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**CONSTRUCTION AGREEMENT**

This agreement is made between \_\_\_\_\_ of \_\_\_\_\_, Massachusetts, hereinafter known as **Owner**, and MGZ Design and Construction of 43 Main Street, Upton, Massachusetts, hereinafter known as **Builder**. In consideration of this agreement and the promises contained herein, Owner and Builder agree as follows:

**1. DESCRIPTION OF WORK**

Builder will furnish labor, tools, and materials to perform the work described by plans titled "Additions and Renovations, \_\_\_\_\_ Residence", dated \_\_\_\_\_, and project specifications, revised \_\_\_\_\_, including and as modified below:

- A. Building permits and required inspections.
- B. Demolition and disposal of all areas as indicated; protection of existing areas.
- C. Excavation, footings, foundation, backfilling and rough grading to achieve the results shown on the plans and specifications.
- D. All exterior and interior framing to achieve the results shown on plans.
- E. Install new roofing to match existing main house roof as closely as possible; strip and re-roof remaining portions of existing family room addition roof. Install fully adhered .045 EPDM rubber roofing to areas indicated.
- F. Install Anderson windows and doors, other exterior insulated fiberglass doors and Velux skylights as shown on plans. (See Allowance Schedule, below, for kitchen windows)
- G. Install new exterior siding and exterior trim as specified.
- H. The screen porch is modified from specifications to have a plastered instead of wood ceiling and a tile instead of stone floor. (See Allowance Schedule, below for porch floor)
- I. Install aluminum gutter and downspouts to all roof areas as required.
- J. Prepare, prime and paint all areas of exterior wood trim.
- K. Grade site for and install rear patio. (See Allowance Schedule, below)

- L. Provide all rough and finish plumbing per specifications.
- M. Provide natural gas piping per specifications.
- N. Modify and extend the existing HVAC system per the following outline specification:
  - Replace the two existing boilers with a new, high efficiency, direct venting, gas fired, 4 zone boiler as follows:
    - Zone 1: existing first and second floor radiators
    - Zone 2: existing third floor baseboard
    - Zone 3: existing addition and new first floor areas
    - Zone 4: to air handler located in ceiling of new second floor
  - Re-work the existing heat in kitchen and family room as required
  - Allow for future indirect domestic hot water to replace existing hot water heater.
  - Add air conditioning to existing and new areas as follows:
    - One zone of conventional, ducted ac for existing first floor
    - One zone of conventional, ducted ac for kitchen, existing family room and new rear foyer.
  
    - One zone of ac supplied from air handler located above new second floor ceiling,
    - All units with electrostatic air cleaners.
  - Note that existing second and third floor air-conditioning is eliminated from scope of work.
  - Final specifications will be submitted to Owner for review and approval prior to this work commencing.
  - (See Allowance Schedule, below)
- O. Duct new kitchen range per specifications.
- P. Provide rough and finish electrical work per specifications and lighting plan to be provided. Provide rough wiring to patio for future hot tub, which is eliminated from scope of work.
- Q. Install insulation to all required areas as shown on plans and to current code.
- R. Install gypsum board and veneer plaster finish to all ceiling and wall surfaces as shown on plans and as specified; patch and blend renovated areas as required.
- S. Install interior trim to new and renovated areas as specified.
- T. Fabricate mudroom/rear foyer closets, shelving and misc casework. (See Allowance Schedule, below)
- U. Fabricate new rear foyer stairway. (See Allowance Schedule, below)

- V. Install stock and/or custom kitchen cabinets and perform related work. (See Allowance Schedule, below)
- W. Install 2 ½” strip oak hardwood flooring, finished with three coats of oil base polyurethane, to new second floor areas.
- X. Install flooring to be selected to kitchen, existing family room, and rear foyer/mudroom. (See Allowance Schedule, below.)
- Y. Interior preparation, priming, and finish painting of all ceiling and wall surfaces, and interior doors, trim, and other required areas for new and renovated areas, as specified.
- Z. Install all kitchen appliances, miscellaneous hardware and accessories.
- AA. Finish grade areas around new foundations and supply and spread loam.
- BB. Cleanup and dispose of all construction debris. All areas to be left broom clean.

**2. CONTRACT PRICE**

Owner agrees to pay Builder the price of \$ \_\_\_\_\_ ( \_\_\_\_\_ **thousand dollars**) for the work described above, hereinafter known as the “**base price**”. Payment of this price is subject to additions and/or deletions in accordance with the terms of this agreement.

The base price includes the cost of the items in the Allowance Schedule below:

Location	Item	Type	Comments	Allow. Amt.
<b>Kitchen</b>				
	Two north windows	Material + labor		
	Cabinet work	Material + labor		
	Flooring	Material + Subcontract	500 SF @ 10./SF	
Subtotal				
<b>Mudroom/rear foyer/porch</b>				
	Custom cabinets	Material + labor		
	Interior stairs	Material + labor		
	Foyer flooring	Material + Subcontract	200 SF @ 20./SF	
	Screen porch tile	Material + Subcontract	150 SF @ 10./SF	
Subtotal				
<b>Other</b>				
	Garage doors	Material only		
	Modify fire protection	Subcontract		
	Rear patio stone floor	Material + Subcontract	360 SF @ 25./SF	
	HVAC system per outline spec	Subcontract		

The cost of allowance items will be calculated as follows:

- A. Tile, stone or other hard flooring will be supplied at Builder's cost.
- B. All other materials, builder's direct labor and subcontract labor will be calculated and billed by the cost plus formula described in Section 4 below.

Allowance amounts include shipping, delivery charges, sales tax, and other incidental costs.

Any increase (decrease) in the **total actual cost** of the allowance items from the **total allowance amount** shall result in an adjustment to the contract price **equal to the amount of the increase (decrease)**.

Total allowance amount:	\$
Total progress payments:	
Base contract price:	\$

### 3. PAYMENT SCHEDULE

- A. Owner shall make payments on account of this agreement as follows:
  - 1. Construction deposit: \$
  - 2. Upon start of site work:
  - 3. Upon completion of foundations:
  - 4. Upon framing of garage and foyer additions:
  - 5. Upon installation of roofing, windows and doors:
  - 6. Upon installation of rough plumbing, and electrical services:
  - 7. Upon installation of insulation and gypsum board to all areas:
  - 8. Upon installation of veneer plaster finishes to all areas:
  - 9. Upon installation of cabinets, doors, and interior trim:
  - 10. Upon substantial completion of work:
  - 11. Upon final completion of work:
- B. The construction deposit is fully refundable if building permit is not issued.
- C. Substantial completion is defined as the time at which Owner may occupy and use the new and renovated areas.
- D. Owner understands that certain portions of the work may be delayed due to adverse weather conditions, subcontractor coordination, delays in delivery of materials, and other factors. In the event that Builder makes a request for payment for a phase of the work (progress payments 4 through 10) stated above before final completion of that phase, Owner agrees to make payment for that phase proportionate to the work of that phase completed at the time of the request for payment.

- E. Amounts due for material, labor and sub contractual services of allowance items, which are **excluded** from the above payment schedule, are due and payable as they are invoiced periodically during the progress of work.
- F. It shall be a condition of Builder's obligation to continue and complete the work that Owner has made full payment for work already performed in accordance with the above payment schedule.
- G. All sums due under this agreement are due and payable as stated herein. Owner agrees to pay the costs of collection, including reasonable attorney's fees of all sums due hereunder.

**4. CHANGE ORDERS, CONTINGENCIES, AND ADDITIONAL WORK**

- A. The cost of changes in the work other than the allowance items are not included in the base price of this agreement, and include the following:
  - 1) Work required to correct pre-existing conditions uncovered as the result of excavation or demolition (areas of rot, insect damage, ledge in location of footings and/or foundation) and pre-existing damage to electrical, heating, or plumbing systems, except as included above.
  - 2) Work required to upgrade existing systems except as specified above.
  - 3) Computer, CATV and phone wiring.
  - 4) Changes ordered in the work by Building officials that were originally performed in conformance with the respective building code or upgrades ordered on existing systems that are not included in the scope of the work of this agreement.
  - 5) Additions, deletions, and/or changes in the work requested by Owner other than the allowance items.
  
- B. Owner agrees to pay Builder for the cost of allowance items and other additions and changes in the work on a **cost plus** basis by multiplying Builder's actual cost by a factor of 1.20, the result being the price to Owner. Builder's actual costs are defined as follows:
  - 1) The actual cost to Builder of labor, billed at the following rates, which include Builder's payroll and operating expenses:
 

Construction manager/foreman:	\$60.00/hour
Finish carpenter:	\$50.00/hour
Carpenter:	\$45.00/hour
Painter:	\$30.00/hour
Laborer:	\$25.00/hour
  - 2) The actual cost of materials used by Builder. (Except in the case of allowance flooring materials that will be supplied at Builder's cost).

- 3) The actual incidental expenses directly related to the work (permits, delivery charges, sales tax, etc.).
- C. The actual cost of sub-contractual services used by Builder, including the cost of any insurance incurred by Builder on behalf of subcontractors will be multiplied by a factor of 1.15, the result being the price to Owner.
- D. Builder agrees to maintain accurate records of all actual expenses for cost plus work and present to Owner, with copies of invoices attached, on a periodic basis during the course of the work.
- E. Sixty electrical openings are included in the scope of work. An electrical opening is defined as any electrical outlet, switch, light, or other fixture. Adjustments will be calculated at \$60.00 per electrical opening, exclusive of fixture.
- F. Builder agrees to provide Owner with estimates of work to be performed under this section in advance of such work commencing and to obtain Owner's approval of same in order to proceed.
- G. Owner agrees to pay Builder for work performed under this section upon presentation of bills by Builder for same.

## **5. RESPONSIBILITIES OF BUILDER**

- A. Builder shall be solely responsible for all construction work performed under this agreement, including techniques, sequences, procedures, and means, and for coordination of all work and shall supply all necessary labor, tools and materials except as otherwise specified herein.
- B. Workmanship.  

Builder guarantees that the workmanship required to be done and the materials furnished in the performance of this agreement shall be free from defects and agrees to make good and repair (in a professional and workman-like manner within a reasonable time after notice from Owner of said defects) at its own expense any defect in workmanship or materials which manifests itself within one year from the date of substantial completion on the part of Builder.
- C. Insurance.  

Builder agrees to keep in force at its own expense during the entire work of this agreement, a comprehensive liability insurance policy in the amount of \$1,000,000, combined bodily injury and property damage to others and Workmen's Compensation insurance for its employees.

## **6. RESPONSIBILITIES OF OWNER**

- A. Owner shall effect and maintain fire and extended coverage insurance upon the entire structure on which the work of this agreement is to be done.

- B. Owner agrees to pay for the cost of any utilities required during the work and for any connection and/or service fees charged by same.
- C. Owner agrees to provide the necessary labor and/or materials described below:
  - 1) Removal and/or relocation of plantings around work areas.
  - 2) Re-seeding and landscaping around addition and other areas that may be disturbed during construction.
  - 3) Wallpaper and other wall treatments other than normal painting; Builder will prepare as required.
  - 4) Provide the following items, installation by Builder is included in the base price:
    - Electrical and lighting fixtures
    - Plumbing fixtures
    - Kitchen and other appliances
    - Other accessories and miscellaneous hardware
  - 5) Provide the following items to be installed by a subcontractor suggested by Builder or selected independently by Owner:
    - Kitchen counters and backsplash
    - Driveway
- D. Owner shall clear all areas to be renovated or demolished of furniture and other articles.
- E. Owner agrees to select finish and other materials yet to be selected in a timely manner so as to not delay the construction schedule.

**7. STARTING AND COMPLETION DATES**

The work to be performed under this agreement shall be commenced immediately upon the signing of this agreement by submission of a building permit application. Construction shall be substantially completed within six months from the start of actual work, or no later than \_\_\_\_\_, barring any delays caused by any act or neglect of Owner, Owner’s subcontractors, changes ordered in the work, or by strikes, lockouts, fire, unusual delay in transportation, unavoidable casualties, or any other cause beyond Builder’s control.

Michael Gelb, President, MGZ Design and Construction	Date: _____
_____	Date: _____
_____, Owner	
_____	Date: _____
_____, Owner	