



**AMERICAN DEVELOPMENT CORP**

EXQUISITE HOME CONSTRUCTION AND PREMIUM CARPENTRY

### **A General Conditions Primer**

The most hotly debated topic when discussing the budget of a project is the General Conditions line item. The costs associated with General Conditions have been called a place where Contractors hide some profit. This is completely false. If you were to ask most contractors where they go over on their budgets and thus lose money, they will say General Conditions. Items listed in the General Conditions line for your project are only to be used on your project. There are two parts to General Conditions: normal costs and supervision.

#### **Normal Costs**

The General Conditions are real costs of construction; they just seem vague because one does not have a tangible product with which to associate their cost. Although they are not there at the end of the project, they are required for construction and have real values. Items such as portable temporary electricity, heat and water are included. Cleanup crews during the project and a final cleanup before move-in are included. Other items like portable toilets are included because the alternative is unthinkable. Some other General Condition items are the costs associated with a jobsite office. Things like an office/storage trailer, phone and fax, office supplies and blueprint reproduction are real costs of the project. On a large-scale project there are over 100,000 different parts. The only way to stay on budget and especially on schedule is to stay organized. A company that tells you otherwise will not be able to provide you the type of service that you deserve.

#### **Supervision**

Another debated topic is the issue of Supervision. At ADC we provide full time supervision on each project. We also include this cost as part of our General Conditions. Basically, the project will not get built by itself. Some companies charge for supervision and then have someone stop by every once in a while to check in on the project. This is not supervision, and should not be charged as such. The role of the Jobsite Superintendent is to make sure that the project gets built exactly as the plans and specifications indicate. The best and only way to ensure cooperation with Subcontractors, scheduling of suppliers and approval of choice items is to have a full time Superintendent. Also, when the Owner or Architect has a question or comment about the project, there is always someone onsite to greet them.

At ADC we figure actual costs for our General Conditions and can thus give you the best value for your project. If you have any other questions about General Conditions, please feel free to call our office at any time.

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