

# Selecting a Construction Contractor

The right contractor is important to the overall success of your project

by Carl Nuss



**F**inding the right contractor to do your construction is important to the overall success of your total project. There are many aspects of the contractor's involvement at many different stages, from the initial planning to the final product. Each stage has to be well planned. If you can involve the contractor in the design stage, this can be a plus. Price is always one of the considerations, but sometimes price takes a back seat to other skills the contractor may or may not be able to bring to the table.

## Experience Counts

I have found that one can be easily misled by what certain contractors feel to be important to your project, mainly because they are not really in tune with what makes a successful car wash. Not only does the contractor have to have experience in car wash construction; he must be willing to be educated as to the special needs of your car wash and its location. For example, building the structure to accommodate the equipment

of choice, not just building a structure to house equipment, is very important. Most view the structure as primary and equipment as secondary. The fact of the matter is that the equipment must function properly if you are going to see success in your project. The building is there to provide eye candy for the public; it must look attractive and meet all of the special codes and criteria of the governing body in charge. In some cases the building must match the surrounding aesthetics of the buildings in the proximity. Its most important function, however, is to accommodate the equipment used in order to maximize its ability to clean cars. In summary, the contractor must understand this difference and be able to apply it effectively.

## Cost of Construction

When researching what is reasonable as far as cost of construction, know that these costs should represent approximately 40 percent of the overall project costs. Of course these costs must be kept in line to assure a well balanced project.

**There is no substitute for experience when the success of your project depends on how well the architect, civil engineer, equipment vendor and other members of the team interface and work together.**

Equipment and land make up the remaining balance of the project costs. So when you take each of these pieces into consideration, you can see that construction is the most costly of the land, building and equipment expenses.

I have found that large contractors might find it difficult to get down to the detail needed in building a car wash. However, any contractor, large or small, will go through a learning process when building their first one or two car washes. Hopefully you won't have to be the guinea pig for the contractor you choose. Again, experience in the car wash industry is something you should not substitute for lower price or bigger reputation.

### **Selection Process**

**Following are some things to consider when selecting a contractor:**

- ▶ **Has this contractor been involved in projects similar to the one you are undertaking?**

There are many good contractors who have not built a car wash before, and they are on the look out for a customer that they can use to get their feet wet, so to speak. They tend to rely on the advice of their team rather than listening closely to the special needs required in the car wash industry. This can lead to an over-emphasis in areas they are more familiar with, and then an under-emphasis in areas more specific to the car wash. Examples can include such important features as floor slopes for proper drainage, floor texture needed for customer safety and ease of cleaning. They can be totally unaware of car wash equipment needs as far as plumbing, electrical and structural integrity. Furthermore, once they have built one or two car washes, many contractors believe that the next one will be a piece of cake, but each car wash is different. There is no substitute for experience when the success of your project depends on how well the architect, civil engineer,

equipment vendor and other members of the team interface and work together. The design phase should not involve a close-minded car wash contractor; they can do more harm than good.

- ▶ **How well does this contractor interface with governing bodies?**

Interfacing with governing bodies is almost an art. There is no room for frustration with governing officials.

I have seen many projects fail during this stage. Your contractor must play a role and must represent you with professionalism or you may end up with months of delays and may even find your project on permanent hold.

Whenever you think you have come up against unreasonable demands from governing officials, there is always a compromise that can be reached. This is when your contractor and other members of your team must get creative to give the governing body what it demands, but at a price that you can afford. It is amazing what can be accomplished when you approach hurdles with compromise in mind rather than confrontation. This is not only a desirable trait to look for in your contractor; I would go so far as to say that in order to give your project the highest probability of success, it is a trait that can not be compromised.

- ▶ **Is this contractor small enough to listen to your special needs, yet large enough to follow through?**

Large contractors will almost always feel like your special needs are not all that important; it is difficult to get them to attend team meetings in order to work out these "smaller" details. They tend to go by the book the same way they do when constructing large projects. You are not building a high rise or a shopping mall.

They may have a hard time coming down to your level of concern. On the other hand, you do not want a contractor that is just staying in business from week to week, is under funded, lacks stability, etc. He may listen carefully to your special needs and seem almost too eager to please, but then may not be able to attend to the project due to the constraints aforementioned. You need a contractor that is stable enough to be there to finish your job and service your warranty period, but focused enough to be genuinely interested in the special needs of





the project. So as with many things in life, you must strike a happy medium.

- ▶ **Does the contractor know what you need at an early stage of the project? Is the contractor able to give you realistic estimates even before construction documents are completed?**

A contractor who is experienced in car wash building can give you early “not-to-exceed” estimates based on an elevation and a site plan. If you can get these estimates without going through the entire process of generating construction documents, you can proceed in many different areas simultaneously at minimal cost. This will allow you to get your loan process going while you are working through planning at your governing body. You will be required to move quickly when purchasing land for your project; typically you only have 90 to 120 days before the seller of the land wants to close. The planning process is rather lengthy and must be started as quickly as possible to determine whether or not you will be able to build your project. You should be able to reach a 95 to 100 percent probability of securing funds and final permits before you are required to close on your land. The last thing you want to hear from the contractor is that “I had no idea the scope of the project would be this big or involved,” thus increasing the overall cost of your project. Car washes do not require brain surgery, but they do require experience. Inexperienced contractors often will require completed construction documents before they can give you a bid at all. This level of documentation will cost you \$30,000 to \$40,000 for you just to get a bid. If the contractor can give you a “not-to-exceed” estimate early in the plans, you will only be risking \$1,000 to \$2,000 to see if your project is feasible. If you have to pull the plug, you want to keep your up front costs as low as possible.

- ▶ **Will the prospective contractor give you references without hesitation?**

You must be able to get references from a prospective contractor and you must check these references. Make sure that references are checked to determine not only the quality of work but how smooth his projects moved to completion. Many things can go wrong on a project and if your contractor is “out to lunch” during the process, they probably will. Excuses abound when unforeseen problems occur. Your contractor’s aptitude for handling these problems will determine how smoothly you overcome these hurdles, and there will always be some. Talk to previous car wash customers he has built for. Don’t take everything for gospel, but listen closely to how the contractor handled certain situations. Sometimes the fault lies with his customer, but your final satisfaction is at stake. If a contractor is hesitant or struggles to give you several references, he probably is not too proud of his past performance. This will also let you check up on how he handled the warranty issues and how well the structures he has built are standing up. It is absolutely imperative that you do your homework when choosing a contractor, and researching the references he gives you can be very enlightening.

- ▶ **Is the contractor prone to issue change orders?**

Many contractors give low-ball bids in order to get your business. This can either be intentional deception or inexperience. Either way, you lose. Many contractors live off of change orders, charges for things that they will call “extras,” while others pride themselves on rarely using them. I prefer to make it clear that no change orders will be allowed unless they are initiated by you, the owner. Certainly it should be made clear that any change order will not be paid unless signed by you in advance.



Of course even with these agreements in place, you'll want to severely limit the use of these change orders. Again, check past projects and research those references.

▶ **Does the contractor have sufficient vendors in good standing?**

Your prospective contractor must be in good standing with his vendors. Contractors in good financial standing more likely provide materials on time. This avoids delays in your project. If he has a "slow pay" habit, this will make it difficult for him to get a good price on materials and may even impact the speed with which he can deliver these materials. Remember, when your contractor does not pay for materials on time or at all, you are the last line of defense for the vendors. Some contractors will co-mingle purchases for several different projects. They are borrowing from Peter to pay Paul. If he has purchased concrete for several different jobs and still owes them money, the vendor can put a lien on any of those jobs that they think got the benefit of the unpaid concrete, even though you have paid the contractor in full. You must be able to "trust" your contractor. Confirm that he is paying the subs and the subs are paying their vendors. I know it sounds excessive, and maybe almost impossible to find the answers you are looking for. But a little digging goes a long way. The prudent thing is to select a reputable contractor. Making these pertinent connections in the first steps may secure the success of your car wash on opening day.

▶ **How well does the contractor work out warranty issues over the warranty period?**

We touched on the warranty period previously, but let me elaborate further. To be blunt, a warranty is usually not worth the paper that it is on. You are instead dealing with your contractor's intent and his integrity. People in general mean a multitude of things when they say that "you have a year's warranty." This is a broad statement that many clients just accept as the norm. However, in order to make a smart choice, you will want to ask those extra questions. For example, what does the warranty cover exactly? What do you mean by normal wear and tear? Is there a list available of what is and isn't covered? Who will service the warranty? Don't be shy. Every question is a valid one, and the manner in which your potential contractor answers your questions will tell you a lot about

the type of service you will receive. Defensive or dismissive answers warrant red flags. Again, one way to make certain that you are getting honest answers is to interview past clients. Remember that most people, contractors included, show their true colors when things go wrong. Good character and integrity are sometimes difficult to determine. Be wary of smooth salesmanship; your job as a prospective car wash owner is to do your best in reading the type of person your future contractor really is.

▶ **How flexible is the contractor when outsourcing other professionals?**

When you select a contractor, you are really selecting a team of professionals that must come together and interact effectively and seamlessly. I prefer to take some of these areas into my own hands in order to minimize some of the possible miscommunication. For example, I would select my own architect and not the one that the contractor has at his disposal. Each professional you hire will play an important role in the success of your project. The bigger the role you play in hiring the contractor, the architect, the banker, the real estate agent and last but not least, the equipment supplier, the more control you will have over the process. You may find that one of these professionals has more experience than the others, such as the equipment supplier. Lean on him to guide you in all of the other areas. This can mean the difference between a project that has to be forced to completion, over budget and behind schedule, or one that moves smoothly through all phases. You want to be able to look back to the beginning of the process and say, with all honesty, that you would do it again. ACCB

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*Carl Nuss, the CEO and chairman of Comtec Wash Systems Inc., founded the family-owned company in 1984. After his 24 years experience as an owner/operator, his goal remains to guide prospective car wash owners through the process of purchasing property, hiring an architect, finding financing, hiring a general contractor and providing the most-up-to-date reliable car wash equipment on the market. Please contact Carl at 303-233-7667, salesinfo@comtechwash.com or visit [www.comtechwash.com](http://www.comtechwash.com).*