



Learning Express- Decatur, GA

A Tenant's Guide to a Successful Build-Out

The Construction Process

What to Expect from Your Contractor

***Protecting Your Investment throughout the
Construction Process***

Courtesy of
90 Degree Construction, Inc.
317 Valleyside Drive Dallas, GA 30157
www.90degreeinc.com
(678) 758-3995



Full circle property solutions.

Five Steps to a Successful Build-Out

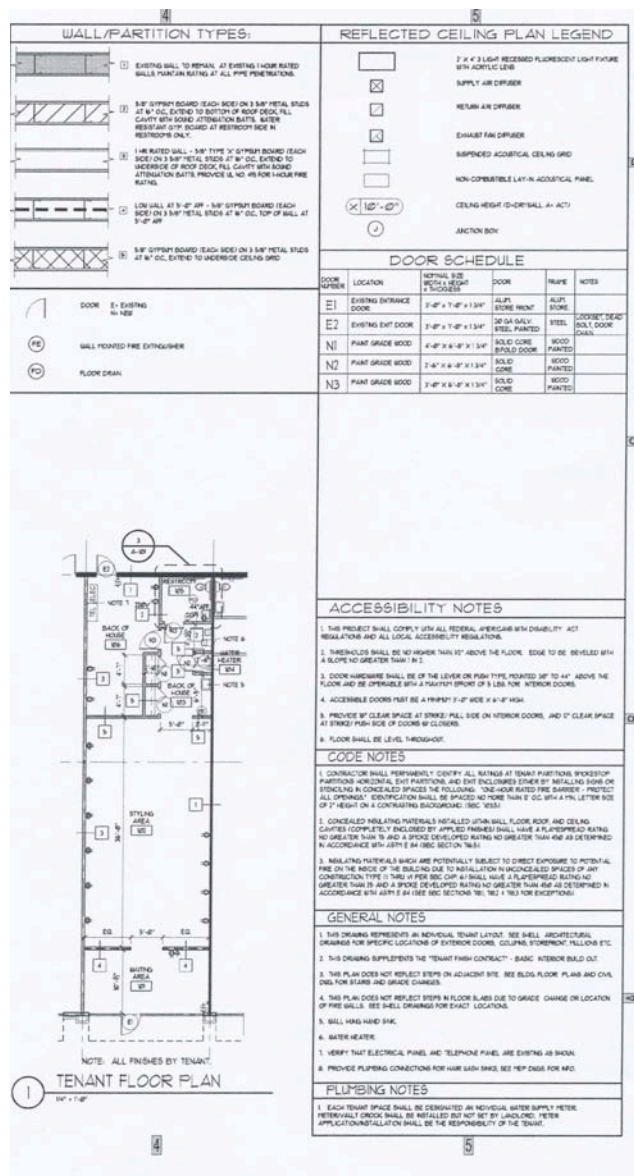
- 1. Design and Cost Estimating**
- 2. Selecting the Contractor**
- 3. The Construction Process**
- 4. Contract Payments & Lien Waivers**
- 5. Project Turnover**

1. DESIGN AND COST ESTIMATING

SPACE & PLAN DESIGN:

A licensed architect will need to be hired to satisfy the municipality's requirements for plan design and permitting. Typically, local architects will have a better understanding of what the jurisdiction will require for plan and building code requirements. We can offer a referral to several architects for your consideration if you do not already have one.

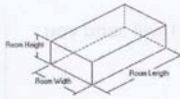
The architect will direct the design team which can include several engineers, depending on the scope of the project. The architect will guide you through all of the Building Code and ADA requirements. Be sure to communicate any of the landlord requirements to the architect if this is a tenant situation. Construction time and costs will be minimized if these requirements are a part of the construction documents.



CONSTRUCTION COST ESTIMATING:

Always ask for and expect a detailed and itemized cost estimate. A single price bid, with no details can be a sign that costs are being hidden or omitted from the estimate. Expect category breakdowns of General Condition Costs (supervision, equipment, etc.), Construction Costs (Labor & Materials), Overhead & Profit and Taxes. All contractors have those costs and should be willing to disclose the specifics. If certain finishes (flooring, fixtures, etc.) will be decided on later in the process, then an allowance amount can be included in the initial estimate. This allowance will help determine cost increases or decreases once the finishes are finalized.

90 Degree Construction will provide a detailed and itemized estimate free of charge. Keep in mind that the true final costs will be derived from the detailed drawings and engineering. It is usually best to wait until the construction plans are ready to be submitted to the municipality for first review before asking for pricing. Along with the cost estimate, expect an estimate of the time it will take to complete you project.

Room: Women's Room		LxWxH 7' 5" x 7' 3" x 9'		
				
264.00 SF Walls		53.77 SF Ceiling		
317.77 SF Walls & Ceiling		53.77 SF Floor		
5.97 SY Flooring		29.33 LF Floor Perimeter		
66.75 SF Long Wall		65.25 SF Short Wall		
29.33 LF Ceil. Perimeter				
DESCRIPTION	QNTY	REMOVE	REPLACE	TOTAL
2. Door	1.00 EA	0.00	270.71	270.71
3. Vinyl tile	53.77 EA	0.00	2.73	146.79
4. Cove base molding - rubber or vinyl, 4" high	29.33 LF	0.00	1.63	47.81
5. Lockset - passage - Medium duty - Commercial grade	1.00 EA	0.00	66.75	66.75
6. Toilet paper dispenser - single roll - B2730	1.00 EA	0.00	23.85	23.85
7. Mirror-B290 1836	1.00 EA	0.00	89.00	89.00
8. Toilet room signage	1.00 EA	0.00	15.00	15.00
9. Suspended ceiling system - 2' x 2'	53.77 SF	0.00	2.27	122.06
10. Batt insulation - 4" in bathroom walls	264.00 SF	0.00	0.67	176.88
Room Totals: Women's Room				958.85
2011-08-29-1142			9/12/2011 Page: 2	

2. SELECTING THE CONTRACTOR

Several areas should be reviewed and considered when selecting your contractor. The contractor should be licensed with the state. This can be verified with The Office of Secretary of State. Licensed contractors are required to carry General Liability insurance and it should be issued to you as an "Additional Insured" or "Certificate Holder". Policy limits should be at a minimum of \$1,000,000.00 per occurrence and be issued by a highly rated insurance company. A lack of proper insurance coverage should be a concern and could create a possible risk to your investment.

It is always a good idea to ask for several references that have used the contractor in the past. Call them and check with the Better Business Bureau for past complaints.

Expect to receive a reasonable price for the work to be performed keeping in mind that the cost to correct poor work can easily exceed the low price offered at the beginning.

Additionally, the contractor should offer a one year post completion warranty on work performed.

ACORD		CERTIFICATE OF LIABILITY INSURANCE				DATE (MM/DD/YYYY) 5/29/2012	
<p>THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.</p> <p>IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).</p>							
<p>PRODUCER Commercial Insurance Agency P O Box 2647 Norcross GA 30091</p>				<p>CONTACT NAME: Marty Schlake PHONE: (770) 447-6547 FAX: (770) 447-8353 E-MAIL: Marty@ccinsure.us PRODUCER CUSTOMER ID: 00002577</p>			
INSURED				INSURER(S) AFFORDING COVERAGE		NAIC #	
90 Degree Construction Inc 317 Valley Side Drive Dallas GA 30157				INSURER A: The Cincinnati Ins. Companies			
				INSURER B:			
				INSURER C:			
				INSURER D:			
				INSURER E:			
				INSURER F:			
COVERAGES				CERTIFICATE NUMBER: 2011-2012		REVISION NUMBER:	
<p>THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.</p>							
BLK. LTR.	TYPE OF INSURANCE	ADDITIONAL SUBR. INSR. LVL.	POLICY NUMBER	POLICY EFF. DATE	POLICY EXP. DATE	LIMITS	
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO- <input type="checkbox"/> LDC	X	ENP0082444	6/1/2011	6/1/2012	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (EA. OCCURRENCE) \$ 300,000 MED EXP. (Any one person) \$ 5,000 PERSONAL & ADV. INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000	
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRE AUTOS <input type="checkbox"/> NON-OWNED AUTOS	X	ENP0082444	6/1/2011	6/1/2012	COMBINED SINGLE LIMIT (EA. ACCIDENT) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Uninsured motorist \$ 100,000 Medical payments \$ 5,000	
A	<input checked="" type="checkbox"/> UMBRELLA LIAB. <input type="checkbox"/> EXCESS LIAB. <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE	ENP0082444	1/16/2012	6/1/2012	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000	
A	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in WA) <input type="checkbox"/> Yes describe under DESCRIPTION OF OPERATIONS below <input checked="" type="checkbox"/> N/A					WC STATUS: <input type="checkbox"/> STATE <input type="checkbox"/> OTHER POLICY LIMITS: <input type="checkbox"/> PER <input type="checkbox"/> YEAR E.L. EACH ACCIDENT \$ E.L. DISEASE - EA. EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$	
A	Leased/Rented Equipment		ENP0082444	06/01/2011	06/01/2012	\$10,000	
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required) Project: Marchant's Walk Road Runner Space Johnson Ferry Road, Marietta, Ga							
CERTIFICATE HOLDER				CANCELLATION			
(803) 254-4983				SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.			

3. THE CONSTRUCTION PROCESS

As a means of protection against a loss of time and possible mistakes, the construction progress should be monitored. If you are going to monitor the work yourself, the contractor should provide weekly reports to compare to the original projected schedule. The weekly reports should include Building Department Inspection Results, Progress Pictures and Schedule Updates. This progress report will allow you to be informed as to potential delays or satisfactory progress. You will need to open all necessary utility and phone company accounts as these can delay completion if they are not in place before completion of the project.



The Prissy Polka Dot ~ Dallas, GA



4. CONTRACT PAYMENTS AND LIEN WAIVERS

There are several areas for you to be attentive to when it comes to payments to the contractor. Occasionally, there is a valid reason to make a down payment to your contractor. If there are specialty materials or equipment required that a contractor has to pay for up front, it may be fair to provide for that expense. Only do this after verifying the expense and actual supplier. A down payment without work or material being completed can leave you at risk for a loss. Typically, the industry standard is that work is completed and then billed for on a monthly basis.

With the weekly progress reports as your guide it becomes easier to verify the percentage of work completed and the percentage of work being billed for by the contractor. Be careful that the percentage billed for is not in excess of the percentage completed. When a billing is submitted, and when a payment is made you will need to track the lien waiver process. The ability to file a mechanics lien is the contractor and suppliers protection against not being paid for goods and services provided to you. The lien waiver process effectively eliminates, or “waives” those rights as you make payments for those goods and services. If you do not understand this process you are at risk of having unpaid vendors and sub contractors that can file a mechanics lien on the building at the end of the project. Be sure you understand the process and verify it carefully.

Conditional Lien Waiver Submitted by Contractor



Payments Made to Contractor



Final/Unconditional Lien Waivers Submitted by Contractor

5. PROJECT TURNOVER

Now that the work has been completed you should expect several things from your contractor. First, you need to have a Certificate of Occupancy issued by the local jurisdiction. This certificate verifies that the building work has been inspected and approved by the Building and Fire Departments. You are now allowed to occupy the building and the general public is welcome.

PUNCHLIST:

Before the contractor receives their final payment and leaves the project, you should arrange for a final walk through with them. The purpose of this walk through is to identify any items that are not yet finished or need correcting. This "Punch List" should be agreed upon by both parties and put in writing. As completed, the items should be signed off of the Punch List. It is not unusual to have a few punch list items and they should be corrected quickly without issue. Once the contractor is complete with their work and does not require access to the building, you should re-key all access doors. You will now have full control of the building.



Arbor Station Clubhouse ~ Douglasville, GA

We hope that this guide has been guide helpful and that you have great success with your build-out. The 90 Degree Team would like to have the opportunity to review your project. Call us today to schedule an on-site space/plan review (678) 758-3995 or email jim@90degreeinc.com.



www.90degreeinc.com