

hiring a contractor



Your home is most likely your #1 investment so choosing the right contractor for your remodeling/repair job can mean the difference between a gorgeous renovation and an expensive, endless, stressful nightmare.

You hire a contractor because you want your renovation done on time, with the right materials, and for the right price. But trust the wrong person, and your renovation could get out of hand. So take control of your home and learn how to hire a great contractor.

At Bankers, we've helped out many homeowners and small business owners find a trustworthy contractor and go through the remodeling process with little to no difficulty. Here is some tips and advice we recommend you follow so things work out best for you:

finding the best contractors

1 CONDUCT A THOROUGH SEARCH FOR CONTRACTORS

Find a few contractors to choose from via our recommended ways:

- Talk to friends, family, and neighbors... anyone that's done some renovation in the past.
- Take a trip to the local lumberyard. People there often know who has experience and buys quality materials.
- Use the Internet, as [Angie's List™](#) and the [Better Business Bureau®](#) are helpful resources. Just don't trust everything you read.
- Get a list of licensed contractors from the National Assoc. of the Remodeling Industry.

2 ASSIGNMENT

You may want to consider looking only for contractors who:

- Have at least 7 years of experience.
- Are licensed/bonded in your state.
- Have a good reputation in your area and with the [Better Business Bureau®](#).
- Have liability and workers' compensation insurance.
- Have no court records for liens, lawsuits or complaints.

3 ASK IMPORTANT QUESTIONS

If this is your first time doing renovations, you may not know exactly what to ask or how to protect your interests. And unfortunately, there are dishonest people out there, more than happy to take your money, do shoddy work, and bill you for more. So to weed out the scammers, consider asking important questions like:

- How long have you been doing business in the area?
 - Get a list of subcontractors and references.
- Who are your suppliers?
 - Talk to the people that supply their materials.
- Do you usually take on projects this size?
 - Consider a contractor that's done this before.
- How many other projects do you have going at the same time?
 - Know they're not spreading their resources thin.
- Can you provide a list of other completed projects?
 - Talk to other people who've worked with the contractor or view other properties they've worked on.

after contractors have been listed, we recommend the following steps

4 GET MULTIPLE BIDS

By now you have a smaller list of contractors who are hopefully on the up and up. Speak to each one face-to-face.

Be sure to give each contractor the same project specs, pictures of fixtures, lists of materials, blueprints, and anything that will give them a full picture of the job. Then ask them for a bid and a cost breakdown so you can compare price.

NOTE: Consider tossing out low-ball offers. It's good to save money during renovation, but most of the time, low-ball offers don't mean value; they often mean cutting corners. Remember, this is your home! So focus on quality over price, as long as it's in your budget.

5 BREAK DOWN COSTS AND PAYMENT SCHEDULE

After you've decided on a bid and a contractor, know exactly how you're going to pay them and where your money is going. Ask for a full itemized list of costs for expenses, materials, fixtures, and labor. Then agree to a payment schedule built around specific and measurable project milestones.

As a good rule of thumb, for large projects it is a standard practice to pay 1/3 of the estimated costs as an initial payment. It is always a good idea to pay by check instead of cash because you can retain your cashed check as a receipt.

6 REVIEW AND SIGN A CONTRACT

Before you start the job or put money down, get everything in writing, and make sure the contract is clear and well written. If you are asked to sign an Assignment of Benefits, please refer to the Assignment of Benefits tab on Claims Resources page. This contract includes:

- A detailed description of the work to be completed and the price of each item.
- A payment schedule
 - Ex) "down, 1/3 when work is partially completed, and the balance due upon completion of repairs."
- The estimated start date and completion date on larger projects.
- Any applicable guarantees, which should be written into the contract and clearly state what is guaranteed, who is responsible for the guarantee, and how long the guarantee is valid.
- Signatures from both parties. Never sign a contract containing blank sections.

If you decide to cancel a signed contract, you should follow the contractor's cancellation clause. Check your rights under the Federal Trade Commission's rule and laws for your state. Consider having a lawyer review the proposed contract.

further steps to take after selecting a contractor

7 PROJECT CHECKLIST

- Make sure the contractor pulls all the necessary permits and posts them on your property.
- Do not make the final payment until you receive a "Final Release of Lien and Affidavit" from the contractor, you are certain that all the subcontractors have been paid, and you know the final inspection has been passed.
- If you run into problems, contact a lawyer familiar with contractor law.
- Remember, it is your responsibility to guard your house against unjust lines and foreclosures. The best way of doing this is to maintain written proof that every supplier, subcontractor, and contractor has been paid for providing any materials or services to your property.
- Keep a job file for future use.

8 DELAYS HAPPEN, BE REALISTIC

In spite of the timeline outline in your contract, circumstances such as weather may prevent the work from remaining on schedule. Be realistic and prepare to adjust your plans accordingly.