Joint Ventures – Things to Consider

A joint venture is a type of partnership – a “marriage”

1. Get Ready
	1. What will you, or what do you hope to gain, from a JV? Why a JV?
	2. Who are you considering? What do they bring to the table –
		1. Financial strength
		2. Capacity – banking, bonding, financing
		3. Capabilities – check references
	3. Is their culture compatible with yours (and vice versa!)
		1. Work ethic – quality
		2. Safety
	4. What is their history?
		1. Jobs
		2. Turnover
		3. Legal issues – OHSA
	5. Who should approve if you move forward?
		1. Your company owners, managers, Board
		2. Bank
		3. Bonding agent/company
		4. Accountant
		5. Lawyer
2. Get Set
	1. JV Agreement- what type of entity?
	2. Who will
		1. Ownership
		2. Contributions – Money, equipment,
		3. Provide financing needs
		4. Determine how profits, losses, cash flow needs will be handled
	3. Operational Roles, Responsibilities, Rights
	4. Risk Management
		1. Insurance
		2. Contract administration – subs, purchase orders,
		3. Safety
	5. Taxes & Accounting
3. Go!
	1. Job Meetings – between JV partners. With the Project Owner
	2. Performance Tracking
		1. Costs
		2. Costs to Complete
		3. Change Orders – handling, tracking
		4. Billings
4. Done
	1. Warranty issues – call backs
	2. Dispursing the final reserves, profits
	3. Evaluations