



 **AUTODESK** Construction Cloud

MORIARTY

John Moriarty & Associates of Virginia Sees 85% Repeat Business with Focus on Managing Subcontractor Risk

John Moriarty & Associates of Virginia (JMAV), a construction firm in Arlington, Va., with work stretching across the Eastern seaboard, has found that implementing streamlined processes in preconstruction to better define and analyze risks upfront can bridge the divide between the proposed budget and actual spending. With JMAV being a contractor who negotiates all of their work, having a strong process in place for bid management is critical to their success.

JMAV's projects run the gamut from mixed-use residential/retail construction in urban settings to hotel, commercial office, student housing and senior living projects. With a culture steeped in innovation, JMAV is always looking to reduce risk by implementing technology into their stack to better serve their clients.

MORIARTY

Customer Snapshot

FIRM SIZE: 500–1,000
FIRM TYPE: GENERAL CONTRACTOR
REVENUE: \$1.1 MILLION
FOCUS AREA: COMMERCIAL
HQ: WINCHESTER, MA

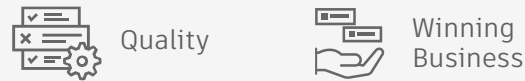
PHASE:



CAPABILITIES:

- Bid Management

OUTCOME:



Technology Streamlines Prequalification Process

Technology can play a crucial role in providing up-to-date information on construction risk factors and streamlining prequalification and bidding/estimating workflows.

For private, high-profile projects, JMAV uses BuildingConnected and TradeTapp within Autodesk Construction CloudTM to manage and mitigate risk throughout the project lifecycle. TradeTapp's ability to evaluate subcontractors is most effective when paired with BuildingConnected's suite of bid management tools.

With BuildingConnected and TradeTapp, JMAV can minimize risk through a hands-on approach during preconstruction to ensure the right subcontractor partners are chosen to successfully execute the construction of the project.

"At JMAV, we've built a reputation for delivering consistent projects on budget and on schedule by developing clear risk mitigation strategies," says Kyle Nicholson, JMAV's Director of Preconstruction.

Managing Risk Collectively with TradeTapp

While many companies employ staff specifically tasked with managing risk, JMAV has created a company-wide risk awareness culture, where risk decisions are made collectively.

Prior to implementing TradeTapp two years ago, JMAV's finance team was responsible for the process of managing prequalification data and information.

Once JMAV adopted TradeTapp, however, this responsibility shifted to the preconstruction team, who manages TradeTapp and makes qualification decisions with the project teams and company leadership.

Today, JMAV has revised its process based on a ranking system they've developed. An internal stakeholder on the JMAV risk team reviews and ranks each subcontractor according to a category of low, moderate, high or severe risk. TradeTapp makes the follow-up review process simple by allowing senior management to set access restrictions; limiting who has access to confidential information.

Because this information is integrated into BuildingConnected from TradeTapp, JMAV's project managers can then review the automatically generated reports based on their viewing access,



without additional, time-consuming communication with senior management.

“Thanks to TradeTapp, our prequalification process has become streamlined and collaborative. Before, it was managed manually by a couple of different people; maybe one of our principals had met with a principal at another subcontractor and seen their financial statements,” Nicholson says. “But by using TradeTapp, it allows us to share up-to-date information with leadership much more effectively across the entire company, to ensure we have reliable subcontractor partners.”

TradeTapp gives JMAV visibility into warning signs while vetting subcontractors, allowing the firm to:

- **Evaluate the health and safety of a subcontractor.** TradeTapp integrates with BuildingConnected so general contractors can first vet subcontractors and invite them to bid on a project.
- **Minimize risk.** More informed decision-making impacts overall project success.

“You need to make sure that the subcontractor has the experience and wherewithal to perform that particular job, as well as the finances – from liquidity and debt ratios to turnover,” says Nicholson. “If the subcontractor is not doing well financially, efficiency and adequate staffing will be concerns.”

Bringing Risk Analysis into the Prequalification and Bid Management Processes

Utilizing BuildingConnected and TradeTapp enables JMAV to analyze financials and backlogs when evaluating a subcontractor prior to awarding a contract, so that they can identify potential problems.

JMAV looks at these key areas for red flags:

1. **A subcontractor's upcoming short-term and long-term commitments.** JMAV can see what projects a subcontractor has in their pipeline, which reduces the possibility of overextending their production capacity.

“If a subcontractor is stretched too thin, this negatively impacts their work,” says Nicholson. “These insights enable us to know if a subcontractor is positioned to meet the demands of what they've committed to over a period of time. This also affects their working capital and cash flow for materials and other upfront costs.”

2. **Financial statements.** JMAV can evaluate a subcontractor's cash flow and ability to meet project needs by analyzing projected backlog schedules and current projects.

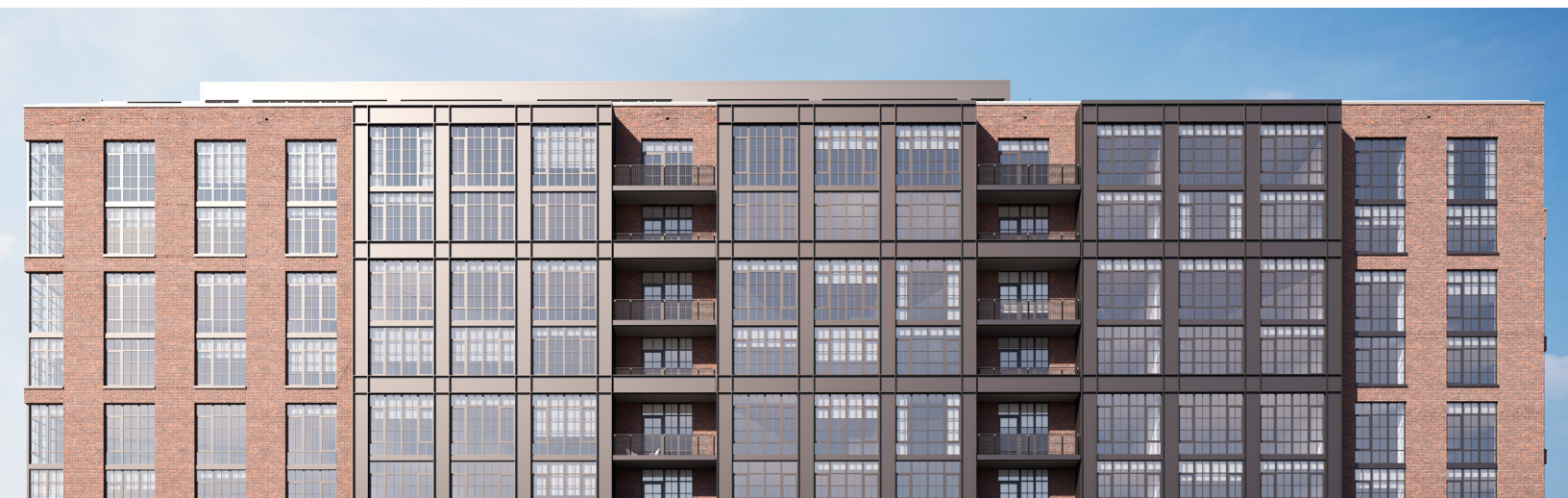
With insight into a subcontractor's financial health, JMAV can flag risk earlier in the bid management process.

“With some of our subcontractors, we see improvement in their financial health as time passes. By having access to this information in a centralized location, we are able to confidently award these subcontractors more work, therefore strengthening our relationships and helping to provide a better product to our clients,” says Nicholson.

3. **Examination of operational risk and the expertise of the subcontractor based on their past projects.**

JMAV assesses which subcontractor is best suited for specific projects with in-depth analyses about operational risk and expertise.

“Because of our data collection, we can review past projects to remember if a subcontractor struggled with certain things or excelled at a specific project,” Nicholson says. “We always try to run the overall risk analysis before we invite a subcontractor to bid. We have a core group that we ‘re-qualify’ every year, and if we have a new subcontractor interested in working with us, one of the first things we do is send them the link to our prequalification process.”



How JMAV Benefits from Managing Risk with TradeTapp

Using TradeTapp for construction risk management, JMAV disseminates crucial risk information to all relevant parties within the company, while maintaining confidentiality of critical information. This knowledge is valuable not only for JMAV but for the client-owners they work with as well.

In managing risk across TradeTapp and BuildingConnected, JMAV has realized significant benefits, including:

- 1. Developing strong relationships with trusted subcontractors.** JMAV strives to partner with subcontractors they've built ongoing relationships with, and TradeTapp helps keep them updated and aware of the subcontractor's capabilities and potential risk factors.
- 2. Managing and reviewing historical data.** JMAV is diligent about keeping comprehensive notes regarding projects. For example, they may put a note in a subcontractor's profile on TradeTapp that reads: "Review owner contract terms for language on stored materials. Subcontractor requires a large deposit to release material." If performance is a potential issue, JMAV might add an extra superintendent for field management to mitigate that risk.
- 3. Using lien releases.** JMAV requires lien and sub-tier lien releases on all jobs. And while not used often, the company has a variety of mitigation strategies for new or higher risk subcontractors.

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-Kyle Nicholson

Director of Preconstruction,
John Moriarty & Associates of Virginia

- 4. Maintaining open communication with client-owners.** Building trusted relationships with subcontractors also leads to fostering trust with client-owners.

Culture of Risk Awareness with Autodesk

In implementing TradeTapp, JMAV has reinforced the mentality of awarding bids to qualified subcontractors with a high degree of confidence.

“TradeTapp has helped emphasize our company culture to prioritize our prequalification process, as well as promote better risk-related communication between our teams cross-functionally,” Nicholson shares.

“Using TradeTapp has strengthened our collaborative process with open lines of communication between Operations and other teams in our office.”

JMAV has adopted a culture of risk awareness, which has influenced change throughout the company and across the industry. Rather than a separate risk department, risk management is integrated throughout the entire project cycle, evenly distributing the responsibility of sharing information.

Because of this, JMAV continues to exceed client expectations, develop trusted relationships with client-owners, and execute efficiently on projects.

“Someone once told me, ‘your job is to act as though it is your own money being invested in these projects.’ That resonated because whether it’s through technology or transparency in communication, it’s crucial to make the entire team aware of the risks and spread the ownership of accountability in minimizing those risks,” says Nicholson.

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