

We know buildings

EXPERTISE

PROJECT MANAGEMENT

TECHNOLOGY

STANDARDS

RESULTS

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CONSTRUCTION
Services, Inc.

Contracting 101



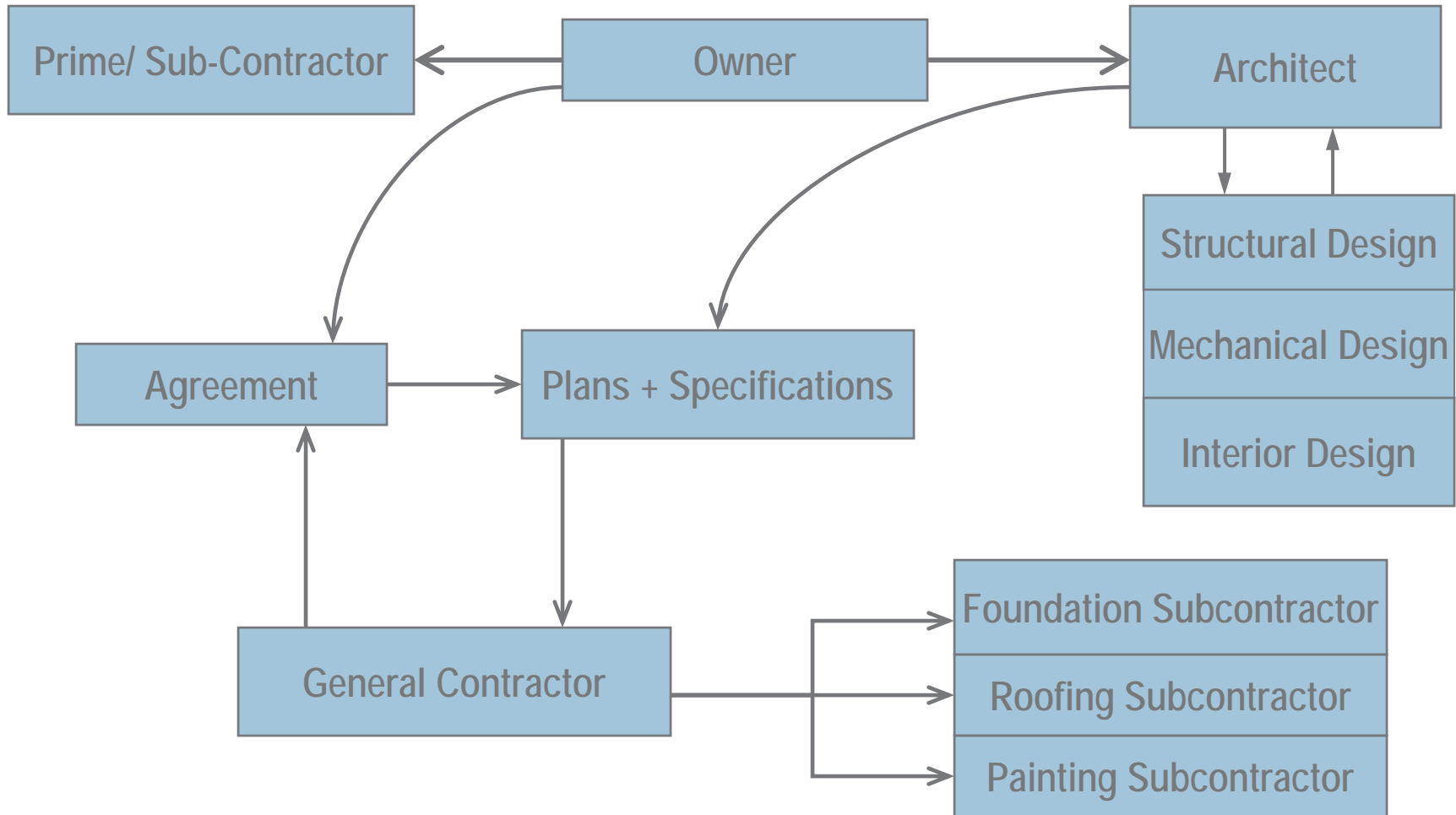
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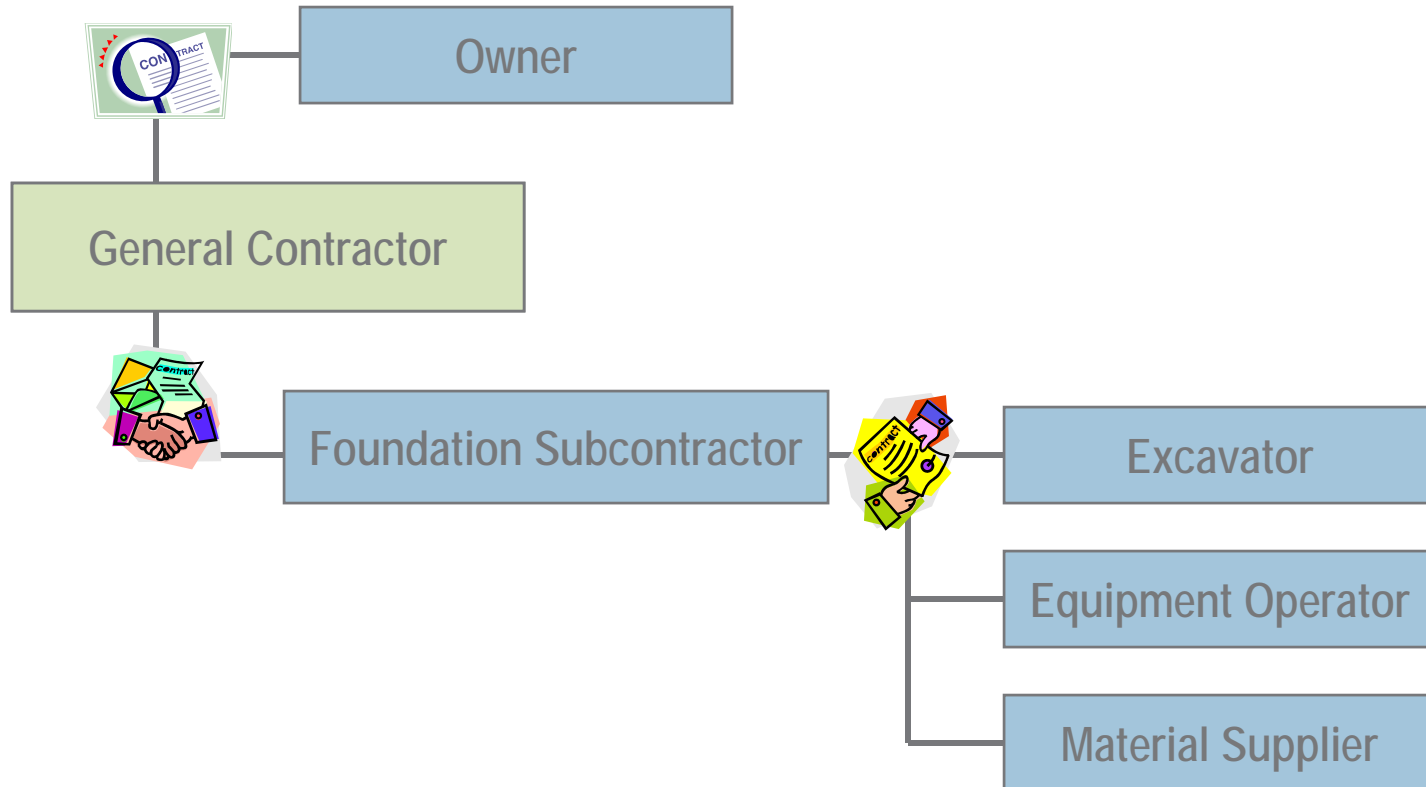
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Contracting 101



Contracting 101



Contracting 101

- The Owner (1.) wants a project, similar to anyone who wants to buy something, such as a car, but with a construction project the product being purchased is not something that is already built.
- The Owner goes to an Architect (2.) to translate his/her desires into a set of documents.



Contracting 101

- The Architect works with (3.) Specialty (Sub) Designers such as structural engineers, mechanical engineers and interior designers to place the details in the (4.) Plans and Specifications (Construction Documents) what the Owner wants to buy from a (5.) General Contractor (GC).
- The Plans and Specifications are sent to qualified and interested GCs, who then submit the proposals to the Owner. Ultimately the Owner and a GC compose an (6.) Agreement (or Contract).



Contracting 101

- An Agreement (or Contract) for construction is simply "a promise by the Contractor to deliver what is described in the Plans and Specifications and a promise by the Owner to pay for it."
- The Agreement refers to the Plans & Specifications and should include the Scope of Work including: Inclusions and Exclusions, Allowances, a provision for handling Change Orders, and Payment Milestones or a Schedule of Values. GCs usually hire (7.) Subcontractors, who are specialists in their respective trades, to help deliver what has been promised in the Agreement.



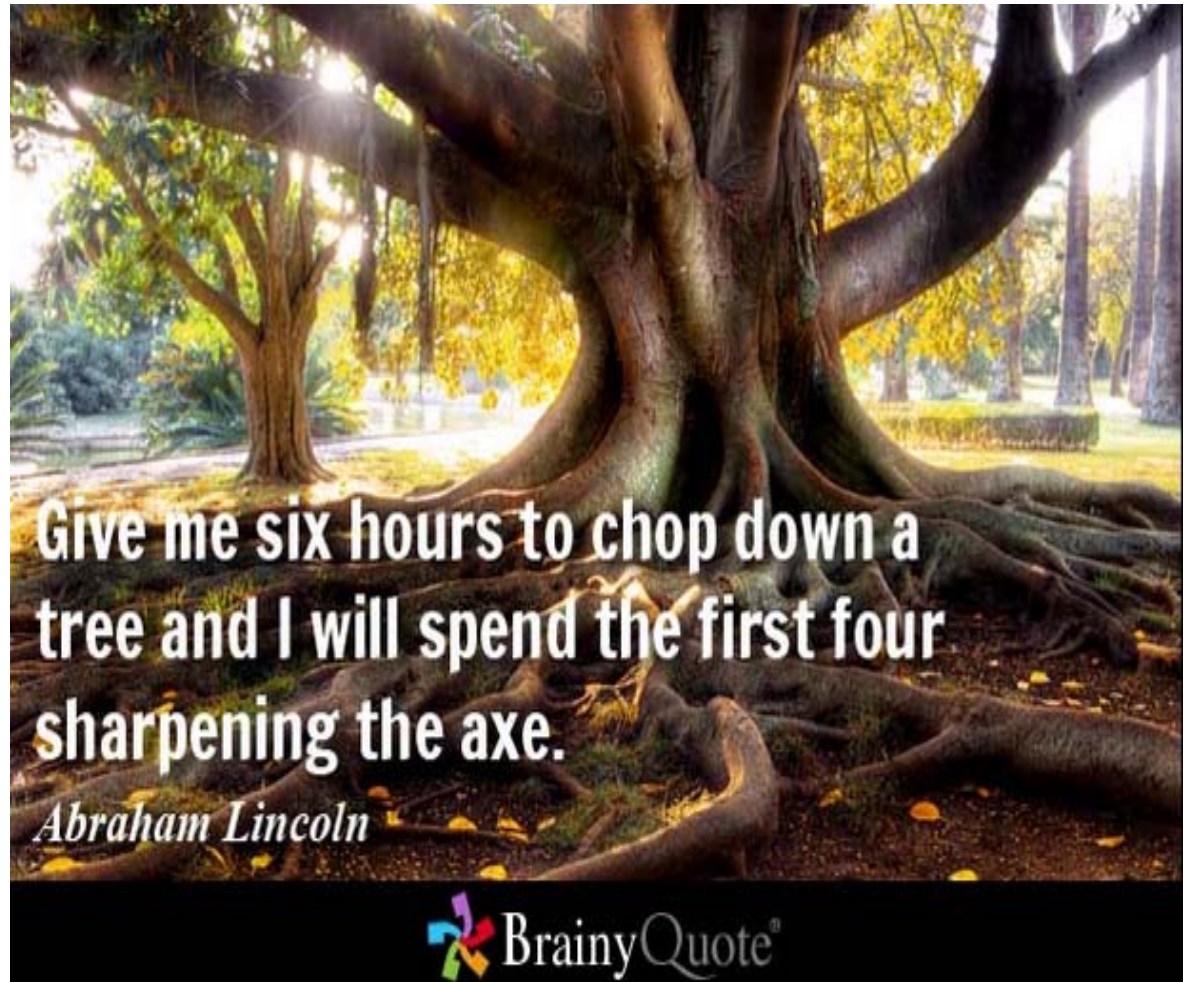
Contracting 101

- There is nothing in this scheme which prohibits the Owner from hiring (8.) Prime Contractors (Specialty / Trade / Subcontractor) directly for work that is not in the Scope of Work in the Agreement with the GC.



3. DBSKCV CM Method

1. Define
2. Budget
3. Schedule
4. (K) Contract
5. Coordinate
6. Verify



Overview

- Define the Scope of Work (this includes the design phase).
- Budget: identify how much the project will cost the contractor and owner.
- Schedule when the construction will happen (and share this information).
- Contract (K): Who is doing what? Everyone should know what to expect.
- Coordinate the construction.
- Verify, document and communicate that everyone is doing what they should.



3. DBSKCV CM METHOD

Budget

MILESTONES VS. VALUES

Notes:

(1.) Allowance of \$30 for hardware.

(2.) Allowance of \$40 for signs.

(3.) Allowance of \$40 for material.

(4.) Exclusion - Ladder

#	Scope	Milestone	Value	PMT #1	PMT #2	PMT #3	Total Paid
1	Excavation	200	250	0	0	0	0
2	Walls *1	200	300	0	0	0	0
3	Roof	200	200	0	0	0	0
4	Signage*2	100	50	0	0	0	0
5	Paint*3	100	100	0	0	0	0
6	Complete	200	100	0	0	0	0
7	Total	1,000	1,000	0	0	0	0
8	-	-	-	-	-	-	-
9	CO#1	-	-	-	-	-	-
10	CO#2	-	-	-	-	-	-
11	CO#3	-	-	-	-	-	-
12	CO#4	-	-	-	-	-	-
13	-	-	-	-	-	-	-
14	Total	-	-	-	-	-	-



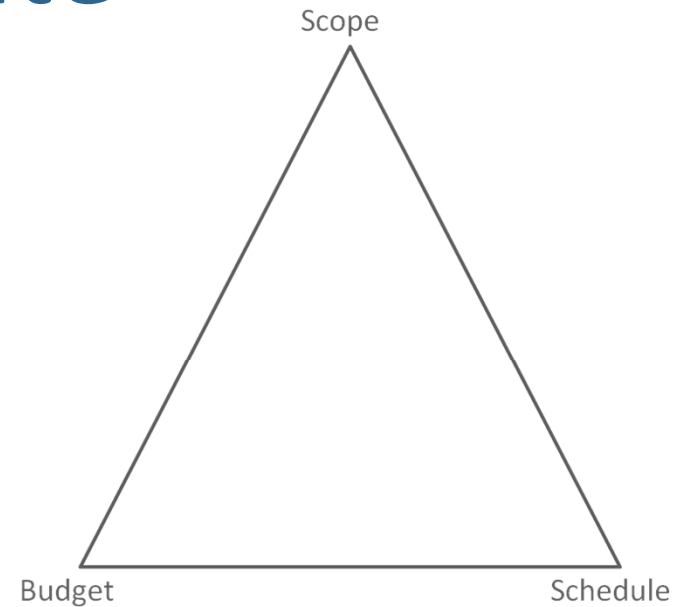
(K) Contract

**DON'T SIGN A CONTRACT
CREATED BY THAT
CONTRACTOR!**

If you only learn one thing today, this is that one thing.



Coordinate



Scope	Budget	Actual	Schedule
1. Item 1	\$ XXX	\$ XXX	Plan/Actual
2. Item 2	\$ XXX	\$ XXX	Plan/Actual
3. Item 3	\$ XXX	\$ XXX	Plan/Actual
4. Item 4	\$ XXX	\$ XXX	Plan/Actual
5. Item 5	\$ XXX	\$ XXX	Plan/Actual
6. TOTAL	\$ X,XXX	\$ X,XXX	



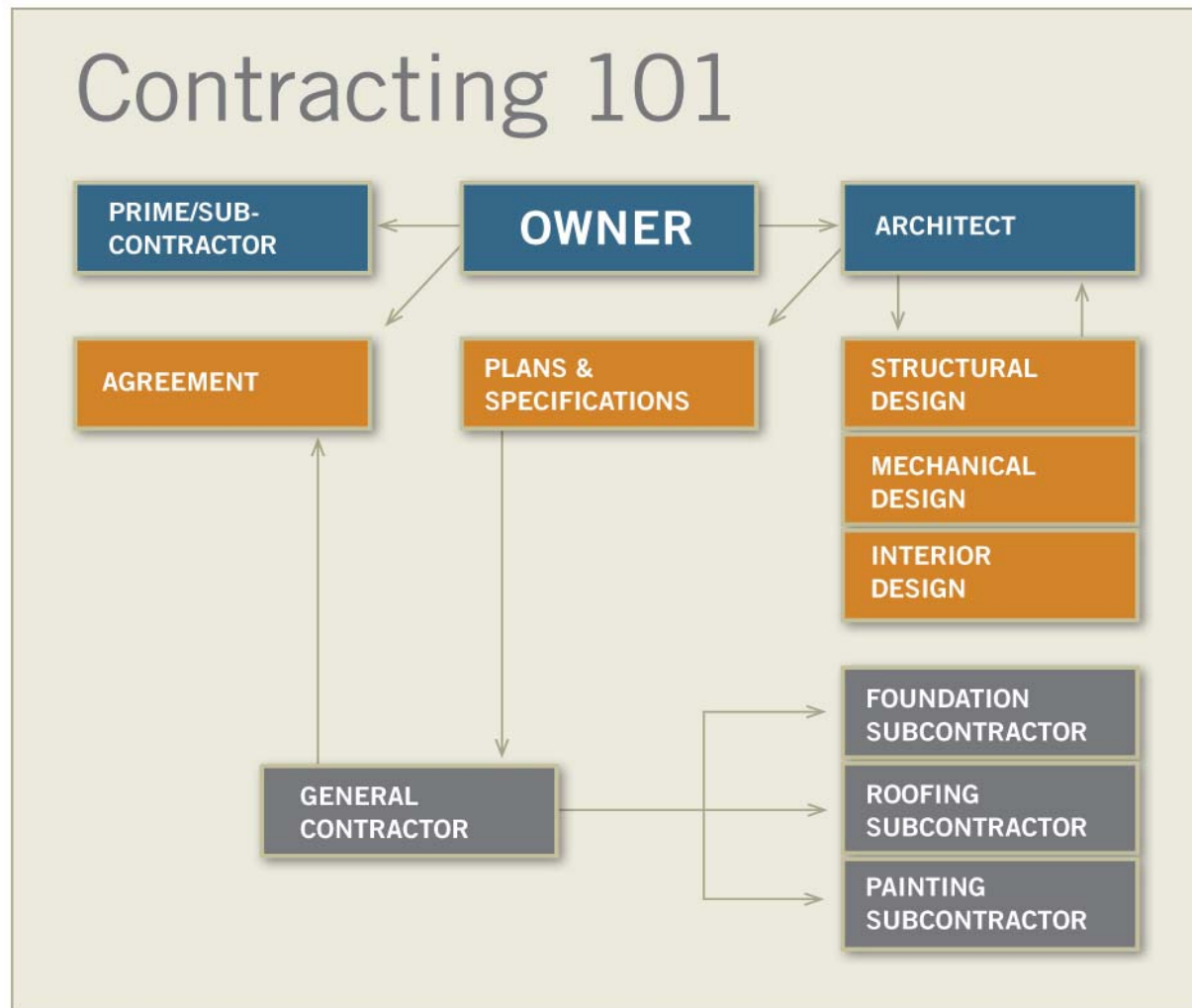
Overview

KEY DOCUMENTS

1. Plans
2. Specifications
3. Scope of Work
4. Budget
5. Estimate
6. **Schedule of Values**
7. Expense Log / Register
8. Allowance Schedule
9. Project Schedule
10. Request for Proposal
11. Addendum
12. Prime Contract
13. Contract Addenda
14. General Conditions to the Contract
15. Subcontract
16. Change Order
17. Purchase Order
18. Daily Log
19. Meeting Agenda / Minutes (Notes)
20. Project Contacts Register
21. **Application for Payment**
22. Lien Release
23. Punch List
24. Insurance Certificate
25. Inspection Documentation



Contracting 101



Contracting 101

- Roles and responsibilities in a construction project
- What do the contracts say (R.T.F.C.!)
- The Owner
- The Owner / Developer / General Contractor / Seller
- The General Contractor
- Trade Contractors
- Babysitting
- Brother's Keeper



End

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