

New Year's Checklist: Checkup and Risk Management

There's no better time than the start of a new year for a checkup and risk management review to help mitigate potential issues in 2025 and beyond. The following is a helpful checklist to guide your preparations:

Contracts

- ✓ Ensure all contracts used in projects are up to date and compliant with local, state, and federal regulations.
- ✓ Review and update subcontractor contracts to include clear terms on scope, timelines, payment, and dispute resolution.
- ✓ Ensure your contracts clearly define terms of payment, deliverables, timelines, warranties, and insurance requirements.
- ✓ Review the terms for dispute resolution (mediation, arbitration) and update as necessary to avoid costly litigation.

Insurance Coverage

- ✓ General Liability: Confirm coverage for property damage, injuries, and other common construction risks.
- ✓ Workers' Compensation: Are all employees covered?
- ✓ Professional Liability: Consider whether you need coverage for professional advice and design defects.
- ✓ Umbrella/Excess Liability Insurance: Review whether additional coverage is necessary for high-risk projects.
- ✓ Builder's Risk: Ensure this is in place for ongoing or upcoming construction projects.

Labor Laws

- ✓ Ensure compliance with federal and state wage laws, including overtime, minimum wage, and classification of employees vs. independent contractors.
- ✓ Review compliance with OSHA standards, including safety protocols, equipment, and training.
- ✓ Employment Practices: Update employee handbooks to reflect new labor laws, anti-discrimination policies, and workplace safety requirements.

Licensing and Permits

Contractor Licensing: Verify that all necessary licenses are current and renew any expiring licenses.

Specialized Permits: Confirm that permits are valid and up to date.

Municipal/Local Permits: Ensure permits for any new projects comply with local building codes and zoning

Safety Protocols

- ✓ Audit and update safety plans, ensuring compliance with OSHA and local safety requirements.
- ✓ Schedule or verify required safety training, including certifications for heavy machinery operation, fall protection, and hazardous materials handling.
- ✓ Regularly check all equipment and work sites for compliance with safety standards.

Other Risk Management

- ✓ Assess potential risks in current and upcoming projects, including supply chain issues, cost overruns, weather delays, and workforce shortages.
- ✓ Verify proper use of lien waivers with clients, subcontractors, and suppliers to avoid potential lien claims on projects.
- ✓ Conduct a performance review of key subcontractors, addressing any ongoing concerns or setting expectations for future projects.
- ✓ Ensure key employees and managers are up-to-date on necessary certifications or continuing education in safety, leadership, or specialized trades.

Closing Remarks

Following this comprehensive (but not exhaustive) checklist will help start the process to review different risk and ensure the greatest likelihood of success and profitability.

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