

REVIVE

KITCHEN & BATH

HOW TO HIRE A CONTRACTOR

By Justin Caballero

Hiring a contractor can be a stressful process if you do not know what to look for. Everyone has heard horror stories of contractors doing terrible work, walking off the job before finishing, taking forever to finish, and even stealing money and walking away without doing any work. All of these things actually are VERY common and they happen on a daily basis.

This is why it is so important to thoroughly vet a contractor before you hire them. Before entering into a contract and trusting a contractor to remodel your home, you should do your proper due diligence. Most people do not take the time to do this, and that is why they get burned.

An even worse scenario is that far too often homeowners know they are hiring unprofessional individuals to try to “get the job done cheaper” and it ends up coming back to bite them in the butt. It will actually cost someone WAY MORE money going this “cheaper” route...not to mention the severe headaches and time wasted that come with it. This article could also be properly titled, “Why to Usually NOT Go With the Lowest Bid.”

I’ve seen it dozens of times, and I’ve lived it myself one too many times. After personally remodeling hundreds of homes for clients and some of the largest private equity firms in the country, I have built a clear-cut guide that works on how to vet a professional and trustworthy contractor. I’ve vetted literally thousands of contractors over the past five years. Save yourself the hassle — really digest this article, and hire right the first time.



HOW TO VET A HOME REMODELING CONTRACTOR:

▶ **1. Is the contractor a certified licensed contractor within your state?**

Verify that their license is active and they are legally allowed to do the type of work you are looking for. Note: there are different levels of licensure. For example, a handyman license does permit a full home remodel in Florida (or most other states.) The level of difficulty to get licenses differs by state. In Florida, it is very difficult to get a Certified Building Contractors License. However, in New Jersey, almost anyone can get a license.

▶ **2. Does the contractor have General Liability Insurance?**

Verify the contractor has active insurances and that their coverage amounts are sufficient. If not, the liability of the project is on you. Under no circumstances should you take on the financial and legal risks of injury, accidents and/or property damage for your home remodel.

▶ **3. Does the contractor have the expertise and necessary experience to perform the exact type of job you want performed?**

This sounds obvious, but make sure your contractor is a proven expert at the work being performed. Do not try to make a handyman perform a beautiful kitchen or bath gut remodel. Just as you would not hire Jameis Winston to do Tom Brady's job (no disrespect to Mr. Winston.) Check the contractor's track record. A good place to start would be reading their clients' reviews on Google and Facebook. Additionally, be sure to review their project gallery for examples of their recent work similar to your project.

▶ **4. What is the company's size, capacity, and stability?**

Make sure you are working with an established company that has multiple crews, works in your area often, and is showing no signs of financial distress. It is far too common for a contractor to underbid a job to win it, then jump from job to job as he gets new opportunities. These contractors often will leave one job to go work on another that is paying them more. Make sure your contractor has the manpower, project management expertise and financial stability to perform the remodel in a timely manner so that your project will not get unnecessarily delayed.

▶ **5. Does the company guarantee their work? Are they bonded?**

Make sure the contractor will stand behind their work and is financially stable. It's common for smaller contractors to not be able to cover additional expenses even if those expenses are a result of their mistake. That means more money out of your pocket to fix the issues. One great way to mitigate this risk is to hire a bonded contractor. Bonds serve as a great security blanket for homeowners. The bond offers protection that if the contractor fails to complete the remodel satisfactorily, the homeowner will be made whole by the bond company.

▶ **6. Can this contractor help me with design? What about an architect?**

Your contractor should have an in-house team of professionals or third-party professionals they work with often to ensure your hard-earned cash is put to work correctly. Do not overlook the importance of good design in making your project really come to life. Be sure to work with competent professionals, preferably those with a college degree and real-life work experience in their profession.

▶ **7. If you get more than one bid, are they “apples to apples?”**

When comparing bids, make sure each contractor is bidding the same scope of work. Rarely does this happen. Some contractors give an all-in-one price, but many will give you a low price and then come back with many change orders to make up for that first low bid.

When considering bids, it's important to consider and ask whether the bid includes:

- All labor
- Cost of materials
- Purchasing and transporting of materials
- Design consulting
- Construction consulting
- Project management
- Price of permits
- Management of inspections
- Management of permits
- And all management of jobs from A to Z

▶ **8. Does this contractor offer financing?**

This one is not a must for all people, but it is certainly a bonus if your contractor can offer you great financing options to make the project more affordable and/or offer you favorable payment terms.

▶ **9. What are the payment terms?**

Be especially wary of contractors who want large sums of money or large percentages of the total payment up front. Deposits and down payments are an industry standard. However, if they are demanding large amounts of money before any work is being done, this could be a sign of financial distress or ill will.

▶ **10. Do they have a detailed and professional contract?**

Make sure that everything discussed is clearly in writing and signed by both parties. The contract should at minimum include a detailed scope of work, payment terms, and a basic overview of how the two parties will work with one another. Want to change something? Great, put it in the contract! It's too easy to get in disagreements over "who said what and when." Use a change order addendum that ties back to the original contract for changes after the original contract is signed.