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All You Need to Know about Contractors

Whether your home improvement project is large or small, finding a reliable and competent contractor is the first step in a successful home improvement project... but how do you find the right person for the job? The following tips are designed to help you take the guesswork out of the hiring process.

Finding a Contractor

You can find contractors by checking your local newspaper and phone book, listening for local advertisements featured in radio or television commercials, attending local home shows, or – perhaps the best way – asking friends and neighbors for referrals.

A word of caution: Be wary of builders or contractors who go door-to-door

advertising their services, especially those who are not known in your community or offer reduced prices because they claim they have just completed work nearby and have leftover materials.

Once you have made a short list of potential contractors, you will want to interview them. Questions to ask include:

- ✓ How long have you been in business?
- ✓ How many projects similar to mine have you completed? (Ask for a list of recent projects.)
- ✓ Are you licensed and registered with the state?
- ✓ Will you work on my project full-time? if so, what are your work hours?

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Tips for Paying Your Contractor

You likely have heard horror stories about homeowners who have hired contractors, only to have the job end up costing exponentially more than originally quoted. Avoid those sorts of catastrophes by following these recommendations:

- ✓ Negotiate a small down payment and then make payments periodically during the job; make them contingent on satisfactory completion of certain parts of the job. You should ask for itemized bills from the contractor and compare them with the work performed during each completion. Do not pay if you believe you have discovered a discrepancy.

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- ✓ If I hire you, will this be the only job you are currently working on?
- ✓ Will you need to hire subcontractors to assist you on the job?
- ✓ What kind of permits will my project require? (Keep in mind that getting permits is the contractor's job; be suspicious if he/she suggests you get the permits.)
- ✓ How long will the project take to complete? Do you guarantee a finish date?

Requesting Bids

After the interview process, you will want to select at least three contractors to provide you a written bid. Bids should include materials, labor rate, and time frame to complete the job. The charges should be similar since all contractors are doing the same type of work. When evaluating the bids, do not let the price be

the only factor in your decision; in fact, you should be suspicious of low bids, as well as the most costly. Ask for an explanation of why the bids differ so much from others you have gotten.

Checking References

After you select a contractor, you will then want to ask for a list of references: get names, addresses, and phone numbers of at least three. When contacting the references, ask if they were pleased with the contractor's job and service performance. Also ask if the job was completed on time and within budget. You may also want to consider asking your local Better Business Bureau if there have been any complaints made on this specific contractor. ■

- ✓ Do not make final payment or sign off on the job until you are completely satisfied.
 - *However, be reasonable – for example, if paint was spilled on your carpeting, costing an estimated \$500 in damage, it would be bad practice for you to withhold \$15,000. Just keep the amount you feel it would cost to fix the damage.*
- ✓ Also, before making final payment, ensure all subcontractors and suppliers have been paid. If not, the subcontractors can put a lien on your home, or even foreclose on it! To protect yourself, ask the contractor and every subcontractor and supplier involved in the project for a lien release or lien waiver. You can also choose to pay subcontractors directly instead of having the general contractor pay them.
- ✓ If the final bill exceeds the estimate, and you have not approved the increase, check with state, local and consumer agencies to see if local regulations can help you. ■

Contractor Licensing and Insurance

Before you hire a contractor, ask to see a current and valid contractor's license (if licenses are required in your state). Also ask for proof of insurance and make sure he/she has current coverage for liability and workers' compensation. If a contractor does not carry adequate insurance or have the appropriate state licenses, they will likely offer to do the job at a lower cost... but you should probably not be willing to take the risk. ■