



# DESIGN-BUILD SOLUTIONS

ESI is a nationally recognized design-build firm specializing in food facility design and construction.



# Mitigating Risk

## WHEN WORKING WITH SUBCONTRACTORS

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**W**orking with subcontractors in any field can present a host of challenges, whether it be subcontractors installing incorrect materials, or installing materials from their supplier that malfunction, thus creating larger, sometimes unsafe, conditions. Unfortunately, things happen. That's life.

But, in the design-build construction industry, unfortunate things can't happen. That's why ESI Group USA, Hartland, Wis., strives to mitigate risk when working with subcontractor suppliers, while still maintaining quality and putting the owners' and customers' needs first.

"We have to work through the subcontractor to protect ourselves from potential impacts due to difficulties or shortcomings caused by one of their subcontractors or suppliers," says Andrew Ostrand, senior project man-

### QUICK FACTS

#### 3 PROJECT CHALLENGES:



A lack of available materials



The sequencing of installation



Third-party vendors following site rules

ager. "We also need to be proactive before work begins to anticipate and prepare for as many potential unforeseen circumstances as possible.

The construction industry in particular experiences a range of challenges when working with subcontractors, including a lack of available materials, the sequencing of installation and ensuring the third-party vendor follows site rules and maintains adequate knowledge in food safety regulations.

Another challenge is the difficulties

firms face in verifying payment and lien releases of subcontractors. In many states, lien laws allow lower-tier vendors to send notice directly to property owners in the case of delayed payment. Many times the general contractor and owners aren't even aware of an issue until a legal notice is sent directly to both parties, says Ostrand. When this happens, ESI engages the subcontractor immediately for an explanation of what happened to cause the notice to be sent. Typically, these are a matter of timing.

## FEATURED PROJECT

# ESI Group Designs LEED Silver-Certified Greenfield Site for Ben E. Keith

**E**SI Design Services, the architecture and engineering arm of ESI Group USA, Hartland, Wis., designed a LEED Silver-certified Greenfield food distribution center for Ben E. Keith, Fort Worth, Texas.

The facility, located in North Little Rock, Ark., will increase Ben E. Keith's flexibility in providing special products for their clients' unique needs. It currently stocks over 13,000 SKUs with 350 full-time employees, and replaces two existing facilities in Central Arkansas.

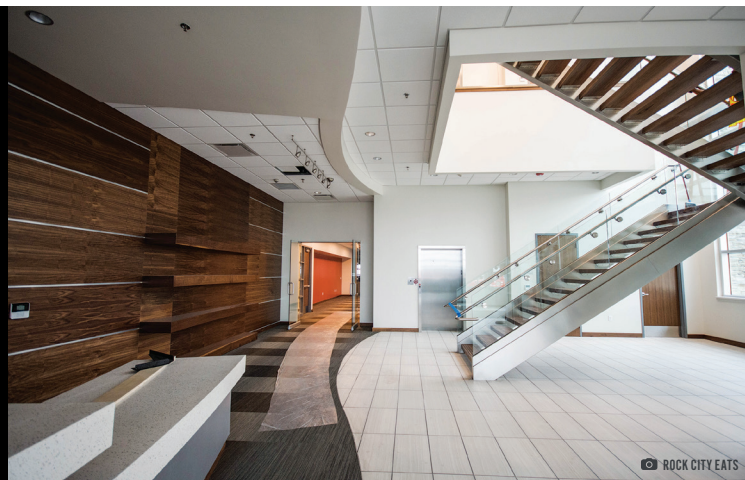
The project includes a 348,000-sq-ft warehouse with 78,850 square feet of office and maintenance facilities, and will distribute in Arkansas, Southern Missouri, Northern Louisiana, Mississippi and Central-Western Tennessee.

It also boasts the following features:

- Multi-temperature coolers and freezers.
- A rail dock.
- A 2-story office.
- Automated racking in the freezer and dry storage areas.
- Central ammonia refrigeration system.



- An on-site, 8-bay truck maintenance garage for self-management of the company's truck and trailer fleet.
- Shrinkage compensating industrial floors with trap rock.
- Pre-cast concrete tilt walls at dock areas.
- Insulated metal panels at warehouse areas.
- LED lighting with sensors throughout.
- 3,000-kilowatt capacity load shed generators pull "off the grid" during peak usage to ensure continuous power.
- Automated storage and retrieval system.
- Two automated cranes to fulfill orders and perform warehousing functions.



"Today is an exciting day for our customers and employees of the Mid-South division. Our customers will now have access to a more diverse selection of items as well as facility they can use to help them in their business. For our employees, this facility represents the hard work and enthusiasm they display each and every day. This facility will provide a great work environment for them and something that they will be proud of to call home," says Mike Sweet, president, Ben E. Keith Foods.

## MITIGATING RISK continued ...

"The best way to mitigate risk is to engage third-party vendors early and create an open dialogue to address risk factors as early as possible. This is always done in conjunction with the subcontractor, as they hold the contract with the vendors themselves," says Ostrand.

Another great way to mitigate risk is to provide guidance for the subcontractor as they solicit third-party vendors for work on an ESI project, he says. This allows firms to suggest

proactive ways in addressing risk. Another benefit that ESI has is a network of proven partners in specialty fields like structural steel, specialty floors, refrigeration and insulated metal panels.

"Ensuring all requirements, standards and protocols are well defined and understood prior to entering into a contract as well as planning ahead of time using excellent communication are the best tools to minimize outside risks," adds Ostrand. •

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