

2 CRITICAL WAYS TO

SAVE TIME, MONEY, & HEADACHES



Maddox Industrial Contractors

When industrial plant managers and plant engineers are exploring the best ways to carry out projects that require engineering and construction, time and money are at the top of their list of concerns. Industrial projects don't have the luxury of time that institutional and commercial projects often do. In institutional and commercial worlds, projects typically consist of new buildings or additions to buildings to accommodate growth, and the work can often take place and the day-to-day operations aren't too adversely affected.

Industrial building projects are a different story. Projects can often necessitate shut down of an entire manufacturing processes, meaning production comes to a halt. The traditional way of thinking that the least expensive option is the way to go doesn't always hold true, because in the end, it can cost you lost revenue and production. There often needs to be a compromise between time invested and cost. Every minute translates to lost revenue. So it is paramount that projects are done in the smartest way possible. In industrial plants, the old cliché that time is money is very true.

The traditional method of hiring a good engineer to design a project will provide the owner with the least costly project to build — without regard to time. But if you have a project in which time will cost you money, then that traditional method won't necessarily be your best option.

Based on my 16 years of experience in the engineering and construction industry working on industrial projects as an owner's agent, an engineer and a contractor, I have observed a few tactics that go against the grain of traditional ways to accomplish projects. These tactics will save you time, money and headaches.

1 DON'T FOLLOW THE OLD ENGINEER-THEN-GENERAL CONTRACTOR MODEL.

Traditional thinking is that the owner accomplishes a project most efficiently by having an engineer design it and then having multiple contractors bid it. However, on unique industrial projects, getting your engineer and contractor together before a project has been designed will positively yield a more efficient, economical plan. Who can argue with that? Getting the contractor involved early gives the business owner all the

advantages. As you facilitate an open forum for discussion, a more thorough understanding of the project is ensured and potential pitfalls can be exposed and avoided.

Even the best engineer isn't fully aware of all of the different methods that a contractor can utilize to complete the work. This includes construction equipment and materials that may be substituted due to availability or pricing issues. And last — but always first — the contractor can provide input in the design process to be sure the work is accomplished in the safest manner possible.

Abandoning the bidding process is not the usual route, but if you're seeking the most efficient way, tradition must be broken. This idea will send shock waves through purchasing departments, but not to worry. There is a solution. Fortunately for industrial projects, they typically take place in highly visible areas and plant personnel can readily see what the contractors are doing minute by minute. Therefore, the job can be done on a T&M basis, in which the owner knows exactly how the project is progressing and what they're paying for.

When unique projects are competitively bid, there is almost always a loser: contractor or owner. Even the lowest-bid contractor may have included more costs than it will take to complete the unique project and the owner pays for more than what it actually takes to complete the work. In other cases, the contractor might learn that he is going to lose money on a project so he tries to offset losses by concocting reasons to charge the owner more money, or finding ways to cut corners. With T&M, the contractor has no incentive to cut corners and he will work with the owner as a partner.

2 STOP CALLING GENERAL CONTRACTORS FOR YOUR IN-PLANT INDUSTRIAL PROJECTS.

Fifty years ago, a general contractor self performed most of the work and was naturally an expert in the different fields of construction. Today, most general contractors are nothing more than a middleman. That works well on institutional and commercial projects in which you need someone to manage all of the necessary subcontractors and in which there are textbook ways to accomplish all the facets of the project. But for industrial

projects, there aren't historically established ways to accomplish the projects, so the guy doing the work has to bring to the table creative ways of completing the project. That is why you want to talk directly to the person who is going to do the work and who is an expert in the field. Find a specialist.

Specialty contractors have invaluable benefits. They are the ones performing the work, so they know their trade inside and out. They know how to best accomplish the job and how to head off potential pitfalls. If time is an issue, they can propose faster ways to accomplish the work and they can also speak to the safety implications associated with the different ways of carrying out a project. If a plan calls for a specific material or piece of equipment, a specialty contractor will have working knowledge of availability issues and costs. And if that material or piece of equipment isn't available or is too expensive, the specialty contractor would be able to suggest substitutions or more economical options.

As the go-between, a general contractor not only marks up the cost of materials and labor, he can also misinterpret and fail to communicate key information between the owner and specialty contractor because of his limited knowledge. Using a specialty contractor cuts out that middleman and much of those costs. If the specialty contractor does need to call on a sub contractor to complete part of a job, generally the specialty contractor can continue to manage that part of the project.

The key to saving time, money and headaches in industrial projects is to start smart. Abandon tradition by using a self-performing contractor, getting him involved early in the game, communicating often and working on a T&M basis. Positive results on your next project are guaranteed.



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Find out what Cory's most treasured possession is. [Meet Cory here.](#)



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