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## HOW TO CHOOSE YOUR BUILDER

Understanding the construction process is the key to hiring a good builder, and not one of those fly-by-night folks who give the construction industry a bad name. Don't be afraid to do your own sleuthing. Before hiring someone, thoroughly research your project and the builder you're considering working with. Here are some tips to get you started: Know the Scope of Work

- If your project will involve an architect, make sure the plans are finalized before the start of the project. Many contractors work with architects to create what's called a "negotiated contract." This helps you decide what you want included in the job and at what price. Knowing the price of each architectural item (a volume entry, for example, or an extra bedroom) will help you decide whether or not to include it in the plans.

- If you don't work with an architect, you might work with a design/build contractor. These contractors both design and build your project. They offer one-stop shopping, in a sense, by helping you determine a budget and then designing your project to fit that budget. Make sure your design/build contractor offers you different design alternatives. The contractor shouldn't try trap you into creating a product he or she wants to build instead of one in which you want to live.

- Revisit the plans often through the estimating process. Remember, you have to live with the end result. The contractor doesn't. Bear in mind, however, that if you make a change to the plans and/or project after the scope of work has been established and you've signed the contract, you may be charged for change orders.

### **Be Clear About Budgets**

- Know your budget and communicate it ahead of time to everyone involved in the project. Letting the contractor know your budget helps him/her save time in creating the estimate and determining what is acceptable if changes are required.

- It is the contractor's job to track the actual construction budget against the contract price. However, you need to have a game plan to determine how you will respond to an "unplanned change" or schedule delay. You must be clear on what the outcome will be to your purse and/or the project's quality.

- Expect changes. Most contracts include a minimum of ten percent additional costs due to changes during the job. Be sure to include that amount of money in your budget.

### **Know the Contractor**

- Qualify potential contractors before wasting their time with the estimating process. A great bid but a poor job record is not going to get you anywhere. This is why it's so important to ask for and check references (which is detailed below).

- Limit the bidding process to no more than three contractors. This will give you time to research and determine the contractor who is best suited to your project.

- Interview the potential contractors. See "Crucial Questions to Ask Your Contractor," below.

- Interview potential contractors' current and past clients, as well as the professionals the contractors work with (trade contractors and vendors). Don't trust a referral statement on a piece of paper. Get on the phone and speak directly to references or meet them in person.

### **For customer references, find out:**

- If they are current references or really old ones.
- If the references are for jobs similar to yours. Are the projects similar in scope and price range to yours?

### **Call customer references. Ask the tough questions:**

- How much was the original bid?
- How much was the final project?
- How did the contractor handle communication? Did he/she keep you informed at all times? Were there any surprises?
- Did the job finish on schedule?
- Are/were you satisfied with the project's quality and workmanship?

### **For trade contractor and vendor references, find out:**

- If the contractor pays them on time. (Note: if the contractor does not pay the trade contractor, the trade contractor can put a lien on your house—which can require you to pay again.)

- How the contractor communicates with them about scheduling.
- How long they have worked together.
- What they like most about working with the contractor.
- What would they like to see improved in their relationships with the contractor.

- Do background checks. Make sure the contractor is licensed. For larger jobs, see if the contractor is bonded. Check with the local Better Business Bureau and the State Contractors License Board to see if there any outstanding complaints about the contractor.

- Visit the contractor's final projects to get a better feel for the quality of work. Pictures are nice, but you can learn more from viewing the workmanship in person.

## **Don't Put on Price Blinders**

- After you've qualified the contractor, review the estimated project price but don't let that be the only criteria for the job. Obviously, consider quality work and the harm that may come if the job is done "cheaply."
- Also consider the quality of the contractor's business operations. It's an indication of the type of relationship you'll have with the contractor and the customer service he or she likely will provide. Is the proposal presented professionally? Is there a sample of the legal contract? Is there a schedule with an expected completion date? Is there a sample change order, a sample subcontract, and/or a sample communication? If a contractor seems to be flaky about sharing information, it won't be easy to communicate with him or her during the project.
- Many construction businesses grew from carpenters who loved to build. But there is much more to running a professional construction company than building projects. Therefore, make sure you are working with a professional company that follows good management practices, adheres to all laws and regulations, and will be around in the long haul. This will go a long way towards guarantying your ultimate satisfaction with the project.

## **Proceed**

- Once you've selected your builder, let the person do his or her job! Stay informed and make timely decisions when requested.
- Pick a plan, stick with it, and don't change your mind every five minutes. Changes cost money, and clients are often their own worst enemy during the job's progress.
- And finally, trust the relationship you've created. In the end, the goal is to be happy with the finished project.

## **Crucial Questions to Ask Your Builder**

- What is your company's best quality?
- How long have you been in business?
- Have you done this type of project before?
- Is this project within the typical scope, size, and price of the jobs you've done?
- Are you licensed, bonded and/or insured?
- May I interview two past clients and view the finished work?
- Have you been sued by past clients?
- Have you been sued by trade contractors or vendors?
- How do you determine how much to charge for change orders?
- On average, how much do the total change orders cost as a percentage of the original estimate?
- What process do you use to communicate change orders or price changes?
- Who will be my primary contact during the job?
- On average, do you go below or above your estimates?