FOR COMMERCIAL SUBCONTRACTORS

Everything a general contractor asks for before he lets you bid

Twenty-two items across four groups. **The first nine are financial, and they are the ones that come back short.** Every line says who produces it, so you know what to chase and from whom.

- **We produce this** — Comes out of your books
- **Built from what we produce** — Someone else signs it, off our numbers
- **Not ours** — Your broker, carrier, attorney or office

1. The financial packet

WHERE PACKETS COME BACK SHORT

Nine items. A general contractor is deciding one thing here: whether you can carry his job to first payment without becoming his problem. Every line below is evidence for that question.

- [ ] **Three years of financial statements** BUILT FROM WHAT WE PRODUCE
  Balance sheet, income statement and cash flow. Most general contractors specify a preparation level, and the level asked for rises with contract size. Ask which one before you send anything, because a compilation where a review was wanted comes straight back.
- [ ] **Work-in-progress schedule** WE PRODUCE THIS
  Cost-to-cost percent complete, contract value, billed to date, cost to date, estimated cost to complete, and over and under billings. This is the item that is missing most often, and the one a prequal turns on.
- [ ] **Completed contracts schedule** WE PRODUCE THIS
  Usually the last three years, showing final contract value against the original award so the reader can see how your estimates held.
- [ ] **Retainage receivable, aged by contract** WE PRODUCE THIS
  Reported separately from ordinary receivables. Buried inside AR it makes your working capital read worse than it is.
- [ ] **Accounts receivable aging** WE PRODUCE THIS
  With retainage broken out, so current collectible cash is visible on its own.
- [ ] **Backlog schedule** WE PRODUCE THIS
  Awarded work not yet started, plus the remaining value on everything open. This is how a reader judges whether you have room for his job.
- [ ] **Bonding capacity letter** BUILT FROM WHAT WE PRODUCE
  Written by your surety, on your single job and aggregate limits. Your agent writes it off the same WIP and financials in this list, which is why those two arrive first.
- [ ] **Bank reference and line of credit** BUILT FROM WHAT WE PRODUCE
  Limit, current position and a contact. Read alongside your backlog as evidence you can carry the job to first payment.
- [ ] **Most recent interim financials** WE PRODUCE THIS
  Commonly required to be within ninety days. If your books close late, this is where that shows.

2. Safety

- [ ] **Experience modification rate letter** NOT OURS
  From your workers compensation carrier, commonly three years.
- [ ] **OSHA 300 and 300A logs** NOT OURS
  Commonly three years, signed and posted as required.
- [ ] **Written safety program** NOT OURS
  Your own document, plus whoever administers it.
- [ ] **Incident rates** NOT OURS
  TRIR and DART, calculated from the logs above.

3. Insurance, licensing and legal

- [ ] **Certificate of insurance** NOT OURS
  General liability, auto, workers compensation and umbrella, at the limits that contract specifies, with additional insured and waiver of subrogation where required.
- [ ] **W-9** WE PRODUCE THIS
  Current, and matching the legal entity name on the contract.
- [ ] **Contractor licenses** NOT OURS
  Every state and every trade classification the work touches.
- [ ] **Litigation, default and termination history** NOT OURS
  Asked as a direct question on most forms. Answer it with your attorney, not from memory.
- [ ] **Diversity or small business certifications** NOT OURS
  MBE, WBE, DBE, SBE or HUBZone. They decide eligibility on some public work.

4. Experience and references

- [ ] **AIA A305, or the contractor's own form** BUILT FROM WHAT WE PRODUCE
  The standard Contractor's Qualification Statement. Its financial sections come from group one.
- [ ] **Comparable project list** NOT OURS
  Similar in size, type and delivery method to the work bid.
- [ ] **Key personnel and organization chart** NOT OURS
  Who runs the work, who runs the office, resumes for both.
- [ ] **References** NOT OURS
  Owners, general contractors and major suppliers. Tell them the call is coming.

If you do not have a work-in-progress schedule

That is the one that stops packets. A schedule built in a spreadsheet over a weekend reads as one, because the numbers behind it were never maintained. The fix is not a document. It is books structured so the schedule falls out of them monthly, which is also what your surety reads before it moves your capacity.

Find out what your packet is missing before a general contractor does

The Financial Risk Assessment is a review of your books, your open contracts and your reporting, run against the items in this list. You keep the findings whether or not we work together. **$497, flat.** It is a required step before either side agrees to anything, and it is not credited toward services.

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