

Subcontractor Qualification

Introduction

A general contractor working in the fast paced environment has a lot of job responsibilities aside from building to ensure profitability and reputation. An increased awareness of contractors to manage their risk has highlighted a need to select the proper subcontractors to complete construction jobs. By applying some basic risk management principles along with proper subcontractor controls a contractor can eliminate costly OSHA citations, legal intervention, and litigation. It will also ensure that the job is well done, meeting deadlines, specifications, and requirements. The following checklist from The Hartford can be considered when selecting your subcontractor.

Subcontractor Information

- Company Information
 - Name
 - Mailing address
 - Contact Information
- Federal ID and other Numbers (if applicable)
- Business Type
 - Year Founded
 - State of Incorporation (if applicable)
- Officers of the company and length of service
- Trades your company performs
- Business Classification
 - Certifying Agency
 - Certification Number
 - Expiration Date

Licenses

- State licensed
 - Trades perform
 - License number (if applicable)

Work Experience

- How many people does your firm presently employ?
- **Note:** *Yes answers to the following questions require an explanation*
 - Has your surety ever finished one or more of your construction projects?

LOSS CONTROL TIPS

- Has your Company ever petitioned for bankruptcy, failed in a business endeavor, defaulted or been terminated on a contract?
- Has your Company ever been disbarred or precluded from bidding public work?
- Has any entity ever made a claim in a court of law, against your Company for defective, improper or nonconforming work, or for failing to comply with warranty obligations?
- Are there any outstanding Judgments or Claims against your Company?
- Has any entity made a claim in a court of law, against you any other entity?
- Number of contracts completed in the last five years
- Largest contract company has complete – Name of project, Amount, Scope of Work
- Largest contract you expect to complete this year – Name of project, Amount, Scope of Work

Financial Information

- Revenue and Projects – Previous year and projected for this year
- Backlog – Current and previous twelve months
- Current net worth and net working capital
- Bank credit line – Credit Limit and % in Use
- Bonding Capacity – Aggregate and Per Project
- Profitability of the last five years

Work Experience

- Has your company worked for us in the past (provide details)
- Is your company currently working on any of our projects (provide details)
- **Top five (5) major projects**
 - Project Name
 - Location, Owner
 - Architect/Engineer
 - Prime Contractor
 - Contact, Phone
 - Contract Amount
 - Completion date

References

- Major Suppliers (3)
 - Company Name
 - Contact Name
 - Contact Phone
- Prime Contractors (3)
 - Company Name
 - Contact Name
 - Contact Phone
- Banking (3)
 - Company Name
 - Contact Name
 - Contact Phone
- Insurance Broker/Agent
 - Company Name
 - Contact Name
 - Contact Phone
- Surety (not broker/agent)
 - Company Name
 - Contact Name
 - Contact Phone

Insurance

- **Commercial General Liability**
 - Insurance Carrier
 - Expiration Date
 - Limits – Each Occurrence
 - General Aggregate
 - Products/Complete Ops
 - Personal/Advertising Injury
 - Amount of deductible or SIR
 - Fire Damage/Damage to rented premises
 - Medical Expense
- **Excess Liability**
 - Insurance Carrier
 - Expiration Date
 - Limits – Each Occurrence
 - General Aggregate
- **Worker's Compensation and Employer's Liability**
 - Insurance Carrier
 - Expiration Date
 - Limits – Each Accident
 - Disease – Policy
 - Disease – Each Employee

- **Business Auto Liability**
 - Insurance Carrier
 - Expiration Date
 - Limits – Combined Single Limit,
 - Property Damage
 - B.I. Per Person
 - B.I. Per Accident
- **Professional Liability Insurance**
- **Pollution Liability Insurance**

Safety & Health

- **Safety Coordinator**
 - Name
 - Title
 - Phone
 - Qualifications/Experience
- **Substance Abuse Screening**
 - Pre Hire
 - For Cause
 - Post Accident
 - Random
- **Safety & Health Training**
 - Employee initiation
 - Supervisors
 - Managers
 - Tool Box Meetings
- **Recordkeeping**
 - Workers Compensation experience modification over the last five years
 - OSHA Recordable Incident Rate
 - OSHA violations
 - Fatalities over the last five years

For More Information

For information on contract management in construction, refer to The Hartford's Loss Control TIPS S 140.300 *Managing Your Contracts Improves Your Risk Management*.

For more information, contact your local Hartford agent or your Hartford Loss Control Consultant. Visit The Hartford's Loss Control web site at <http://www.thehartford.com/corporate/losscontrol/>

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