

CHECKLIST: BEFORE YOU HIRE A CONTRACTOR

The Federal Trade Commission recommends:

<https://www.consumer.ftc.gov/articles/0242-hiring-contractor#Before>

1. Get Estimates

Once you've narrowed your options, get written estimates from several firms. Don't automatically choose the lowest bidder. Ask for an explanation to see if there's a reason for the difference in price.

2. Ask Questions

How many projects like mine have you completed in the last year?

Ask for a list so you can see how familiar the contractor is with your type of project.

Will my project require a permit?

Most states and localities require permits for building projects, even for simple jobs like decks. A competent contractor will get all the necessary permits before starting work on your project. You may want to choose a contractor familiar with the permitting process in your county, city, or town.

May I have a list of references?

A contractor should be able to give you names, addresses, and phone numbers of at least three clients with projects like yours. Ask each client how long ago the project was and whether it was completed on time. Was the client satisfied? Were there any unexpected costs? Did workers show up on time and clean up after finishing the job? You also could tell the contractor that you'd like to visit jobs in progress.

What types of insurance do you carry?

Contractors should have:

- personal liability
- worker's compensation
- property damage coverage

Ask for copies of insurance certificates, and make sure they're current, or you could be held liable for any injuries and damages that occur during the project.

Will you be using subcontractors on this project?

If so, make sure the subcontractors have current insurance coverage and licenses, too, if required.

To find builders, remodelers, and related providers in your area that are members of the [National Association of Home Builders](http://www.nahb.org), visit [nahb.org](http://www.nahb.org). To find detailed information about a builder, service provider, or remodeler in your area, [contact your local home builders association](#).

3. Understand Your Payment Options

Don't pay cash

For smaller projects, you can pay by check or credit card. Many people [arrange financing](#) for larger projects.

Try to limit your down payment

Some state laws limit the amount of money a contractor can request as a down payment. [Contact your state or local consumer agency](#) to find out the law in your area.

Try to make payments during the project contingent upon completion of defined amounts of work

This way, if the work isn't going according to schedule, the payments to your contractor also are delayed.

4. Get a Written Contract

Contract requirements vary by state. Even if your state doesn't require a written agreement, ask for one. It should be clear and concise and include the who, what, where, when, and cost of your project. Before you sign a contract, make sure it includes:

- the contractor's name, address, phone, and license number (if required)
- an estimated start and completion date
- the payment schedule for the contractor, subcontractors, and suppliers
- the contractor's obligation to get all necessary permits
- how change orders are handled. A change order is a written authorization to the contractor to make a change or addition to the work described in the original contract, and could affect the project's cost and schedule.
- a detailed list of all materials including each product's color, model, size, and brand. If some materials will be chosen later, the contract should say who's responsible for choosing each item and how much money is budgeted for it (this is also known as the "allowance").
- information about warranties covering materials and workmanship, with names and addresses of who is honoring them — the contractor, distributor, or manufacturer. The length of the warranty period and any limitations also should be spelled out.
- what the contractor will and won't do. For example, is site clean-up and trash hauling included in the price? Ask for a "broom clause" that makes the contractor responsible for all clean-up work, including spills and stains.
- any promises made during conversations or calls. If they don't remember, you may be out of luck — or charged extra.
- a written statement of your right to cancel the contract within three business days [if you signed it in your home or at a location other than the seller's permanent place of business](#)