

The Pre-Construction Checklist That Stops Margin Fade Before It Starts

Margin fade doesn't start in the field - it starts in the office, before mobilization. Run this checklist on every job before the first shovel hits the dirt.

Estimating Handoff

- ☐ Estimator walks the PM through the full estimate, line by line
- ☐ All assumptions, allowances, and exclusions documented in writing
- ☐ Bid qualifications and clarifications sent to the client
- ☐ Target gross margin confirmed and recorded before the job starts

Contract & Paperwork

- ☐ Signed contract with clear scope, price, and payment terms
- ☐ Change-order process and pricing agreed in writing
- ☐ Insurance certificates and licenses collected from every sub
- ☐ Lien waiver process set up for progress payments

Schedule

- ☐ Baseline schedule built with real durations, not wishes
- ☐ Long-lead materials identified with order-by dates
- ☐ Sub start dates confirmed in writing
- ☐ Schedule shared with the client and updated weekly

Subcontractor Buyout

- ☐ Every major trade bought out before mobilization
- ☐ Scope gaps between trades identified and closed
- ☐ Sub contracts signed with start dates and payment terms
- ☐ Backup subs identified for critical trades

Materials & Procurement

- ☐ Long-lead items ordered with confirmed delivery dates
- ☐ Material price escalation risk reviewed
- ☐ Delivery logistics and site storage planned
- ☐ Who orders what (you vs. sub) decided for every division

Permits & Compliance

- ☐ All permits pulled or applied for before day one
- ☐ Inspections scheduled into the project timeline
- ☐ Safety plan in place and competent person assigned
- ☐ Local requirements (parking, hours, noise) confirmed

Pre-Con Kickoff Meeting

- ☐ Kickoff held with PM, superintendent, estimator, and key subs
- ☐ Roles and decision authority clear to everyone
- ☐ Communication protocol set - who calls whom, how fast
- ☐ Client expectations on updates and meetings agreed

Budget & Cost Setup

- ☐ Job cost codes set up in accounting before the first dollar is spent
- ☐ Budget loaded by cost code with the target margin visible
- ☐ Process for tracking commitments (signed subs, purchase orders) in place
- ☐ Weekly cost review scheduled - same day, every week

Billing Setup

- ☐ Schedule of values approved by the client
- ☐ Billing calendar set: dates, retainage terms, waiver requirements
- ☐ Over/underbilling tracked from the very first invoice
- ☐ One person owns collections - named, not assumed

Documentation

- ☐ Daily logs, photos, and RFIs have an owner and a system
- ☐ Drawing and spec version control established
- ☐ Change-order log started (even at zero)
- ☐ Closeout requirements (O&Ms, warranties, as-builts) known upfront

A job that starts organized stays profitable. A job that starts messy rarely recovers.

Want a second set of eyes on how your jobs are set up? Book a free 15-minute strategy call:
<https://calendly.com/warren-warrenzysman/intro-call>