

SIX SECRETS TO CHOOSING THE RIGHT CONTRACTOR!

A Special Report For Home Owners, Business Owners, Entrepreneurs, or Anyone Who Is Considering a Major Construction Project For Their Home or Business

For many people, building a new home or renovating an existing home is the most significant purchase they will ever make. Large home projects can seem overwhelming at times. This report provides you with guidance in your decision-making process.

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Secret #1: How To Choose The Right Contractor, 10 Questions To Ask A Contractor Before You Consider Doing Business

There are 10 questions you should ask a contractor before you consider doing business with them. Here they are:

1. Is the Contractor licensed? Make sure your contractor is properly licensed. If the contractor is not licensed it's best to take a pass right now. If he is licensed, ask him to provide you with a copy of his license to ensure it's up to date.

2. Does the Contractor carry general liability insurance? Make sure your contractor carries general liability insurance. This type of insurance protects your property in case of damage caused by the contractor and/or their employees. The insurance company will pay for the cost of replacing and/or repairing any damage that might occur.

3. Does the Contractor carry workman's compensation insurance? Make sure your contractor carries workman's compensation. Workman's compensation insurance protects you from liability if a worker is injured while on your property. Be aware that if the contractor doesn't carry workman's compensation coverage, you may be liable for any injuries suffered by any of the contractor's employees on your property. If the

contractor does carry workman's comp, ask him to show you a copy of his policy.

4. Will the Contractor provide you with written lien waivers? Your contractor should provide you with written lien waivers. Sub-contractors and suppliers have the right in most jurisdictions to file mechanics' liens against your property if they are not paid by the contractor. Even though you may have paid the contractor for those materials or work, if he doesn't meet his obligations the supplier can look to you. After you pay the contractor, make sure and get copies of lien waivers to protect yourself from these suits.

5. Will the Contractor pull all the required building permits? Make sure your contractor pulls all required permits. This is very important. When a contractor pulls the required building permits, you know things will be done properly and "to code".

Also, many homeowners insurance policies require you to pull permits on any major remodeling to keep your home properly covered. Not all contractors will do this. Many prefer not to pull permits because of the time involved and the "hassle" with the inspectors. Some contractors may ask you to get the permits. A reputable contractor will permit every job where a permit is required.

6. Does the Contractor guarantee their work? Your contractor should guarantee his work. Every job should be backed with a workmanship warranty. Many contractors will not guarantee their work. Some may provide you with a one year workmanship warranty. Most faulty workmanship will be easily detected within

one year time period. If your builder won't guarantee it, don't buy it.

7. What is the Contractor's after service support?

A construction project does not end with the crew leaving the site after the last nail has been hammered. Ask the Contractor about their "walk through" process and whether they have check lists that will be reviewed with you before you sign off. How do they deal with the small items and what is the timeframe for resolving all identified items.

8. Who will be in charge of the job? Ask who will be on the job every day? A foreman or superintendent, the business owner? This is especially significant on a large project where several workers and/or sub-contractors will be necessary to complete the project. If you will be gone during the day and will leave your home unlocked for the work to be completed, you do not want to be worried about what is going on when you are not there.

9. Will the Contractor provide you with written references? A good contractor should gladly provide you with references. You should look for a well established contractor who can give you several customer references - usually previous customers from the last 6 months to a year. Make sure and receive 2 references from the contractor's accountant or banker. You want to ensure that the contractor is financially sound and won't be declaring bankruptcy in the middle of your project.

10. Ask the Contractor about how they handle their "dirty work." Dust and dirt. It can get everywhere! --- Especially if any sanding is being done. --- Make sure the contractor will cover your flowers or shrubbery furniture with tarps. If possible have him seal off the construction site with a plastic drop cloth. Make sure it's understood you want the debris cleaned up at the end of each day.

Today the disposal of debris is more difficult and costly. Discuss the possibility of recycling or reusing building materials. This is definitely more responsible and can sometimes save you money.

Secret #2: The 2 Biggest Mistakes In Choosing Your Contractor

The number one mistake most home owners make, costing them a fortune, is that they will ask for references, but never use them. Call all the

references! You can never learn too much about the person you are considering accepting.

Take the few minutes to talk to these people. It will be well worth it! Ask if the job was done on time and at the agreed upon price. Ask if the contractor was easy to reach and deal with.

The second biggest mistake people make is that they don't go and investigate the projects the contractor is currently working on. You can learn a lot simply by going out and taking a look. Are the work sites clean and neat? Are tools and materials strewn about like a hurricane had just blown through? Is everything dusty and dirty or is it covered, tarped and sealed off? Chances are if he keeps his work sites clean and neat, especially at the end of the day when it's time to go home, you've got a conscientious contractor.

Secret #3: Avoid Common Misconceptions In Choosing A Contractor

Misconception #1: If the Business Reporting agencies don't have any complaints against the contractor, he must be qualified.

NO, NO, NO! In fact, the truth is the reporting agencies often do a lousy job of reporting offending companies ... especially if they are dues paying "members."

Many people believe that these reporting agencies are non-profit organization or even a government agency. In fact, they are really franchised for-profit businesses that often fail to give unsatisfactory ratings to member companies plagued by a history of serious complaints.

They are in the business of selling "memberships" not "rattling out" dues paying members. Just because a contractor doesn't have any complaints with them, you are not assured you're working with someone who is a reputable professional.

Misconception #2: Going with the lowest price saves you money.

No, not necessarily! Everyone Tends To Look For The Lowest Price! On a low estimate, you must ask yourself what is being left out or what short-cut is being taken.

One of the most common signs of trouble ahead is someone offering to do work for much less money than others. A homeowner can learned his lesson the hard way when he agrees to a proposal that is significantly cheaper than the other estimates received. In many instances, the contractors do not finish the project, and

the home owner has to get someone else to finish it. As well, contractor have been known to declared bankruptcy during the job, leaving the homeowner stuck with bills from subcontractors.

It can end up costing a lot more for the homeowner. Choose the best contractor you can find. You "can't get something for nothing" so be careful of choosing your contractor based upon lowest price.

Misconception #3: Doing It Yourself Saves Money.

No! Sometimes the "weekend warrior" can undertake small projects like painting, hanging wallpaper, routine repairs, etc. But beware of undertaking larger, more complicated projects. What starts out as an attempt to save money can turn into a costly folly.

All too often the job is botched and it costs more to have a professional come in and fix what's been done. Many of these do-it-yourself jobs don't work out, mostly due to a lack of experience on the part of the home owner. If you want to be assured your project will turn out the way you want it, call a qualified professional.

Misconception #4: If a person claims to have many years of experience, they must do quality work.

No! I can't tell you how many people receive bad workmanship from contractors who've claimed to be in business for 15 years. Take experience claims with a grain of salt. Don't believe just because a person has twenty years experience, he will do a good job. He could have done a poor job for twenty years. Investigate further to make sure you're dealing with a qualified professional.

Secret #4: Things To Avoid

a) Avoid the "today only discounts" and other false discounts. If a contractor ever tells you that the price is available for "today only" it's time to show him the door. Quite often they'll provide you a story that by signing today you're entitled to a "model project" or "advertising discount."

This story typically centres on the need to use your project as a model to advertise their services in the neighborhood. They mark their prices up just to give you this false discount. Don't be fooled. This is an old trick used to pressure people into making a

decision. This is your money we're talking about! Quickly show these folks the door!

b) Avoid High Pressure Salespeople. You should never feel pressured into making a decision about choosing your contractor. If you ever feel that a contractor or salesperson is pressuring you, ask them to back off. If they persist, it's time to look for another contractor. High pressure usually leads to a bad decision when building. A qualified professional would never have to pressure anyone into a project.

c) Avoid listening to the wrong people. It never ceases to amaze us how many people take advice on their construction project from people who are totally unqualified to give this critical advice. Quite often, when you see construction messes, and we ask where they got the idea to do this or that, we inevitably hear things like:

- "My brother-in-law told me to do that. He used to do work like this on the side when he was a student!"
- "I asked the guy in the office next to mine. He did the same thing to his home!"
- "I read an article by such and such that said we should do....."

Everyone's got an opinion what you should do with your dollars. "Do-it-yourself," "hire a sub-contractor and supervise the job yourself," etc. Unfortunately, just because someone is your relative (or whatever) doesn't mean they know the answers to your questions and problems. If you've got an idea or a thought about starting a construction project, call someone qualified to answer your questions.

d) Beware of "Door-To-Door" Contractors! These people may not be contractors at all. Never allow them into your home until you have checked them out thoroughly! This cannot be stressed enough. It has been reported that men claiming to be contractors had entered a home and while one took the homeowner on a pretend site survey, the other guy was going through purses and picking up items that could be sold quickly.

Some contractors that are working in your area may put out fliers or come to your door soliciting additional work in the area. These contractors could be honest, reputable people. If you're interested in their services do not, however, invite them in. Politely ask them for their business card and the name, address, and telephone number of the people they are doing work

for. Then make an appointment to take a look at the quality of their work.

Secret #5: How To Tell If Your Construction Project Will Run Smoothly, Before You Sign The Contract

a) Good communication is the key to determining how the rest of the project will go. If you can talk with each other, you can work out any details that come up. When you leave a message, does he return your call? Does he return a page promptly? Will he listen to you? Nothing is more important than feeling like your contractor understands your needs and concerns. If your contractor is so busy that he can't return calls or pages promptly, maybe it's time to look for a new contractor. When you're in a discussion, does the contractor really listen to you? Really listen? This is vital.

b) Do you feel comfortable or is there a chemistry with the Contractor? If you feel "comfortable" with your contractor the chances are good your project will run smoothly. Ask yourself, do you feel comfortable with this person? Do you find this person nice? Considerate? Personable? A listener? Were they polite and courteous? Or did they make you feel that they weren't interested? You will be working with this person for a matter of days, weeks, or months depending on the deck project... can you stand to have this person around?

c) If you believe your contractor is trustworthy, the likelihood of a successful project is good. Check his references. Please keep in mind that if your project will entail entrance into your home and you won't be home during the day, the keys to your castle will be given to your contractor. Can you trust him? Listen to your conscience.

d) What is the Communications plan for your project? If your contractor is willing to give you a written schedule of how the project will progress you'll be provided a verifiable timetable for the both of you. A good contractor will be happy to provide this for you. How long will the project take? Ask for a reasonable estimate of how long the project will take until completion. You want to hire a good contractor, not a new roommate! You don't want to feel like you're at the doctor's office and have to keep asking the receptionist, "How much longer do I have to wait to see the doctor?" Nothing is more frustrating to a homeowner than a remodel that runs way over schedule. Get a written schedule.

e) Understand the quote. If the Contractor gives you a written proposal that includes all the details - exact materials, costs, payment schedules and time of completion spelled out. This avoids misinterpretations and confusion.

f) Communicate with your municipality, your neighbors, and with your contractor. Many municipalities have their own specialized requirements that may need to be addressed before starting your project. Make sure you or your contractor call your municipality and inquire.

Let neighbors know you will be installing or replacing your deck. Communicate to them the days construction will be happening and the hours the contractor will be working. No need to have them awakened bright and early by the sound of a bull dozer that just pulled alongside their bedroom window! Most neighborhood tensions can be defused with a little talking.

Get the "details" worked out with your contractor. Will there be a dumpster? Where will it go? You don't want it right in front of your storage shed where you keep your golf clubs! Make sure access isn't blocked to and from the site. Often times large construction vehicles need to get by. What time will construction start in the morning? End in the evening? Are they going to be there on weekends?

g) Be flexible. If you allow some flexibility into your lifestyle the project will run smoother. Building is an interruption in the "normal" way you do things.

h) How does your Contractor conduct themselves? If your contractor has a neat appearance, this is a very good sign of things to come. This may sound silly but it's not. He doesn't have to show up in a coat and tie but neatness does count.

i) Money required up front? If the contractor asks for a big chunk of money up front. This could be a tip-off that they are not in good financial shape and you could be in for a rocky experience. An acceptable amount for a down payment is 10%. As the work progresses, you should expect to pay out additional funds to match the prescribed, completed stages. Be wary if a contractor asks for a large initial deposit!

j) Work out in advance how "change orders" are to be handled. In a large project, it's not unusual for a specification to be changed. If there will be a change to the contract, make sure you sign a change order form that spells out what's to be done and how much it will cost.

Secret #6: Plan Your Project!

This is really the greatest secret of all!

Plan your project with a qualified expert!

Some people spend more time planning a one week vacation than they do their renovation or new home project. If you're considering a project in the near future, sitting down and talking with a professional construction expert that can answer all of your questions is the best advice. Someone that can help you through the "maze" of planning a construction project. Someone that will listen to your every concern. Someone that subscribes to the principles and "secrets" discussed above.

For more information on how we can help you with getting the highest quality construction service and advice, contact:

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