

How to Find the Right Contractor

10 rules for getting the most out of your relationship

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Finding the right contractor can be daunting, like finding a doctor or lawyer or other professional you can trust with your life or your most valuable assets. When you hire a contractor, your money, home and health may all be at stake, so it is important to learn how to find someone you can trust.

Please don't get me wrong—not all contractors will rip you off, do a poor job or stink up your home with toxic products. Below are a number of tips and rules that will help you avoid common pitfalls.

What can go wrong? Glad you asked. Problems can range from escaping pets or loud music, to stolen valuables, damaged furniture, billing for hours that were never worked, or all of the above. Should a crew member not follow installation guidelines, it could result in a major lawsuit or leave behind a toxic mess.

During the days or weeks ahead, you and your contractor will essentially be business partners. Therefore, it is vital that you choose someone with honesty, integrity and experience—someone who listens carefully to all your needs and who can communicate clearly.

Tip: Make sure they pass the used car test. If you wouldn't buy a used car from this person, don't hire him or her to build or remodel your home.

Choose a person or a company that fits your style, personality and budget.

If you prefer a warm, personal approach, working with a handyman may be best for you, especially if it's a smaller job. However, if it's a larger or specialized remodel and you need to get the job done quickly and efficiently, hiring a general contractor may be the best way to manage a more professional crew.

Tip: We recommend that you have a heart-to-heart discussion with your contractor about all your special needs.

If you have health issues, make sure they understand the rules of the house: no toxic products shall pass through these doors without your prior approval, and any mess gets cleaned up and ideally recycled or re-purposed. It is up to you to articulate clearly just what you will and will not tolerate in your home. If they feel uncomfortable with your needs, they probably won't agree in writing; so look for someone who will. Better to find this out sooner, rather than later.

Rule #1: Where do you find honest, responsible and competent contractors?

1. Start by asking neighbors, friends and family.
2. Visit job sites in subdivisions or local green home tours.
3. Check your local building department for licensed trades people.
4. Check national building and trade associations such as:
 - builditgreen.org
 - usgbc.org
 - www.greenhomeguide.com/findapro/all
 - nahb.org (National Association of Home Builders)
 - nwfa.org (National Wood Flooring Association)
 - cfiinstallers.org (certified flooring installers—carpet, hardwood, linoleum, cork, bamboo)
 - Angieslist.com
 - HomeAdvisor.com
 - strawbuilding.org
5. Check with lumber yards and hardware stores to see if they know of trustworthy contractors who pay their bills.

6. Call architects, other local contractors, and building inspectors. Word travels fast within an industry, and most tradespeople know of others with good reputations in their area.
7. Check their license # at a contractor state license board or with the local Chamber of Commerce. Get a copy of their latest Worker's Comp insurance certificate provided by their insurer.
8. Check the [Better Business Bureau](#) to see if there are complaints from customers or subcontractors.

Rule #2: Don't be distracted

Some contractors don't speak English very well. That doesn't make them unreliable, untrustworthy or incompetent. In fact, they may be amazing at their craft. Don't judge them based on their language skills. In a pinch, you could always use a mobile phone application (such as google translate) to communicate.

Tip: Remember, you are not looking for an academic; you are looking to hire someone with skills to fix a leak, paint a wall, install a floor or install a kitchen.

Also, don't be fooled by the size of their truck. Yes, a big new Dodge Ram may look nice in your driveway, but it doesn't indicate that someone is honest, competent or can follow your instructions.

Tip: Remember, some of the best rip-off artists drive big fancy cars.

Tip: If it sounds too good to be true, it usually is!

Tip: If it doesn't feel good, don't do it.

Tip: Finally, don't assume they are suitable just because they have 20 years' experience.

They may have installed a certain product for 20 years, but they may have zero experience with your new eco-friendly product that has different application instructions. There is always a learning curve with new products, so flexibility and willingness to read and follow instructions is a must.



Rule #3: Trust, but verify their credentials

Questions to ask previous customers:

- Was the work completed satisfactorily? If not, what could they have done better?
- How long did the project take to complete, and was it completed on time and on budget?
- Do they run their business sustainably? Were workers smoking on the job? Was the workplace clean and orderly? How did they keep the area outside the home?
- What made that project a positive or negative experience?
- Did the workers show up on time?
- Did they use the materials that you requested?
- How did the contractor handle problems?
- Did the workers clean up after they left?
- Would you hire them again?

Questions for trade associations, city/town hall building department:

- How long has the contractor been a member of your association?
- Does this contractor hold a valid license?
- What type of coursework or testing have they completed?
- What are they certified to do?

Questions for other local contractors, architects or inspectors:

- What is the contractor's reputation around town?
- Have you ever worked directly with the contractor? If so, what was your experience in terms of honesty, integrity, job performance, cleanliness?
- Would you hire them to work in your home?

Rule #4: Interview at least three potential contractors

Here are the questions you should cover:

- Are you licensed in this state to do this type of work? If so, please provide evidence of your license number. How long have you and your company been working in this community?
- Are you a member of any trade associations? For how long? Any special awards?
- Describe your experiences with sustainable building and design?
- What interests you about our project?
- How many jobs like mine have you done since you started working?
- What type of eco-building materials have you used so far?
- How will you minimize waste, reduce dust and toxins from the work environment?
- Have you worked with a chemically sensitive client before?
- Do you carry insurance that protects you and me from liability in the event you or your subcontractors injure themselves or my property? If so, will you provide me a copy of that insurance policy so I can give it to my insurance agent as required?
- Provide the name, address, and phone number of at least three projects like mine that you have you completed recently?
- Will this project require a permit? Most states and localities require permits for building projects, even for simple jobs like decks.
- How many other projects will you be working on at the same time as mine?
- How long have you worked with your subcontractors?
- How often will you be on the jobsite to handle issues that might arise?
- Describe any jobs you worked on that went badly and why?
- Will this job be bid or will it be based on time and materials?
- What contingencies will be in place if the project goes over budget/time?
- How much do you require up front? What does the rest of the payment schedule look like?



Rule #5: Visit a current job site

One of the best ways to know how a contractor operates is to visit them at their current place of work. Ask if they would not mind if you stop by for a few moments to see their crew in action. **No big interruption, just a brief visit.** Some will allow this, but it's a telling sign if they won't.

When you visit, check out how the other contractors work.

- Is the jobsite neat and safe?
- Are the workers courteous and careful with the homeowner's property?

How they manage this job probably won't be much different from how they treat yours. If it's shocking, messy or smelly, better ask questions now to avoid the suffering later.

Rule #6: Get bids in writing from three different contractors and expect to pay for them

Tip: Never rely on just one bid. If they know you are desperate, they might take advantage. If they know you have two other bids, they will always be more competitive.

Tip: Make sure everything you want is spelled out in writing. This doesn't always have to be a legal document from your attorney, but it could be if the project is large enough. A simple letter of understanding between parties is one of the best ways to avoid problems in the future. It protects the contractor and the homeowner. To avoid miscommunication, make sure all concerns are addressed. Do not accept vague or verbal proposals. The clearer you are up front and in writing, the better chance you have of getting what you want.

Tip: Ask each bidder to break out the cost of materials, labor, profit margin and other expenses. Generally materials account for 40%, and the rest is labor and overhead. Typical profit margin is 15-20%.

Rule #7: Don't choose the lowest bid

Almost every expert agrees that choosing the lowest bid is a bad idea. The old adage, "you get what you pay for" is still valid. While it may be tempting, a low bid often means that the contractor has left something important out of the bid and you'll probably end up paying for it later. To save money, the contractor may cut corners or may eventually walk off the job and leave you hanging. He may also try to make up the difference with inflated change order charges.

More important than hiring on the basis of price is hiring someone you can trust and feel comfortable with. How well you communicate with your contractor is one of the most important factors in a successful relationship. **All things being equal, it's better to spend more money and get someone you are comfortable with who will do the job correctly and to your satisfaction.**

Payment schedules can sometimes speak to the contractor's financial status or work ethic.

Tip: Never pay with cash. If the contractor wants half the bid up front, they may have financial problems or be worried that you won't pay the rest after you've seen their work.

For large projects, a payment schedule usually starts with 10% at signing, three payments of 25% evenly spaced during the project and a check for 15% when every item on the punch list (list of final

details) has been satisfactorily completed. Some state laws limit the amount of money a contractor can request as a down payment. Contact your local consumer agency to find out, if you are unsure.



Rule #8 Final Contract: This document should include the following

- A list of the names and mobile phone numbers of all subcontractors
- Details of precisely the scope of work to be done
- Detailed list of all materials used and where they are purchased from.
- This step is essential if you want to be sure the materials are acceptable to you. If you rely on the contractor to do your purchasing, do not expect them to buy products that are safe or non-toxic. You also need to clarify if the contractor is marking up products they purchase, or maybe getting a kick-back from the vendor.
- The contractor's commitment to get all the necessary permits
- A sequence of primary construction tasks
- Details of how change orders will be handled
- A warranty with clear and specific language
- How to handle disputes—arbitration/mediation
- Payment schedule
- Proof of liability insurance and worker's compensation insurance
- Expected start date and completion date
- A list of responsibilities: what the contractor will and will not do. Also a list of what you will do and not do. For example, will site cleanup and trash hauling be included in the price? A 'broom clause' requires all contractors to be responsible for all cleanup including spills and stains. How frequently will they cleanup? Mistakes and problems are easily missed or masked by the distraction of a chaotic mess.

Rule #9: Never make that final payment until you're completely satisfied

Although this article is about hiring a contractor, it's just as important to know how to close the deal with your contractor.

In addition to being satisfied with the actual work, you must know whether the subcontractors and suppliers have been paid in full; **if they aren't, laws in your state might allow them to file a mechanics lien against your home to satisfy their unpaid bills, forcing you to either pay up or sell your home to pay them.**

Tip: The only way to protect yourself is to insist on receiving a lien waiver from every subcontractor and supplier BEFORE you make your last payment to your contractor.

Know your rights. Some states or local laws limit the amount by which the final bill can exceed the estimate, unless you approve the increase. Also, should you disagree with the merchandise or services charged to your credit card, you have the right to contact your credit card company and dispute the charge.

Rule #10 Sign-off checklist

Before you sign off and make the final payment, be sure that:

- All work meets the standards specified 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 is clean and clear of excess materials, tools and equipment
- You have inspected and approved the completed work

Rules of the Road:

- Remodeling is like marriage; you have to learn how to compromise and work things out.
- Understand that your contractor in most instances will be marking up labor and materials. If they are not making a profit, they won't be around to fix things in the future.
- Timing is everything--if you are not organized or can't decide, it costs everyone hassle and money
- This is your home and it should be built the way you want it as long as it has been clearly defined from the beginning.
- Be clear with every conversation, and sign a copy of all decisions, including even small agreements.

- Don't ask for extras or freebies.
- Keep relationships professional with your general contractor and subs.
- Remember blame will never fix anything.
- If the workers do a great job, feel free to tip them.
- Be prepared for an emotional roller coaster.
- Make every day an adventure.
- This project can be fun if you've done your homework.

EXTRAS:

How to make your contractor run away:

- Stand around and video everything they do.
- Use your binoculars to study details.
- Tell them that you have a brother-in-law that is a contractor too, and he knows everything about building.
- Let them know how you are friends with several attorneys.
- Keep track of their hours on a bulletin board so everyone can see it.

Contractor Joke:

A contractor dies in a fishing accident on his 40th birthday and finds himself greeted at the Pearly Gates by a brass band. Saint Peter runs over, shakes his hand and says "Congratulations!"

"Congratulations for what?" asks the contractor.

"We are celebrating the fact that you lived to be 160 years old" says Saint Peter

"But that's not true," says the contractor. "I only lived to be forty."

"That's impossible," says Saint Peter, "we added up your time sheets!"

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