KnoxNews: Business

Harris: Warranty policy puts firm's rep on line

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Knoxville contractor Construction Plus Inc. is testing new ground by offering a five-year limited warranty on certain building projects.

That's five times longer than the typical construction warranty.

"We hope it will be something that will differentiate us," said Sandy Loy, president of the company founded in 1988.

The five-year warranty is available only for design-build projects. These are jobs that Construction Plus would work on with a project's architect during the design phase instead of bidding on a project after it has been designed.

Being part of a design team from the beginning makes it possible for Construction Plus to offer the warranty, Loy said.

"It means we have some control over what the building is and how it's put together. We can make sure we have the right team and the right materials, which means we are confident enough to put our money where our mouth is and offer a five-year warranty," Loy said.

The new $6.5 million Grace Christian Academy being built on Oak Ridge Highway in Karns is the first Construction Plus project with the new warranty.

Construction Plus has designed a number of schools through a partnership with Community Tectonics architects. The Knoxville builder also has done a number of commercial projects, including 38 Goody's Family Clothing Stores.

Last year Construction Plus won the Small Business Excellence Award in the inaugural Pinnacle Business Awards program sponsored by the Knoxville Area Chamber Partnership.

Design-build projects are gaining in popularity nationwide, said Richard Belle, vice president of public affairs and information for the Design-Build Institute of America, a professional organization based in Washington, D.C.

DBIA estimates that about 40 percent of all non-residential projects in the country are design-build jobs. Within 10 years, DBIA projects that design-build will represent a majority of non-residential construction projects.

"It's definitely the direction the business is going," Belle said.

When builders and designers work in harmony there are fewer costly change orders, Belle said.

Saving time and money are good selling points no matter what the business, but they are especially critical in the construction world.

In a traditional design-bid-build, an adversarial relationship often develops between the contractor and the architect. Contractors pour over the design drawings looking for mistakes while architects defend their work.

"The project owner is caught in the middle trying to mediate between the architect and the contractor," Loy said.

Having a design-build team working under a single contract can eliminate, or at least reduce, the tension between architect and contractor.

"The key is to get everybody going in the same direction from the beginning," Loy said.
Business writer Roger Harris' Property Watch column appears on Wednesday. He may be reached at 865-342-6342 or harrisr@knews.com.

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