

Not all construction is award-winning

Ed Hayden

May 4, 2006

Last week, the industry celebrated quality construction with the Daily Reporter and Wisconsin Builder Top Projects of 2005. Each of the projects featured quality contractors, quality owners and quality design professionals.

It was a refreshing contrast to an alarming amount of construction activity that doesn't follow the same high standards. Low cost is the only consideration for many owners, especially on smaller projects. Often these projects don't employ design professionals, which inevitably leads to building code violations that can be extremely expensive to remedy.

In some cases, building permits aren't taken out. Not taking out a building permit can sometimes escape detection for a long time but sooner or later, often at reassessment, it gets discovered and the result is costly.

Owners frequently fail to check out the qualifications of their contractors or even if there is a legitimate structure behind the people they hire. Work may be done by a loose collection of "friends" with varying skill levels. Rather than a firm construction schedule to guarantee on-time construction, the owner is at the mercy of the "day job" and the hunting/fishing/golf schedule. There is no insurance to cover problems, and if quality defects are discovered, everyone involved has long since disappeared into thin air.

For many owners, choosing low-quality contractors creates financial disaster. The lure of a cheap price overshadows common sense. Profit margins in construction are very small, and the risk is very high. Restaurants and construction companies suffer the highest rates of business failures. There isn't a fantastic bargain unless corners are cut somewhere, and sooner or later, a price will have to be paid by someone for those missing corners.

While there are numerous lawsuits for shoddy construction, the chances of being made whole are slim. A little more money up front to have a job done right is a small investment.

Owners need to look at the whole cost of construction and evaluate it on all levels, not just absolute low bottom dollar. The Top Projects awards program provides the opportunity for the rest to learn from the best.

Ed Hayden is the management co-chairman of the Construction Labor Management Council of Southeast Wisconsin and its Building Advantage initiative.