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How to choose a contractor? Here's a checklist

MAXIMIZING THE VALUE your business receives from its construction dollars is a continuing challenge, no matter what the economic climate may be. But in today's tough economy, discretionary construction dollars are particularly precious. There is tremendous competition among contractors to win your business, sometimes with unrealistically low bids that may come back to haunt you later.

When your company has a need for construction services, the last place you should go is a telephone directory or the Internet. Over the life of your business, you are likely to spend more money—a lot more—on building, remodeling and other construction-related services than on other professional services.

Given that reality, it makes better sense to select and incorporate into your core management team a skilled, experienced and trusted building contractor, one who is chosen carefully. Choose this person similar to the way you have selected and established continuing supportive and consultative relationships for other professional services, such as accounting, legal or advertising.

No hit-or-miss

Choosing a builder should be based on a review of your potential future needs and a careful evaluation of their qualifications. The selection is best made with the mindset of choosing an ongoing partner with your internal management team, rather than relying on the hit-or-miss relationships with strangers that are common in the traditional bid market.

Work to establish a close working relationship with a firm and its people who understand your vision and objectives, and who are committed to working cooperatively to achieve your goals.

In any construction project, cost is an

important consideration. But so is making certain that real value is delivered for the money spent. A general contractor who knows your company, your specific needs, aspirations and budget limitations intimately is your best assurance of receiving a benefit that exceeds the cost.

A contractor partner should be ready at any time to answer questions, prepare cost estimates and provide timely and expert advice, while functioning as your company's "first responder" for construction-related services.

A good contractor can provide expert and economical value-engineering of your new construction, expansion or remodeling plans and specifications—a process that helps wring out excess or unnecessary costs early in the design process—as well as provide options for building material choices and scheduling concerns.

What to look for

What criteria should you apply in selecting a contractor-business partner? Here is a checklist for guiding the process.

Depth of experience. Do they have a strong history of success in working with other companies in your industry or with clients who had similar building needs?

Solid references. Are current or past clients willing to go on record in recommending them?

A deep bench. Do they have access to a broad range of skilled and experienced tradespeople, suppliers and subcontractors? Do they have a history of strong working relationships with them on projects similar to yours?

Consistent management. Will the person who estimates your project also manage the project? Having one key contact person helps avoid mistakes that can be made if the job is handed off during the evolution of your project.

Cost control. Do they run a lean company? Is the job site run as efficiently as possible? Are their field supervisors "working superintendents" who put on their tool belts as often as possible (as opposed to merely coordinating the job over the phone while driving to other projects)? Are they immediately available to answer the inevitable questions that arise each day on construction projects, avoiding costly down time?

Financially sound. Are they bondable? Do they have a reputation for paying their bills on time? Will they provide lien waivers for the work they do for you?

Response time. Are they committed to serving your needs, whenever and no matter how inconvenient the schedule? Can they react quickly to urgent needs or emergencies?

Degree of commitment. Is management totally committed to supporting and advancing the success of their clients? Do they understand your long-term plans, and are they willing to help plan for your future? Do they also focus on the details, to ensure that you receive the results you expect?

Integrity. Do they share your business philosophy? Do their values match yours? Do they have a reputation for ethical business practices, and for face-to-face resolution of disagreements?

Personality match. Do your personalities mesh? Can they relate, one on one, to your management team? Are you comfortable that your team can work with them as well, with minimal conflict and a mutual desire to get the job done right?

There are many general contractors who can meet these standards and help your company reach its business goals. Select one that meets these criteria and is focused on doing their work as well as you do yours, and you will have found a good general contractor-business partner.

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