

Selecting a Builder

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After a considerable amount of your time, effort and planning, you're ready to bring your vision of 'what can be' to fruition. In order to accomplish this momentous feat, you need to entrust your project into the hands of a skilled builder who can materialize your plans. Selecting a suitable builder you can trust and work with is an integral component to the success of your project. To make this key decision will require you to use your combined reasoned and intuitive abilities.

WHERE DO YOU FIND YOUR BUILDER?

You can begin making inquiries through family, friends, colleagues, and acquaintances who have worked with a contractor before. The majority of builders' projects come via word of mouth. If you have already hired an architect they will be able to recommend at least two builders they have confidence in and believe are a good fit for your project.

If you are able to obtain a referral through someone you know, then there is already a built-in level of connectivity between you and the builder. If not, then check with your local builders association or a contractor referral service as these entities typically pre-screen their contractors for required licensing, bonding, liens against them, and bankruptcy history. These services aim to help you in making an informed decision, by referring only qualified and reliable contractors.

WHEN IS IT TIME TO BRING A BUILDER INTO THE PROCESS?

It is best to begin your search as early as possible, so that when the time arrives you have a few good builders in-line; builders whom you know are qualified and have shown genuine interest in your project. The search can occur before, during, or after the construction documents have been prepared.

If you decide to speak to a builder prior to initiating the architectural design process, there are several services the builder is able to provide. At this stage, a builder can be helpful in identifying red flags to be avoided from a construction standpoint. They may be able to provide you a rough estimate based on your wish list. Yet realize, they really can't give you any exact numbers before architectural drawings and specifications of an established design are produced. Finally, they may be able to recommend an architect if you haven't already selected one.

Negotiated Bid

If you and your architect choose to bring a builder on-board during the design phase and grant them the exclusive opportunity to bid the project, this method is called '*negotiated bid*'. The selected builder is in the preferred position to be awarded the contract, as long as their final bid is in-line with the pre-established budget. If at the conclusion of the construction documents phase they are unable to meet the budget, then you (the owner) have the right to solicit other bids.

There are many benefits to this integrated design approach. The builder's estimating knowledge will be useful in keeping the project's construction budget on target by working with your architect during the design documentation phase to review construction systems, material options and other alternatives that can control costs. They will also have developed a thorough understanding of the design before preparing their final bid and will be invested in the project early, which incentivizes them to stay within the budget.

Going Out To Bid

If you wait until the construction documents have been completed, this method is called '*going out to bid*', where you will solicit bids from a short list of contractors you have assembled. This group of contractors will be bidding against each other, and as such, your architect will provide each contractor with the same construction documents for them to estimate and prepare their bids.

When going out to bid, you should limit your short list to a maximum of three candidates. The reason for three is that you will get a fair sampling of the construction cost range, while at the same time, the contractors will feel they have a good chance to be

awarded the contract and therefore make a concentrated effort in putting together a solid bid. Any more than three bidders, their chances diminish and they are unlikely to make the required effort, which may result in loose and less considered bids. It is important to note that it takes the builder(s) a considerable amount of time and effort to put together a bid proposal, which they are typically not compensated for.

The purpose of this method is to gather a set of competitive bids in order to obtain the lowest price. Be sure to review each contractor's inclusions, exclusions and line item costs so that you are comparing apples to apples. By doing a thorough review of each proposal will ensure that the complete scope of work has been included and neither items nor scope have been overlooked. However, this does not mean to select your builder based solely on price. *(See other factors below.)*

HOW DO YOU EVALUATE A BUILDER?

Once you have gathered a short list of qualified builders to interview, then you can begin your selection process.

There are many factors that go into deciding upon a builder, besides the lowest bid. It should be a given that the contractor(s) you interview will be licensed, bonded, carry liability and workers compensation insurance, so what, besides construction cost, might separate one candidate from another?

Here is a list of possible factors to consider when selecting the right contractor to build your project.

FACTORS:

- **Knowledgeable:** does the builder have experience with your project type, along with the local building inspectors and municipal processes, if not, does their past work demonstrate their capability to be successful?
- **Value:** does the builder bring added value to the project by offering ideas and suggestions that support the design intent, while decreasing cost and time?
- **Skills:** does the builder (and their subcontractors) have the ability to build to the quality standards required?

- **Resources:** does the builder have good relationships with suppliers, a reliable crew and the financial stability to complete your project?
- **Management:** is the builder well-organized with adequate project management to run the project smoothly and efficiently?
- **Process:** does the builder adhere to a project schedule, outlining the construction process with critical milestones? Is their process inclusive of your participation as needed and give you enough lead-time to make decisions?
- **Communication:** is the builder articulate in verbal and written form, easily accessible and responsive in a timely manner?
- **Personable:** does the builder have a trustworthy and respectable disposition and will they be able to work well with you, your architect and others to achieve a successful project?
- **Referrals:** what do past clients have to say about the builder? *(See list of questions)*
- **Contract:** is the contract fair to both parties? Does it clearly describe the scope of work, what is included and what is excluded? Has the contractor provided a detailed line item spreadsheet, which includes material and labor for all divisions of work with overhead, profit and taxes?
- **Fee:** is the builder's fee competitive for the specified service and will they deliver 'what they said they will' and more?

BUILDER REFERRALS: QUESTIONS TO ASK

Note: You should ask contractor(s) for contact information for their last three clients. The contractor will provide referrals, but they might not be the most recent.

- How did you learn about the contractor?
- Can you explain the type of work the contractor did on your project?
- Was the work done according to the plans and specifications?

- Was the job site clean and well organized?
- Was the quality of craftsmanship up to your standards or higher?
- Did the contractor offer suggestions to reduce cost while maintaining the quality?
- Did the project progress according to the original schedule?
- Was the project completed within budget?
- Were there change orders and if so what were they for?
- Was the contractor clear about what would be considered a change order in their contract?
- Was their invoicing clear, consistent, up to date and according to the contract?
- Was the contractor easy to reach and communicate with?
- Did the contractor respond well to changes you wanted to make during construction?
- Did the contractor give you enough lead-time to make decisions?
- Did the contractor work well with your architect and others?
- Where there any lien issues with subcontractors or vendors since the completion?
- Has there been any significant issues with the construction since its completion?
- Has the contractor made any service calls to remedy any problems since the completion of the project?
- Is there anything you would change concerning how the contractor conducts their business?
- What were the positive aspects of working with the contractor?
- Would you be able to visit the project to see the contractor's craftsmanship?

- Would you use the contractor again?

HOW DO YOU DETERMINE IF THE BUILDER IS A GOOD FIT?

You must feel confident that your contractor can build the project for the agreed contract amount, within the specified timeframe and to the quality level required. Finally you need to **trust your gut**; your relationship with the contractor will be first and foremost. You will exchange a large sum of money for service and will have frequent interaction over the next three to twelve months or longer depending on the scope of work. This becomes even more crucial if this is your personal home or business and will be occupying the premises during construction.

Once the design has been envisioned, the drawings have been completed, the permits have been approved, the finances are in place, and the builder selected; it's time to build.