

Selecting and Working with Contractors

If your home must be repaired or rebuilt and you need a good contractor, here are some tips.

Investigating

If you have been satisfied with work done before by a local licensed contractor, use that firm. If you haven't used a contractor before or if you were unhappy with a previous experience, you may have to do some investigating to increase your chances of getting a good one.

- Ask the contractor for proof of insurance. This should include a completion bond, disability and worker's compensation insurance. Improperly insured contractors may expose you to liability for accidents occurring on your property. A completion bond protects you if the contractor goes broke.
- Check the firm's reputation. Ask the Better Business Bureau or the appropriate contractor licensing agency. They can tell you if the firm has had unanswered complaints filed against it.
- Ask for references. Reputable contractors are willing to provide names of previous customers. Contact some of them and ask how satisfied they were with the job and if they would hire that contractor again.

Get it in Writing

- Discuss what you want done with one or more contractors and get their take on it.
- Get written estimates. Compare approaches, cost and timing. Make sure everything is included.
- Come to a clear agreement. The contract should cover everything and should clearly state what will be done, how much it will cost, and when payments are due. Never sign a contract that has blanks or that leaves anything important to be decided later.
- Ask for guarantees. The contract should state what is guaranteed, who is responsible for the guarantee (dealer, contractor, manufacturer) and the length of time for which it is valid.
- Get a written contract. Verbal agreements depend on memory, often result in disagreements and usually cannot be enforced. It may be worthwhile to have your attorney look it over if a lot of money is involved.
- Inspect the work carefully. Don't sign completion papers or make the final payment until you are sure the work is finished to your satisfaction. Get the work approved by your local building inspector. Obtain lien waivers to ensure that no one who supplied materials can put a lien on your home because the contractor did not pay them.

Beware of Disreputable Business Activities

Areas recovering from disasters are often the targets of those who are less than honest. Guard yourself against crooked practices.

- Beware of "special deals" offered by contractors you don't know.
- Beware of unknown contractors wanting to use your house as a "model home."
- Do not sign any contract if you feel you are being pressured to sign. In many cases, you can cancel a contract for work on your home if you do it within three business days of signing it. Send your cancellation by registered mail. For more information on cancelling such contracts, go to the Federal Trade Commission web site at www.ftc.gov/bcp/online/pubs/buying/cooling.htm.
- Beware if you are asked to pay cash on the spot instead of a check made out to the contracting company. A reasonable down payment is up to 30% of the total project cost.