

The Scope of Work

Probably the most common problem we see in our consultations with custom home buyers is the lack of a clear and thorough description of the scope of work describing precisely what is expected of the builder. The amount of time spent writing these expectations down and reviewing them together with the builder will be rewarded many times over in a smooth and angst-free project.

The Scope of Work is probably the most important written document, after the plans and specifications, that contributes to a comprehensive set of contract documents. In our estimation, it is even more important than the contract itself. Why? Because the absence of a clear and written understanding of what the builder is to do and what he will not do is regularly the cause of disputes during and at the end of the project. A good Scope of Work helps keep the parties working together and is the first recourse when misunderstandings arise. A contract, on the other hand, spells out important administrative issues but is rarely referred to when a good Scope of Work is in use. For most such work, it becomes the “last resort”, when all other dispute remedies have been exhausted or when one of the parties gets into financial difficulty. See our separate Datasheet on the subject of contracts.

The Scope of Work (SOW) should address every conceivable element of a project—even those elements that neither party expects to be an issue. One of the most common omissions is the element of sitework (as opposed to landscaping). Many custom builders consider their responsibility to end at the foundation, and leave general grading, drainage and landscaping to the owner. This is certainly an acceptable arrangement, as long as both parties fully understand it, but the responsibility should be addressed in writing so both parties remember the decision at the end of the project.

The Scope of Work differs from specifications in that the former describes in broad terms what the expectations of the builder are, while the latter describes these expectations in considerable detail. The SOW might indicate that the builder is responsible for furnishing and installing all kitchen appliances (some custom home buyers may elect to buy and install their own), while the specifications designate the appliances by type,

by brand name and model number, and by the types of utilities required. It is not uncommon to have specifications, such as for appliances, but have the responsibility for furnishing and installing them reserved for the owner.

The most common omissions from a SOW are:

- **The extent of site development.** How much grading and drainage will be performed? Will the site be raised extensively, leveled, or left more or less as is? Will a comprehensive drainage plan be developed and constructed, or will the buyer do this afterward? This can be a major issue if the site has a significant slope or abuts a lake or river.
- **The provision for utilities.** Who will be responsible for arranging to bring electric power to the property, and will it be overhead or underground (underground is always more expensive and is sometimes required by the deed restrictions)? Who will pay for the water meter, assuming public utility water is near the property?
- **If there is no public sewer system, who will construct the on-site treatment system?** It is not “a given” that this is the builder’s responsibility—it must be clearly indicated in the SOW.
- **Driveways and sidewalks.** Driveways and sidewalks should be called out in the scope of work as part of the builder’s responsibility (if that is the intent) or should be shown as an exclusion if the buyer is going to build these in his landscaping package.
- **Plans and specifications.** Who will prepare the plans and specifications? The most traditional process has a third party (usually an architect) do this, but most residential construction projects, including many large custom homes, don’t have

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such an individual. Most builders can arrange for plans to be prepared, but it's important to agree on whether that cost is part of the builder's price or to be paid separately. Specifications are rarely part of this process unless the builder has a "standard" set, but are an essential part of the contract documents. Too many buyers (and builders too) avoid this tedious but fundamental task, to their mutual regret. Take the time and do your own (see our Datasheet on outline specifications).

- **Testing.** Many homes are built without a single in-place density test or concrete cylinder taken, but good practice requires such third-party tests to confirm the performance of the builder. The SOW should spell out what tests are to be done and who is to pay for them. (It's usually best for the owner to pay—this keeps the testing strictly independent).
- **Soils/geotechnical studies.** Tract homes in subdivisions are usually built with the benefit of a general soils study that determines what type of soils are present and what types of foundations will work in them. Custom homes are often on larger lots or are built on isolated lots where a broad and general report is not available. A custom home usually warrants such a study—the cost is insignificant when compared to the cost of the home—and the information can be critical in designing the proper foundation. Make sure provision is made for this design step to be included in your project.
- **Verifying the negative.** Clarity is the key to any construction document, and it's just as important to indicate what work is not the builder's responsibility as it is to spell out what he is required to do. For example, the following statements leave little doubt in anyone's mind what the builder is responsible for in terms of sitework and cabinet hardware..

"Sitework. Builder is responsible for preparation of the building pad and primary approach substrates only. Final grading for drainage, pavements (including driveways and sidewalks), landscaping, irrigation and pads for other structures shall be the responsibility of the owner."

"Cabinet Hardware. The owner will purchase, on his own account and not a part of the contract price, all cabinet hardware for installation by the builder. Builder will acknowledge, in writing, receipt of sufficient quantities of such hardware to complete the work and shall assume responsibility for loss or damage thereafter."



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