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INTERIORS

ARCHITECTURE

PLANNING

The following items are things to consider or ask when selecting a contractor:

Ask for and check references.

Always ask for and check the contractor references. Although most of the references you get will be the thoroughly satisfied customers, you may be able to glean some usable information from them on how the contractor followed through, billed, corrected problems and in general if they gave good service.

Check with the Better Business Bureau and NARI (National Association of the Remodeling Industry)

Checking with the Better Business Bureau and NARI will tell you if there have been any complaints about a company. NARI is a remodeling organization, which is staffed by remodelers to police its organization. Just use this information as another piece of the puzzle to help you determine contractor's quality but use it with an open mind. Because someone complained about a company does not mean that the company did not try to resolve its problems with that particular homeowner. And just because someone's name is on the list, it does not automatically make them trustworthy. Use all information sources with a well-rounded set of referral leads. And remember just because someone is not on the list does not make them automatically untrustworthy, but do be cautious.

Ask about Insurance

Be sure the contractor has adequate insurance to cover accidents and any other incidents that might occur. Also check with your homeowners insurance to see what it covers.

Ask about the billing process

Ask the contractor up front and get the billing schedule in the your contract so that you are aware when you will be expected to pay for the work done. It may seem obvious, but never allow yourself to get ahead with your payments in comparison to the work completed. You will probably be required to come up with some up front money to pay for initial set up and materials. After that point you should be billed on a percentage of work completed to that point of construction. This should be a fairly easy thing to determine. If you are being billed for 80% completion of the framing and all that is complete is the wall framing then the contractor needs to be questioned. Be sure to get a release of lien from the contractor to insure that they have paid their subcontractors.

Bidding

The advantage to getting a bid is that if you get good contractors and they bid on exactly the same project, in theory, you should have an easy time selecting the contractor. Having them bid on exactly the same project depends on how much information you gave them to bid from. If you gave them a "napkin sketch" don't expect much in accuracy. That is why spending a little extra in the planning phase to do good plans and specifications can help you get a more realistic picture of the actual price. This might be a good time to read our article "Why hire an architect."

In getting a bid, three contractors are a reasonable number to get bids from. The more contractors that you get in the bid the less inclined the contractor may be to take his time to put together a bid since

his odds of getting the project are lower. In a good bid situation, the bids should come back within about 10% of one another if they do then you can feel reasonably assured that everyone bid the same basic project. If the bids vary by more than 10% your low bid might not be the best bid as he may have left something off that you will eventually be paying for by surprise in the long run. So getting back fairly detailed bids from the contractors will help you assess if the contractor accounted for everything in the project.

Depending upon the size of the project the bids can take from 1- 3 weeks to complete. You need to request a time to return the bids by so that the bidding process does not go on indeterminately and you can assess the contractors timeliness.

Negotiating a price:

If you find a contractor that does great work or one that you like and trust without reservation you might consider a negotiated bid also known as a "Cost Plus Bid".

In a Cost Plus Bid the contractor's price to you would be based on the labor and materials to construct your project plus an additional percentage for profit for the contractor's oversight of the project.

The advantage for the contractor would be that he is assured of having all of his labor and materials for your project paid for by you and they would be taking a smaller risk on the project. The advantage to you, is that since the contractor has reduced his risk he should be able to reduce the overall profit for the job and be able to pass that savings on to you.

A good contractor that their pays bills, has an office, keeps up insurance, pays taxes, pays employees regularly and tries to make a reasonable profit can miss out in a typical bid situation with bottom dollar contractors. Bottom dollar might be right for some jobs, but other projects will require more expertise and a cost plus bid might be right for you. You may consider this option as an alternative to bidding to several contractors.

When you do a 'Cost Plus' contract with the contractor, be sure to add a clause "not to exceed" a certain amount, that way you know the most it will cost.

Ask about Profit and Overhead

It is reasonable to find out what a contractor is marking up his services. They like everyone else and deserve a reasonable profit for good work, but you should be aware of what it is. If a contractor has a higher percentage, you will need to determine if their spectacular work is worth the additional fee for your project. Sometimes it might be, sometimes, not.

Ask about the Change Order Process

Ask the contractor what their process is for making change orders. This is the process where, in general the owner changes the project after the initial bid is in and the contractor will give you an additional bid to make the change.

For instance if you changed from paint grade cabinets to stain grade cabinets. You want the contractor to give you an estimate to make the change and if it effects the overall time frame. This may seem overly fussy for some items, but you don't want to get to the end of the job two months later and get stuck with 10 change orders that you were not anticipating or forgot about. **This keeps everything up front.** It also gives you the control over additional expenses on the project.

How to get in touch with a contractor

Another obvious item is how you will contract a contractor on a daily basis. Also you will want to know how to call them at 2 am if the plumbing is leaking and flooding the house. You **need** to have an emergency number.

Ask the contractor about what they propose for use of the restroom and home security.

Generally most contractors will bring a port-a-potty on site. This is a good idea for most jobs, but on smaller projects or on tight sites it might not be. It is one of those necessities that needs to be discussed.

Also, in the case of remodels, your home will become more vulnerable as walls and windows are torn out, you need to know how they will insure your security during the process.

Pets and Children

If you plan on living through the construction and have pets ask the contractor what they will propose to do to help insure your animals don't wander off or worse, an accident occurs. It is an easily solvable problem by adding a temporary fence, but it needs to be discussed to prevent problems down the road. It is best if you handle the issue yourself as you are hiring the contractor to build your house not watch out for your cats and dogs, but the contractor should be aware of the issue- make that conversation happen.

Obviously your children are your responsibility, but if you have young children who will investigate every new thing they see, then the contractor will need to be aware of this so that they will not leave power tools plugged in overnight and clean up on a daily basis. Remember your home is now a construction site and will inherently be dangerous especially for children. So the best advice is to either not let them near the area or move out. If moving out is not an option, again, be sure to have that conversation with the contractor regarding the need for their crew and sub-contractors to secure and clean up the site on a daily basis.

Ask about the subcontractors to be used:

For most homeowners knowing the general contractor's reputation is hard enough, but to know all of their sub-contractors is almost impossible. Part of why you select a contractor of whom you trust, is that you will have trust in their decision making process, and this includes the selection of which sub-contractors to use. You may want to ask the contractor for the names of some of the prominent sub-contractors that will be used on the job site and to check with the Better Business Bureau as you would with the contractor regarding their work.

You also may want to see their work if you have some specialty items such as specialty painting, cabinetry, plasterwork, brick and stone work etc. Your home may have plaster work or a large amount of cabinetry. These are both going to be very visible additions to your renovation and if not done well will be a big distraction. Your general contractor is not going to be the hands on person doing this work. You will want to see specific examples of similar work to your project to make sure the sub-contractor not only has the ability to do the basic work at hand, but can make decisions to adjust to unforeseen conditions.

Ask about the contract:

Ask about the contract that the contractor will have you sign. Never do a project without a contract; it protects both you and the contractor down the road if a dispute arises. If you have an attorney it might be worth having them review the contract just as you might to purchase a home.

Items that ought to be in the contract are:

- Description of the project
- Starting and Completion dates
- Who is responsible for attaining the permits
- How often the site will be cleaned
- Workers general behavior
- Pay schedule
- Process for change orders
- Arbitration
- Any items that the homeowners are doing themselves or providing
- Mechanics lien, a release of lien helps insure you that if the contractor will be using the money you are giving him will be paying for the materials and services going into your home

You may have other items that are important to your specific situation, but that is why you should have your attorney review that contract.

Ask Realtors and Bankers:

As another frame of reference for you to add to your compilation of resources, realtors and bankers are in daily contact with the industry, you should be able to glean some useful information from them as to the reputation of a specific contractor that may have done work in your area.

Ask Friends

Another source are friends and neighbors who have gone through the process. They can be an excellent source of information and good point people to ask questions regarding their experiences such as what they would do different next time or things that they really liked about their contractor.

Check to see that the contractor has the experience that your specific house requires:

If your home has specialty items, as we discussed in the subcontractor section, or is located in a historic district, check to make sure of their experience in that area.

Check out their current job sites:

And another great piece of homework when deciding on a contractor is, to go by a current job site that your contractor is working at and observe how neat the job site is and if the subcontractors are working dutifully or goofing off. You also may want to talk to the neighbors to see what complaints, if any that they have.

Calling up the contractor:

When you call up a contractor and describe your project see how long it takes them to respond to you. Good contractors are in high demand and should not be expected to drop everything for your project, but if they are running a well-run organization they should be able to get back to you in a day. If it takes a while for them to respond on several different attempts to contact them when you actually are holding the money in your hand just think how long it will take them to respond to you when your house is torn up and your plumbing springs a leak.

Being your own contractor:

I generally feel that unless you are in the field or absolutely love dirt, stress and handholding subcontractors with their work, you should not be your own contractor. While you may think you will be able to save money initially by being your own contractor, you might find that this is a "third" profession that puts too much strain on your life. You and your spouse earn money in a different field from construction, you will have to weigh: the time off work, the extra tools you will buy or rent and the everyday construction site headaches against the potential cost savings.

Also keep in mind the subcontractors are loyal to the people that give them regular work year in and year out. So if you tell the plumbing contractor to come fix something and he gets a big job from his usual general contractor that day you can guess who will get his attention first. Being a general contractor is not rocket science, but a good contractor is well worth the money and it is, after all, their profession.

Are they someone you like:

I always like to say that you should choose your contractor in the same way that you would choose someone to marry. You've got to like them, to a certain degree, and trust them because there are hundreds of decisions that the contractor will make during the process. If you feel that they "understand and listen to you" they are much more likely to make a decision that you approve.

A second reason for this choice process is, with the inevitable disputes or miscommunications that will take place on a project, you and the contractor will need to be able to sit down, discuss and rectify

problems rather than screaming and yelling, which does not get much done and can poison the water down the road.

A third reason is, that these people are going to basically be living with you for the next number of months and if you have an uneasy feeling about them at the start, it will probably not get better with time.

Final Thoughts

Remember these are tools and resources for you to consider and to ask when interviewing contractors. Plan ahead the best you can, rely on your instinct, but also be a savvy consumer when it comes to your investment and your quality of life.