



Managing Requests for Stored Materials

December 2, 2021



- Phones
 - Mute if you're in a noisy location
 - Don't put us on hold – even if you have great music!
- Join the discussion!

CLRM 2022!

CLRM

MARCH 2022

Save the Date: March 28 - 30, 2022
The Line Hotel, Los Angeles, CA

CLRM

For more information: <https://www.construction-lender-risk-management.org/>



Ali Schaal

Director of Funds Control
aschaal@partneresi.com

541-771-6196



Angela McDonnell

Director of Funds Control
amcdonnell@partneresi.com

206-204-4635

Managing Requests for Stored Materials

December 2, 2021

What's the problem?

CLRM

- Demand for material has outpaced supply
- Materials are more costly
- Lead times for fabrication & delivery are impacted
- High risk of going both over budget and beyond schedule

What can you do?

- Strategize timing of material deposits and off-site stored material
- Understand effect of design changes relative to material selections
- Account for cost of storage & security
- Understand the risks

Risks if the material is off-site...

- Comingling with materials for other sites
- Reduced influence over security, damage, etc.
- Increased potential for diversion
- Ownership may not be clear in the event of default
- Can be difficult and expensive to inspect

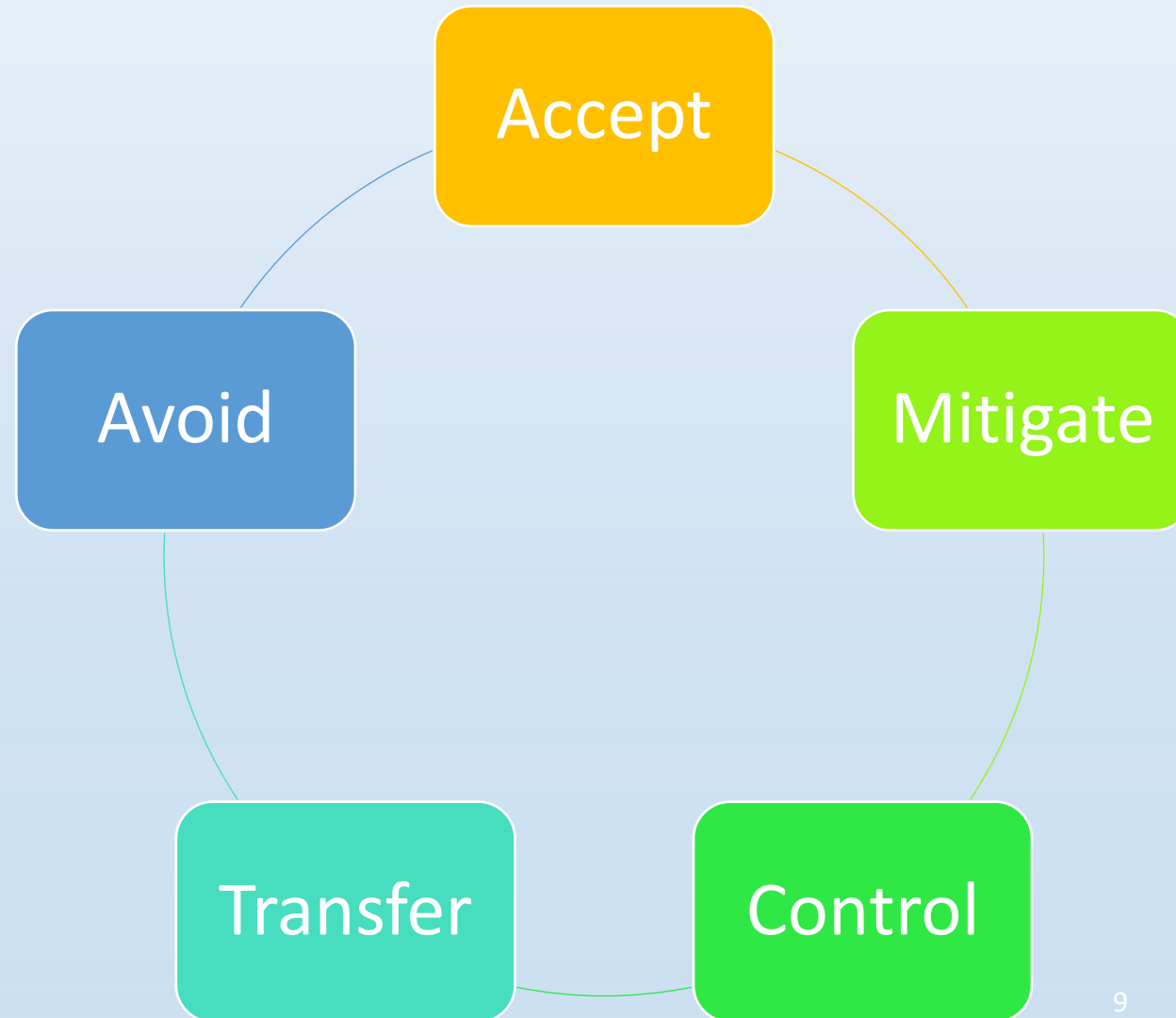
Are they a Necessary Evil?

CLRM

- Avoid delays
- Assure materials are available
- Reduce costs
- Lock in costs

Risk Management

CLRM



Process Depends on Risk Tolerance

- Verification
 - Borrower approval
 - Loan provisions
 - Exception approvals
 - Contract requirements may be considered, but are the responsibility of the borrower
- Inspection
 - Segregated
 - Clearly labelled*
 - Secure
 - Protected
 - Bonded warehouse?
- Documentation
 - Inventory*
 - Invoice*
 - Bill of sale*
 - Estimated delivery schedule
 - Conditional lien release
 - Unconditional release
 - Proof of Insurance
- Disbursement
 - Funds Control
 - UCC-1

*Clearly indicating the subject project and owner 10

Questions

CLRM



Funds Control/CRM

Questions / Discussion



CLRM 2022!

CLRM

MARCH 2022

Save the Date: March 28 - 30, 2022
The Line Hotel, Los Angeles, CA

CLRM

For more information: <https://www.construction-lender-risk-management.org/>

Contact Information



Ali Schaal
Director of Funds Control
aschaal@partneresi.com
541-393-9074



Angela McDonnell
Director of Funds Control
amcdonnell@partneresi.com
206-204-4635