

# Choosing and Working with a Farm Building Contractor<sup>1</sup>



Choosing the right farm building contractor is a major task that should not be taken lightly. There are many aspects that should be considered before choosing the contractor. This fact sheet is meant to be a guide to selecting and working with quality contractors.

## **Locating potential contractors**

Once you have made the basic decisions regarding the type of building needed, you are ready to start assembling a list of potential contractors. There are several ways to do this. Check local advertising media such as newspapers, telephone yellow pages and local radio stations. Look in farm magazines for both local builders and regionally based companies that do business in your area. Don't forget to check with friends and neighbors who have had construction done recently. They will probably have recommendations you should consider. Attend open houses for new construction projects.

The next step is to evaluate prospective contractors. Any good contractor will be happy to provide potential customers with a list of references, including previous customers. Check references thoroughly to find out about workmanship, timeliness and how well each contractor lived up to contract terms. You might also visit with your lending agency representative to get an evaluation of contractors on your list. Choose a contractor that specializes in the type of building you are constructing.

## **Working with contractors**

The vast majority of dealings between owners and contractors result in satisfactory completion of the desired building. When difficulties do occur, they are almost always the result of poor communication between owner and builder.

To promote better understanding and reduce problems, discuss each of the following items with prospective bidders on your job. Before you sign a contract, make sure all of these are specified in writing.

1. *Bid alternatives.* In some cases it may be desirable to have bids on portions of a complete construction job as well as the entire project. When funds are limited, a farmer may want the option of using his or her own labor to do site preparation or equipment installation work to keep costs down. Bid alternatives provide a basis for selecting those jobs that can save the most money.
2. *Duties of the contractor.* What is the contractor expected to do? On most projects, the contractor supplies all labor, equipment and materials to complete the structure.
3. *Duties of the owner.* If any of the work, equipment or materials is to be supplied by the farmer, it should be specified. Usual inclusions are providing electrical power, telephone service and water required during construction. The owner or a representative also should be available at specified times for consultation or interpretation of plans and specifications.
4. *Drawings and specifications.* No building should be constructed without a complete set of drawings and written specifications. These may be supplied by either the owner or the contractor and should be included as a part of the written contract.
5. *Shop drawings for fabricated equipment.* Many farm structures contain equipment that is designed and built specifically for the particular building. To facilitate service at a later date, the owner should be provided with a set of plans for any non-standard items of this type.

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<sup>1</sup> Adapted from "Selecting and Working with a Farm Building Contractor", written by Neil Meador, Ph.D., P.E., professor of agricultural engineering, University of Missouri, Columbia. Jay D. Harmon, Ph.D., P.E., Extension Ag Engineer, Iowa State University. March, 1998.

6. *Laws, permits and regulations.* Design and construction should conform to all applicable laws and regulations. Normally, it is the contractor's responsibility to adhere to these. Required permits (if any) may be obtained by either owner or contractor. Make sure you know who is responsible.
7. *Changes.* Nearly every building constructed will experience some changes from original plans and specifications. Both owner and contractor need to agree on procedures to be followed in accomplishing changes. Procedures should include details on initiation of changes, revision in plans and specifications, and contract price revision necessitated by the change.
8. *Substitutions.* Delivery schedules, equipment model changes and price changes are all factors that can require substitutions during construction. Substitutions should be subject to the approval of the owner before being incorporated into the structure.
9. *Insurance.* There are four general types of insurance coverage required to afford complete protection during construction. Make sure that either you or the contractor is responsible for securing adequate risk protection.
  - *Workmen's Compensation Insurance.* Covers injury to employees working at the construction site. Usually provided by the contractor.
  - *Public Liability and Property Damage Insurance.* Provides protection for the contractor and subcontractors from claims for personal injury, including death, and from claims of property damage. Usually provided by the contractor.
  - *Owner's Protective Liability.* Protects owner in the event of liability claims arising from the construction project. May be provided by owner or contractor.
  - *Builder's Risk Insurance.* Protects labor and on-site materials in the event of loss or damage by fire or other casualties. Usually provided by the contractor. May be an owner responsibility in cost-plus types of contracts.
10. *Payment.* The written contract should specify the method and time of payment for the project. It is common for large projects to require payment of portions of the contract price at specific points during the construction process, with the final payment due on completion. Make sure the contract specifies who is responsible for payment of subcontractors on the project.
11. *Storage of materials.* Weatherproof on-site storage of construction materials (if needed) may be either a contractor or an owner responsibility. The responsible party should be indicated in the contract.
12. *Cleanup.* Upon completion of the construction, the contractor should be required to clear the site of all construction debris and to clean up building surfaces. If the owner assumes this responsibility, a suitable contract allowance should be specified.
13. *Utility connections.* Responsibility for connection to electric, water, sewer and gas lines as required should be specified. Extension of utility lines to the building site should be covered under item 2 or 3 above.
14. *Warranties.* Terms of the contractor-supplied warranty should be spelled out in the contract. Provisions also should be made for transferring to the owner any warranties provided by manufacturers or suppliers of component parts.
15. *Service manuals and operational instructions.* The contractor should be responsible for providing the owner with operational and service manuals for component equipment. He also should provide instruction in proper operation of any equipment unfamiliar to the owner.
16. *Time schedule for completion.* For some construction projects, particularly those involving animal housing, it is essential that a completion date be known well in advance. If necessary, make sure both you and the contractor understand when the building is to be ready for owner acceptance.

Remember, the most important aspect of working with your contractor is communication. Build a good relationship with the contractor and site foreman. Stay involved in the project and ask questions. Be cooperative.