

Design and Construct

How the process works.

- The business generates the leads and they are passed freely to the design consultant.
- We produce a design but always make it clear we own the copyright and we do not sell it.
- When the Owner sees the design achieving his or her aims we produce a specification cost estimate and contract conditions. We charge \$500 for that making it clear we are not selling the design.
- If the estimated amount is acceptable they pay 5% and we produce a developed design and get the Council approval or CDC. We pay all the fees so it's not the same as the Architect's fee.
- Once we have the approval Council or stage one CDC we get the structural design done and then get prices from all our contractors.
- This enables us to produce the final quote. Used to be the same as the Estimate but these days there is often a jump.
- We always specify exactly where the price rises have occurred.
- Almost always the Owners sign the quote and return it to us so we can sign the contract.
- On a few occasions and not for cost reasons the Owners have been unwilling or unable to proceed. Generally we just transfer the Ownership of the copyright for the money we have received.

Our actual structure and how it came about.

- I started doing designs as a consultant to Bill the builder. I had been in Australia for two years.
- Bill was building jobs designed by other architects. Has asked me to go with him to meetings where he was in disagreement with his architect and the Owner. We found that working as builder and architect together we had very positive results.
- We bought a shelf company with equal shares in 1986 and still have it exactly the same.

Liability

- That's what it's about.
- The directors take full responsibility for all design and construction. We can't blame anyone else. Even if the Engineer makes a mistake and the floor is bouncy we have to fix it.
- If there mistakes, we have to fix it and pay for them. If we forget something which is specified we have to provide it no matter what.
- If something like a membrane fails in a deck or a shower within the warranty period we just have to get it fixed and pay for it.
- We are liable for accidents on site like any other builder. If someone gets injured Workcover makes us pay the persons wages, etc. and maybe re-imburses us when they are ready to do it.
- If the design doesn't work or the dimensions are wrong we have to fix it at our own cost. One of our designers designed a Laundry that just didn't work. We had to completely redo it at our own cost.
- Quite often if a dimension is smaller than what we had offered the client we suggest another dimension could be larger.

Key responsibilities

- Important to have roles. I have the say on design matters, Builder has the say on costing matters. Contractual, supervision and HR matters we share.
- Have openness on all important issues and a non-blaming attitude.

What is most successful in design and construct?

- We started doing anything design and construct. Aircraft hangers, preschools, all sorts of additions.
- The reason we settled on upstairs additions was we made more money out of them largely because there are fewer unknowns.
- High supervision costs usually result in losses. Fiddly jobs also.
- I guess anyone who specializes in a particular form of design and construct will eventually do OK once the unknowns are sorted out.

Is there a conflict of interest?

- For discussion.

Is it worth it?

- Theoretically you can submit any price you think will be acceptable so your combined design and construction fee can be well in excess of an architect's fee and a minimum builder's margin.
- The design and construction directors will share the profits based on the director's shareholdings. In our case 50/50
- But you might not win the job and your design goes to waste.
- There might be less frustration because if something is not working you just change it to make it work. If there is a detailing problem we often ask the carpenters how they might solve the problem. I think the solution is most often a combination of ideas and inputs.

Learning Outcomes

- At the completion of this discussion, Architects will be able to evaluate pros and cons associated with architect only and design construct arrangements.
- At the completion of this discussion, Architects will be able to apply situational management to the resolving of industrial relations conflicts in the context of enterprise bargaining.
- At the completion of this discussion, Architects will be able to select and carry out additional processes to minimise liability prior to and during projects.

Regards,

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