

## **PLAY THE GAME WITH REFEREES**

In previous articles I've told homeowners the rules that are supposed to govern licensed contractors in California when improving your residence, building an ADU on it, or even a full rebuild (very common after the January 7, 2025 fires)

Those basic rules, when followed would realistically lead to good products...unfortunately, the **game of construction** teams up contractors (good, bad & ugly) against property owners, most of whom will rely on themselves, friends, slick advertising and polished salespeople for how to play the game...not a game set up with equal contestants!

### **Here's how you can equal the odds:**

1. *DO NOT EVER SIGN A CONTRACT FOR ANY PLANS THAT ARE NOT FULLY APPROVED BY GOVERNING BUILDING DEPARTMENT AND STAMPED "READY TO ISSUE"!* This is your first referee there to help you, to ensure that the plans show all that you want done, and specifically what the contractor must do to get their work approved as it proceeds.
2. *DO NOT ACCEPT CHANGE ORDERS UNLESS THEY ARE BASED ON WHAT YOU WANT CHANGED, ADDED OR DELETED!* If the approved plans say do it in a particular manner, and you understand the written and drawn plans, why do they need changed? If you changed your mind, that's understandable, but if your contractor wants to make a change, be prepared to ask why?
3. *ESTABLISH A FUNDING CONTROL TO MANAGE PAYMENTS TO YOUR CONTRACTOR, HIS SUBCONTRACTORS AND MATERIAL SUPPLIERS.*

This gives you a referee that will do the following:

- a) Ideally this is set up prior to contract signing, so they can evaluate the contractor's price with the approved plans to determine that the stated contracted amount can realistically get the product called for by "permit-ready plans". If it doesn't pan out, you've been warned in advance!
- b) When it's determined that the contractor has estimated realistic costs to get what you want, the funding control should request a proposed payment schedule from them. (This should add up to your contract total with 10% of contract monies held until all work is done, inspected & passed; all subcontractors and suppliers are fully paid and have released all lien rights; and you are happy with having gotten what the plans you approved and contracted for has been delivered to you. Does that sound in any way unfair?)
- c) Typically, Funding Controls will collect billings for work done, inspected (if appropriate for billing), then should send out a professional representative to visually confirm what's billed has been done.

- d) After the billings are confirmed as valid, and the appropriate Lien Releases are obtained for all labor & materials (signed by those that provided the labor or materials for contractor and/or subcontractors), they will issue checks to proper terminals, meaning your contractor, his subcontractors and all appropriate material suppliers.
4. *HOW DOES A FUNDING CONTROL GET THE MONEY, AND WHAT DO THEY CHARGE ME FOR THESE SERVICES?* The Funding Control will establish a procedure with your lender to obtain the funding for paying work as it progresses, and their fees are reportedly less than .05% of the contracted amount.
5. *DOES THIS MAKE SENSE?* I hope so, otherwise why have I taken the time to write it!

Bobby McGee for Bobby McGee Construction (818) 268-3003

(You are welcome to call me for design, consulting or construction.)

*If interested, La Mesa Funding Control in San Diego area has an agent to whom I've recently spoken on this subject...his name is Marcus Carter (619) 644-8599 or (619) 871-9176*