



IMC Construction General Contractor & Construction Manager



The 5 Keys to Hiring a General Contractor or Construction Manager

There are several reasons why a project can go wrong but selecting the right Construction Manger helps insure success. There are several factors you should consider when hiring a project manager. All candidates should provide:

- Proof of Financial Stability
- Proof of Insurance
- Project Portfolio
- Recommendations
- Professional Affiliations

Financial Stability

If your construction management company goes belly-up in the middle of your project then everyone is in trouble. That is why financial stability is one of the most important factors when considering a construction management company. Contractor should be able to provide financial references that include: a letter from their bank stating stability and character of the company, letters from subcontractors or suppliers stating payment history, and their Dun & Bradstreet number. After reviewing this information and checking financial references you will be able to develop an understanding of a general contractor's financial strength.

Insurance

To protect you and your project, Construction Managers/ General Contractors must not only provide Proof of Insurance but also adequate coverage for your project.

Possible candidates should be able to provide proof of the following insurances:

- General Liability
- Workers Compensation
- Builder's Risk
- Auto Insurance
- Bonding Capacity

A General Contractor should also be able to provide proof that subcontractors are also fully ensured.

Construction Services Delivery Methods

Design/Build

Simplicity for the Owner is the major benefit of this option. One contract and one point of contact for the Owner often expedite the construction process.

Stipulated Sum

Often referred to as Lump Sum, this method gives the Owner a defined price for the project. The construction manager takes on the risk of going over budget but can also profit when projects are under budget.

Guaranteed Maximum Price

Unlike stipulated sum, savings are passed onto the owner but agree to pay Construction Manager a fixed fee in addition to the actual costs.

Open Book CM

This method requires full disclosure of the Construction Manager and provides the owner with a transparent view of all expenditures and income incurred by the CM during a project.

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Portfolio

Consider your project when reviewing a Construction Manager's portfolio. If a Construction Manager has a portfolio of mainly churches, they might not be suited for your commercial build. Look for projects that are similar to yours to make certain the general contractor is prepared to handle and has experience with issues that may arise with that type of project. A well rounded contractor will ideally have experience with a broad spectrum of buildings and will be best equipped to handle your project. A general contractor's project portfolio highlights not only experience but also business associates. Look for respectable, well know companies that have given the contractor repeat business. Repeat business is a signifier that a contractor builds trust and does quality work. If you plan to build a green project or a LEED® certified project, be sure the candidate has the experience.

Recommendations

When contacting a Construction Managers' references, be sure to ask if their project was finished on time and within budget. Also ask specifics about the project to see if they were similar to your venture. Don't hesitate to request both client and business references. Try to develop a complete understanding of how the contractor not only interacts with their clients but also subcontractors and business associates.

Affiliations

When researching a GC, check with the Better Business Bureau for complaints. Many local offices can be accessed with an online search. Also consider a contractor's affiliation with professional organizations. Memberships within professional associations show leadership and community involvement.

**To learn more about the benefits of working with a proven General Contractor and Construction Manager, call IMC Construction
610-889-3600**