



WHY WOULD AN ASSOCIATE MEMBER “SPECIFY” SWR INSTITUTE’S CONTRACTOR SELECTION TOOL (CST)?

By Kami Farahmandpour

By now, most SWR Institute members are aware of Contractor Selection Tool (CST) and know how it works. Readers who are not familiar with CST are encouraged to visit <https://www.contractorselectiontool.com/About>.

Many of us (Associate Members) who have been involved in sealant, water-proofing and restoration projects for a while have a group of favorite contractors for each type of work we include in our bid lists. Our lists of favorite contractors have been developed based on our first-hand project experience with those contractors, their reputation, discussions with our peers, and relationships we have developed over the years. Those firms that have multiple offices have access and first-hand knowledge of contractors around the country. As

such, most Associate Members use an informal contractor qualification process that is void of documentation.

Given that we typically know which contractors we would want to include on our bid list, one may ask, why would I need to use CST to select bidders? Or why would I need to specify CST in my qualification requirements? The answers are time management, risk mitigation, and expediting the bid process.

With the development of CST, SWR Institute aimed to resolve many contractor selection/qualification issues. Some have a misconception that CST was merely designed as a way for contractor members to market themselves. As a member of the committee who worked for several years to develop CST, I can

assure that its primary goal was to develop a mechanism for well-qualified contractors to be able to distinguish themselves in an honest and verifiable manner. CST developers also recognized that every project is different, and a contractor who is a good fit for one project may not be a good fit for another. Therefore, another goal of CST was to ensure end users (designers, building owners, and potentially general contractors) have a mechanism to compare contractor qualification data, and select those who best fit their particular project requirements.

Historically, the contractor qualification process was limited to requesting Contractor Qualification Statements that were filled out by the bidders, the most popular of which was AIA A305 “Contractor’s

Qualification Statement". Some firms, such as ours, have developed a customized contractor qualification statement which we request bidders to fill out for certain projects where documentation of contractor qualifications is deemed important. Many governmental agencies, institutions, and large property owners have developed their own versions of contractor qualification statements. Once the contractors submitted their qualification forms (typically with their bids), we or the building owner, would review them. In some cases, we would call a few of the listed references to qualitatively make sure there were no negative issues that may arise. I must admit that in the over 30 years that I have practiced in this industry, I seldom requested any back-up information on the contractor's organization, or independently verified their financial status.

There are many reasons why CST should be specified by Associate Members as a formal qualification process. In this article, I will to address the top four reasons why the design community needs to standardize its contractor qualification process.

Reason 1 – Save Time: For those who use contractor qualification forms as a method to establish a documented mechanism for establishing bidder qualifications, CST will save you time. This is because the verification of the data provided in CST has been previously performed by an independent firm, and you do not have to spend your valuable time calling references, asking for back-up information, or anything else. All you need to do is review the submitted information against what you and your client believe is needed for your project. In addition, for those who spend time finding qualified contractors (perhaps in an area of the country where you don't have an established bid list), CST will provide a quick method to find contractors who fit your project criteria.

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Reason 2 – Liability: As the principal of my firm, I spend a considerable amount of time ensuring the quality of our work so that we can avoid tarnishing our reputation, and conflicts. I am certain many of us avoid "recommending" contractors for good reasons. However, every time a specifier includes the name of a contractor on their bid list, they are implying to their client that the contractor is qualified to perform that work. As I indicated before, many of us include contractors on bid lists merely based on our prior experience, and without any formal qualification process. If you have been in this business long enough, you have likely experienced a project or two that did

not go as planned because a contractor you had experience with from prior projects did not live up to your or your client's expectations. And, in those cases, your client likely blamed you for having included that contractor on your bid list.

Of course by the time the problems arose, your client had likely forgotten that they selected that contractor because they were the lowest bidder. However, by having included that contractor on your bid list, you implied that the contractor was qualified or capable to perform the work. In the event that a contractor declares bankruptcy during a project, and you did not verify their financial status or their bonding capacity, you may be blamed for not having discharged your obligations for properly qualifying the contractors. Relying on our past experiences to select bidders for a project is a dangerous and undocumented process that can cost our reputation, relationships with clients, and more. Of course, you would have no liability in cases where the client (or their cousin who is an "engineer") dictates which contractors you should include on your bid list. For such cases, please see Reason 3 below.

Reason 3 – Weed Out Unqualified Contractors: We have all had experience with clients who dictate which contractors are included or added to the bid list. I have had many instances where a condominium association board member had a friend who was in the business and insisted they be included in the bid list. I have also had experience with publicly bid projects for which we invited a select group of qualified contractors to bid, but were faced with 15 other bidders who wanted to bid the project once a public call for bids went out. No matter who included a contractor on the bid list or who recommended them, an unqualified contractor will reflect negatively on the project, makes our jobs more difficult, and elevates our liability. After all, even if a contractor doesn't construct per our design documents, we can be dragged

CONTRACTORS, DO YOU WANT TO...



Gain more visibility for your company?

Be part of the only industry-wide directory that allows potential clients to search for your services based on your qualifications?

Raise the standards of the industry by participating in a program that promotes and rewards quality, safety, and great customer service?

Increase the number of 'Select Invitations to Bid'?

Lower the number of Contractor Qualification Statements produced by your staff?



To be sure, CST is not perfect. I am certain tweaks and adjustments will have to be made over time. However, it is the best mechanism available to specifiers to

into a dispute and end up spending valuable resources proving that the failure was due to the contractor, not us. For publicly bid projects, you have hopefully included strict qualification criteria to distinguish qualified contractors versus those who are not. For privately bid projects, formal qualification criteria may not have been established because you were relying on your past experience to include contractors on your bid list, and establishing new requirements to weed out the board member's friend would seem prejudicial. Regardless, specifying CST is the most reliable method to ensure quantifiable criteria is established, and such criteria are verified prior to bidding. Using CST as a qualification tool allows designers to remove themselves from the bidder qualification process and rely on an independently verified mechanism to filter out unqualified contractors.

Reason 4 – Cut Down Bidding

Time Frame: In today's environment, construction projects are expected to start a short time after our clients provide us with an authorization to proceed with the design. It is common for clients to

expect that the construction starts on a certain date, when the authorization to proceed with the design was given to us merely two months prior to that date. This provides little time for the design, review of the design by client, and bidding process. The contractor qualification process is rarely completed prior to the bidding period. In most cases, the contractor qualification process is integrated into the bidding process, and contractor qualifications are submitted with the bids (if anything is required to be submitted). This process requires reviewing and verifying the information on the contractor qualification forms during the bidding phase. In many cases, phone calls or emails to contractor references can go unanswered for several days or weeks, making it impractical to complete the process in time to select a contractor. CST will resolve that issue since the information in CST is pre-verified. All you have to do is visit the CST website and review the information. SWR Institute is also working on developing a CST verified form that can be sent to the specifier or building owners through a link or in hard copy.

ensure quantitative qualification criteria are met. Admittedly, one issue is that not enough contractors have signed up for CST making the pool of qualified contractors unnaturally small. That issue will be resolved quickly if most Associate Members make it a practice to specify CST as an alternative method to submitting contractor qualification statements, and to require CST listing for those projects that we have traditionally used our past experiences as the only pre-qualification criteria to develop a bid list. Our firm has addressed this by allowing contractors to either be listed on CST, or submit a contractor qualification statement that is similar to the CST application criteria. Until such time when more contractors are listed, this method provides a good compromise for our firm.

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