




- Conduct a public records search to assess whether there are any outstanding tax liens or other litigation matters.

✓ **Current Projects and Resource Availability**

- Review current projects under contract or in the pipeline to understand capacity.
- Analyze volume for the last three years to understand capacity.
- Understand workforce size and any recent appreciable changes.
- Assess the availability of resources (labor, equipment).
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- Require trade partners to maintain prequalification status.
 - Include specific provisions in the subcontract to assist the project team's compliance with the risk mitigation plan for the trade contractor.

✓ **Project Management**

- Include milestone dates in the subcontract agreement (e.g., pre-construction items like submittals) to monitor subcontractor progress.
 - Inquire and enforce crew # onsite – include within subcontract expected crew size and duration to complete scope of work. This will help GC and subcontractor to begin determining worker needs and shortfalls.
 - Include expected lead times for materials in the subcontract. GC can then flag the submittals to ensure that the materials are ordered in time for scheduled installation.
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✓ **Contract Adherence**


- Honor and enforce your contracts.
- Pace payments and progress.
- Be careful about “helping out.”

✓ **Financial Vigilance**

- Monitor for overbilling and do not overpay to assist with cash flow.
- Ensure that penal sums of bonds are increased if contract value increases.
- Obtain surety consent to payments and change orders.
- Be vigilant: watch for early warning signals of financial distress.
- Ask questions/communicate.
- Beware of “robbing Peter to pay Paul.”

✓ **Termination and Resolution**

- If a parting of ways is necessary, consider “kinder and gentler” options, e.g., negotiated resolution, deductive change order, or termination for convenience.
 - If termination is necessary, act promptly
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- Act timely – problems do not usually improve with time.
 - Exercise contractual remedies.

✓ **Communication and Documentation**

- Maintain a continuous feedback loop between pre-qualification, pre-construction, risk management, and operations resources. If one link in the chain sees early warning signals of distress, alert everyone else in the chain and manage accordingly.
- Document all costs associated with the replacement or supplementation of a subcontractor for support of an SDI (subcontractor default insurance) or surety claim; set up separate cost codes to track expenses.

✓ **Attendance and Quality Control**

- Monitor daily attendance to track actual people showing up against the schedule to identify potential financial distress.
- Conduct early safety orientations to verify if the crew size showing up for safety orientation matches the expected crew size per the subcontract.
- Utilize in-place mockups to ensure qualified labor, quality control (QC), and proper installation methods.