

REAL ESTATE / How to choose an office space build-out contractor

Don't choose a contractor based only on costs

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When it comes to construction projects, there is no substitute for experience.

Marty Wilson, who worked in commercial development for more than 20 years, has been both a general contractor and a client who hired one. Now he runs MDW Group of San Francisco, where he manages projects and consults on buildings.

Wilson's advice for companies with build-out construction projects is to pay more attention to the players than the team. "Projects are built by people, not companies," he said. "You may think, 'I'm hiring XYZ Construction with 35 years experience.' But you're really hiring the team who will do your project."

According to Wilson, a small company may offer a better team than a large one. A lot depends on the group's workload. He offered two suggestions:

- Listen to the presentation by the people who will actually do the project. Look at the chemistry, since you'll be working with them for three to 10 months. Make sure you get along well with them.

- Get a clear feeling how this team will represent your best interests. Are its members engaged? Can they demonstrate how they approach projects?

Ron Taylor of Terra Nova Construction, based in Walnut Creek, agreed that experience is crucial. The company specializes in restaurant and commercial work. His advice: find a contractor who specializes in projects like yours. "That's key. We don't go out and try to build things we're not experienced in," he said.

It's pretty easy these days to learn about contractors, since most have web sites that include lists of projects and clients. For example, Taylor said, Terra Nova's web site shows some of its restaurant projects.

"Look at each company's track record," he said. "Ask for



"You're really hiring the team that will do your project," says Wilson.

references, and then call them."

That same attention to detail pays off throughout the project. "When we get subcontractors, we don't want someone who has never done a commercial project," he said.

A common mistake in building projects is focusing solely on the lowest bid, Wilson said. A construction firm's proposal will have three parts: a description of the team, the general conditions and the fee.

The general conditions define what it costs the contractor to manage the project, Wilson said. This includes the expenses and salaries of the project manager and the superintendent for the number of weeks the project is expected to last.

Meanwhile, the fee is expressed as a simple percentage

of the total job. Fees are also similar from one company to the next, he said. For example, the fee might be 4 percent of a \$1 million job.

"Making a decision based on the fee alone is the biggest mistake clients can make," he said. "My advice is to pick the best team," not necessarily the one with the lowest cost or fee. As for how to find a contractor, Wilson's advice is to talk to people you work with, such as your real estate agent or architect and your building manager.

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RESOURCES:

- The Blue Book of Building and Construction (thebluebook.com) lets you solicit bids from local firms.

- The Building Owners and Managers Association of San Francisco (bomasf.org) has a contractor search function.

- A state web site, cslib.ca.gov, shows who is licensed.

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