

Smart Shopping Plans and Specs Part Two

Plans and Specs are important; they're also expensive. How do you, the smart shopper, to about getting what you need? Last column, I pointed out the difficulties in 'shopping' for plans and specs. They are instruments of service - the paper itself isn't what you buy - it's the information on it that's important. Before you can quantify the cost of developing plans and specifications you first have to decide *why you need the plans and specifications*. Then, you decide whether you need anything else in the way of service to supplement the plans and specs. Let's deal with the first question first:

There are three primary reasons why people develop plans and specifications.

1. To secure building permits. That is a minimal set of documents directed to a public official's needs in carrying out a specific legal mandate.
2. Another common reason for developing a set of design documents is to communicate the design. You can communicate design concepts in a lot of different ways. You can write words, you can draw pictures, you can tear photographs out of magazines, you can even draw in sand with a stick. All avenues of communication are valid if they work. In fact, designers use a great variety of communication techniques in working with both owners as well as contractors. The plans and specifications are just one tool; some designs, such as the free form waterfall I have in the entry of my office, don't lend themselves to the traditional approach, and have to be communicated in some other way.
3. The last reason to get plans and specifications turns out to be by far the most demanding. It is to *define the roles and responsibilities of the various parties*. By

parties, I mean everyone, including yourself, that it takes to make your project complete and bring it to the point where you can use it and you are satisfied with how it works, how it looks and how all the various pieces fit together. This is by far the most demanding reason for a set of plans and specifications. It requires much more in the way of drawings, details, specifications than the other two reasons.

Once you have a clear idea of why you want plans and specifications, then you can consider how much exactly they might cost. There are different approaches that have been used by different designers at different times for arriving at fees. Let's run through some of the more common ones.

First, the cost of developing the plans can be hidden within the total cost of the project. This approach is used most by contractors who either do their own drawings or hire someone such as a drafter or designer to develop the drawings directly for them. Of course, the problem with this approach is that you don't know what you are paying for the plans and specifications. You can rest assured that they aren't free - people don't work for free, and even paper costs money.

To some it may seem easier not to know how much it really is costing for the design work, but it is tough to be an informed consumer and get the most value for your money when you do not really know what is going on. I personally do not think any more of this method than the other various hidden transactions that exist in the construction industry such as secret commissions, kickbacks and off the book rebates, bonuses and gifts. Ultimately, it is your money that is being passed around behind your back.

Another approach that has been quite common in the past is a percentage agreement. In this kind of arrangement, you pay a percentage of the construction cost for the development of plans. Think about that for a minute. With this method, you are setting up a scenario where the designer will get a big financial reward if you select a \$2000.00 toilet instead of a \$20.00 toilet. Isn't that going to make you wonder about any advice you get regarding that selection? Let me give you another example.

Say I had been retained on a percentage basis and half way through completing the drawings, I came up with an idea that would save 50% on construction costs. Wow! That would mean you, the client, would be able to keep that money in the bank or spend it for something else! As soon as I share that idea with you, however, my fee just got whacked back significantly. I might even have extra work, to incorporate the new changes into the documents at that point. What kind of incentive does that create to seek out cost saving measures?

I believe that percentage contracts with designers or contractors are inherently creating a situation where one team member is going to benefit when another team member suffers. That is not a good way to have a team all be heading in the same direction in the most efficient and spirited way possible. Fortunately there are other fee methods. Stay tuned next column for a better approach.

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