

THE CONSTRUCTION PROCESS

PRE-CONSTRUCTION

Before contractors and suppliers can provide a firm cost estimate for their services / products, a clear scope of work has to be determined. This process involves dozens of decisions and will require the help of an architect / planner / designer and your contractor. Cost is almost always a factor. Knowing the Owner's budget allows the architectural and design professionals, along with the contractor, to design / create a space that you can afford. Many times we have seen unfortunate entrepreneurs hire an architectural / design firm who will then provide them with drawings and specifications that they later realize is beyond what they can afford. This causes frustrations and time delays.

Lipps & Son believes a collaborative approach is the best choice for small businesses that do not have their own construction design departments or are unfamiliar with the commercial construction process.

BUILDING PERMITS & CERTIFICATE OF OCCUPANCY

Any project that requires changes to the space that includes walls, ceilings, electric, plumbing, HVAC, exterior signage or awnings, etc. require permit(s). In order to apply for the necessary permits, a complete set of architectural and / or engineered drawings are required.

In some areas of the country, building departments offer "expedited" plan review services (for additional fees). Hawaii does not offer any form of expedited plan / permit process. The time required to obtain permit approval greatly varies according to several factors. They include:

- Quality / accuracy of plans being submitted. Errors and / or omissions cause delays.
- The size of the project. The larger the project, the longer plan reviews take.
- Current workload / number of applications being submitted at any given period.
- Location of work – A similar project on Maui typically takes 3 – 4 weeks longer than on Oahu or the Big Island (of Hawaii) for permit approval.

Once the permit(s) are issued, jobsite inspections and approvals are required for every phase of work requiring a permit / inspections. After work is 100% completed and all permit related approvals have been given, a certificate of occupancy is issued. At that point, the merchandise can be displayed and the business opened to the public.

THE ROLE & RESPONSIBILITIES OF A GENERAL CONTRACTOR

While a typical construction project includes numerous types of specialty contractors (plumbing, electric, HVAC, fire suppression, fire safety devices, etc), the general contractor acts as the single entity responsible to coordinate all of these services. Typically, the Owner will hire the general contractor. The general contractor enlists the services of the various subcontractors and assumes full responsibility for them, the contractors own employees, and the satisfactory completion of the entire project.

Hawaii state law requires all contractors be licensed and insured. There are specific guidelines by which contractors must conduct themselves. Failure to "follow the rules" can result in the loss of your business license.

When choosing a general contractor, several things should be considered. They include:

- Does the contractor have sufficient experience for the work you are planning?
- Is the contractor reputable? Check with the Better Business Bureau (BBB) and any references they may have provided. Ask to speak with someone who has enlisted their services recently.

THE ROLE & RESPONSIBILITIES OF A GENERAL CONTRACTOR (continued)

- Will the contractor provide the level of quality you are expecting or are costs the primary concern?
- Service – Will the contractor provide you with the level of service you are expecting? Who in their corporation will you (the Owner) be working with?

- What assurances do you (the Owner) have that you are being provided a competitive cost for the work / services being provided?
- Comfort Level & Trust Factor – You are going to enter into a business relationship that will require a certain amount of interaction with your general contractor. Do you feel the contractor is someone you can work with? Will they deliver as promised or are they telling you what you want to hear now (unrealistic cost estimates and / or completion schedules) in an attempt to win the contract? Trust is also a concern. Trust is earned but there should be a certain amount of due diligence (on the Owner's part) beforehand. Do you feel like the contractor is trustworthy?