

# A GUIDE TO SELECTING A CONTRACTOR

## 1. RESEARCH

The type of work you are planning before dealing with a contractor.

## 2. METHODS OF LOOKING FOR A CONTRACTOR

1. Check references. Are they satisfactory?
2. Ask friends who recently had work done.
3. Look for jobs in progress in and around your neighborhood.
4. Do your homework before having work done on your home.

## 3. TIME FRAME FOR COMPLETION

Try to include a time frame for the work to be completed.

## 4. PAYMENTS

Do not give a deposit at the signing of the contract. Authorize payment of the deposit when materials are delivered and work is started.

## 5. CREATING YOUR BUDGET

Establish your budget based on the average bid price from several bidders. This will protect you from a low quote that cannot be performed. To establish the average price of four different bids, divide the total by the number of bids (in this case four), and you have the average job cost. Costs that are way below the average should arouse suspicion and should not be included in your averaging.

## 6. PART TIMERS

Moonlighters often work for a fraction of the cost of a full time Contractor. For some rare circumstances, this is good value. More often than not, it is trouble.

## 7. SMALL SCALE RIP-OFFS

Not all remodeling rip-offs are on such a large scale. Most remodeling fraud is done in much smaller measures.

## 8. BID REQUEST

When requesting quotes, give all bidders the same information. You cannot expect competitive proposals if the bidders are working with different information. Get everything in writing. Everything you have in writing reduces your risks.

## 9. CONTRACTORS LICENSE

The state does not require contractors doing home remodeling to be licensed. Woodbridge Township requires all contractors who do remodeling to be licensed by the Township.

## 10. CERTIFICATE OF OCCUPANCY

This is issued by the local Code Enforcement Office (Building Department). When all Building Code requirements are met, it allows the legal habitation of a dwelling.

## 11. INSURANCE COVERAGE

If your home improvement work is the result of damages covered by your insurance, have you checked with the insurance company before signing the contract to determine the extent of coverage?

12. VERBAL AGREEMENT

Does the written contract include all the oral promises made by the salesperson?

13. COMPENSATION INSURANCE

Does the company provide liability and compensation insurance to protect you in case of an accident?

14. WARRANTY

Is a warranty offered? If so, is it "full" or "limited"? What are your responsibilities? What are the Contractor's responsibilities? Who will make good on the warranty-dealer, contractor or manufacture? The warranty should include the name and address of the party offering it. What is the duration of the warranty? Remember, a warranty is only as good as the firm that gives it.

15. CONTRACT

Once in force, a contract generally cannot be changed or broken unless both parties agree. Never sign a blank contract. Signing a blank contract is like signing a blank check. It simply tempts some sellers into filling in terms that are not advantageous to the buyer.