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How to Hire a Contractor

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This guide has been prepared by Eric Bobrow and Enoch Sears and is for information purposes only. Every property should be inspected by a qualified designer prior to starting the design process.



WHERE TO START

“We shape our buildings; thereafter they shape us.”

- Winston Churchill

Hiring the best general contractor for your residential project is an extremely important decision. That choice will determine the quality of craftsmanship and the timely completion, within budget, of the project. It will also minimize emotional stress and surprise extra costs.

All projects vary in complexity, cost and duration. A simple room addition or remodel may require only interviewing one or two contractors. For an expensive high-end custom home, it would be beneficial to research a larger number of reputable firms specializing in that level of work. Remember it is important to bring in a contractor early in the design process to ensure you won't be building more than you can afford. Depend on your architect for advice during this process.

The following are considerations and questions for interviewing and hiring a reputable professional contractor in your area.



WHERE TO START

1. How to find contractors

Ask for referrals from people you know and trust. Your architect is an obvious source, but so are family, friends, neighbors, lawyer, real estate agent and others who have built projects similar to yours. Local building suppliers, design firms and other trade-related businesses can offer referrals too. Are there recently completed or projects under construction in your area? Ask the owner about their contractor and the working relationship. When you have a good number of referrals, begin your research.

- Start with a company's website. Review their portfolios. (The lack of an online presence says a lot about the contractor too). How long have they been in business? How big is the company? Where are they located in reference to your project?
- What does the local business bureau have to say about the contractor? Local construction groups and organizations are a good resource or you can also visit other consumer rating websites.

2. License and registration, please

Verify that your contractor candidates are licensed and in good standing with your city or country's respective license board. Ask to see the contractor's pocket license, a picture I.D. and certificate of insurance. Not only does proper licensing demonstrate a company's best practices management, but hiring a



WHAT TO ASK

licensed contractor protects you. For example, Workers Compensation insurance may be a contractor's responsibility by law in your city or country and not that of a property owner's. However, that will not hold true if a contractor is not licensed or does not carry proper insurance and instead the liability may fall on you should anything happen with a worker while working on site.

3. Questions for the candidates

After the preliminary online research and license check, narrow your candidate pool to three to five contractors. Set up an interview at their office, which will verify their business location. Consider asking the following questions.

- What does their place of business tell you about their organization and quality of product and service?
- Is it a small one-person company working from home or a larger firm with multiple employees?
- What is their pipeline of jobs? Will they be able to start work on your project in a timely manner?
- Ask how your project will be completed should something happen to the owner of the company.



WHAT TO ASK

4. View recent work

Request to visit three projects that are similar in size and style to yours. Check out something recently completed, one under construction and a third project completed five to 10 years earlier. Speak with the homeowners.

- Does the work carry a warranty and are problems corrected?
- How does the construction site look?
- Does a finished project stand the test of time?

5. Check references and then some

Ask for a referral list. In private, discuss with previous clients their experiences working with the contractor.

- Was it a pleasant working relationship?
- Was it easy to communicate with the contractor?
- Was the contractor fair and honest?
- Was the project completed on schedule and within budget?
- Were there extra costs or surprises?
- How were problems handled?
- How was the quality of craftsmanship and follow-up?



WHAT TO ASK

6. Cementing a relationship

Narrow your list of contractors to two or three. Invite them to your project site to meet with your architect.

- Review your site and preliminary architectural plans.
- Ask about a range of general construction costs. Is it within your budget and quality expectations?
- Where can you save money?
- Does their schedule suit your time frame?
- Can you trust and communicate with this person easily?
- Are your questions answered clearly and satisfactorily?
- How often will the principal contractor be at the job site?
- Who will be the day-to-day job foreman? How long has that person been with the company?
- Ask to meet the foreman. Determine your compatibility.
- Ask for a preliminary, itemized written estimate.

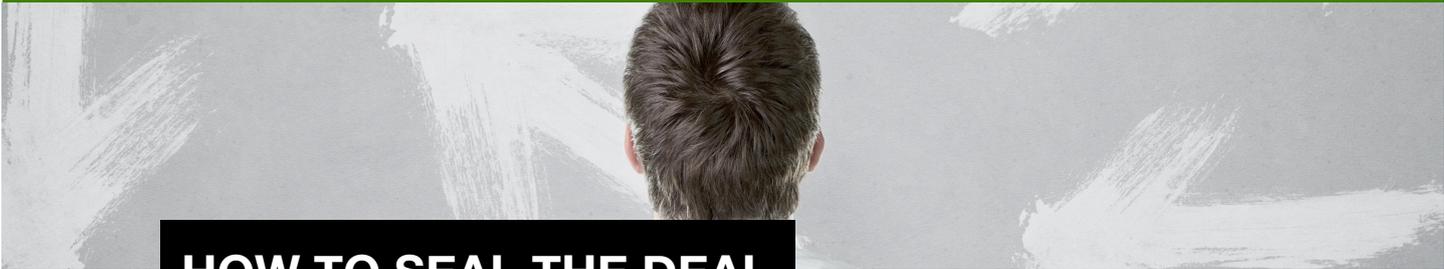


HOW TO ACQUIRE BIDS

7. The bidding process

When your plans have final design approval and the construction documents are ready to be submitted for local government permits, let the shortlisted contractors know that you will be considering detailed bids. Give them a deadline before which they can submit their bids for your consideration.

- Ask your architect to help you review and compare the bids.
- Ask for line item bids for various categories of work for comparison and to avoid possible mistakes.
- Ask for “allowances” for unknown costs such as fixtures and finishes to be chosen later.
- For remodel projects where structural conditions are unknown, have the contractor open up a partial section of a wall or other area to help either party determine beforehand the extent of repair work that will be required to be made.
- Even if you have decided on a contractor, get multiple bids to get the best value.



HOW TO SEAL THE DEAL

8. Contracting for construction

- Decide on the contractor you wish to hire and while your plans are in the permit review process, discuss the different kinds of contracts available and ask for one to review.
- Ask for updates to the construction bid if plans change for any reason.
- Do not sign the contract until your permits are approved and all costs finalized.
- Be aware that there are always unknowns in the construction process that require changing things at additional costs. Examples of these include design changes made by you, building department requirements or unknown site or other existing conditions. This is normal. Expect it. Allow 5 to 8 percent of your total budget for these extras. With good planning, design and management they can be minimized.

There are far more reputable, honest and hard working contractors than there are the slapdash, fly-by-night operations we read about in the news. With proper planning and prior research, you will find the perfect contractor for your project. Invest the time and remember that spending a few extra dollars in the beginning could save you thousands of dollars in the end. Creating a new home is an exciting project. Make it an enjoyable one, too, by hiring the right contractor.