asked for a loss run for the current policy term to confirm that aggregate limits are not in jeopardy of being exhausted. The contract should include a "hold harmless agreement," with indemnification and defense clauses, which protects the association's interests against allegations that the contractor failed to properly provide services.

Questions or concerns?

If you have any questions or need further information, please contact Steve Dickerson (703-739-2346 or sdickerson@usisoutheast.com) or Doug Thompson (703-739-2341 or dthompson@usisoutheast.com).

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