Appointing and managing contractors

How to specify the work, compare quotes, check insurance and credentials, and keep control after the contract starts.

A building depends on its contractors, and choosing the wrong one is an expensive mistake. A simple, repeatable process protects the building, and protects the directors from the accusation that they favoured someone.

1. Define the work

Write down what is needed: the tasks, the frequency, the standard, the access and any safety requirements. A vague brief produces vague quotes.

2. Get comparable quotes

Ask at least three suitable firms to quote on the same written specification, so you compare like with like. Record who you asked and why. For larger jobs, check whether the consultation rules for service charges apply before you commit. Our section 20 guide explains the main steps.

3. Check the firm

- **Insurance.** Public liability cover, and employers' liability if they employ people. Ask for the certificate and check the dates.
- **Competence.** Relevant qualifications and registrations for the trade: for example, gas, electrical, lifts or fire systems.
- **References.** Speak to other buildings or clients.
- **Health and safety.** How they manage risk on site, and how they will protect residents.
- **Financial standing.** For large projects, consider whether the firm can finish the job.

4. Agree it in writing

A short contract or confirmed order should include the scope, price, payment terms, start and end dates, insurance, how changes will be agreed, who supervises, and how either side can end it. For regular services, note any notice period so you can change contractor without penalty.

5. Manage the work

- Name one director as contact for each contractor.
- Inspect the work, and keep photographs and notes.

- Pay against invoices that match the agreed price, and query anything that does not.
- Keep a log of problems and how they were resolved.

6. Review

Review each regular contractor at least once a year: price, quality, response, safety and complaints. It is easier to change a contractor on a fair review than on a bad week.

Conflicts of interest

Directors must declare any link with a contractor, and must not take part in decisions where they have a personal interest. Record it in the minutes.

> Keep the file. A tidy contractor file, with quotes, certificates, contracts and reviews, is what protects directors when a decision is questioned.

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