

BuiltIn's Building Contractor Risk Scorecard

Measuring these key areas of risk will help indicate where action needs to be taken.
Review this scorecard regularly to identify trends in performance.



Financial & Cashflow Risk

Metric	How to Measure	Your Score	Risk Indicator
Gross Margin (%)	(Revenue – Direct Costs) ÷ Revenue		● <15%
Jobs with Cost Overruns (%)	Jobs over budget ÷ total jobs		● >20%
Average Job Variance (\$)	Budget vs final cost		● >5%
Debtor Days	Avg days to payment		● >45 days
Reliance on Progress Payments	% of revenue not yet invoiced		● >30%
Working Capital Buffer	Months of overhead covered by cash		● <2 months

Contractual & Legal Risk

Metric	How to Measure	Your Score	Risk Indicator
Written Contract Usage (%)	Jobs with signed contracts		● <100%
Use of NZ-Standard Contracts	MB / NZS / NZCB / BH contract used		● Ad-hoc
Variations Documented (%)	Written & priced variations		● <95%
Client-Supplied Materials (%)	% of projects		● >25%
Personal Guarantees Given	Yes / No		● Yes
Dispute Incidents (12m)	Legal or mediation events		● ≥1

Workmanship & Defects Risk

Metric	How to Measure	Your Score	Risk Indicator
Defect Callbacks per Job	Avg defects logged		● >3
Post-Completion Claims	Call backs after CCC		● >0
Waterproofing Sign-off Rate	Independent sign-offs		● <100%
E2 / E3 Checklist Usage	Yes / No		● No
Photo QA Records	Jobs with staged photos		● <90%
High-Risk Details Used	Flat roofs, parapets, monolithic		● Yes w/o detail

Regulatory & Compliance Risk

Metric	How to Measure	Your Score	Risk Indicator
LBP Coverage (%)	Restricted work done by LBPs		● <100%
CCC Achievement Rate	CCCs issued ÷ projects		● <100%
Council RFIs/Inspection Fails per Job	Avg RFIs/Fails		● >5
Producer Statements Used	PS3/PS4 where required		● No
Record Retention (10 yrs)	Yes / No		● No
Building Act Breaches	Notices / fines		● ≥1

Subcontractor & Supply Chain Risk

Metric	How to Measure	Your Score	Risk Indicator
Written Subcontracts (%)	Subbies under contract		● <100%
Subbies' Insurance Verified (%)	Insurance certificates on file		● <100%
Repeat Subbie Use (%)	Known subbies vs new		● <70%
Subbie Defect Attribution	Clear responsibility		● Unclear
Supply Delays per Job	Avg delays		● >2
Single-Supplier Reliance	% materials		● >50%

People, Health & Safety Risk

Metric	How to Measure	Your Score	Risk Indicator
H&S Plan in Place	Yes / No		● No
Toolbox Talks (per month)	Count		● <2
Notifiable Events (12m)	WorkSafe notifications		● ≥1
Near-Miss Reporting Rate	Logged incidents		● Zero
Staff Turnover (%)	Annual		● >25%
Training Hours / FTE	Annual		● <10 hrs

Insurance & Risk Transfer Adequacy

Metric	How to Measure	Your Score	Risk Indicator
Public Liability Limit	\$5m / \$10m+		● <Contract requires
Contract Works Cover	Annual vs project		● Inadequate
Defective Workmanship Cover	Yes / No		● No
Subcontractor Liability Gaps	Yes / No		● Yes
Policy Conditions Understood	Yes / No		● No
Claims in Last 5 Years	Count & type		● Repeated