

A

Construction

Buyer's

Guide



Conclusion. Select with Care.

Building your own facility is an important decision and a complicated task. It is essential that steps be taken to ensure that the end product is what you expect. As an expert in your business, you know how a new facility should function to maximize your profit.

We realize how important it is for you to focus your main attention on maintaining and building your enterprise. It is, no doubt, not your core business. Time and energy you spend on the project is time and energy that is not strengthening your business. That is why it is important to select an experienced contractor. Someone whose responsibility it becomes to bring your vision into reality. Someone who can also accomplish this in the time frame you expect within the budget that you can afford.

We hope that you will allow FCC, Inc. the privilege of guiding and servicing your needs. We understand the importance of listening to your plans and ideas. You can rest in the assurance that FCC, Inc. has the experience necessary to deliver the quality facility you desire.

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by
FCC, Inc.

Table of Contents

Introduction - So, You Want to Build a Building?.....	2
Design-Build.....	2
First Steps - Questions to Answer First.....	3
Six Basic Questions: Why? Who? What? Where? When? How?.....	3
Why?.....	3
Who?.....	3
What?.....	4
Where?.....	4
When?.....	5
How?.....	5
Four Approaches. Which One is Best for You?.....	6
Choosing Your Team.....	7

Introduction. So, You Want to Build a Building?

There comes a time in the life of most every successful firm when you consider building or adding to your own facility. Maybe your lease is expiring and the new terms just aren't what you had in mind. Or, more likely, you have developed specific needs for a structure or a location that the properties on the market just can't meet. Finally, you have those financial considerations. Owning your own building can have positive tax implications. And, with ownership comes the potential for increased equity and a stronger balance sheet.

How do companies go about building their own buildings? At first glance, you have many things to consider. Where do you turn first? A real estate agent? Not unless you really want to buy an existing building. An architect? Architects can help you get your vision on paper, but can't really answer questions about the feasibility of building your plan within your budget. A contractor? We think that a contractor who can help you find a suitable site, develop plans and supervise the work may be the right solution.

Design-Build

The idea of working with one contact to manage your construction project is a concept called Design-Build. Design-Build is the cutting edge construction method. Because of its many benefits, the construction world is paying Design-Build a considerable amount of attention. By far, it is the fastest growing method of project delivery in the country.

Design-Build simply means:

A project delivery system that seeks to consolidate construction experts in a single point of contact for the Owner, delegating the responsibility of design and construction delivery issues under one roof.

While FCC, Inc. will look at various approaches to managing your construction project, we feel that the Design-Build approach is superior for achieving a quality project. First, we need to ask you some questions to make sure a building project is the right approach for your company to take.

3. Quality Control.

Because Design-Build uses a team approach instead of an adversarial approach, it inherently yields a higher quality product. The team's resources are oriented toward the goal of a successful project, rather than spent dwelling on adverse relationships.

4. Quicker Delivery Time.

Overall time to design and construct the project is substantially reduced because design and construction activities overlap.

Choosing Your Team.

If you have considered the options and have decided that Design-Build is the approach you want to take, now you can select your contractor. The checklist below will guide you.

1. Look at both recent and past jobs.
2. Talk to past customers.
3. Check credit history and financial stability.
4. Check payment reputation.
5. Check litigation history.
6. Meet with the owners and key people who will be managing your job.
7. Look at job control techniques.
8. Check current workload. Can they really handle your job?
9. Ask specific questions regarding your project.
10. Can you communicate with this contractor?
11. Find out which parts of the job will be handled by the contractor's own crews. The more of the job that your contractor can complete, the greater control you and your contractor will have over time and cost issues.

What?

Three important priorities:

You want to build a facility that will perform properly. You will enjoy good FUNCTION, QUALITY and AESTHETICS long after the initial cost is forgotten.

Budget limitations should be set. As you begin, establish a MAXIMUM BUDGET.

Timing is usually critical. Once your decision is made, you would most likely want to occupy the facility as quickly as possible.

Where?

Where is the best place to build? Consider:

- Freight costs
- Labor characteristics
- Utility considerations
- Tax burdens
- Investment incentives
- Environmental regulations
- Zoning regulations
- Business climate
- Property availability
- Soil characteristics
- Support services
- Quality of life

Where can you get financing?

As your contractor, FCC, Inc. can work to help you arrange the financing for your project. If you prefer, contact a good mortgage banker.

When?

When should you occupy the new facility?

Ask your contractor to give you a detailed time schedule and estimated completion date.

How?

How is the best way to build?

We think that the Design-Build approach is the best way to build. Consider the approaches that we have outlined in the next section and decide for yourself.

How can you be sure you get maximum value for your investment?

Challenge the construction team members to come up with specific recommendations. Each component should be analyzed in order to produce maximum quality and function for the least cost.

Of course, the more of these questions that you answer, the more questions you may find that still need to be answered. That's where an experienced contractor like FCC, Inc. can step in to guide you on the way to go.

Four Approaches. Which One Is Best for You?

From the new building owner's point of view, you should consider FOUR APPROACHES when deciding which contractual relationship is the best for your particular project. They are:

1. Traditional.

The owner contracts separately with an Architect/Engineer and with a Contractor who will hire Subcontractors as needed to complete the work.

2. Construction Manager.

The owner serves as the General Contractor and hires the Architect/Engineer, a Construction Manager and the Subcontractors.

3. Construction Manager with General Contractor.

The owner hires the Architect/Engineer and a Construction Manager, but also hires the subcontractors needed to complete the job.

4. Design/Build.

The owner contracts with a single Contractor to provide both design and construction services.

Of All These Methods, FCC, Inc. Prefers the Design/Build Approach for Four Basic Reasons:

1. Single Source Responsibility.

The Owner can look to a single entity who is responsible for design, construction and satisfactory completion of the project.

2. Cost Control.

From the outset of the project, both design and construction expertise work together on all components of a project. That makes it possible to identify project costs early on, allowing you to address budgetary concerns at the start of the project, not upon completion.

First Steps. Questions to Answer First.

So, your business is doing well and you have reached a point where you need to expand. Maybe you have looked at existing real estate and decided that there is nothing currently on the market that will meet your specific needs for facilities or location. You have decided that it is time to build your own building, to your specifications and in the location that makes the most sense. Where to begin? Start by answering the following six questions.

Six Basic Questions: Why? Who? What? Where? When? How?

Why?

Why expand?

This requires some serious thought. Do you really need more space? A feasibility study is in order.

Why own? Why not lease?

This analysis can be part of your feasibility study. Can you find adequate space available to lease? What are the economics of owning versus leasing? How practical is leasing? What are the tax implications of owning versus leasing? What are your current cash needs? Can you afford the cash equity if you own?

Who?

A good planning team includes:

1. The OWNER.
2. An experienced CONTRACTOR who understands local construction codes and local conditions.
3. A group of DESIGN PROFESSIONALS AND ADVISORS who have the training and experience to solve your specific problems.

