

Tips on How to Hire a Contractor

Adding a room, renovating a basement, or doing some much needed repairs? Finding a good contractor is important. Home improvement projects can go wrong and this can be expensive. Just because the contractor has a good ad or is an eloquent speaker is not proof the contractor does quality work.

Depending on the size of the project you might hire a:

- **General contractor**, who manages all aspects of a project, including hiring and supervising subcontractors, getting building permits, and scheduling inspections.
- **Specialty contractor** who installs particular products like cabinets and bathroom fixtures
- **Architect** who designs homes, additions, and major renovations.
 - In Illinois architect stamps are required for commercial properties

Remember most home improvement projects will require a building permit.

This Old House and The Federal Trade Commission both have great tips on choosing a contractor. I took their information and expanded to include relevant information for our area. You can see their tips at

<http://www.thisoldhouse.com> and <http://www.consumer.ftc.gov/articles/0242-hiring-contractor>

We have had issues were a home owner has complained about a contractor he hired. Most of these issues can be avoided if the home owner will follow these tips.

Get Recommendations

- Start with friends and family members
- Contact your local building inspector
 - They will know which contractors routinely meet code requirements
 - They may be able to provide you with a list of jobs the contractors have done in your area
 - They will be able to tell you the code requirements for your project
- Visit the local lumber yards
 - They will know which contractors buy quality material and pay their bills on time.
- Check a contractors online reputation by searching the company with words like "scam", "rip-off", or "complaint".

Once you get your list of contractors do Phone Interviews

- How long have they been in business?
- Do they take on projects of your size?
 - Ask how many projects like yours they do in a year
- Are they willing to provide financial references, from suppliers or banks?
- Can they give you a list of previous clients?
- How many other projects will they have going at the same time as yours?
- How long have they worked with their subcontractors?
 - The answers to these questions will reveal the company's availability, reliability, how much attention they'll be able to give your project and how smoothly the work will go.

Based on your phone Interviews meet face to face

- Obtain estimates of project
- Ask time project can start
- Ask expected completion date
- Ask if they will subcontract any part of the job
 - Get names of their subcontractors

Investigate the Facts

- Call former clients
 - Ask how their project went
 - Ask if you can see the finished product
 - Visit a current job site is the site neat and orderly
 - Are workers courteous and careful with homeowner's property

Make Plans, Get Bids

- Who is responsible for blue prints will you provide blue prints or will contractor supply them
 - Reputable contractors will not give bids without knowing exactly what you want.
- Ask your narrowed list of contractors to break down the cost of materials, labor, profit margins and other expenses.
 - Generally materials will account for 40% of the total cost.
 - Remember the cheapest bid may not be the best price
 - If one contractor is a lot cheaper than all the others be skeptical
 - Check material cost for each to see if they are pricing the same quality products

Set a Payment Schedule

- Payment schedules can speak to a contractor's financial status and work ethic.
- If they want half up front, they may have financial problems
- Large projects usually starts with 10% at contract signing, and three payments of 25% evenly spaced over the duration of the project and a check for the final 15% when you have completed a punch list and everything has been addressed.

Put it in Writing

- Draw up a contract that details every step of the project.
 - Payment schedule
 - From you to them and also from them to suppliers and subcontractors
 - The contractors obligation to get building permits and easement sign off forms
 - If you build in an easement area you may have to move it
 - Make sure contractor knows what codes are used in your area
 - Proof of liability insurance and worker's compensation insurance
 - Include all subcontractors proof as well
 - Provide proof they are licensed to do the job
 - Illinois you must have an Illinois roofers license (2 TYPES)
 - Unlimited Roofers License
 - Limited Roofers License (This license can only do residential roofing)
 - Illinois you must have an Illinois plumbing license
 - Mt.Carmel you must be a registered contractor
 - Start date and Project completion date.
 - Ground breaking date
 - Footer and foundation date
 - Completion date
 - List penalties if he does not meet projected dates
 - Change orders how they are handled make sure they are in writing and signed by both
 - Authorization to the contractor to make a change or addition to the work described in the original contract.
 - Specific materials and products to be used such as:
 - Color, model, size, and brand.
 - Type and grade of wood
 - Type and grade of siding
 - Type windows
 - Type and grade of roofing
 - R-value of insulation
 - Size of wiring to be used
 - Size of breaker box to be used

- Site cleanup and trash hauling who is responsible
 - Ask for a “broom clause” that makes the contractor responsible for all including spills and stains.
- Requirement that the contractor obtains lien releases
 - This will protect you if contractor does not pay his bills
 - Releases from subcontractors and suppliers
- List any warranties for workmanship and materials
 - How long will the contractor warranty his work
 - Any limitations should be spelled out.
 - Name phone numbers and addresses of who is honoring them
 - The contractor, distributor, or manufacturer
- A written statement of your right to cancel the contract within three business days.
- Specify a Sign-off Checklist (punch list) will be required before final payment is made.
 - All work meets the standards spelled out in the contract
 - You have written warranties for materials and workmanship
 - You have proof that all subcontractors and suppliers have been paid
 - The job site has been cleaned up and cleared of excess materials, tools and equipment
 - You have inspected and approved the completed work.

I hope the above tips will help ease the stress that comes with home repairs and addition projects.