



Tips on Hiring a Contractor or Remodeler

Compliments of Arnold Lumber Company
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BUILDING TRUST SINCE 1911

Tips on Hiring a Contractor or Remodeler

Develop a list of names of potential builders

A good source of names include the following:

- Family, friends, and neighbors who have had work done.
- Local lumber yards (contractor oriented yards) *or* (see our attached Contractor Referral Form).
- Builder's Associations. (i.e. the RI Builders Association, phone: (401) 438-7400 or online at: www.ribuilders.org) *or* the local Contractors Registration or Licensing Board. In RI, call (401) 222-1270 or online at: www.crb.state.ri.us.
- Real Estate Professionals, Architects, and Drafts People.

Interview potential builders

Once you have a list of 3 names or so you should call them, identify yourself and how you got their name. Try to develop a general feeling about the builder over the phone.

- What was your initial feeling, was he polite, did he return your call promptly?
- Did he seem like someone you would like to sit down with further to discuss your plans?

Setting up meetings and important questions to ask

If you are happy with the initial contact set up a meeting with the builder. If he has an office, you should try to meet there. An office is a great opportunity for a builder to show you more about the projects he has done. You may also get the feeling that he runs his business professionally. If he does not have an office, this should not necessarily disqualify him. Some very good builders do work out of their homes.

During the initial meeting some of the questions you should ask include the following:

- How many years have you been in business?
- What is your license/registration number?
- What insurance do you carry? Can you provide a certificate of insurance?
- Can you tell me about recent projects you have completed that are similar to ours?
- How many are currently in progress?
- Do you have any special certifications, education, awards, or recognitions you can share with us?
- Do you belong to any professional organizations such as the RI Builders Association? (Generally a good sign that they are serious about their business).

- Can you provide me with a list of references? Note: You should be most interested in the last 3-5 jobs they have worked on. Get names and telephone numbers. If they have trouble getting these names to you it could be a warning sign.
- What is your warranty policy? How do you follow up on problems once the job is completed? Also think about the builders' personality. Do you feel like you can work with this builder for an extended period of time? Can you communicate well with him?

Research the builder

Check the contractor's Registration or License by calling the Contractor's Registration Board that is responsible for Registrations or Licensing. In RI, call the Contractors Registration Board at (401) 222-1270 or online at: www.crb.state.ri.us.

Call the customers from the list he provided to you, particularly the most recent customers. Ask if you could stop by and discuss the contractors work. Most people, who just recently had their home built, will be more than happy to share their experience with you. They are also usually proud to show off their new home as well, so it is not really an intrusion. And if they had problems they will be more than upfront sharing those experiences with you.

Questions to ask previous customers

- Did the contractor show up when scheduled and on time?
- Did they work in a relatively neat and safe manner?
- Did the contractor return your calls promptly?
- Did the contractor follow through on things he said he would do?
- Did the contractor meet the financial budget?
- Did the contractor handle change orders in a responsible manner?
- Did the project come in on time? If not, were there justifiable reasons for the delays (i.e. weather).
- Did they like working with the contractor... Did he listen to their questions and concerns?
- Would you hire the contractor again or likewise refer him to a friend?
- Politely ask if you can look around a little to see the workmanship firsthand.

One word of caution: It is hard to find a contractor who someone was 100% completely satisfied with. The construction industry is imperfect and there are always some delays or minor problems. Listen to the complaint and give relative weight to the nature of the complaint.

References can be even more relevant if you are doing a remodeling project

Consider that when Remodeling:

- Your house will be torn apart during the project.
- You will want someone who can minimize delays.
- Price should be even lower on the priority list in a remodeling project.
- Consider strongly the character of the people working in your house while you and your family are there.
- Reputation is very important.
- Being clean and neat helps minimize the overall inconvenience.

- Check the builder's reputation with the local lumberyard. Make sure the lumberyard is one of the primary suppliers for that builder (The lumberyard should have a pretty good feel about this).

Based on all your homework and interviewing, do you get the feeling that the builder appears to be well established?

Deciding who will bid the job

Once you have checked into the builder more thoroughly you should decide whom you would like to have bid on the job.

Bidding should be limited to 2 to 3 builders. If you have too many bids some of the better builders may walk away from quoting the job. (Their theory is that too many bidders means the homeowner is only interested in the lowest price... not necessarily the value or skill that an experienced professional builder could bring to the project).

Now it's time to ask the 2 or 3 builders to prepare a proposal for your job.

The important aspect here is to be sure that they are all quoting the same way. This should be based on a very well developed set of plans and specifications. If you are not sure about all the products yet, ask the builder to be specific on which products he is quoting (i.e. type of lumber, brand name of fixtures etc.).

Discuss allowance amounts for areas like kitchens and baths, electrical and plumbing fixtures etc. Most importantly, keep notes during this meeting about what you have asked him to quote so you can relay the same information to the second and third bidders.

When you get the bids back you will have to compare them. Look at the details and try to analyze the difference. Ensure that you are comparing apples to apples. If you don't feel comfortable with this task ask for help from others you would feel confident with.

Beware of the very low bidder. This should send up warning signs. A very low bidder may be someone who is desperate for a job just to generate cash flow, especially if they are looking for a sizable deposit upfront. He may need your deposit to help pay off a previous bill somewhere else. This is like musical chairs. You just hope that you're not the last one standing or you can expect liens from unpaid suppliers and subs. A very low bidder should also send up the warning flag that his quote is probably not apples to apples with other quotes.

The Contract

- It should always be in writing and filled out completely prior to being signed.
- Both parties should always sign it and it should be initialed by both parties where any hand written changes are made.
- Pay attention to the payment details including total price, payment terms and any penalties.
- Don't be pressured into signing any document until you are completely satisfied with the document.
- Make sure the contract and specifications are very specific.
- Make sure the builder's warranty policy is written in the contract.
- Start and completion dates should be specified.
- Specify that all change orders must be in writing, priced and signed by both parties.
- Understand how allowances work. If you spend more than the allowance you owe, if you spend less, the builder owes you.
- Make sure the contract specifies who will be responsible for job site cleanup/disposal.
- Before you sign the contract make sure you have copies of the builder's license and insurance policies (Workmen's Comp, Property Damage, Personal Liability etc.).