

## 10 QUESTIONS TO ASK YOUR CONTRACTOR BEFORE INVITING THEM TO YOUR HOME..!

Stories about home renovation nightmares and dishonest contractors abound. It is not by accident that Home Improvement Contractors (HIC) have year after year more complaints placed against them with the Better Business Bureau than just about any other industry. It is a reality that affects both, home owners as well as honest and professional contractors; however, it is one that fortunately can be prevented if homeowners do their work by asking the right questions before hiring a contractor.

### **1. Are you properly licensed and insured?**

All contractors in New York are required to be licensed by the Department of Consumer Affairs. The law requires having a Home Improvement Contractor License to perform the work and a Home Improvement Salesperson license to sell the work. The reason for these requirements is to protect homeowners against abuses and fraudulent practices from individuals and businesses engaged in home improvement, remodeling and repair business. Although being licensed is not necessary proof of professionalism and integrity, not having these licenses is against the law and could mean they were revoked by the DCA because of fraudulent practices – see the ABC news clip in our website at [www.BraceLLC.com](http://www.BraceLLC.com)

Another major issue of concern to owners should be if the contractor has the legally required insurance coverage. Any contractor can tell you that they're insured; however, it is safer to ask to see a Certificate of Liability Insurance and Worker's Compensation Insurance. Liability insurance ensures that if the contractor damages your property, his or her insurance covers the expenses. Worker's Compensation Insurance protects workers from injuries they may suffer while working in your property, which prevents them from coming after your assets. With a proper policy in place, you as a homeowner could pursue a claim through the contractor's insurer instead of having to hunt him or her down in the event they go out of business or simply don't want to return your call.

## **2. Can I talk to some of your former clients?**

Ask for references of former clients! This can be one of your most valuable resources because you can ask specific questions about matters that are important to you. For instance, you can find out whether "...was the job done in a timely manner?"; "...was the work completed in a professional and quality fashion?"; "...would you have any reservations recommending this contractor to friends and if so why?"; "...did the contractor complete the work within the budget and, if not, what were the reasons?"; "...were you kept informed about the work as it progressed and were your questions and concerns during the project addressed in a satisfactory fashion?" There are contractors that are better qualified in some areas than others; talking to former clients might help establish if the contractor is weak in a particular area that is important to you. Also, inquire if they have worked with architects before and request to speak to them before signing a contract. Many renovations jobs require architectural work and the involvement of architects; even if your work doesn't require of an architect, having worked with architects in the past willing to give a reference of the contractor helps you determine the level of work experience the contractor has. Furthermore, architects will be concerned about ruining their reputation on someone they don't feel comfortable providing a reference.

## **3. I am working out of a fixed budget, can you tell me in greater detail what is included as part of your proposal and what is not?**

Unfortunately, it is a much too common practice for some contractors to provide prices that are below what it actually costs to get a construction or renovation work done – only with the intention of being chosen to do the work. Home owners thinking that they have landed a "great deal" hire the contractor and later discover that there were aspects of the work left out from the proposal – reason why their proposal was so low in comparison to others. The homeowner confronted by such a situation generally... (1) agrees to accept what tend to be overpriced charges, which results in significantly increasing the overall cost of the work; or (2) frustrated by the situation, fires the contractor which results in time wasted, aggravations and the possibility of having to redo part or the entire work.

Change orders are a legitimate way of increasing or decreasing the scope of work of unforeseen circumstances arising after the drafting of the proposal or in order to include new changes requested by the owner; however, not as a tool to unfairly land a contract. A good question to ask contractors in addition to the question above is... what do you consider a legitimate change order and give me some examples of change orders you have issued to other clients?

**4. With whom will I be discussing project matters on the jobsite and how often will we meet to discuss work progress?**

It is not uncommon for home owners to sign a renovation contract with a contractor that seems competent and later find out that the person is too busy for the necessary meetings on site. As a result, they have to deal on a daily basis with someone less competent – someone that may not know what he/she is doing, may have a bad attitude or that simply may not speak the language. Construction or renovation projects require constant decision making and therefore communication between homeowners and a competent contractor is necessary. Even when a home owner might feel that construction and renovation work is not their area of expertise, it is important to stay informed about the frequent decisions that are being made about the project. Some people prefer to meet with the contractor as often as every day, in order to stay abreast of the progress and any decision making issues that might have come during the day. Some other prefer to communicate via phone or internet for general progress and necessary decision making matters and then meet once a week to go over the project at length and establish what will get done until the next weekly meeting.

**5. When can you start, how long until completion and will you work with a timeline to help you stay on schedule?**

Nailing down a start date is always a priority, and getting a tentative estimate of when work will be completed will allow you to schedule around this particular contractor. If your job-site is a large new construction or remodel you may have as many as six or more different types of contractors working on the same site. By working with the contractor in drafting a schedule for when each trade (carpentry, plumbing, electrical, etc.) is to start their work and when to finish allows the homeowner (and the contractor) know when the work is out of schedule and be able to take the necessary

measures to correct the situation – instead of letting one trade delay the next, which spins the project out of control and increases cost for all parties involved. Common complaints against contractors include unexplained delays, erratic work schedules, and projects that last much longer than expected. When hiring, it's never too early to talk about schedule. Make sure you know the estimated time it will take to complete the project, when the crew is scheduled to arrive and leave during the day, and how you will be informed of unexpected delays and schedule changes. Renovation projects requiring more than one trade are generally accomplished with the support of a timeline, keeping you and all the trades informed as to when their work begins and when it ends and keeps you aware of any delays or conflicts. Very often long lead items (materials or fixtures) delay the project because they don't arrive in time for the work to get done. It is critical for a contractor to elaborate a list of parts and materials to prevent long lead items from delaying the project – you would be amazed to know how many contractors fail to do so, resulting in unnecessary project delays and labor cost increases.

#### **6. Do I need a work permit from the Building Department to do this work?**

Depending on the scope of your renovation work you may require a work permit from the Department of Buildings (DOB). Also, if you live in a condominium or Coop, your building will generally request that you comply with the alterations guidelines in place and sign an "Alterations Agreement". Although generally straight forward, it is a legitimate issue of concern that will affect you as a home owner in preparation for and during the work. Also, if not handled correctly it can delay your renovation project and make it unnecessarily costly – read our article "Beware Apartment Owners".

In some instances the decision whether a DOB permit is not completely clear and how it is handled makes all the difference. If your contractor is resisting or unable to explain the process or to pull a work permit you should be cautious. It generally means that they are not insured or licensed to work in your area, or simply that they don't have the resources or knowledge to carry the task. It is not uncommon for renovation work to have to be redone as a result of faulty construction practices – which creates delays and can significantly increase the cost of your renovation.

## **7. What Type of Payment Schedule Do You Expect?**

Most work other than very small jobs will require a series of draws – generally a deposit and what is known in the construction and renovations industry as Progress Payments. These Payments are mentioned in the contract and are to be paid after a set amount of work has been accomplished. Some contractors may want an unreasonable upfront payment to start your job, which should make you weary. Some jobs are more labor intensive at the start, with the materials to be needed later. Unless your work is very material intensive from day one, the contractor should not need a large upfront deposit. A 5% to 15% retainer should be written in the contract in order to protect the homeowner from an unscrupulous contractor that may want to leave the job before it is completely finished and you are satisfied with the work.

## **8. How do you handle callbacks after your work has been completed?**

Before covering this point it is important to mention that it's not uncommon to find that some contractors who don't fulfill their contract will go out of business before the homeowner can pursue their complaint; then, they resurface a few months later under a different name. This type of scams can be prevented by requesting insurance, having a current Home Improvement Contractor License, checking with the Better Business Bureau and requesting to talk with previous clients. However, homeowners should also request in writing a warranty for the work done as well as the materials used during the construction and/or renovation work. Obviously, a blank stare back from a contractor or the minimum sign of resistance to put it in writing should raise suspicions.

## **9. What Type of Materials Will You Be Using?**

When going through the long and sometimes tedious ordeal of picking materials to be used in your new construction or remodel a lot can be discussed with little or nothing decided. Once you know what you want in the way of material make sure that it gets written into the contract. Such items can be types of flooring, counter-tops, solid core doors versus hollow core doors, etc. down to what brand of paint they will be using. There can be a wide range regarding quality and cost, of similar sounding materials. Additional questions well worth asking your contractor include "...do you work out of blue prints and shop drawings?" and, if you are not working with an architect, "...can I

review with you and approve shop drawings of the work to be done before you start the work?" Also, ask the contractor if they can create computer-generated pictures to help you understand what the finished product will be. It is easier and much less costly to make changes to a drawing than having to redo the work.

### **Can You Put All This in Writing?**

Before you sign anything make sure the document includes what matters. If something has not been put in the contract do not trust that it will get done or added later. Be specific and make sure your contractor knows you want specifics in the contract. Many arguments and time and money lost could be avoided with a very specific and simple contract. It gives both you and the contractor a reference to fall back on if the job is large and takes a long time to complete. Also, the fine print can make or break your budget. The contractor's quoted price should include all labor and materials, as well as everything stated in your specifications. To get the closest-possible estimate, it's recommended that you write out a detailed list of specifications for exactly what needs to be done on the job. If it's not detailed enough, the contractor may charge extra for whatever isn't included.

### [About Brace Enterprises LLC](#)

Brace Enterprises LLC is a residential and commercial construction and renovations company serving clients throughout the New York Metropolitan Area. More than 75% of our work is from repeat business. We are known by our clients, associates and friends as the Company that makes construction and renovations easy and hassle free.

This publication is also available on our Web site at [www.BraceLLC.com](http://www.BraceLLC.com).