



Design/Build Can Reduce Waste on Renovation

KEN SAWATSKY from Ontario Home Builder Magazine, September 1995

CONSIDER THIS SCENARIO. Six renovators are invited to tender on a large renovation project. The architectural drawings have taken a year to develop. The renovators are given a week to bid. Tenders close at Friday, noon, and don't be a minute late. The bids are opened. The client's face falls to the floor. They can only afford to spend \$250,000 but all the bids are in the \$400,000 range. The client already has spent \$38,000 on architectural fees, engineer's fees, permits and new services. The six contractors have spent about \$1,500 each on estimating. The total cost to date is around \$47,000, yet the client has nothing, the renovators have nothing and, one would hope, even though the architect has his jeans full of cash, at least he is little bit embarrassed. This a true story and it happens all the time and most often it does not have a happy ending.

There are two major flaws with the above system, which is still widely used in the residential renovation industry. First, the architect in control has no idea of costs until he had consumed 300 to 400 hours of time from six renovation contractors. The renovators had only a one in six chance of being successful, actually a one in 18 chance since only one project in three actually gets built as designed.

Consumers Can't Be Blamed for Bid System

The other thing wrong with this scenario and, in fact, with the entire tendering process, is that contractors are being chosen based solely on being the lowest bidder. The criteria should be reputation, integrity and giving good value for dollars spent.

Consumers can't be blamed. Canada Mortgage and Housing Corporation's publication *Hiring a Contractor* says to get at least three prices on a home renovation project. The Ontario Home Builders' Association's Homeowner's Guide says the same thing and adds "you should be able to get some free design thrown in."

But the system must become more realistic. If the client calls the architect first and the architect knows six good renovators, he should pick one or two, introduce them to the client, let the client choose the contractor who then forms a design/build team with the architect. If the client phones a contractor first, the renovator can choose an architect to work with, or a designer, to form the design/build team. This way, the project actually gets built and the renovator is only estimating the projects they are going to complete.

How does a Design/Build system work?

If the client calls you as a renovator, you meet with the client to discuss the project and present a ballpark budget. If the budget is suitable, you sign a design contract. The client is not hiring the contractor at this point, only a design-budget consultant. Now, with a chosen architect or designer, you produce preliminary designs to firm up the concept and the price. If permission is granted to continue, exact drawings and an accurate estimate are finalized. At this stage, specifications are firm, and the client pays for the design and a portion or all of estimating costs to date. An estimator does the specifications.

Now trust is built into the team.

The renovator has complete understanding of the project, therefore less details need to be re-drawn, there is little architectural supervision needed and money is saved.

Estimates Reflect Real Needs and Budget

The example at the beginning of this article possibly could have cost only \$12,000 to \$15,000 and the project would have been designed to meet the client's real needs and budget.

The advantages of the Design/Build process are as follows:

- Provides cost-effective, practical construction.
- Provides one-stop shopping and accountability.
- Customized professional design adds value to the home.
- Time is saved from concept to completion.
- A number of "go or no-go" stages are built into the project.
- It facilitates greater cohesiveness between design and construction.
- The process allows the client a chance to develop a solid working relationship with the Design/Build team before signing the construction contract.

I urge all architects, designers and renovation contractors to consider the Design/Build process on their next project. Done properly this cooperative approach can save time, frustration and money for all concerned. **AN**

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