

# General Contractors versus Construction Managers



General contractors and construction managers play distinct roles in the construction industry and there are a number of areas which clearly set them apart from each other.

**The role of general contractor** most often involves *taking the helm* of a construction project. They are typically responsible for assembling teams that will perform specific tasks on the construction project, maintaining personnel for administrative and or supervisory roles, and hiring sub-contractors, suppliers and other professionals for specific construction related tasks. The general contractor usually manages the schedule and project's quality as well.

Once the construction process begins all communication between the general contractor and the building owner will typically be funneled through an architect, who is the owner's representative and decision maker.

**The construction manager** usually serves as an agent to the owner and is solely responsible for nearly all aspects of the construction project. Unlike a general contractor, a construction manager tends to be more closely aligned with the building owner, and is essentially entrusted with making decisions on behalf of the owner.

Construction managers do not usually maintain a sizeable pool of employees and they are not usually engaged via the bidding process. Instead, they work for a percentage above the project's direct cost and work directly with sub-contractors, suppliers and on occasion even with general contractors. The construction manager is always focused on saving money on the project via buyouts, value engineering and tight schedule control.

Because construction managers and general contractors are usually paid the same amount and the subcontractor and supplier fees will have to be tacked onto the construction manager fee, owners do not usually save money by hiring a construction manager except on larger volume projects.

The key differences between construction managers and general contractors have more to do with structuring administrative duties and fostering employee relationships than anything to do with the actual construction work. In most cases, the reasons to engage a construction manager or a general contractor include a previous work relationship, the project schedule, and overall performance.