

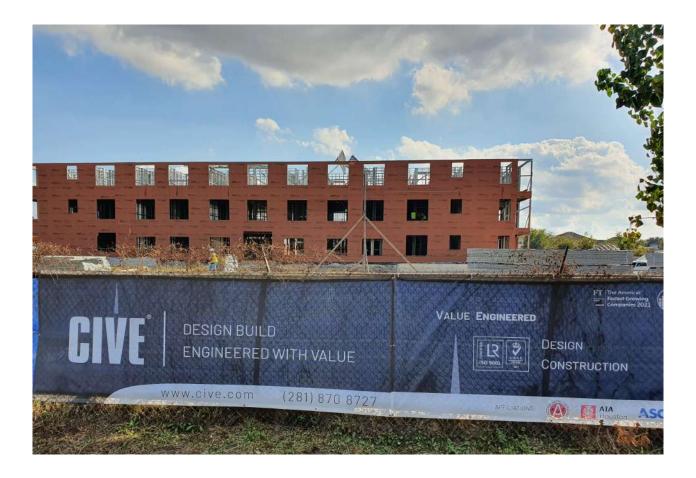
# CHOOSE THE BEST COMMERCIAL CONTRACTOR

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Commercial real estate owners require a reputable, cost-efficient, and reliable contractor to provide what they want and require for property development. A commercial contractor will oversee the entire construction from start to finish including permits, build-out, mechanical, electrical and plumbing.

Commercial real estate designs will probably be large scale projects. They will involve planning, remodeling, and building of properties. There may be competition among contractors when submitting bids for the project. Here are a few basic questions a Texas commercial real estate developer should ask before signing a contract.



# INTRODUCTION



## **QUESTIONS TO ADDRESS**

### Is there going to be open communication?

The last thing a developer needs is an unresponsive contractor. After the initial discussion the client should depart the meeting feeling confident that the two entities will work well together.

### How organized is the contracting firm?

From planning stage through to completion, the contractor needs a proven track record of good organization. Once the contract is signed and the building is ready to begin, the developer should conclude that the terms of the contract will be met with little to no disorganization.

### Does the contractor have a record of paying close attention to detail?

This should not be overlooked. To provide the best-finished product, attention to detail can make the project exceptional rather than average.

### What kind of reviews does the contractor have from past clients?

Check these before signing a contract. This is a precursor to the type of product they will return on your project.

### Is it a firm that is certified and licensed according to the law of that state?

Although it is not required in Texas for a contractor to secure a license for construction, prospective clients should check for any awards, certifications or affiliations when completing their due diligence. Confirming the company is properly licensed in case of engineering and design projects, and employs certified workers is the first step to confirming you are making the right decision.

### Is their bid fair?

Commercial contractor firms can be complex. To make an informed decision when choosing one, there cannot be any missing information. If the bid seems too low, that could be an indication the company is utilizing subpar materials or unlicensed workers, or counting on future change-orders to meet the gap. If the contracting company is aware of your livelihood and the bid seems high, that could be an indication that they may charge what they believe you can pay based on a high-paying livelihood.

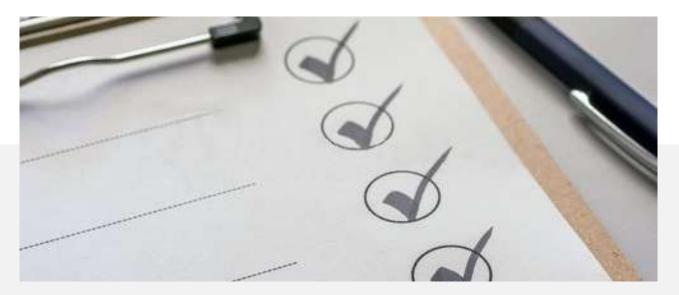
### Other questions to ask the contractor are:

1. What is your experience with this type of project? 2. Who is my primary contact, and who will be onsite throughout the project? 3. Do you offer a warranty?

Contractors should be researched and vetted before an owner agrees to any terms. A referral company is a good place to start. If a referral has been proposed, other companies have utilized their services and have found them to be a good choice.

Another factor for a commercial real estate owner to contemplate is having a well-defined strategy for the project. The property owner should understand the scope, detail, potential costs, safety methods offered, and recommended schedule of the project. Is it new construction or a renovation project? Until this is determined, it is best not to contract with any construction firm.

Another consideration should be the kind of project planned. Is it a restaurant, church, or retail site? Having responses to these issues and concerns will facilitate the project to run more smoothly and efficiently.



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### ADVANTAGES OF BUILDING COMMERCIAL REAL ESTATE PROPERTIES



## PLAN AND STRATEGIZE THE PROJECT

With numerous contractors available to take your hard-earned money, it is prudent to consider a few crucial project specifics. Choosing the right commercial contractor can deter problems such as poor service, delays in completion, hidden costs, changes in processes, and poor follow up. Consider these crucial factors before signing a contract.

### Budget

Composing the project plan budget is a major consideration. This includes all aspects of materials to be used to who will complete the work. By seeking a qualified financial advisor, a commercial real estate owner can benefit from professional advice rather than choosing a bank at random for financial guidance. Locating a fullservice financial institution is the way to go.

### Scope of Service

There is not much regulation throughout the construction industry in Texas. Many contractors will offer only a portion of the project requirements. It is incumbent on the property owner to complete their due diligence in advance to assure every stage of the project will be completed by qualified contractors.



### **Required Image**

If the image of the construction company is not up to standard for the real estate owners, it could cause delays and problems for the project. Learning as much about the contracting company as possible can circumvent this problem. If this is discovered after work has started on the project, the contractor should be willing to take care of those problems and correct the situation to please their client.

### **Contractor's Industry Experience And Expertise**

Regardless of the type of commercial property that is being developed, individual projects have individual needs. Every contractor will not be equipped to fulfill every need. Specific projects like churches or custom industrial sites require commercial contractors with experience and expertise in those types of unique structures.

### Land Acquisition

To avoid unforeseen circumstances, it is important for real estate owners to hire a firm with a proven record that employs quality architects and subcontractors. This aspect is sometimes overlooked.

### The Architecture of The Building Project

Unless the budget is clear on the entire costs of the project architecture cost that are unaccounted for, it can cause serious problems down the road. It can lead to plan changes and add costs to the project's timeline.

### **Engineering Background**

When employing a large contracting firm, the owner should keep in mind that the turnaround times might increase. Also, choosing a firm with an engineering background, would be familiar with the city regulations and can help the project proceed more smoothly.

### ADVANTAGES OF BUILDING COMMERCIAL REAL ESTATE PROPERTIES



### Legal Considerations

Real estate owners will want to have legal counsel throughout the project. Preferably a legal team who understands the project and laws of the land.

### **Construction Experience**

When all development details have been approved and it is time to break ground, the contractor needs extensive experience completing projects to size, scope, and complexity.

### **Client Services**

One aspect that should never be overlooked throughout the project is feedback and prior client reviews on customer service. Do they provide superior-rated customer service? Does the company have a high response rate? Or is the developer waiting in vain to hear back from the company. Obtaining superior ratings in this regard says much about the company beyond accepting the payment for the work to be completed.

### Safety Scope

Contractors can assure their workers have the skill needed to be safe by providing training and development. Checking a perspective contractor's safety background should be completed the same as all other particulars of the company selected. Complete and up to date safety records should be available to new clients. Preparedness procedures should be in place in case of a safety mishap along with plans for the unexpected.



# COMMERCIAL CONTRACTOR ASSOCIATIONS

Customized processes assure that every client can receive the individualized services they need for their project. There are several commercial real estate contractor's associations throughout Texas that can aid in selecting the right company for your needs.

### AGC Houston Chapter of Construction Association

AGC Houston Chapter of The Construction Association was formed in 1923 and supports commercial construction projects. The AGC provides training and development, networking services, and represents over 33,000 firms. The organization works with the Associated General Contractors of America and the Texas Building Branch.

From the 1920s to the present The AGC Houston Chapter of The Construction Association has had an impressive history. The charter was given to Houston Texas in 1923 six years after the organization was founded. The objective of the corporation was and continues to be to provide exceptional business dealings. An initial objective was to establish contract construction for clients.

### **Texas Construction Association**

The Texas Construction Association was established more than 20 years ago and was designed to preserve a thriving business industry throughout Texas. The company represents more than 3,000 businesses and contribute to one of the largest business segments in Texas. The association works in tandem with agencies both inside and outside the construction industry. They are governed by an elected Board of Directors.

### NAIOP Commercial Real Estate Development Association

There are nationwide contractor associations that assist real estate developers to choose a contractor. One such organization is The NAIOP Commercial Real Estate Development Association. This firm provides information on design and construction firms to commercial real estate owners. The organization has won numerous awards for services delivered to clients. These include Broker of the Year, Hall of Fame, and other national awards. The mission shares that they provide support, instruction, and occasions for clients and members to network.



# CONCLUSION

Commercial contractors should be chosen only after the real estate developer has conducted an exhaustive plan, and researched and vetted the contractor. All aspects should be taken into consideration to assure the success of the project.

### ABOUT CIVE®

CIVE® is an upscale Design-Build firm, specializing in top-down build process driven by value engineering from state-of-the-art design, leading-edge engineering, high-quality construction, and elite project management.

Our strengths lie in a rich mix of talent, experience and ingenuity. Our clients can depend on us to anticipate industry changes and plan for the future, while providing most practical and cost-effective solutions. CIVE® devotes customized, individual service to all its clients, whether large or small.

Specialties: Residential, commercial & industrial design, civil engineering, structural engineering, MEP design (mechanical, electrical and plumbing), construction management & project management.



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