



## Contractor Do's

1. Always contact multiple contractors and obtain more than one estimate.
2. Work only with licensed contractors.
3. Always get the contractor's full name, physical address (not a PO Box), business phone, cell phone number, contractor's license number, truck license plate state and number. If they won't give you this – DON'T USE THEM!
4. Verify the business phone and address, and check on the Internet, the Better Business Bureau, and with your state consumer agency or attorney general's office to see if previous customers have reported complaints.
5. Verify the license expiration date is current
6. Make sure the contractor has enough insurance and liability coverage. If you use a contractor without it, make sure to get liability waivers and lien waivers to protect yourself. You should always contact your insurance agent for information and advice.
7. Make sure the contractor is bonded and has liability, worker's compensation and property damage insurance.



## Contractor Do Not's

1. Do not use a contractor who is going door to door.
2. Do not allow a contractor to inspect your property when you are not home.
3. Does not list a number in the phone book.
4. Asks you to get any required building permits.
5. Only accepts cash.
6. Says your job will be a demonstration.
7. Offers exceptionally long guarantees.
8. Asks you to pay for the entire job up front.
9. Tries to scare you into signing for repairs claiming they are urgent.
10. Demands a lien on your property.
11. Do not use a contractor who can start the job "tomorrow." Consider that a good contractor is most likely a busy person and will often need to schedule your project along with his others. A bad contractor "can start the job tomorrow" because he may not have any other work.



## Your Contractor Checklist

Make sure the contract you sign has all this information included.

1. Contractor's full name
2. Business address: (this is a physical address not a PO Box)
3. Business phone
4. Cell phone
5. Contractor's license number
6. Truck license plate state and number.
7. Are you a "residential" contractor?
8. How many years of experience do you have?
9. Will you be billing my insurance company or me? (Make sure your insurance agent is aware of this before you file a claim.)
10. What kind of materials will you be using for this project?
11. Can I see a breakdown list of costs? (i.e. labor, insurance, materials, overhead).
12. Will the estimate detail the plans and specifications? (This will allow you to compare several estimates based on identical project specifications.)
13. Do you have experience dealing with insurance adjusters and companies?
14. How long before you will be able to begin work?
15. How long will the project take?
16. Is your company bonded?
17. Is your company state licensed? (Check with your state licensing agency, local building inspectors or consumer protection officials to find out about licensing requirements in your area.)
18. Do you carry the following types of insurance: Personal liability, Worker's compensation, Property damage?
19. Can you provide a Certificate of Liability Insurance? (Then verify it with the insurance company.)
20. Will you arrange for any subcontractors for cleaning or repairing, and guarantee in writing that they are licensed, insured and experienced?
21. What is your warranty? (Remember the warranty is only good as long as the contractor is in business.)
22. What procedures for corrective action will be in the contract if I am not happy with any portion of the project?





## Your Contract Check List

Things you should check before you sign the contract.

1. Is the written contract, typed, not hand written and signed?
2. Does the contract include:
  1. Contractor's full name
  2. Business address: (this is a physical address not a PO Box)
  3. Business phone
  4. Cell phone
  5. Contractor's license number
3. Does your contract include a guarantee or warranty on materials and workmanship?
4. Is there a procedure and clause for change orders including how and why the project is being changed and the attendant costs for the changes?
5. Is there a clause that states that if you and the contractor cannot agree on anything regarding the project, that you both agree to abide by the decision of a third party "code certified" inspector?
6. Is there a start and completion date?
7. Is there a penalty clause included if the completion date is not met?
8. Is there an exit clause in case you need to terminate the contract or the project?
9. Does it include total costs including a breakdown of labor and supplies?
10. Is there a payment plan based on various stages of completion?
11. Does the contract include clean-up responsibilities?
12. Is there a right to cancel within 3 business days clause included?
13. Are there any blank spaces on the contract that could be filled in later? There shouldn't be!

Read and understand every word of a contract before signing it. If you don't understand something, ask for clarification. Avoid signing a contract that has not been completed fully or that you don't completely understand.



## Requests for Payment

1. NEVER EVER PAY CASH! Pay your contractor by check or credit card so you have documentation and recourse should you need it.
2. Never pay for the job upfront or you may never see this “contractor” again. No reputable contractor will ask for most—or all—of his payment immediately. Most legitimate contractors only bill AFTER the job is done to your satisfaction.
3. Never prepay more than \$1,000 or 10% of the job total, whichever is less. That’s the legal maximum in some states, and enough to establish that you’re a serious customer so the contractor can work you into his schedule—the only valid purpose of an advance payment. As to the materials and backhoe rentals, if he’s a professional in good standing, his suppliers will provide them on credit.
4. Never fork over a large down payment for materials.
5. Define and set up payment terms in conjunction with completed stages of the job. If a contractor makes a mistake or says he needs more money from you, DON’T give it to him. It’s his responsibility to fix his error. Make sure your contract references this issue.
6. Never pay a contractor the balance of the job, or sign a completion certificate, until all work has been finished.

