

Hiring a contractor

Most of us have heard horror stories about "The building experience gone wrong." Some of the expressions that we have heard are similar to these: "Our home cost \$40,000 more than we expected"; "the contractor finished half of the job and then left"; "after the house was finished we've had nothing but problems."

Building contractors are often given a bad name. This is not wholly undeserved as some contractors are unqualified, dishonest or both. How do you find a contractor who is qualified, honest and competitively priced? Here are some things you can do to weed out the bad ones. The objective is to find 3-5 qualified contractors to bid on your project.

License, insurance & bond

Although some states don't have a licensing process, most do. The process is not difficult, and some people often pass the exams with little actual building experience. Make a call to the state licensing board to verify the license.

A license means that a contractor has met the minimum requirements. There are many licensed contractors that have never built a complete house. And many who may be qualified for one type of project but not another. The objective is to find a contractor qualified for YOUR project.

The licensing board also keeps track of complaints and legal action brought against contractors. Make sure your potential contractors are licensed and in good standing.

Most states require that a contractor have liability insurance to cover accidental damage caused by himself or employees. Some states also require the contractor to be bonded. A performance bond is a guarantee that a project will be completed. If a contractor fails to complete the job, the homeowner can make a claim against the bond to get the job finished. Get evidence of liability insurance and bonding from the licensing board or the contractor himself. If the contractor has employees on the payroll, it is imperative that he carries Workers Compensation insurance. Otherwise you could be liable for workers injured on your property.

References & Work

It is best to get a contractor that is recommended by someone you know. Be aware that the best contractors almost always cost more, and usually have a longer waiting period. The adage "you get what you pay for" is often true. Whether the contractor is recommended or you find him in the Yellow pages, you will still need to check his references and work. Ask him for phone numbers of recent customers. Remember that past performance is a good indicator of future performance. Talk to the owners about the following items:

1. Was the job completed on time?
2. Was the job completed on budget?
3. Was warranty work completed promptly?

4. Was the work performed to an acceptable standard?
5. Did the contractor communicate plans, schedules and problems effectively?
6. Did they like the contractor personally?
7. Was he knowledgeable?
8. Did the owner feel that they received "value for money"?
9. Would they recommend him to family or friends?

Remember no contractor is going to be outstanding at everything. However, they should be competent in all areas of construction management. Arrange to see the contractors work in person. Here are some questions to ask yourself about the work:

1. Is the quality of work acceptable?
2. Are there parts that are unfinished?
3. Do you like the design?
4. Is your project similar in size, style and design?

It is generally best to find a contractor that specializes in projects that are similar to yours in size, style, design and quality.

Interviews and interaction

At this point, you have checked license, insurance and business status, talked to customers and have seen the contractors work. The final step is to meet with each contractor individually to discuss your project. Here are some things that should be discussed:

1. Project duration.
2. Possible problems or challenges that your project presents.
3. Ask about specific products (i.e. siding, appliances, roofing systems, exterior structural systems and foundation options).
4. Design considerations and ideas.
5. Typical house style and price range that he typically builds: starter, semi-custom, custom or exclusive.
6. When could he start the project?

Your impressions

After you have met with the contractors individually, ask yourself the following questions about each one.

1. *Did he inspire confidence?* Contractors should be able to answer building code questions, design questions, structural questions and most any question relating to products or systems used in modern residential construction.

2. *Did he have good ideas for your project?* Good contractors will have money saving ideas, and ideas to make your home more comfortable and practical which increases resale.
3. *Was it easy to communicate with him?* Most contractors can build a house. The best ones keep the owners well informed throughout the process
4. *Did he make a professional and credible presentation?* A good contractor will be organized. Organization is the key to building on time and under budget.
5. *Did you like him?* Good contractors are not pushy, arrogant or demeaning. Look for a contractor that is not in a rush, who will listen to your ideas and make intelligent suggestions.

Bidding

Finding a qualified contractor is not easy. But the time spent up front will save you time, money and major frustrations later on. Once you have found 3-5 qualified contractors, let them know that you would like them to bid on your project. The bidding process will usually take a few weeks. Get an approximate start time from each one. Our Contractor Questionnaire is a one page form that you can give to contractors that asks some of the basic questions that are covered in this article. It will help you to find the contractors that are qualified for your project. Good luck. Our Next article will discuss bidding and final selection.