

# Hiring a Contractor Checklist and Tips



As you plan your next home renovation project, choosing the right contractor for the job is a critical first step in your planning process. You want to make sure you vet the quality of their work in advance, spell out in writing what work you want performed and agree upon the scope of the project, and inquire whether the contractor is properly licensed and insured in case something goes wrong. The first step to take when searching for a quality general contractor is asking people you trust for recommendations. You can also do an internet search for reputable contractors in your area. Look for ones with experience in areas related to your project!

**This checklist compiles the top tips to consider when selecting a contractor:**

- 1. Get Multiple Estimates**
- 2. Hire Local, Licensed Contractors Whenever Possible**
- 3. Check Their Past Work and References**
- 4. Questions to Ask a General Contractor**
- 5. Take Your Time Making a Sound Decision – STOP & THINK!**
- 6. Check Their Insurance and Bonding**
- 7. Get Everything in Writing**
- 8. Understand Your Right to Cancel**
- 9. Don't Pay Up-Front**
- 10. Anticipate Delays**
- 11. Keep a Job File**
- 12. Consider their availability**

## **1. Get Multiple Estimates**

Talk to several contractors and get written estimates from at least three. Make sure you're comparing apples to apples when you get multiple estimates. Look at building materials, work methods, timelines and other factors that may vary by contractor. Be cautious of estimates that are too high or too low. Don't ever accept a bid over the phone. Make sure you have met the contractor in-person and walked them through the home. Conducting a walk-through with the contractor and explaining the project in detail is the best way to ensure you receive an accurate cost estimate.

## **2. Hire Local, Licensed Contractors Whenever Possible**

Local contractors are easier to contact if problems develop with the work in the future, and they are more likely to be familiar with building codes in your area. Ask the contractor for their local, physical address. Be suspicious of anyone who goes door-to-door or refuses to leave a contract overnight. Be sure your contractor has the necessary documents and skills to get the job done! Take note of the following:

- Relevant experience
- Required permits
- Good reviews
- Personal liability insurance
- Worker's compensation
- Property damage coverage

### 3. Check Their Past Work and References

How has their work turned out in the past? Do they specialize in the kind of work you want done? Check references about the quality of their products, their workmanship and their customer service. Inquire about their professional reputation and years in business with the Better Business Bureau. A contractor with more than five years of experience is preferable.



### 4. Questions to Ask a General Contractor

Hiring a contractor to work on your house is a decision that shouldn't be taken lightly. The goal is to hire a quality worker who can complete your project efficiently while ensuring the outcome is functional and looks great. Getting the job done right the first time will save money on future repairs or adjustments.

- How long has your company been in business?
- Do you have the necessary permits or licenses?
- Do you have references?
- What is the cost estimate?
- What is the timeline for this project?



### 5. Take Your Time Making a Sound Decision

Get multiple bids before making a decision. Don't be pressured into making an immediate decision, particularly with regard to signing a contract. Be cautious when asked to pay a large deposit up front. Make sure to read the fine print on all estimates and contracts. If you're having emergency repairs done and don't have time to thoroughly research a contractor, ask neighbors, family or friends to see if they have had a good experience with an emergency services contractor.

### 6. Check Their Insurance and Bonding

Make sure the contractor is properly insured and bonded. Ask the contractor for a certificate of insurance (COI), which should provide the name of the insurance company, policy number and policy limits the contractor carries. You can contact the insurance company directly to verify the coverage and make sure the policy is still in effect. Do not do business with a contractor who does not carry the appropriate insurance coverage. If the contractor is not insured, you may be liable for accidents.

### 7. Get Everything in Writing

Secure a comprehensive contract before work begins. Get everything in writing, and make sure the contract is clear and well written. Consider having a lawyer review the proposed contract for your protection before you sign it if the project involves substantial costs. The contract should include:

- A detailed description of the work to be completed and the price of each item.
- A payment schedule – for example: one-half down and one-third 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. You should never sign a contract containing blank sections.



Changes to the contract should be acknowledged by all parties in writing. Ask the contractor for confirmation that he or she has obtained all applicable building permits. If you decide to cancel a signed contract, you should follow the contract's cancellation clause. Written notification of the cancellation should be sent by registered mail to ensure you have proof of the cancellation.

### **8. Understand Your Right to Cancel**

Federal law may require a "cooling off" period, in which you can cancel the contract without penalty. Check with the Federal Trade Commission and the laws of your state to understand your rights. Be sure to follow applicable rules during the cooling off period. If you do cancel, consider sending the notice of cancellation by registered mail to ensure you have proof of the cancellation.



### **9. Don't Pay Up-Front**

Don't pay for the entire project before it is completed. Make sure you make checks payable to a company, not an individual, and do not pay in cash. For larger projects, it is standard practice to pay one-third of the estimated costs as an initial payment. That way, you can retain your cashed check as a receipt.

### **10. Anticipate Delays**

Delays happen, and may not be the fault of your contractor. In spite of the timeline outlined in your contract, circumstances such as weather may prevent the work from remaining on schedule. Be realistic and prepare to adjust your plans accordingly.

### **11. Keep a Job File**

Keep your contract and all the supporting documents in one folder. Your file should also contain any change orders, plans and specifications, bills and invoices, canceled checks, and certificates of insurance and any letters, notes, or correspondence with the contractor.

### **12. Consider their availability**

How available is the contractor? If the contractor is in high demand, then you'll likely have to pay more for their services. In addition, you may have to wait for the contractor to complete other projects before they can take on your home renovation. A contractor who is extremely busy may even try to price themselves out of your project with an exceptionally high bid. Keep in mind, though, that a contractor who is in high demand is also one who is clearly good at their job (and may be worth the wait!). However, if you need someone who can start work on your project asap, then you'll need to find a contractor with more availability.



Information taken from the following sources...

<https://www.travelers.com/resources/home/renovation/checklist-for-hiring-the-right-contractor>

<https://www.forbes.com/home-improvement/contractor/how-to-hire-a-general-contractor/>