



TRAMPETTI

OPERATIONS | FINANCE | MANAGEMENT | PEOPLE



SUBCONTRACT MANAGEMENT GOLDEN RULES



Read the full contract (RTFC)

- Read/understand the entire contract including the liquidate damage incentives and the schedule.
- Be pro-active and have a sense of urgency.
- Maintain a professional attitude and perspective.

Flow down all terms & conditions from client to subcontractor

- Ensure consistency between the client and subcontractor.
- Redistribute the current client contract.
- Change the client's name to the company's name before distributing to the subcontractor.

Utilize the checks & balance

- Maintain open communication - information in your head doesn't serve anyone.
- Clearly communicate plans, share updates and provide ongoing direction.
- Communicate directly and with confidence.

If you don't know the answer, ask someone

- Stick to your plan as closely as possible during project execution.
- Be prepared to course correct as situations evolve.
- Remain agile and ready to pivot.

Never fix errors for a subcontractor

- Never fix an error performed by the subcontractor.
- Point out errors or problems for the subcontractor to fix on their own.
- Avoid enabling bad behavior.

Don't allow work to proceed without a purchase order

- Stick with a no purchase order (PO), no work policy.
- Until you have a PO in hand, avoid starting any type of work.
- Ensure all work to be performed is covered in the contract and included in the PO.

Use the contract to your advantage

- Read the full contract at the start of every project.
- Make sure you fully understand the scope, milestones, deliverables and quality requirements.
- Keep a copy of the contract at your desk for quick reference.

Pay contractors on time but after deliverables submitted and approved

- Ensure deliverables are completed based on the scope of work.
- Keep the subcontractors cash flow in mind.
- Do not hold back the total amount.

Issue PO's to subs based on physical work and final closeout

- Clearly define deliverables and associated payments.
- Establish deadlines for deliverable submission and outline the approval process.
- Provide a payment plan, with an initial payment upfront and a final payment upon closeout.

Know that perception is reality with client relations

- Always be direct and clear in all client communications.
- Ensure transparency throughout the entire process.
- Avoid leaving anything open for interpretation.

**FOR HELP ON MANAGING SUBCONTRACTORS
AND OPTIMIZING YOUR BUSINESS
BOOK A FREE CALL TODAY!**