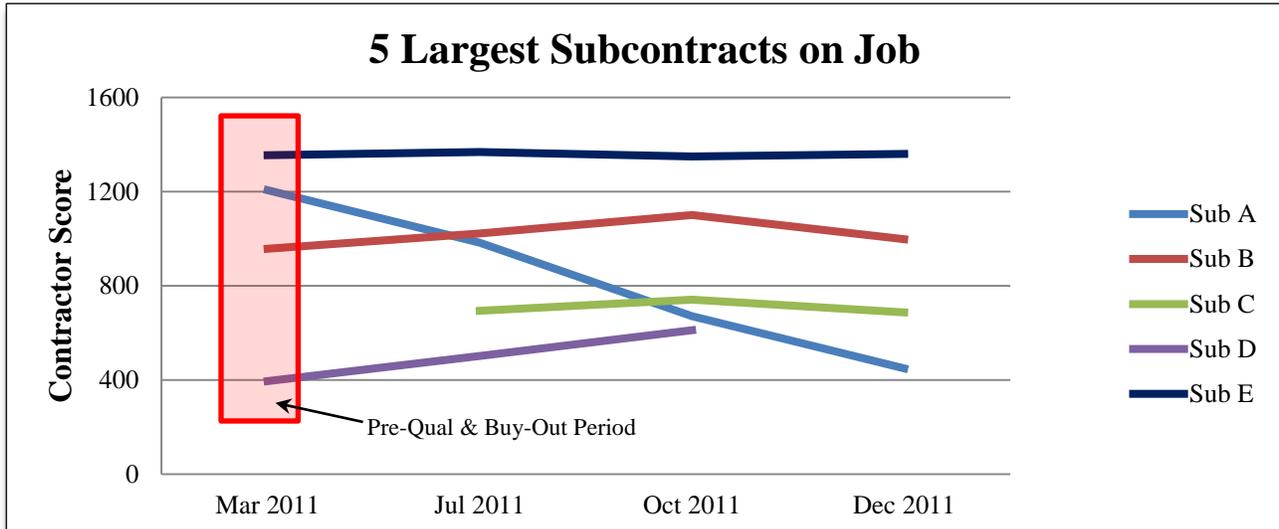


The Importance of Re-Qualification

General contractors with excellent pre-qualification processes often assume they are set after their subcontractors are vetted and bought-out. Project execution then becomes the complete responsibility of the project manager and superintendent and project execution becomes their complete focus. This job tells a story not too uncommon, however, especially in today's volatile market.



The precon team did a great job in soliciting qualified subs, developing the budgets and leading the design professionals and owner through schematics to DDs to contract drawings. The key trade packages were reviewed with the owner and the most qualified subcontractors were picked. All had excellent reputations with the exception of the Subcontractor D. He was relatively unknown, but his price was terrific and the structural engineer vouched for his work plan. Sub D's Contractor Score was in the "Fair" range, not where an elite GC with a marquee owner and project wanted any of the subs, but...the price was terrific! The GC decided to work closely with Sub D, including regular visits to the fabricator, joint checks, continuous quantity verification and quality control inspections. At that price, they could afford to assign an engineer to ride herd on Sub D.

The Subs B, C and E were all top players and no one expected issues from them. They just signed the contracts and marched forward. Subcontractor A was well known too with an established reputation and an "Excellent" Contractor Score.

As the job progressed, Contractor Scores were stipulated to be done quarterly. Interestingly, Sub D, on his largest job ever, was seeing marked improvement in his overall financial situation. Sub A raised a few eyebrows, however with their second Contractor Score, but the GC decided to "watch" them and floated a few inquiries around the industry. When the third quarter Contractor Scores came in and the superintendent was citing a host of issues with Sub A, the GC got proactive and moved some of the management resources originally dedicated to Sub D to Sub A's area. The project finished on-time and within budget. Sub A closed their doors two months later, defaulting on over \$50 million worth of work.