

So you are about ready to sign that contract. Are you? Here is some information gleaned from an actual (real) construction company's website. I can not attest that they actually do what they say they do, but this is the kind of openness that anyone should seek in their building contract.

You need not read through all of the boilerplate, but in the very least you should pay particular attention to the blue highlighted sections. They include the openness that our builder refused to provide us.

Remember this is your project. It is your money. It is not the builder's money. You have every right to know where, why, and how your money is spent. Your builder has no right to keep that information from you unless you let him by signing a contract that takes that right from you.

The key ingredients of your contract should include:

1. **Frequent open book billing.**
 - a) No clauses that say the **builder's costs are confidential.**
2. No clause that says you must complete the project.
 - a) Have a way out of the project if you find that the costs are spiraling out of control and your builder is out of control.
 - b) Sign a contract that insures that you will not have to go bankrupt so that the builder can complete the project the way he wants to complete it and at your expense.

If you find that your builder is not interested in open book billing, then grab your wallet and run. There are lots of builders. Find one that will be open and honest with you.

Initial site visit.

Typically, we will schedule a visit to your home or job site for a preliminary meeting. If the design process is already underway, we may meet the architect or designer first to review the plans. If there is no designer, we will usually recommend a few of the design professionals with whom we have worked in the past and whose talents would best fit your project. (We also offer limited in-house design services.) At the initial visit, we review the construction documents, inspect the site and, most importantly, listen to you and learn what you want to accomplish. We will then make suggestions, share observations, and try to summarize what we are being asked to estimate.

Second site visit.

Another visit to the site may be made with various sub-contractors (plumbing, electrical, roofing, concrete, masonry, etc.) who need to provide estimates for their work. In some cases, especially with new construction, subs can make estimates from plans without a site visit.

Preliminary estimate.

In years past, many architects would "guesstimate" the cost of a project, produce a full set of working drawings, and then have three or four contractors bid on them, usually at a fixed price. The problem?

Bids might come in at double or triple the architect's estimate, leaving the owner with an expensive set of drawings for a project that could not be built. Today, most architects understand that their greatest expertise lies in designing and drawing, while the contractors are better informed about estimating and building. The new relationship between architects and builders is more of a partnership. The preliminary or "ballpark" estimate is an outgrowth of this collaboration. Often a designer will produce "schematics", or sketches, but with enough detail regarding scope of work so that the contractor can make a meaningful stab at price. This allows the owners to get a rough idea of what their project will cost without spending a lot of money on design.

Detailed estimate.

Once the design and materials are finalized, we provide you with "Our Process" detailed line-by-line spreadsheet estimate. **Our estimating process is open book.** We invite you to view a sample proposal. Depending on the project, the amount of work performed by the sub-contractors may range from 40% to as much as 70%. Although our company does work on a time-and-materials basis, we get fixed price estimates from our subs; a large percentage of the job is therefore, in essence, fixed price. We include copies of sub estimates, whenever available, with our own estimates.

Why we work on a time-and-materials basis.

Working on a time-and-materials basis offers a number of benefits. Perhaps most importantly, you pay only for the services you actually receive. It also gives the contractor and the customer more flexibility to respond to changes in the project, such as intentional increases in scope or unforeseen structural problems. Again, **our estimating and billing is totally open book.** In order to reduce the risk of unexpected cost overruns, our time-and-materials projects can be benchmarked to a carefully prepared job budget. We invite you to view our Time & Materials Rates.

Contracts.

Once you choose our company for your project, we will prepare a contract. Depending on the specifics of the job, we may use a standard form contract or an American Institute of Architects (AIA) contract.

Our project team.

Once a contract has been signed, we will form a team to manage the job: one of our partners, the job supervisor (lead carpenter), and an office-based project manager. These professionals will work with you throughout every step of the project.

Preconstruction – planning, permits, schedules.

Prior to the start of a project, we will hold one or more pre-job planning meetings with the owner and architect. As part of our preparation, we will again listen carefully to the precise wishes of the owner and review the construction documents with the architect. Preconstruction also includes procuring necessary permits, determining a schedule for ordering materials, and coordinating subcontractor time frames.

Construction.

It is finally time to start the work. If the job is a renovation, there may be a need to protect existing finishes and architectural details or construct dust barriers. We have professionals who specialize in this important work. If the project is new construction, our site work team will assess site conditions and make recommendations about utilities, excavation, fill storage, or fill removal. The job supervisor oversees the entire project, directs the crew, checks on quality, interacts with the architect, orders materials, schedules and supervises subcontractors, and, when there is free time, performs work. Our job supers are very talented at this juggling act; we are lucky to have them working for us. The office-based project manager assists the supervisor in all work other than field work, coordinating resources and managing processes from our office.

Change orders.

"Oh, while you're here, could you build a family room addition and renovate our master bath?" There are not many jobs where the scope stays exactly the same as what was first proposed. We try to be as flexible as possible to accommodate our clients' changing wishes. However, when the scope of work changes, schedule and price may be affected. For items that significantly increase scope, we may issue change orders. Although change orders can sometimes slow down the progress of the work, we recommend them as an important "reality check" for the owner regarding price and as a method to track changes in budget.

Billing.

We issue bills every two weeks, complete with a full accounting of our costs including materials, sub-contractor fees, rentals, permits, and every other individual item.

Progress of the job.

Projects have traditionally been separated into divisions by long-established architectural conventions. They are listed in the order in which they will generally proceed, i.e. site work, concrete, masonry, steel, rough carpentry, etc. Some divisions proceed parallel to each other, but most are "critical path" items that must be completed before others can proceed. It is essential to recognize the flow and progression of the different divisions in order to meet a projected schedule. We have deep experience in scheduling to ensure that the team works efficiently to keep the job running smoothly.

End of the job.

As the job nears completion, the project team will compile a "punch list" of items still to be done and the minor issues still to be addressed. Owners also contribute information for this list. We will start work on these items prior to the official architect's punch list in order to accelerate project completion.

Warranty.

The state of XXX mandates a one-year warranty on all construction workmanship. We will often take care of problems, depending on their nature, well after the warranty period has ended.