



### Construction Projects and Partners, Advantages and Disadvantages

| Role  | Advantages   | Disadvantages  |
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| <p><b>Subcontracting Free Labor Arrangement:</b><br/>Provides supervised, trainee labor at no cost to the developer.</p>  | <ul style="list-style-type: none"> <li>• No financial risk</li> <li>• No liability for missing deadlines</li> <li>• More flexibility in trainee schedule</li> </ul>  | <ul style="list-style-type: none"> <li>• No income for work</li> <li>• May have little control over training environment or trainee assignments</li> <li>• May be dependent on others for YouthBuild schedule</li> </ul>   |
| <p><b>Subcontracting Paid Subcontractor Arrangement:</b><br/>Completes a specific “scope of work” on a single or a few trades.<br/>Work is done for a fixed price to be completed by a pre-established deadline.</p>                        | <ul style="list-style-type: none"> <li>• Program receives some income</li> <li>• Less risk than construction management roles</li> <li>• Does not require complex construction management skills or logistics</li> </ul>   | <ul style="list-style-type: none"> <li>• Liability of completing work within a specified deadline</li> <li>• Risk of not estimating materials cost correctly</li> <li>• May not provide for steady work for trainees throughout training year</li> <li>• Depending on subcontract, may not provide broad enough learning experience</li> </ul> |
| <p><b>Construction Management</b><br/>Works on behalf of the developer to coordinate all subcontractors on the project, in place of a general contractor. Developer assumes all risks and rewards. Coordination work is done for a fee.</p> | <ul style="list-style-type: none"> <li>• No financial risk or liability</li> <li>• Provides control over the pace of the job</li> <li>• Provides control over scope of work that trainees undertake</li> <li>• Provides leverage with other subcontractors on the job to use trainees effectively</li> </ul> | <ul style="list-style-type: none"> <li>• Requires highly experienced staff with construction management skills</li> <li>• Does not provide same potential for generating program income as general contracting</li> <li>• Hard to find willing development partner</li> </ul>  |

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| <p><b>General Contracting</b><br/>         Coordinates all aspects of the actual construction work, including all subcontractors for a fixed price/lump sum. General contractor agrees to complete the job within a certain price, regardless of what the job ends up costing, and assumes all risks and rewards.</p> | <ul style="list-style-type: none"> <li>• Provides control over scope of work that trainees undertake</li> <li>• Provides leverage with other subcontractors on the job to use trainees effectively</li> <li>• Potential to generate more income for program than Construction Management</li> </ul> | <ul style="list-style-type: none"> <li>• Requires highly experienced staff with construction management and estimating skills</li> <li>• Can lose a substantial amount of money, if estimates are incorrect</li> <li>• Requires a sophisticated financial infrastructure</li> <li>• Requires cash reserves (working capital) or a line of credit</li> </ul> |
| <p><b>Development</b><br/>         Obtains a site and oversees all aspects of the development of that site. Assumes the ultimate risk of ensuring that funds available match or exceed project costs. Often receives a developer's fee for this role.</p>   | <ul style="list-style-type: none"> <li>• Provides maximum control over ensuring that projects are available on time for training</li> <li>• Maximizes control in balancing tension of "training vs. production"</li> <li>• Can maximize income generated for program</li> </ul>                     | <ul style="list-style-type: none"> <li>• Requires extensive organizational and staff capacity to fulfill all functions</li> <li>• Financial risk and liability are significant</li> <li>• Extra workload could cause housing development to overshadow mission of youth development</li> </ul>  |