



# *Time to Build*

## **I Want To Act As My Own General Contractor**

There's a reason why so many books are devoted to the in's and out's of acting as your own general contractor on a home building project: it's a complicated and time-consuming proposition.

Although you don't have to be an expert on every phase of the process (there are subcontractors for that), you do have to make sure that the experts you have hired are doing their jobs. And you have to know which experts to hire in the first place. Also keep in mind that some states do not allow owners to contract their own home. And lending institutions have gotten very fussy about loaning money to owner-contractors. Be sure to check into these issues before you get serious about owner contracting your project.



Although you may stand to realize a significant savings on the total cost of contracting your own home by doing it yourself, remember that you will not be able to take advantage of the volume discounts that a professional gets. Even if your log home package is "complete", there will be some items that you will have to go out and buy. Conversely, you also won't be subjected to the mark-ups that contractors add to material pieces. However, the discounts that a professional receives aren't just on materials. Subcontractors-electricians, plumbers, carpenters, etc. often will work for a professional general contractor at a discount. Let's face it, to a sub, you're just a one-time client. A pro may hire them again and again. A "loyalty factor" comes into play here a sub may very well stop working on your project for a time while he works on something else for his regular contractor. And don't forget the "damage factor". As your own GC, you may be tempted to hire the cheapest subcontractors you can find.



They may, in fact, be the only ones available to work on a do-it-yourself project since DIY's are generally put on the bottom of a subcontractor's list. The "damage factor" comes in when you find that substandard work has been done

and now you're faced with finding someone to do it right.

If part of your reasoning for acting as your own general contractor centers around a belief that GC's have "gravy" jobs, think again. The entire project is in their hands. They have to hire reliable subs, do all the scheduling (and deal with problems that may arise when the schedule is thrown off), maintain quality control throughout the project and be sure to have all the necessary permits and insurances.



As your own GC, you will have to obtain the proper insurance, make sure that your project conforms to zoning laws, and secure any building permits required by your municipality AND supervise the work.

In other words: expect to take months off of your job or lose all free time at night and on weekends for a very long time.

If you're not scared off yet, you should at least have a healthy respect for the GC's job. If not, your learning curve will be very steep indeed. Do yourself a favor: attend a log home building workshop. Even if you're not going to do any of the actual building, you will get a chance to experience some of the issues a GC will have to deal with, and you will come away with a better appreciation for the complexity of a log home building project.

That, in turn, will serve you well as you start hiring and scheduling. If you're in the early stages of finding a log home company, ask each of them just how much support they will give you if you decide to act as your own GC.

Some people have opted to hire a "construction consultant" to assist them. Although it varies, consultants may charge around 5 percent of the total building cost. Consultants don't hire and fire subcontractors, don't approve plans, don't supervise construction. They will help evaluate land, draw up a budget, set a construction schedule, monitor the building process and be on hand to solve crises.



Oftentimes, consultants are former contractors themselves and will know ways in which to save money that never occurred to the do-it-yourself contractor.

## Kuhns Brothers Log Homes, Inc. Construction Workshops

Even if you're not going to "build-it-yourself," you probably have many questions about the construction process. The Kuhns Bros. Log Homes, Inc construction workshops are educational...and fun! Just give us about 16 hours of your time one weekend, and we'll provide you with the basic information and hands-on experience you need. Workshop students benefit from the experience of our instructors, who travel worldwide to share their log home building expertise.

Construction Workshops are open to anyone who's interested in learning to build a log home, and if you've already put a deposit down on one of ours, they're free! For more information about Construction Workshops—upcoming schedule, agenda, lodging, registration and more contact your sales representative or visit our website at [www.kuhnsbros.com](http://www.kuhnsbros.com). Class size is limited, so register early!



**"We hope to start building in the Spring and can hardly wait! Thank you for a wonderfully organized workshop from the warm welcome to the excellent lunches, the indispensable hands-on experience to the unique accessibility of your knowledgeable, and patient, staff."**

--Richard and Michelle Spiegel

### Tips For Being Your Own General Contractor

- Plan, plan, plan. Expect to put in about six months' worth of planning before actual construction begins. This will save you money in the long run.
- Make a written list of room-by-room specifications to avoid change orders and ensure good design; also saves you money.
- Put all your cost estimates onto a computer spreadsheet. You can see what you've spent and what cost projections for the future are. You can take advantage of bargains and limit damage from overruns.

- Buy materials directly. Most subs like to provide their own materials, but it costs more that way. Buy your materials separate from labor and avoid unwanted overhead charges. You may find bargains if you search yourself.
- When a work crew arrives to do a job, have the necessary materials on the site and in proper quantities.
- Avoid misunderstandings by communicating directly with the subcontractor and not with his work crew.



- If you're a female, be aware that construction is still a man's world. Be patient. It may take time to gain the respect of your subs.
- Before construction begins, notify your electrical contractor to install temporary electrical power and your plumbing contractor to install a temporary water hookup.
- Prepare for soil erosion by installing silt fences or hay bales.
- Keep a daily log of construction progress. Include notes from your meetings with contractors and an inventory of materials delivered to the site.
- Be on-site. You or your spouse should be on-site at all times to ensure things are done to your satisfaction.
- Run a clean, organized job. It actually saves money to have a clean construction site where tools and materials aren't trampled and lost.
- Ask lots of questions. If something doesn't seem to make sense, trust your instincts and check into it.



### Tips For Finding Good Subs

- Don't rely on telephone book or newspaper ads to find subcontractors.
- Ask friends, neighbors, building professionals, and other trades people for recommendations.
- Drive around to construction sites in the area you plan to build. You may find small builders willing to lend out their subs.
- Attend home and garden shows where you may meet subs that impress you. Some have booths at shows, particularly if they are pushing a new product.
- Ask owner-builders in your community which subs they respect.

- Join the local Home Builders Association as an associate member. Attend HBA functions. Ask generals who they recommend. Get acquainted with subs who participate in the HBA. If you don't join, use the Association directory of members.
- Attend a local "Parade of Homes". Seek out the subs who did the work on the houses you liked. Their names may be listed in the "Parade" program. You can also call the general contractors who entered the home in the "parade" and ask for the participating subs. (Remember that you won't be comparing apples to apples here. What you see in a conventional home will speak more to quality of work rather than actual work being done within a log home.)
- Ask the salespeople at the local lumberyard and hardware store which tradesmen have good reputations.
- Ask each reputable sub you talk to who he respects in the other trades. Plumbers know good electricians. Footing guys know good excavators and so on.



### Narrow Your Choices



- Make a "long list" of the subs recommended to you.
- Check your names with your state's registrar of contractors and the Better Business Bureau. Almost all of the subs will have complaints lodged against them. Check out the ones with the fewest complaints per year of operation.
- Begin calling each sub and as you do, make note of:
  - Did they return calls promptly?
  - If you arranged a meeting, did they show up on time?
  - Did they ask intelligent questions about your plans?
  - Did they appear interested in your plans and your welfare?
  - Did they share any insights (perhaps new technologies) that help you see things in a different light?
  - What is your gut feeling about the sub? (Don't ignore this!)
  - Make a "short list" of your prospects. Of those:
    - Ask for three job references, at least one of which should be recent.
    - CALL the references.

- If possible, visit job sites at which they are currently working.
- Note whether the sub uses his own tools and equipment. (If you provide tools and equipment, you're liable for them.)

## Securing Bids

- Get at minimum three estimates for each job.
- Give each bidder the same set of plans and specifications and make sure when comparing estimates that each is based on the same material list and the same size and complexity of work.



- Request "fixed-price" bids only into which the sub has built in his cost for materials, labor, and overhead and the profit he hopes to make. This way, the bid is a firm price.
- Avoid "allowance clauses" which set you up to receive inferior-grade fixtures.
- Get bids in writing and in sufficient detail so that you understand what you are getting. Watch for hidden fees like "supervising fees".

- Ask for detailed bids that provide breakdowns of approaches, materials, and labor steps involved. (Don't accept bids that say something like: "Concrete-\$3,000". How many yards is that? How will it be formed? What reinforcements will be used? How long will it take?)
- If the sub usually includes materials ask for the bid broken out into labor and materials. Compare their cost for materials against what you can find yourself.
- Get signed lien releases. Available from your lender, they prohibit subs and suppliers from placing a lien on the new house.
- Be sure the written contract establishes a work schedule with time penalties built in. The penalty clause offers incentive to stay on the job. Don't hire subs on a "time & materials" basis; without guidelines, there is no incentive to finish the project.
- Be sure that each subcontractor carries worker's compensation insurance for his workers and ask for a copy of the certificate.



- Even if you end up not hiring a sub that submitted a bid, be sure to thank them anyway. You may end up having to use them down the road if the sub you chose doesn't work out.
- Don't be tempted to accept the lowest bid. The low bidder could be tempted to shortcut time, materials, or both.

## What The Subcontractor Expects From You

There are two "golden rules" that apply when dealing with subcontractors: "He who has the gold rules," and "Treat your subs as you would have them treat you and your project." Hopefully, you will find a balance of these two widely different philosophies.

In any case a subcontractor has a right to expect you to:

- Agree on a work schedule and a payment schedule.
- Stick to the payment schedule, so long as the work is being done.
- Recognize that subcontractors are not accountants and keep all bills, payment receipts, and other papers well organized.
- If you are securing materials, be sure they are there when the sub comes to do the work.

