

How to hire a contractor

You're skilled with your hands, but have no time. Or you're toolbox-challenged. For whatever reason when it comes to remodeling, you - like most homeowners - will hire a contractor to do a major project rather than hammer it out yourself.

Just as remodeling your kitchen calls for a comprehensive plan, so does hiring a quality remodeling contractor. It's not as simple as grabbing the phone book and calling the first "pro" listed.

You need to do your homework to protect your home and your finances.

Plan out the project

Everyone starts with a "visual" of the completed remodeling project. Put yours down on paper. The more details you include, the better.

This will help you explain to prospective contractors exactly what you want. The contractors can provide a realistic bid based on the same building specifications, materials, labor and time needed to remodel your kitchen, unfinished basement or addition. You'll be able to compare costs before committing your pocketbook.

Who are you going to call?

The phone book isn't necessarily your best first option. Start with a trade association where membership is not based on dues paid, but adherence to a strict code of ethics and peer review.

Membership in a professional organization shows professionalism and the intent to maintain quality in the remodeling, says Lisa Gunggoll, director of marketing and communication for the [National Association of the Remodeling Industry](#), the only trade association solely representing the remodeling industry. To find out if a contractor is a member or to find a list of contractors who are, contact NARI at (800) 611-6274.

Turn to family, friends, and neighbors for contractor referrals. They'll honestly tell you whether a certain contractor provides quality and timely work.

Pay attention to job-site signs in your neighborhood. You'll be able to observe a contractor first hand. "If the guys show up looking like pigs, they're probably doing sloppy work," says Tom Newton, manager of communications for CertainTeed Corporation, a leading manufacturer of residential building products. Talk to the homeowner about whether they're satisfied with the workmanship.

Local newspapers feature jobs under way, as well as the special qualifications of local contractors. You can also refer to the phone book, mail solicitations and advertisements.

Pare down your list

Solicit bids from at least three contractors. Cost is important, but so are reliability and quality. "Home improvement is among the top consumer complaints," says Lisa Gunggoll. You need to educate yourself to find the best contractor for your remodel job.

Good measuring tools include the [Better Business Bureau](#) and the local building inspection department. The BBB will be able to tell you how long a company has been in business and whether any complaints have been filed against the contractor. Plus, local building inspectors can tell you what they think of a contractor's work.

Contact the city, county, or state housing authority to find out what licensing and bonding criteria contractors must meet. Scratch any contractor off your list who doesn't meet the requirements.

Armed to interview

Now it's time to ask more specific questions. "Ask questions and follow up. Call references, verify insurance, talk to suppliers," insists Gonggoll. "Professional contractors will expect your questions and already have the answers at their fingertips. Red flags should go up if they can't." Their responses will help you gauge their work and business ethics.

Here are key points to clarify when interviewing a potential contractor:

Full name, address of the company

You want to deal with a reliable company that you can contact readily both during the project and after the work is complete. "You want to work with a credible company, not a sloppy outfit handled from someone's garage," Newton says. Also, it will tell you how close their base is to your home, as you may pay more for services to offset the costs of a longer drive.

Length of time in business

Find out how many years a contractor has worked in the remodeling business as well as how long he's worked under his business name. A contractor just starting doesn't necessarily equate with poor quality. But you'll want to carefully check a contractor's referrals if he's been in operation less than three years. Also scrutinize contractors closely who've worked under a lot of different names -- they may have blotchy work habits.

Liability insurance and workers' compensation insurance

Only hire a contractor who is insured against workers' compensations, property damage and personal liability in case of an accident on your property. This protects you!

Be a stickler -- ask for proof of coverage, then call the insurance carrier to verify that the coverage is up-to-date.

Referrals

Go directly to the source. Ask the contractor if you can visit a current job site or look at a portfolio of completed work. Better yet, request a list of names and phone numbers of recent customers and call them.

"Ask about the quality, whether the job was completed on time, if they maintained a punctual work schedule, were easy to contact and resolved complaints satisfactorily," Gonggoll says.

Discuss bids

Go into detail with each contractor. You want to thoroughly understand the price factors of each bid offered to you, especially if they differ significantly from the other contractors. Higher-priced materials may mean better quality, and higher labor costs may mean thorough craftsmanship. Hire a contractor based on skill, reliability, understanding of your remodeling job and cost -- not just the lowest price.

Who will do the work

Ask whether the contractor will do the work, his employees or subcontractors. Check whether the subcontractors working on your project are licensed, bonded and insured properly.

Contact his subcontractors and suppliers to verify that he has a good credit history. He needs to pay his bills on time and in full, Gonggoll says. You don't want to be liable for unpaid work done on your home when you've already paid the contractor in full.

Work schedule

Ask them when they'll start the project and how long they'll need to complete it. But don't forget the day-to-day work schedule: When will they arrive in the morning? When will they quit each day? What days of the week will they work? Do they work on holidays? Will the room being remodeled be in service or out of service?

"Don't take these details for granted. Just ask and make sure their schedule matches your needs," says Gonggoll.

Take the time to ask each contractor if they have any special training, offer any warranties on their workmanship, and how they handle customer complaints.

Once you're ready to hire, it's time to set up a payment schedule and write the contract.

Set up a payment schedule

The payment schedule -- when the contractor is paid for the work -- depends on the project. Most likely, a contractor who takes one day to install central air conditioning or two days to install ceramic tiles will bill you for payment in full when the job is complete.

Never pay a contractor in full before the work is completed, warns the Better Business Bureau.

A primary contractor who expects to take a month to build an addition onto your house will set up a payment schedule. This schedule may be weekly payments, monthly payments or payments at the end of specified phases. You might consider negotiating a provision for placing your scheduled payments into an escrow account until the work is completed.

Double check your contract to make sure it includes the payment schedule that you understood and agreed on.

Safeguard your home in writing -- get a contract

The written contract is essential for your protection, as well as the contractor's. Read the contract from the nuts and bolts on up. Ask questions about any clause that is unclear. Know what information needs to be written into your contract.

First, verify the basics: the contractor's full name, business address, phone number, professional license number and the starting and completion dates, says Lisa Gonggoll.

Carefully read the description of the remodeling job. It should thoroughly detail all the materials to be used, right down to quality, quantity, weight, color, size and brand name. You want it to include everything the contractor will and will not do -- the inclusions and the exclusions, continues Gonggoll.

The debris needs to be removed when the job is complete -- preferably not by you. Your contract should specify how this will be done.

Check for the total cost of the remodeling project, including a breakdown of labor and material charges. It should include the agreed-upon payment schedule. The Better Business Bureau recommends that you request a release-of-lien clause to protect you from liens against your home if the primary contractor fails to pay subcontractors and suppliers.

Any product warranties and workmanship guarantees need to be clearly spelled out. Most reputable contractors offer either a full or limited warranty on materials and workmanship for one year, says Gonggoll. "Take the time to understand the terms and conditions and length of the warranty. Be sure that you agree to the terms written in the contract. You don't have to feel pressured to accept the terms if you're not comfortable. There are a lot of contractors willing to meet your needs."

Understand your cancellation rights. Federal law requires contractors to give you written notice of your right to cancel the contract within three business days if you signed it in your home and in the presence of the contractor. Ask whether there is a cancellation policy, when it would kick in, and for how much. If you decide to cancel, it's a good idea to send the cancellation form by certified mail.

Finally, never sign an incomplete contract, Gonggoll says. And, keep a copy of the signed and dated contract on file.