



Joe Timpane of Turkey Point Construction

Dawn Nobilio, CPPP

HOMESENSE

Talking Numbers

with Your Future Contractor

by Hannah McCann

You've got architect's plans. You've got money in the bank. Now it's time to hire a contractor who will build your dream home.

The first hurdle in this frenzied building market is to find a contractor who will actually call you back. Better yet: find three. You want three contractors to bid on your project so you can compare costs and know that you're going to get the most value for your dollar.

A crucial step in the creation of a new home or addition, the bidding process is about more than how much you'll spend. Now we get into the brass tacks: how, exactly, will this thing be built? Paying careful attention at this stage of the project pays off in the end.

Get Real

What do you want to see in the contractor's bid? If your answer is "a low price," you (and most every other homeowner) are fooled. The right answer is "an honest price." The magic number at the bottom of the contractor's bid is worthless unless it's a real number based on the contractor's careful evaluation of how much it will cost to build your project.

The key to getting a real number is to start the bidding process with a complete set of plans from your architect. "Make sure that everything is on the drawings—no more, no less," says Joe Timpane of Turkey Point Construction, a local company that specializes in custom residential work by local architects including Robert M. Gurney, FAIA. "What type of toilet? What kind of sink fixture? Make sure it's all listed. Don't leave anything up to the contractor. Know what you're buying."

If every piece of the project is specified in the architect's drawings—or "spec'd," as they say in the business—then the contractor will be able to put together an itemized bid. The cost should be broken down into 30–40 line items that detail the price of everything from the permit fees to the doorknobs.

If your bid comes back without line items and only a lump price for the project, beware. You don't want what Joe Bohm, the president of Horizon Builders, calls "the forehead bid." He explains, "I can't put a set of drawings to my head and say, 'OK, this is going to cost \$300,000.'"

Also be wary of bids that simply price your job by the square foot. "If that's how somebody's bidding, they're not paying attention to what you want," says Turkey Point's Timpane. "There's no such thing as price by square foot on a custom house," stresses Bohm, whose company builds projects by local architects such as Versaci Neumann & Partners Architects, Barnes Vanze Architects, and Muse Architects. "No two houses we've ever done have been the same."

Stairs in the Pucciariello House designed by Robert M. Gurney, FAIA, and built by Turkey Point Construction.

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Choosing the One

With itemized bids, you can compare competing contractors fairly. Sit down with your architect and go through each bid, line by line. The lowest bidder may have omitted the cost of demolition or substituted vinyl for wood siding. "Confirm that you're getting what you think you've bought," says Timpane.

Once you understand how the bids compare, it's time to choose your builder. "The old rule is, 'Throw away your high guy; throw away your low guy; start negotiating with your middle guy,'" says Timpane, explaining that the "low guy" might not have the requisite experience to accurately bid—or build—your job.

But in this busy market, the rules have changed a bit. Timpane urges homeowners, "Don't be afraid to take the high guy. Go more on who you like and whose body of work you like. Go put your eyeballs on their finished work. Look at the quality. Is everything clean and neat? Is the client happy? Did he finish when he said he would finish?"

Other Tough Choices

If the bid is for more than you can afford, what can you do to save money?

According to contractors, the best way to shave costs, unfortunately, is to scale down on the quality of plumbing fixtures, countertops, and windows. "Understand that 60-70% of the costs [of a project] are driven by your aesthetic decisions," says Bohm. Substituting less expensive materials will help save money.

The number-one mistake that homeowners make is thinking they can cut back on the costs of a builder's mark-up by buying materials themselves. Whether you're talking about tile, light fixtures, or appliances, there's a lot that can go wrong. "Buying materials yourself opens you up to problems you may not anticipate," Bohm warns. Are you buying enough tile? The right fixture? Did you get all the parts needed to hook up the dishwasher? Is it being delivered at the right time in the building process? If it's not exactly right, you'll be paying a sub-contractor's hourly rate—perhaps more than \$100 an hour—to fix it. Plus, you'll be slowing down the job and upsetting the delicate balance of the subs' schedule.

Be aware that costs may escalate during a project due to unforeseen circumstances: builders open a wall and find asbestos that has to be removed; they dig into the ground and find an underground spring. Unforeseen expenses are more likely to occur in additions to existing homes. There's no way to plan for them, but Timpane suggests setting aside an extra three to five percent just in case.

But also be aware that the main reason costs escalate during construction is that homeowners decide to upgrade from the materials that were originally spec'd. Once you see the \$300-per-square-foot granite, you'll want it instead of the \$100-per-square-foot granite, predicts Bohm, based on his experience with clients. Building a home is "a very personal thing," he points out, and desire often outweighs the cost of a change-order. "In their business life, people would never run a project the way they do their own home."

Do construction projects ever cost exactly what the contractor said it would in the bid? "Very often," says Timpane. "Mine come in right on the money. When I bid a job, that's usually what I get. As long as you sign an AIA contract and everything is spec'd, that's all it will cost."



Joe Bohm of Horizon Builders

Sign an AIA Contract

Use a written contract to seal your deal with the contractor you choose. AIA offers standard forms of agreement that have been carefully reviewed and court-tested. Widely used by and accepted in the construction industry, they present a current consensus among organizations representing owners, lawyers, contractors, engineers, and architects. AIA documents are available at the AIA Bookstore at the AIA's national headquarters, 1735 New York Avenue, NW, or by calling 800.365.ARCH(2724). For more information, visit AIA National's website at www.aia.org.

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