

CHECK LIST BEFORE HIRING A BUILDING / REMODELING CONTRACTOR

- Do your homework! Use this checklist to select a building or remodeling contractor who you can trust with your most valuable asset.
- Does the contractor have a permanent business location and a good reputation with local banks, suppliers and building officials?
- How long has he been in business?
- Does the contractor have proof of worker's compensation and general liability insurance?
- Have you seen the contractor's work both completed and in progress? Check for quality of workmanship and materials.
- Are you able to communicate easily with the contractor? Misunderstandings during the course of a project can lead to cost overruns and delays.
- Do you feel comfortable with the contractor? Remember, you will be in close contact with him and will share your house with his crew until the project is completed.
- Will the contractor provide you with a complete and clearly written contract?
- Have you called the Better Business Bureau? They can alert you to any outstanding complaints.

BBB of Northeastern Indiana

www.fortwayne.bbb.org

Email: info@neindianabbb.com

Phone: (260)423-4433 Fax: (260)423-3301

1203 Webster Street

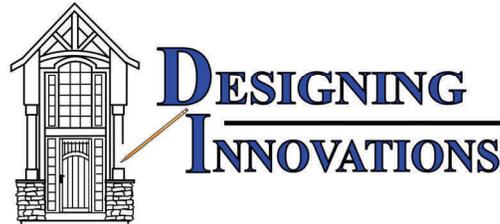
Fort Wayne, IN 46802 -3493

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HOME OWNERS GUIDE TO HIRING A CONTRACTOR

A complete guide to help you select a contractor.

Selecting a contractor is one of the most critical aspects of your construction project. The time spent reading your contractors' bids and contracts, checking licensing and references, and visiting previous jobs can save you a lot of time and trouble.



**CUSTOM HOMES, REMODELING & ADDITIONS
A DESIGN/BUILD CONTRACTOR**

Roger Krueckeberg

Angola, IN 46703

For more information contact us at

260-833-6221

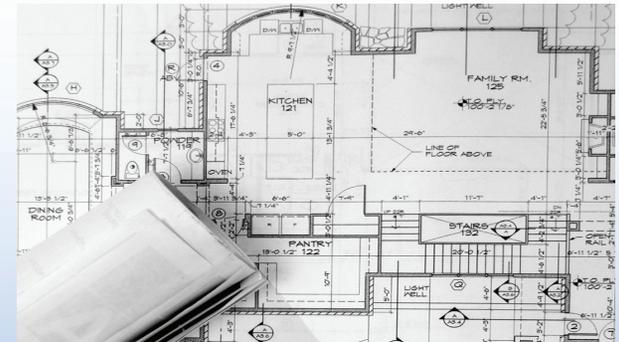
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THE DESIGN/BUILD ADVANTAGE



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**DESIGNING AND BUILDING AWARD
WINNING HOMES FOR OVER 14 YEARS**

FOR THE DESIGN/BUILD ADVANTAGE CALL

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BEFORE YOU LOOK FOR A PROFESSIONAL CONTRACTOR,

THINK THROUGH YOUR NEEDS, WANTS AND DESIRES AND PRIORITIZE YOUR LIST.

- Collect magazine articles, pictures and other materials that can help you decide exactly what changes you want to make in your home.
- Look at features you like in the houses of friends, neighbors and relatives.
- Decide how you would like your project to look when it is finished. Think about layout, colors, textures, lighting and other improvements.
- Imagine how you will use the space in the future and note any special needs you may have later.

Be prepared to tell a contractor what you want as specifically as you can. Decide on a budget for the project before you call your contractor. If you successfully communicate your ideas to a professional contractor, he or she will be able to transform your ideas into reality.

DO THE HOMEWORK

Start by getting contractor referrals, particularly from reliable sources who've had similar work done. Ask if their job progressed as promised. Did they get the finished product and services they contracted for? Would that contractor be first on their list for future projects?

Another reliable but often-overlooked source is your local Better Business Bureau. You can obtain a report on any company you are considering doing business with. Reports on businesses include: complaints reported, how those complaints were handled, etc.

Next, interview potential contractors. Evaluate the contractor. Does he/she listen to your ideas, and suggest ways to make them work? Would you feel comfortable dealing with this person for the duration of the construction? Explain the job. Evaluate whether the contractor understands the objectives and is enthused not only about getting the job but building it.

Declare that there is a budget and ask your first-choice contractor to prepare specifications, a budget, and a construction management plan. Be willing to pay a reasonable fee for these time-consuming professional services. Review and revise all the elements with the contractor and, finally, negotiate a price.

COMPARING APPLES TO ORANGES

While it may be a sound move to shop for price on a known commodity like a Buick or a VCR, seeking the lowest bid on brain surgery isn't advisable. Nor does it make sense when hiring a contractor.

It is recommended that the customer get 2-3 bids and be sure that everyone is bidding off of the same set of plans and specifications. Make sure that the contractor includes in writing with their quote a detailed breakdown of the work to be done and a full set of specifications on what materials are being used, such as siding, roofing and trim. Since there are many different grades of such items as siding and cabinets, all these things must be looked at to truly compare "apples to apples".

If the contractor has included some "allowances" in his proposal, do a little research and find out whether those are actually realistic allowances. Some contractors will low-ball the allowances to make their proposal look good.



POPULAR MISCONCEPTIONS

The usefulness of bidding is a misconception on several counts.

1. Bids reflect only an initial price, not value. There's no way to know whether a low, middle, or high bid is accurate.
2. Competitive bids may say more about a contractor's desire for a job or his ability to provide enticing estimates than the value delivered. And bids say nothing about the contractor's skill or character.
3. Good contractors help property owners balance what they can afford with what they want. But even good contractors have legitimate differences about the cost of many elements.

In hiring a contractor, homeowners pay for more than a set of installed products. Contractors are employed for their specialized experience in design, building codes, engineering principles, safety and security issues. They're hired to schedule and manage trade contractors and to ensure their work meets certain standards.

WARRANTY AND CONTRACT

Warranties:

If a warranty is offered, get it in writing and read it carefully. A warranty must state whether it is limited (meaning that repairs, replacements, or refunds are limited in some way), or full (one that will repair or replace the product or refund your money within a certain period of time). The warranty should spell out all terms and conditions in language you can understand. It should specifically say who will honor the warranty—the contractor, the dealer or the manufacturer. The warranty should include the name and address of the party offering it and the duration of coverage. Warranties for products such as kitchen appliances and cabinets are passed through from the manufacturers.

What Do I Look For When I Sign the Contract?

Because a written contract protects both you and the contractor, your contractor should put all agreements and oral promises in writing. He or she should spell out in detail exactly what will and will not be done. If you intend to do some of the work yourself or hire a subcontractor to do part of it, be sure this fact appears in the contract as well.

Never sign a blank or partially blank contract. Both you and the contractor are bound by everything set down in the contract; so read it carefully before you sign. If you have any questions or do not understand something, get an answer or explanation before you sign. As soon as you sign the contract, get and keep a copy of it for your records. Be sure the financial terms of the contract are clear. The contract should include the total price, when payments will be made, the circumstances that would cancel the contract and any penalty for cancellation.

On a home improvement job, you should expect to pay up to one-third of the total contract price as a down payment. State or local laws may limit this amount. Except for the down payment, you should not pay for work that is not done. Usually payments are scheduled at weekly or monthly intervals or at the point when a phase of the project is completed and a new one begun.

Your contract should specify approximate starting and completion dates for your project. However the contract also should allow for external factors that might cause delays, such as the weather or the availability of supplies.

Make sure your contract includes everything you think is important to the job including the following:

- Complete clean up and removal of debris and materials.
- Any special instructions regarding pets, children, areas where materials may be stored, or landscaping to be moved temporarily.