

# Hiring a Home Improvement Contractor or Builder

## Tip # 1. Consider hiring a designer for larger projects.

For larger projects, such as a room addition or even a significant landscaping project, seriously consider hiring an architect or designer first. The architect or designer will help detail exactly what you want, and he can draw a set of plans and material specifications for your project. Most designers will also provide oversight and additional assistance during your project.

## Tip # 2. Ask for a list of references.

Ask your contractor for client references. This is your best way to judge a contractor's experience and professionalism. Don't simply read the references a contractor gives you. Take time to contact several previous clients. You should also visit one of the contractor's references-either with the contractor, or with your designer.

References are not all the same. There are four types of references you should examine:

1. Clients within the past 12 months, or a current job in progress.
2. Clients within the past three years.
3. Clients beyond three years.
4. Also check with the county to find if a contractor has been named in any law suits.

By contacting all these references you'll learn not only about the quality of the contractor's current work, but how well his work and warranty holds up. Additionally, you'll get a feel for the contractor's long-term standing with his clients.

## Tip # 3. Call the references, here's what to ask.

List of questions to ask references:

- How was the quality of the workmanship?
- How well did the contractor stay on budget according to the original estimate?
- Did the contractor use a change order form for any changes?
- How timely was the contractor during the course of the job?
- Were you happy with his/her attitude when problems would arise?

- How were the subcontractors and workers that were on the job?
- Did they keep the job site clean and safe?
- Was the contractor himself on the job to supervise?
- Would you ever use this contractor again?
- Would you refer them to a friend?
- Was this contractor referred to you or did you locate him in the yellow pages.

### Tip # 4. Communication is key!

When you interview a potential contractor, you should feel comfortable speaking with him. After all, he will be working on your biggest investment! Explain the goals you have for your project. Can the contractor give you real solutions? Communication is the key to a productive client/contractor relationship. By clearly communicating your creative ideas, asking the right types of questions, and listening to your contractor's solutions, you'll know if he is right for your project.

### Tip # 5. Don't hire based on lowest price alone.

The basis of a contractor's price is important. Do not simply hire a contractor with the lowest estimate. Examine and breakdown each estimate. Is the price of materials low compared to other estimates? The materials could be inferior. If the contractor's price is considerably lower than other estimates his standard of workmanship may not be up to par, with more qualified contractors. Or the contractor may have made a mistake on the price. Weigh all factors-price quote, references, and professionalism before making a decision.

### Tip # 6. What are the contractor's quality standards?

Be sure to hire a contractor who references Quality Standards and specifications his contract.

### Tip # 7. How long has the contractor been in business?

We recommend you hire a contractor with five or more years of experience. Research has shown that contractor's with five or more years of experience are likely to have a solid business foundation, and are therefore more likely to be reliable.

## Tip # 8. Verify insurance.

It is extremely important that a contractor be properly insured to protect you from potential legal problems. A contractor should have the following types of coverage:

Workman's Compensation Insurance - protects you in case a worker is injured on your property.  
General Liability Insurance - covers you in case a contractor damages your property. Automobile Insurance - protects you in case a contractor's vehicle damages another vehicle on your property.

Important! The form in which you receive a contractor's certificate of insurance is very important. To ensure that a certificate of insurance is valid, the certificate should be mailed directly from the insurance agency to you. The certificate should name you and your property as co-insured. It is not adequate to accept a photocopied certificate of insurance from a contractor because you have no assurance that the certificate is authentic.

## Tip # 9. Check the contractor's level of education.

You should hire a contractor who places emphasis on continuing their education. Contractors who attend industry seminars, trade shows, and take classes, and remain abreast of the latest techniques and solutions for improving your home as well as successfully managing their business.

## Tip # 10. Look for a professional designation.

Several industries, such as the remodeling and kitchen and bath industries, offer contractors the opportunity to earn professional designations. For example, remodelers may become Certified Remodelers (CR) or Certified Graduate Remodelers (CGR). To earn a professional designation, a contractor must take classes and pass a core competency test. Contractors who pass those tests often provide you with a higher level of professionalism. Not all industries offer professional designations.

## Tip # 11. Look for a contractor who is a member of an applicable trade association.

Look for a contractor who is a member of an applicable trade association. Membership in a trade association is strong evidence that a contractor has taken the initiative to stay current with industry standards and business practices. This is particularly important for states that don't require licensing.

## Tip # 12. Check to see if the contractor has a license, and if so, that it is valid.

A license is required in the state of Virginia, be sure your contractor's license is valid and current (check with state licensing board). Virginia has 3 levels of licensing. Level **A**, Level, **B** and Level **C**. A contractor carrying the **A** designation can perform any construction project without limit to the contract amount. Also the **A** designation requires the contractor to pass an extensive test as well as being financially sound. A contractor's license is not the same as a business license. Anybody can go down to the court house and pay a small fee and get a business license. The state of Virginia Contractors Licensing Board issues wallet size license cards with the company's designation and valid to date listed on them. Ask to see this.

## Tip # 13. A dispute resolution system should be written into your contract.

You should hire a contractor who clearly explains in your contract how disputes will be resolved. A dispute resolution clause should call for mediation or arbitration if a dispute arises between you and your contractor. Mediation and arbitration are quick and inexpensive resolutions to a dispute, particularly when compared to resolving disputes through the legal system.

## Tip # 14. Be sure your contract contains these elements.

Here are several important components that should be included in your contract.

1. Your contract should contain the starting and projected ending dates of construction.
2. If there is a payment schedule it should be included in the contract. A payment schedule will detail when payment is due to a contractor and how much money you will pay him. Often, you will pay specified amounts at certain milestones in your contract. To avoid miscommunication and confusion, payments should be made at clearly defined intervals. Often, a contractor will request a deposit when you sign a contract. Any advance deposit should be roughly equivalent with the risk involved for the contractor. For example, if your contractor needs to special order materials before construction begins, you may be asked to cover some of the special order costs in the deposit. Some states only allow a certain percentage of the entire project's cost for an advance deposit. Check with your local building department for more information.
3. If a contractor offers a written warranty, it should be referenced in the contract. The warranty should cover materials and workmanship. The names and addresses of the parties honoring the warranties (contractor, distributor, or manufacturer) should be identified. The length of the warranty period and any limitations should also be clearly stated.

4. If a dispute between you and your contractor arises, your contract should specify how the dispute will be resolved. The manner in which the dispute clause is referenced in your contract is important. State laws vary so check with your local building department.
5. Your contract should include a specific type of official notice and communication between you and the contractor. We recommend written notice for your protection.
6. Your contract should include the Federal Trade Commission's three day right of rescission. The FTC's right of rescission clause allows you to void your contract within three business days of its signing.
7. The contract should state that the contractor must agree to purchase all applicable permits.
8. The contract should reference the contractor's insurance.
9. Your contract should include specific details explaining the duties of the homeowner and the duties of the contractor. For example, the contract should specify who is responsible for clean-up during and after the job. Detailing each party's specific duties in the contract will help you avoid confusion and delays once your project has begun.
10. The scope of work and specifications for your project should be included in your contract. Scope of work details exactly what the contractor will do during the project. There should be no generalities in this section; only specific details explaining exactly what work the contractor will perform. Specifications for your project should include an exact list of materials to be used, with brand names of materials (where applicable) and exact measurements for your project.

Thank you for taking the time to read this article. I hope that it was helpful in your quest to hire the perfect contractor. Of course we at Craftsman Construction would like to think that we fit that bill. With many satisfied customers and a high standard of workmanship and over 25 years experience in the construction trades we feel it would be hard to find a better company for your project.

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