



Some Common Sense Advice To Finding the Right Contractor to Build Your New Home



Schake
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About This Guide

Building your custom home is often the result of a lifetime of planning, dreaming and saving. You want to be sure that the builder you choose has the business reputation, stability, experience and knowledge that will make sure that your dream home doesn't turn into a nightmare

My name is Brent Schake, owner of Schake Custom Homes. I've been a professional home builder and contractor for 24 years.

I understand that most people get a bit uneasy while they are looking for and working with a general contractor. It's unknown territory.

I've put together this simple guide to give you an overview of the two most common building approaches for custom home production:

1. Design-Bid-Build
2. Design - Build

Based on my experience, I've outlined the pros and cons of each and offer some common sense advice to evaluate and work with a contractor on your project.

I hope you find the information useful and if you have any questions about your upcoming project, I'll be happy to help.

Thanks for your time and we look forward to working with you.

Sincerely,

Brent Schake – Owner
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The Two Approaches to Building Your Home

Here is a review of the pros and cons of using a company that integrates the design/build process versus a general contractor who requires separate plans from an architect and/or designer to begin construction.

THE TRADITIONAL LOW-BIDDER MODEL

In this approach, the design team works directly for the owner, and produces a set of construction documents that are used as the basis of a competitive bidding process.

This process is known as "Competitive Bids," wherein a group of contractors (pre-qualified or not) submit bids for the scope of work as defined in the contract documents, and the lowest bidder usually gets the project.

Another version of this process is known as "Competitive Sealed Proposals," wherein a group of contractors submit a proposal to do the work that includes both fees and a presentation of their qualifications, which usually results one of the three lowest bidders getting selected, provided their references and qualifications indicate they will do a good job.

Pros:

- One of the greatest advantages of traditional design, bid and build approach is tighter control over who designs the building as well as how it is designed.
- For projects that require more artistic, creative or innovative license, designing the building first and then putting it out for bid may still be the best approach.
- Can result in the lowest total construction cost due to the widest-open field of bidding competition.

Cons

- General contractor chosen primarily on price, secondarily on qualifications.
- General Contractor is not on board early in the process to give feedback during the design process, to get acquainted with the design team and their intentions, and begin establishing trust as a team member.
- This model is particularly susceptible to Change Orders (i.e. cost increases) during the construction process due to the bidders not being available to collaborate with the design team earlier in the process. If change orders become contentious during construction, finger-pointing often results, and the design team's documents will be heavily scrutinized for errors & omissions.
- Lowest price general contractor is not always the most qualified. Consider GC selection based on qualifications *and* price.
- Not having a contractor on board early in the process may be partially compensated for by hiring a professional cost estimator to conduct milestone price checks to confirm whether the project is on target.
- The delay in selecting a general contractor until construction documents are 100% complete almost always poses an elongated transition of the project from design to start of construction.

Design / Build Approach

A totally different approach to project delivery is chosen by some owners who want a single point of responsibility for the whole construction process.

On a design/build project, the general contractor is that single point of responsibility, subcontracting both the various construction trades as well as the entire scope of design team services.

From this position, the contractor assumes all responsibility for cost control and staying on schedule.

Pros:

- Requires minimal time commitment from the owner throughout the process.
- Minimizes owner's involvement in any conflicts between contractor and design team.
- Client gets to choose favorite contractor.
- The project is developed from the start to meet both design and budget needs.
- The cost of the design is usually less than with an independent design firm.
- The team is working collaboratively toward a common goal.
- Contractor's costs and pricing may be more transparent.

Cons:

- Design may be less creative than one from an independent designer.
- Lack of competitive bidding may drive up cost.
- Depends heavily on trust in design-build contractor.

No matter which route you wish to pursue, we recommend owners thoroughly vet the candidates for the design team and general contractor by comparing their qualifications, and by checking references with a phone call.

The time invested in checking references is never wasted time. Here's how to get started evaluating potential contractors.

The 3 Key Areas You Need To Evaluate When Looking for a Contractor

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We recognize that most people get a bit uneasy while they are looking for and working with a general contractor.

Here are 3 general areas we recommend you consider in evaluating every general contractor you talk to:

1. The Reputation and Long Term Business Stability of the Company
2. Their Experience and Methodology: To Ensure a Smooth Project
3. Frequent Communication Before, During and After Your Project

Reputation and Business Stability of the General or Remodeling Company

- Have you ever filed bankruptcy for this or any other company in which you held an ownership interest?
- Will they supply a copy of your current insurance certificate?
- Can you provide me with a reference list with at least 10 customers?
- Will they provide bank and vendor references?
- What is their BBB rating?

Experience and Methodology

- Do they provide a price guarantee for the work specified?
- Is there a simple, common sense, easy to understand payment schedule so you know exactly what you're paying for?
- Will they provide a detailed breakdown of the service you are providing?
- Who will be responsible for the supervision of your project?
Do you have a written policy on drugs and alcohol by your crews?

Service Before, During and After the Project

- Will you provide me your warranty in writing?
- Have you ever repaired a project that was out of warranty?
- What is your company phone policy?
- How often do you meet with homeowner to review job progress?

This is just a start.

We hope these questions give you the information you need to make the best choice when it comes to hiring, evaluating and working with a professional general or home remodeling contractor

A Word Of Caution:

In the state of Nebraska there is no requirement that a general contractor or builder have any special licensing or registration.

The result is that anyone with a truck and tool belt can call themselves a contractor and many do.

Important Questions That Only You Can Answer

The fact is once you start working with your contractor, they're going to be a big part of your life for months. You need to be comfortable with them and feel that they are sincerely devoted to working with you during every step of the process. Do they:

- Answer all your questions to your satisfaction?
- Give you straight answers about your concerns?
- Are they honest and realistic about your budget?
- Do you feel they have your best interest at heart or just want to get your job?

These are only questions you can answer and it's been our experience that when you feel "good" about your contractor it will make all the difference in the world to a successful project.

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About Us

Quick Facts About Our Business

- Established Business Reputation in the Tri-Cities area.
- Since 1992 Brent Schake established himself as reliable supplier to area contractors, framing customize wall panels in their climate controlled facility.
- Stability – we've been with same bank for 24 years. In fact we helped BUILD the bank building and we were one of the first business accounts. We're still with them.
- We will proudly supply you with a business references from our bank as well as our suppliers.
- We have an A+ rating with the BBB.
- We established Schake Custom Homes in 2010 to provide that same level of established workmanship directly to homeowners building a custom home.
- We're one of the few companies in the area that has developed a proven step by step detailed process that works with you every step of the way, keeps your costs under control and delivers your custom home within your budget and on time.
- Our past clients tell us that they appreciate our constant communication and that they know exactly what's going on and what to expect as well as our guidance throughout their project.

We understand that building your custom home a large investment of your time and money and if you are committed to moving forward you want to make sure you're working with a company that has the track record of doing it right, the first time.

There are many very qualified general contractors in the Tri-City area. In fact we know and have worked with most of them.

If you're ready to build that home you've always wanted, or you're just thinking about what it takes to get started, I invite you to find out more about how to get started and to talk to about your project so you can make the best decision possible,

Let's Talk About Your New Home.

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