

# ***H**ow to Select the Right Contractor to Construct Your Building*

**Robertson** 

**Robertson Building Systems**





# *Who is the Right Type of Contractor to Build Our Building?*

Like most business owners, you may know one or more commercial contractors – socially or through various business-related contacts. Before you make a decision on who will construct your new building or expansion project, we strongly suggest that you review the contents of this booklet.

First and foremost, there's a significant difference between conventional builders and professional contractors who are also trained and experienced authorized metal building contractors. In addition to conventional construction methods, an authorized metal building contractor has been thoroughly trained in constructing buildings comprised of steel components, specially manufactured in the controlled environment of a building manufacturer's plant before shipment to job sites. Conventional builders typically bring traditional construction materials to their job sites.

In addition, metal building contractors are normally trained to fully understand building codes and local requirements that typically affect construction costs.

Today, metal buildings comprise nearly half of the low-rise, non-residential construction projects found in nearly every walk of life – from industrial applications such as complex production facilities, warehouses and distribution centers to schools, churches, libraries, medical facilities, retail stores, shopping centers, motels, automobile dealerships, office complexes, airplane hangars, arenas, and all types of government buildings. Since a number of different materials, like glass, brick, stucco and concrete, can be used on the outside, you probably drive past several engineered buildings every day without realizing it.

You're making an important investment, and this booklet is designed to help you consider several key factors before selecting a contractor for this very important project.



# Important Steps to Take Before Selecting a Contractor...

Begin by reviewing the following three contract options for your building project:

## CONTRACT OPTIONS

## TERMS

## ADVANTAGES

## DISADVANTAGES

### 1. Competitive Bid

- Selection of a contractor is based totally on lowest price rather than optimum solution or value engineering.
- The contractor is restricted to working with exact specifications, unable to take advantage of cost-saving ideas that arise during the project.

- Bids are typically submitted by competing contractors based on specifications detailed by the architect or engineer you hire.

- Higher cost for third-party architect/engineer required to prepare plans and specs.
- Time penalty to prepare the project documents, solicit bids, evaluate bids and mobilize the project.
- You may sacrifice the opportunity to work with your contractor of choice.
- The contractor may look for the lowest available costs rather than working with subcontractors with whom he is familiar and has confidence.

### 2. Design/Build

- You contract a design/builder who assists in the design.
- Your contractor assumes full responsibility for construction of the building, including all materials.

- You have a larger role in planning, designing, and building your building – one that reflects your tastes, needs, and budget.
- More practical because the contractor assists you with the design, including showing you different design alternatives.
- The construction schedule is more easily coordinated because subcontracts are controlled by the builder.
- A lengthy bidding process is eliminated along with the associated costs.

- You need a respected and experienced contractor in whom you have confidence.

### 3. Construction Management

- You contract with a qualified construction manager who acts as your representative throughout the construction process.
- The construction manager reviews and approves builder and subcontractor invoices, and passes them to you for payment.

- You hire a professional to look out for your best interests.

- You have financial responsibility for completion of the project.
- You may become deeply involved in supplier and subcontractor issues.

# Select the Right Contractor

Set up your screening process using these criteria. This requires asking for the following objective information about each of the contractors you're considering from

people in your community whose opinions you respect and then interviewing the contractors themselves:

## CRITERIA

Reputation in the community as a builder \_\_\_\_\_

## ASK ...

- Request the names, titles, addresses, and phone numbers of personal and professional references.

Performance in constructing buildings \_\_\_\_\_

- How quickly have the contractors you're considering erected structures?
- How soon have previous customers been able to take occupancy?

Specific building skills \_\_\_\_\_

- Which contractors do only conventional construction and which ones are also trained and experienced builders of engineered metal building systems?
- How well do the contractors you're considering understand the weather, snow loads, and other regional issues that are important to your project?

Financial strength \_\_\_\_\_

- Request banking references.
- Request information about the contractors' surety underwriters and their limits on both performance bonds and labor-and-materials bonds.

Business ethics \_\_\_\_\_

- Which contractors believe that working to make a profit is their company's only goal?
- Which ones believe the primary goal is to make sure that their customers are totally satisfied?

Certifications \_\_\_\_\_

- Request copies of industry certifications.

Turnover among key employees \_\_\_\_\_

- Ask about turnover of key employees, an indicator of possible organizational turmoil.

Labor costs \_\_\_\_\_

- Which contractors employ union and which ones use open-shop labor?

After-sales service \_\_\_\_\_

- Ask about the company's after-sales service policy.

After you've spoken with people in your community, interviewed the contractors, and narrowed your choices

to one or two contractors, it is highly recommended that you take these ten steps:

- 1.** Ask about the contractor's system for scheduling and when he intends to begin and complete your building project.
- 2.** Ask for a "walk-through" on a building project the contractor has completed recently. When you do, inquire about the quality assurance standards and how they were carried out.
- 3.** Contact the bonding agent the contractor has identified during the interview process to confirm what you were told or request a copy of his coverage statement.
- 4.** Ask the contractor to submit a current financial statement.
- 5.** Ask if the contractor intends to provide continuous on-site management.
- 6.** Ask the contractor when his company will show you 2D and 3D drawings of your building, including roof slope, elevations of side walls and end walls, type of frames, and accessories (by location).
- 7.** If you make changes after seeing 2D and 3D drawings provided by the contractor, ask how soon you will see revised drawings and prices.
- 8.** Ask about the "walk-through" procedures that will be taken at the completion of specific phases of your building project.
- 9.** Evaluate the form of compensation required by the contractor.
- 10.** Make sure that you understand the contractor's process and feel comfortable that your needs will be met and your budget respected.

## FORMS OF COMPENSATION

## TERMS

Stipulated sum _____	<ul style="list-style-type: none"><li>• The contractor receives a set fee, and does not have to reveal his costs and profit to you.</li></ul>
Cost-Plus Fee _____	<ul style="list-style-type: none"><li>• The contractor receives a set fee for his services, plus he is reimbursed for all direct and indirect costs. The contractor is required to disclose costs.</li><li>• This arrangement is often best when the cost of your building cannot be immediately determined. It also works if your building project is on a tight deadline, and the contractor must work on a “fast track” schedule.</li></ul>
Cost-Plus Fee, Guaranteed Maximum _____	<ul style="list-style-type: none"><li>• This arrangement is like a Cost-Plus Fee agreement with one big difference: A budget ceiling is set at the beginning of your building project.</li><li>• Incentives can be included in this form of agreement. For example, the contractor can receive a negotiated percentage of any cost savings that falls below the guaranteed maximum.</li></ul>
Phased Agreement _____	<ul style="list-style-type: none"><li>• This arrangement is often used with Design/Build contractors.</li><li>• You and your contractor have a Letter of Agreement that establishes each phase of your building project.</li><li>• After the preliminary drawings, specifications, and guaranteed maximum costs have been developed, you and your contractor enter into a construction contract. It's your contractor's assurance that he will be paid for any services he performs should you decide to cancel the project before coming to full term.</li></ul>

We hope you find the suggestions in this booklet helpful as you select the best contractor for your building. Remember, clear communication with your builder, right from the start will help ensure a successful building project and a great long-term relationship.

Robertson has carefully selected independent construction experts to be Authorized Robertson Builders. Robertson Builders are chosen for their excellent industry reputation as well as their ability to provide professional design and construction services.

Your local Robertson Builder will be happy to work with you right from project conception to completion, to ensure you get the building that's exactly right for your needs, your timeline and your budget.

He can offer a single-source solution for your building needs and deliver a complete turn-key project. His commitment is to deliver a great building experience every time, so that you'll be happy to recommend him to your friends, family and business associates. At the end of the project, you'll have a building you'll be proud to say is yours.

For more information, please contact your local Authorized Robertson Builder. To find a Builder near you, we invite you to visit our web site at [www.RobertsonBuildings.com](http://www.RobertsonBuildings.com), and click on **Find a Builder**. Or you may call Robertson Building Systems at **1-800-387-5335**. Thank you.

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