

Recommendations for hiring a contractor

- 1 . When possible, choose a contractor through personal recommendations. Try to get referrals from friends or neighbors who have had similar work done
- 2 . After you've put together a short list, call and pre-qualify several contractors. Be sure each person is licensed and insured for worker's compensation, property damage, and personal liability. From each contractor, request names and phone numbers of a few satisfied customers. Call those references and ask about the contractor's work. Don't be shy. Most people, if they like the contractor, will go out of their way to help him or her secure another job.
- 3 . From at least three contractor candidates, request a formal bid based on exactly the same plans and specifications. Don't automatically choose the lowest bid. If one bid is seriously lower than the others, be suspicious of inexperience. Generally speaking, if a bid looks too good to be true, it probably is.
- 4 . Chemistry with your contractor is critical--this person may be in your midst for several months, and there may be times when you have to haggle about difficult issues. Ask whether your job will be the only one on their plate or whether they'll be managing multiple projects at the same time. Find out whether the contractor will be on site to supervise your job or hand it off to a foreman.
- 5 . When you've made a selection, ask to see his or her contractor's license and double-check insurance coverage.
- 6 . At this point, you and your contractor should agree upon a written contract and both of you should sign it. The contract should include:
 - Both of your names and addresses and details of all work to be performed. Don't forget to specify who will be responsible for demolition, cleanup, and trash collection. Be sure your plans are thought through completely. It's fair for a contractor to charge you for changes and modifications that are not in the plans, particularly those changes that will require more work or more expensive materials. Charges for changes and extras can send your budget through the roof.
 - Materials. When specifying materials, avoid the term "or equal" unless it is clear that substitutions can't be made without your approval. If you agree to a separate budget for items you haven't selected yet, such as plumbing fixtures or floor coverings, be sure the budget figure is high enough to cover their costs.
 - Payments and dates. Be sure to include a completion date and details on when and how payments will be made. Never pay more money than enough to cover work completed and materials delivered to the job—it's okay to request copies of invoices for the latter. If the contractor requests a deposit before starting work, do not pay more than 10 percent or \$1000, whichever is lower. Make additional payments as the work progresses. This gives the contractor continual incentives and protects you from the possibility of a contractor disappearing after you've made early payments. Remember: *money is your only leverage for getting things done.*
- 7 . Don't sign a completion statement or make the final payment until the job has passed final inspection. Be aware that materials suppliers or subcontractors who are owed money by your contractor can place a lien against your property. You can protect yourself from this by adding a release-of-lien clause to your contract or asking for proof of payment by your contractor. Another somewhat expensive option is to issue a portion of your payments to an escrow account to be held until the work is completed.