



Rice Construction Company

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Building a Home

Congratulations on choosing the site for your new home. Now that you know where you want to live, Rice Construction is eager to assist you in determining what you will build on your new property.

In working through this question you have several options, including hiring an architect to complete your plans, finding a plan that exists which can be purchased, or hiring a design-builder that can work with you much like an architect and then manage your construction project.

Architects have specific skills and experiences in design which are of value to many of our clients. Like choosing a physician, one of the most important things to consider when selecting an architect is communication - find one that is easy to talk with, will listen to you, and will help you accomplish your goals. Most of our clients budget between 5-6% of their overall construction budget to cover the cost of an architect's services and will allow six months for design and delivery of construction documents.

One of the least expensive ways to define what you are going to build is to purchase a set of plans to a home 'off the shelf'. These home plans are already designed with specifications and engineering included. This is also the fastest way to get started building. Depending on where you build, drawings in addition to the purchased set may be required in order to permit your project with your local municipality or to pass architectural control of your civic association. The costs of these plans can range from a few hundred dollars up to a few thousand dollars.

Selecting a builder that can design your home allows direct communication with the folks who are going to execute your plan. During the design phase, not only are you determining what you will build, you will be discussing details about how to build it. Builders that design usually charge less for building plans than an architect.

Regardless of how your plans are obtained, it is important to have them permitted or approved before seeking financing or pricing your construction. Many lenders require permitted plans, and often changes are required as building codes are interpreted and applied differently by each municipality.

As a design-builder, Rice Construction Company tries to run its design and home construction in cycles. We allow time to focus fully on designing several projects at once, and then build those projects along with others before beginning the next cycle.

Our design fees typically come in around 2-3% of a construction budget and can be completed in just a few months. Construction usually completes in less than a year.

Rice Construction Company has the ability to design and build your home, but we are just as happy constructing a home from a plan you have purchased or one you have created with an architect.

Once you have your location, your plan, and permits or approval to build, you will need a construction budget in order to arrange financing for your project.

Creating a detailed bid requires a builder to meet with as many as five providers of each element of construction and can take over a month. Many times exact finishes, fixtures, appliances, and options may not yet be chosen. For this reason, Rice Construction Company uses national averages, updated by our own experience, to create construction budgets for contracting purposes. We use allowances for each line item of a budget, add a contingency for code changes, client opportunities that might arise during construction, and to cover market escalation that has been very common in the past years. More detail provided at this phase will yield a more accurate construction budget.

Once we agree on a construction budget and execute a contract, financing can be arranged. During the financing phase, Rice Construction Company will obtain detailed estimates for the actual construction of your home. At this point, the cost of construction will be firmly agreed on, the contract amount will be amended by change order and the Application for Payment will be updated to reflect the new construction budget.

As part of the estimating process, a detailed list of appliances, finishes, and fixture requirements will be compiled. All finish details are required prior to the start of construction.

Our clients benefit from our construction management in many ways. From the personalized service we offer during the design and implementation of your plan, to the way we do business. All of our sub-contractors are required to carry insurance and provide proof of this insurance during the execution of their work. Each sub-contractor will execute a release of lien as they receive their progress payments, and each will be subject to retention until their work is satisfactorily completed.

Rice Construction Company is fully insured and will provide our customers with an insurance certificate naming them and their lender as additionally insured parties. We are registered with the Texas Residential Construction Commission, and your project will be registered as well. We use only licensed professional mechanical contractors, and we insist that each foundation we build be engineered. We meet twice monthly with our clients to discuss the construction of their home, more often if they wish. And we deliver quality.

When you move into your home, you will receive a binder listing contact information for each of the sub-contractors that have worked on your home, a schedule of light bulbs, paint and finish details, and a listing of who to call for basic warranty items. While your appliances are covered under a manufacturer's warranty, Rice Construction Company will coordinate repairs for the first year you live in your home.

Enclosed please find a copy of our Rice Construction Company Home Planning Guide to aid in your discussions with architects, or with us. We have additionally included samples of both our Design/Build and Cost Plus Percentage contract agreements and their attachments for your review.

If you have any questions about our company or the building process we would implement for your project, please give us a call.

Sincerely,

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