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