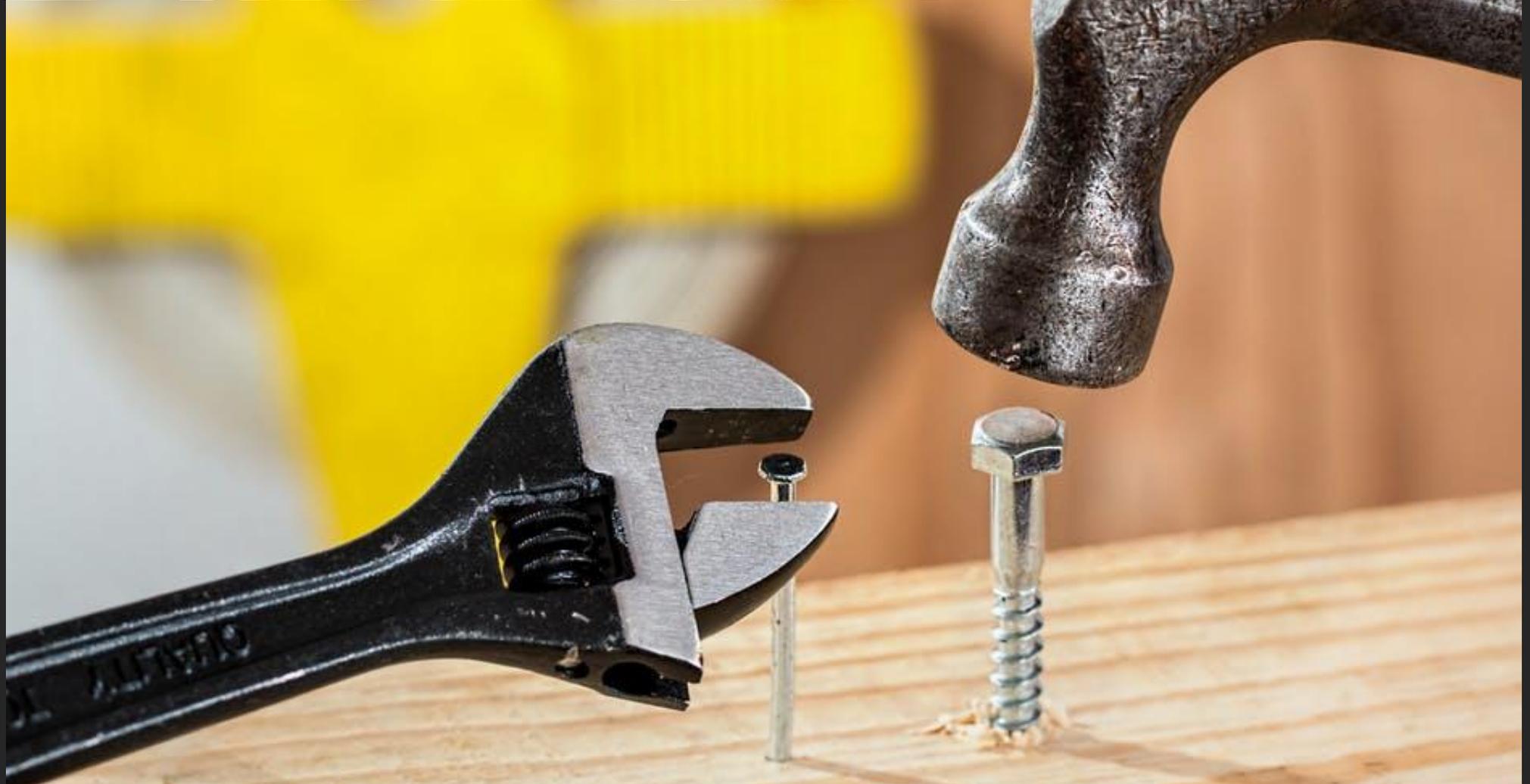




YOUR GUIDE TO CHOOSING A

COMMERCIAL CONTRACTOR

Presented By: DeMan Construction Corp





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A COMMERCIAL CONTRACTOR

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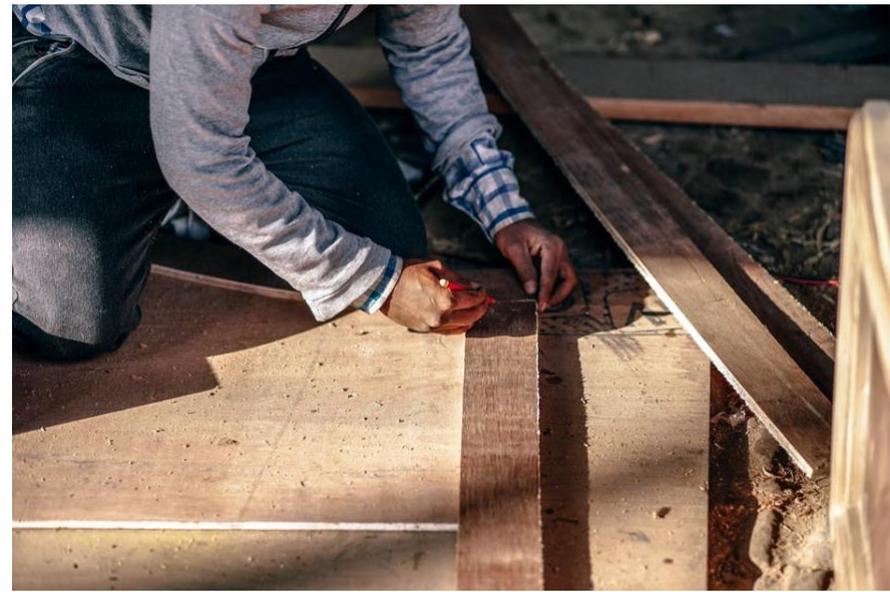
The Importance of Pre-Planning

Before even considering what you might be looking for in a commercial contractor, you have to know what you're looking for in a project. Is it a design-build or a renovation? One structure or part of a franchise? No two projects are alike, and all projects come with vastly different requirements.

“Evaluate the job, assess your needs, make detailed plans, and then hire your contractor.”

Take a look at the scope of your project – all the work you think it will take to complete the job. Is it something you could handle on your own, or are you going to need to call in backup? If the latter is the case, then you're going to need to know every aspect of your project before you can move forward. Evaluate the job, assess your needs, make detailed plans, and then hire your contractor.





Do I need a commercial contractor?

Some people might tell you that if it's construction work you're planning, then you absolutely need to hire a contractor. But ... do you? Well, yes and no.

Contractors are valuable resources, but you don't necessarily need to have one for every project – if you are equipped and willing to handle the scope of work on your own.

However, in many cases contractors are more than just helpful hands on a project site; they can help you understand and deal with any legal matters that may arise. Depending on zoning and type of build, your

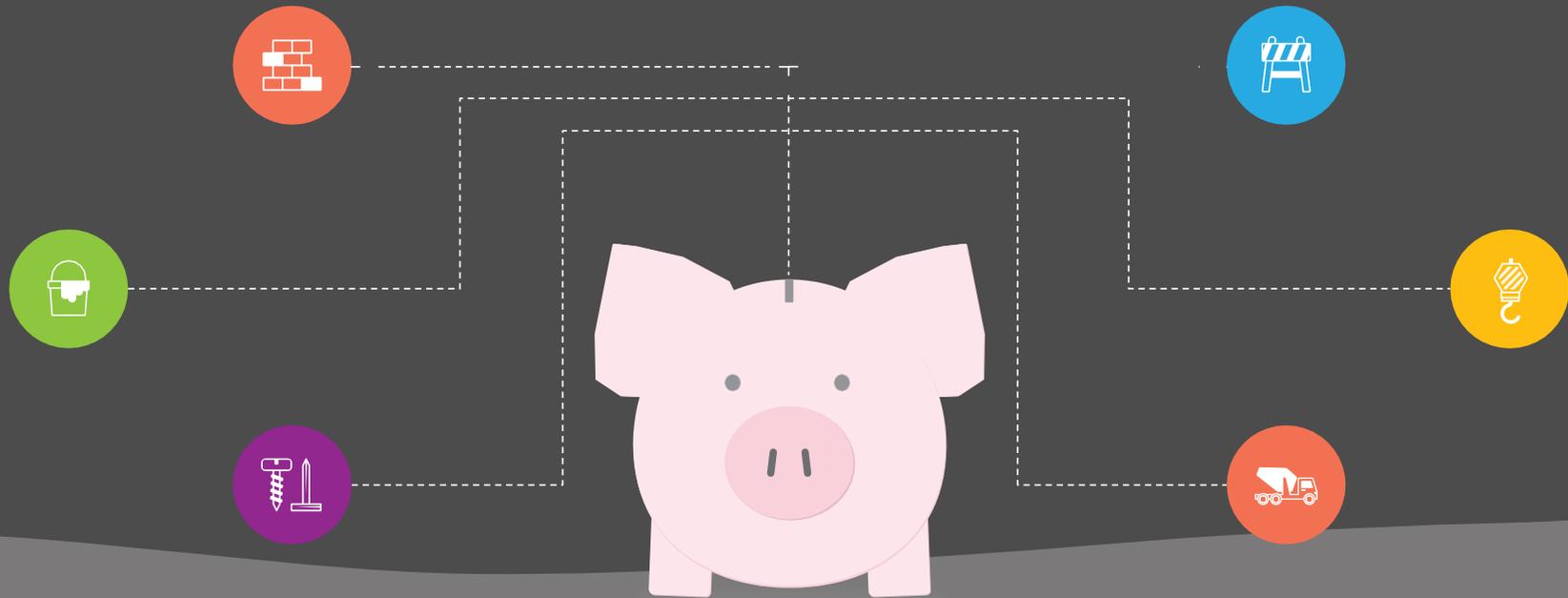
project could require permits or adherence to specific city regulations. If you're working on a commercial project, are you willing to bet that you know enough about contract licensing without outside help?

The risk of legal issues, paired with the already time-consuming job of constantly monitoring every aspect of a build, can be an overwhelming feat for a project manager to handle alone.

Whether or not you need a contractor depends on a few things: your scope of work, how much you're willing to do on your own and your level of expertise in the field.

Here are a few questions to ask yourself when deciding if you need a contractor:

- What kind of project am I working on and how large is it?
- Would I be able to oversee every step of the project's process on my own?
- Do I know how to research and obtain all the necessary permits for my project?
- Do I have the time and resources to manage the details of the projects, such as hiring workers and subcontractors and purchasing supplies as needed?



What is my budget for my project?

This is a pretty important detail. Okay... it's a massively important detail. In construction, unforeseen costs are inevitable (especially if you don't know what you're doing). Fortunately, if you do your homework and set a defined and reasonable budget from the start – and stick to it – those little surprises shouldn't derail your project.

Knowing the budget for what you do expect makes it easier to make adjustments for what you don't. And budgeting for a contractor

“And budgeting for a contractor early on can save you time and money way down the line.”

– who, because of his or her expertise, can probably make a more detailed and accurate budget for your project than you can – is just smart.

Say, for example, that you didn't properly research and plan for hiring costs and wound up overspending on a contractor. Two weeks into the project, an issue arises – and with it a price tag that you didn't plan for. Or, imagine you tried to handle the job yourself without a contractor, and overspent on everything. Either way, better planning would've saved you a major headache. Take care when planning your budget - it'll save you in the long run.

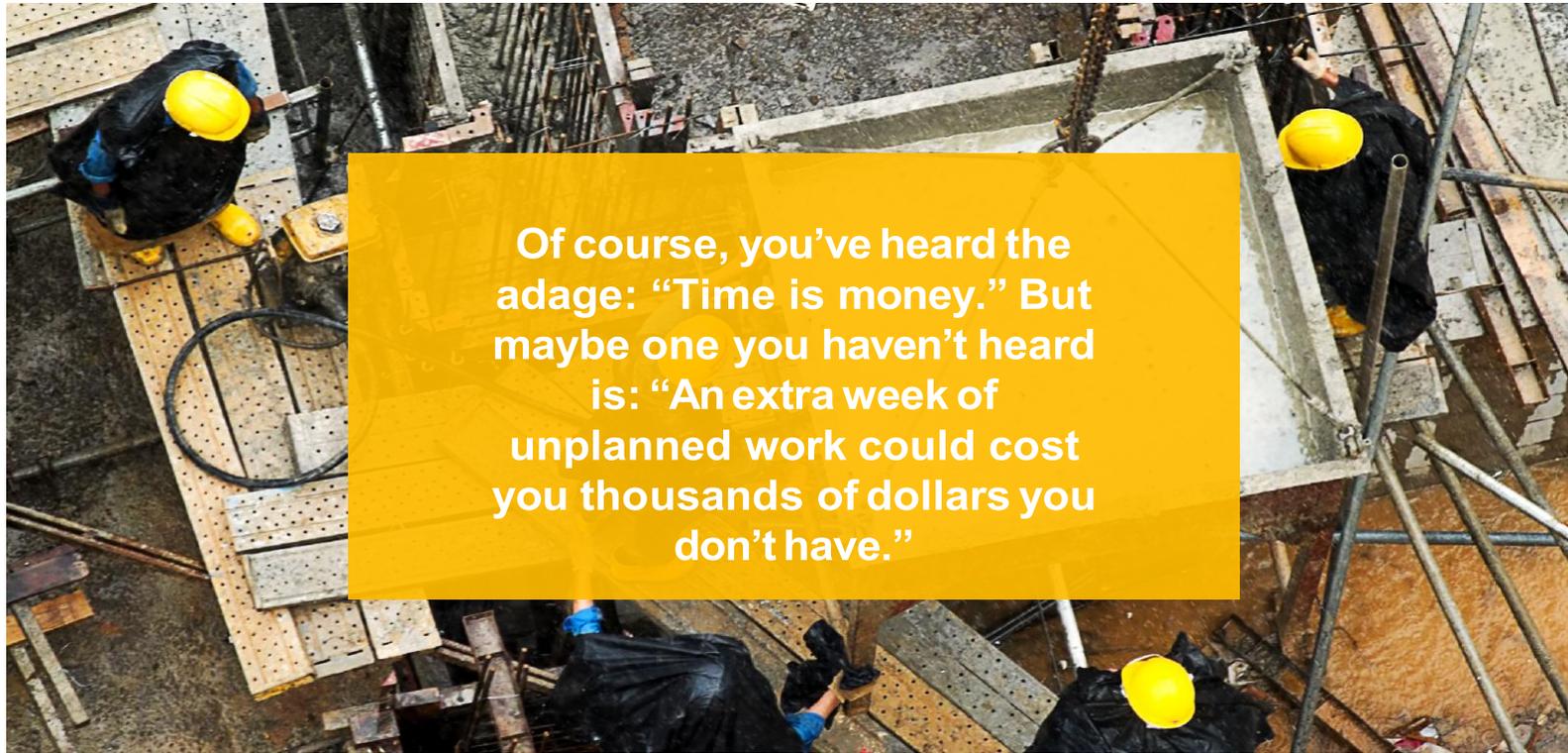


What is my project's schedule?

If you think you're over-planning your project schedule, think again. When does demolition begin? When will supplies be delivered? When does the project need to be totally done? If the electricians are coming on Wednesday morning, will they be out in time for floor installation that afternoon?

Your schedule won't just depend on the project type and amount of work to be done, but also on permit regulations, the number of workers hired, the weather and so much more.

Your schedule is your project guide, which is why it's important to set it early on. It's important for you as project manager, so you know what to expect. It's important to your contractor to keep the whole thing running smoothly. Fortunately, hiring a contractor means (just like with the budget) having an expert on hand who will create a manageable timeline to suit your needs and stick to it. That means allowing the time to do things right, while getting through the process at a steady pace.





What to Look for When Choosing A Commercial Contractor

So now you're thoroughly prepped and ready to begin the hiring process. What exactly are you looking for? Yes, you want a contractor. Yes, you want a good contractor. But how do you determine who will be right for your project?

Here are some key factors to consider when vetting contractors:

- Record and Reputation • Skills and Certifications
- Price • Working Compatibility



Record and Reputation

During your hiring process, it never hurts to know your candidate contractor's track record. Sure, it's essential to evaluate the shiny, finished product of their previous projects, but it's their work ethic throughout the process that matters the most.



Safety Records

Were there any issues in safety that arose during their previous projects? Did they adhere to worksite safety regulations?

Don't let your worksite become a hazard; hire someone knowledgeable who will help you avoid disasters like falls, electric shocks and scaffold collapses. Oh, and lawsuits. Before hiring a potential contractor, ask them for their Experience Modification Rate (EMR) – the lower, the better. If it's above 1, you might want to look elsewhere.



Financial Records

Were they mindful of the project's budget? If additional expenses were needed, were they allocated accordingly? Were these additional expenses clearly communicated to the project manager before new purchases were made?

Ask potential contractors for their change order rate, their percent of jobs completed on time and for audited financial records. If they aren't known for getting their plans right the first time or for keeping constructions on schedule, these simple questions can help you find out.



References and Reputation

1. Who has this contractor worked with previously?
2. What kind of experience did previous project managers have with them?
3. Was the contractor easy to work with?
4. Were they responsive and reachable when needed?

If you're looking to hire someone and don't know where to start: try picking your favorite recent construction project and contacting its landlord. Find out what contractor they used, and how happy they were with the results. Answering these questions could require a little bit of detective work on your part, but it's worth the effort.

Always check out your potential contractor's website, and don't be afraid to research any additional information you may want before deciding. Searching accredited websites sites, such as the Better Business Bureau (bbb.org), can also give your insight as to what kind of work to expect from a potential contractor.

Skills and Certifications

Word of mouth is great but knowing if a contractor has certain certifications can also be extremely helpful in your search. They show that someone has put in the time to learn a specific skillset, and even went through the trouble of making it official.



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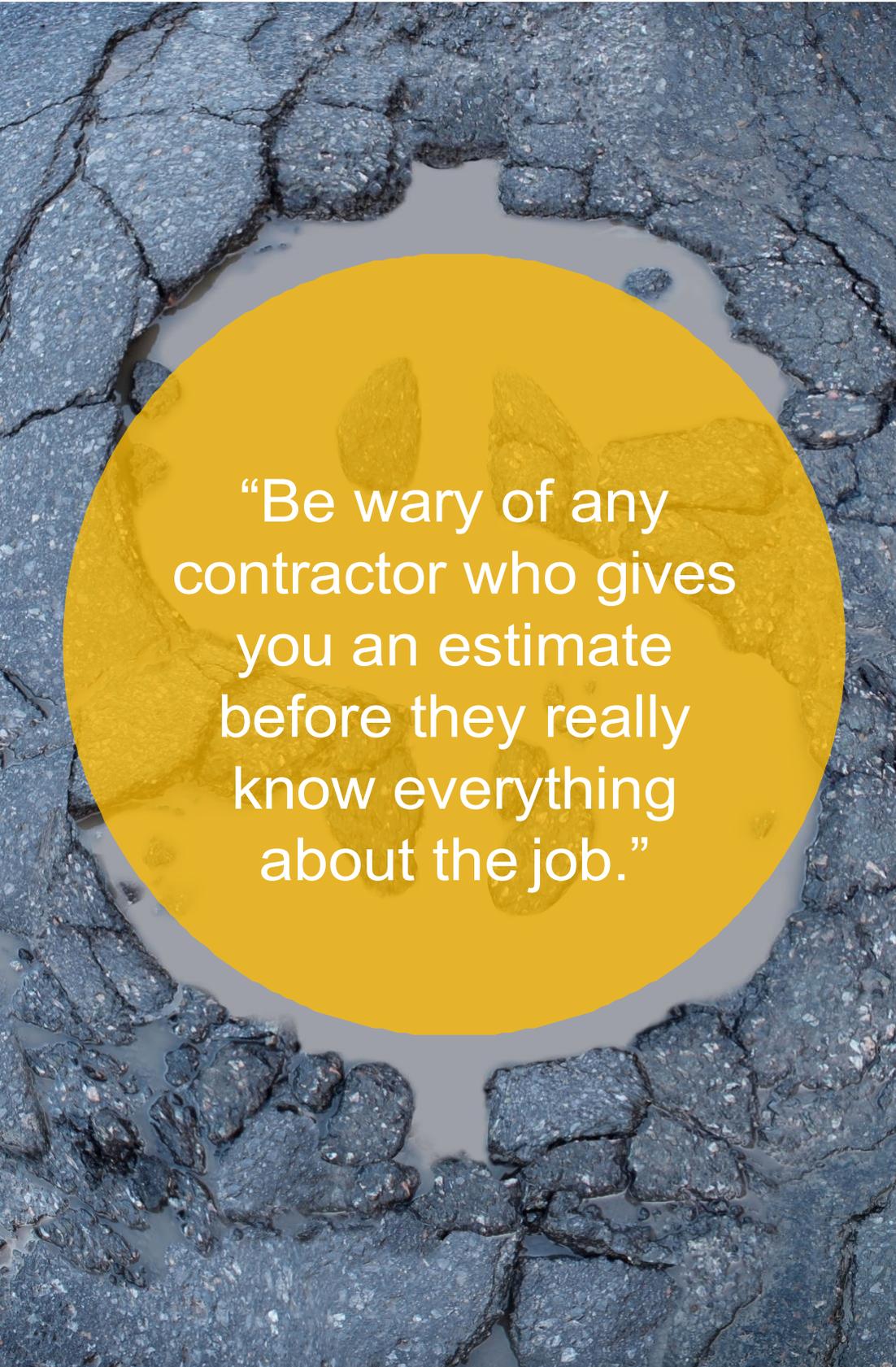
Licensed contractors come with guaranteed experience and expertise, which can help your project run smoothly and efficiently. Contracting license requirements vary by state, but typically include being experienced in worksite supervision. A contractor must pass a business management competency examination before being considered for a license. Remember: A license is only valid if it's for the state in which the project is located.

Specialty Contracting Certifications

Does your project involve an eco-friendly build? Or maybe an extensive plumbing system? This is where hiring a smart and experienced contractor seriously comes in handy.

While your general contractor acts as a jack-of-all-trades, the specialty subcontractors on your construction carry more specific expertise, such as plumbing, landscaping, energy efficiency or excavation. A major benefit of hiring the right contractor? They already know which specialty subs to call.





“Be wary of any contractor who gives you an estimate before they really know everything about the job.”

Price

It's understandably tempting to simply hire the cheapest contractor. This person is a contractor. You need a contractor. If they're cheap, too, isn't that just the icing on the cake? Not quite. **It's not always as simple as comparing your budget to a potential contractor's cost; you have to consider what that bid and estimate actually include.**

Take a closer look at what you're getting for the quoted price. Does the bid cover all your project needs? If it seems a little slim, you might do some research into the contractor's past experience with change orders. Because what you don't need is to hire someone sporting a cheap price tag, only to find out they ring up at a much higher price at the register.

If the price includes additional costs you didn't account for, is it because you didn't do all your homework – or because those costs are actually excessive and unnecessary? It's also worth noting: be wary of any contractor who gives you an estimate before they really know everything about the job. A good contractor knows not to put a price on it before they can really dig in. Don't hire someone who makes promises they can't keep.



Working Compatibility

A contractor should be your partner on your project. And, as with any partner, you should be able to work well with them. The relationship between those working on a build can make or break a project's success. You must have the ability to work in sync with your contractor and the people that they hire. Do you like to be contacted for regular status updates, or are you more hands-off? How much control over the project do you want to give your contractor? A partnership likely won't work if you're the type who needs constant updates while your contractor isn't up for including you in regular communication. Your ideal contractor should be willing to work well within the guidelines you give them.

It's also worth noting that one contractor doesn't necessarily work for everyone. While a contractor could come to you based on good

recommendations, that doesn't automatically mean that they're the right person for your job.

And a contractor who wasn't right for one job isn't automatically wrong for yours. It's important to value reputation, but it's even more important to meet your candidates in person, communicate your needs and abilities, inquire about theirs and make an educated decision

In the end, **your main focus is to find someone with whom you can build and maintain a strong working relationship.** Your ideal contractor probably pairs a friendly atmosphere with total professionalism – the kinds of things that might be hard to accurately judge if you don't meet candidates in person. This will not only benefit your current project but can come in handy on future jobs as well. If you take the time to find the right contractor now, it can save you a lot of trouble down the road.



Warning Signs of Bad Contractors

Not everyone you reach out to will have your best interests in mind. As with any business venture, some candidates come with risks. It's hard, but you must recognize the warning signs before you take on a contractor who could end up costing you time and money.

Be wary of these red flags:

- Lack of communication and reachability
- No references
- High EMR/poor safety records
- High change order rates
- Unusable or expired licenses
- No affiliation to a trade association
- Lack of transparency in bid regarding services and costs



The Benefits of Hiring a Contractor

Managing a build is an enormous responsibility that requires highly specific skills and knowledge, not to mention a tremendous amount of time and patience. If the thought of handling it all yourself is overwhelming, know that you don't have to do it alone. Hiring someone to help you take on

the challenge means replacing that stress with confidence.

Whether your project is large or small, there are some distinct advantages to hiring a commercial contractor:

- They save time.** Between their extensive knowledge and experience, a contractor keeps the project moving effectively and efficiently.
- They manage the project constantly, so you don't have to.** They are your eyes on the project, even when you're not on-site.
- They're your expert when you need one.** From supplies to construction laws to general guidance, contractors offer the expert help needed for a successful job.
- They can keep your project on schedule.** They know the timeline and the deadlines, and they will be certain to keep the project on track, even when unexpected problems arise.
- They make sure that the job is done right.** They are responsible for crossing all your t's and dotting your i's. Your project is in good hands with the right contractor.
- They know the process up and down.** They can get you past inspection and they know which subcontractors to hire (and how to work with them). That unforeseen roadblock that just brought your project to a halt? Yeah, they've seen it – and handled it – before.



Conclusion

In all, your contractor should offer you peace of mind when working on your build. If you choose to work with a contractor, do your research and plan for your needs. But most importantly, when deciding how to choose the right contractor, **choose the one who gives you confidence in the success of your current construction project – and inspires confidence to take on many more in the future.**



About DeMan Construction

Located in the City of Mississauga at 776 Dundas Street East, DeMan Construction Corp is a design-build and General Contracting company that serves clients throughout Southern Ontario. With over 63 years of experience, **DeMan Construction** has completed projects for many businesses. Since its inception, the company has been involved in the design and construction of many successful commercial projects. Get in touch with us if you have questions about our work or the process outlined in this guide at demancorp.com or call (905) 277-0363.



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