

# How to Choose a Reliable Contractor



We have assembled this guide in order to help you find the right contractor for you, best-matched to meet your needs, wants, and expectations. **This guide has the potential to do two great things:**

- 1. Weed out the contractors who refuse to perform at a high level of integrity and craftsmanship**
- 2. Restore a level of trust between clients and remodelers industry-wide**

Our hope is to provide you with enough information needed in order to make a well-informed and wise buying decision.



# Asking The Right Questions Upfront

## Client's Three Biggest Fears

Michael C. Stone (2007)

1. Will they do the job I want them to do?
2. Will they do the job at a fair price?
3. Will they do the job in a timely manner?

When interviewing a contractor, ask:  
Does the contractor...

- Offer at least a 1 year written warranty?
- Have a guaranteed price using a fixed-amount contract. Is this a 1-2 page agreement or a thorough detailed contract covering what is included, and more importantly, what is NOT included in the project?
- Provide an upfront production schedule at contract signing so that you know what will happen throughout the duration of your project?
- Respond to warranty calls immediately? What is the process for doing so?



- Have a list of outstanding references that you may contact on your own?
- Acquire permits and use licensed trade and mechanical contractors (e.g. Plumber, electrician)
- Have a license and certified staff for performing RRP Lead renovation required by the EPA on all homes 1978 and older?
- Practice clear communication in a timely manner consistent with today's technology?
- Have a license as required in your city?
- Have written testimonials from past clients?
- Show clear and well-done photos of past projects?
- Possess at least 1 million dollars in liability insurance coverage and require that all trade contractors possess the same, in addition to their own workman's compensation?
- Have a clean reputation on the internet? (i.e. Google the company name)
- Have a detailed systems/processes to carry you through the sales-to-design-to-production phases of a project?
- Have an idea of how long the project will take to complete, and also how long the design and planning phases will take?
- Have a bid that is extremely low? Why?
- Seem trustworthy and reliable? Does he or she put you at ease?
- Communicate well with you, including listening?
- Have a plan for how he or she will respect your home and your family?





## **Trust your instincts!**

Most importantly, you have to feel that the contractor is right for you. You have to determine if the contractor will meet your expectations. If you get a bad feeling, invest the time needed to make sure they are the contractor for you.

## **Why comparing 3 bids is like comparing Apples-to-Llamas**

Most homeowners make their decision based on comparing estimates. It's not that this is wrong, it's just extremely hard (if not impossible) to do. The problem with this is that there is no industry standard for estimating a project and all contractors offer different levels of service. Plus, there is not one company alike. In addition to this, the typical free estimate is based on a one to two hour visit to the home and a ton of incomplete information causing a horribly inaccurate bid. Overall, it is impossible to do a true apples-to-apples comparison. So why compare estimates at all?

## **How should contractors be compared?**

We recommend getting ballpark price ranges or average project costs from a contractor to make sure they fit your desired investment criteria. Then interview the contractor based on their level of service.

Your project cost will be different from any other project total because your project is different as the contractor is somewhere in your price range, spend time next several weeks and months working with this individual or company. It would be best to make sure that they meet your expectations and that the two of you are able to clearly communicate.

**The difference in price between different contractors equals the value you receive or the experience that you will have.**



# COLLECTING BIDS OR “FREE” ESTIMATES

## **There is a long-standing expectation in this industry**

that all contractors should give free estimates. As a result, little work actually goes into the initial estimate. Herein lies the problem. Some contractors guess an estimate or make a low bid to get their foot in the door. As a result the consumer chooses the low estimate because he or she trusts that the contractor actually put a lot of time and energy into quoting their project.

But is the estimate really free? Seriously, who works for free? I don't know too many people who are willing to produce quality products for no cost. The fact is people don't work for free, especially business owners. If they do, they typically aren't in business for

long. Someone will eventually pay for that free estimate in one way or another. Whether it is the one out of ten homeowners that accept an estimate and start a project or the contractor who goes out of

business because he didn't charge for his time. Someone ends up paying for the free cost. In most cases it is built into the selling price of the project.

So “free” for many is paid for by a few.

Worst-case, and the most common scenario, is that the price we pay for a “free” estimate is a poorly planned, inaccurately priced, mess of a project which results in disappointment and sometimes the homeowner having to hire a second contractor to correct what should have been done right the first time.

**Someone will eventually pay for that free estimate in one way or another**

So when examined more closely, collecting the “free” estimate is not the best approach to hiring your contractor.

We feel that most contractors have good hearts and actually care about people and their product. But again, it is very easy to start a remodeling business and there are not many standards set in our industry on how to run a remodeling business. So each contractor does it his or her own way.

We know this from experience. Many skilled craftsmen enjoy working with their hands and get to the point where they decide to start their own practice out of their love for the trade. After ten years their practice has evolved into a business and they find themselves stuck in a business position without business knowledge or experience. As a result, business errors are made, corners are cut, and they have few or no systems and processes. Sadly, there are many home remodeling companies that fit this profile.

# HIGH RISK OF FAILURE

The biggest cause of failure is incorrectly priced projects. Whether due to a lack of experience or an effort to attract more business, incorrect low-ball pricing will drive a remodeling company out of business quicker than anything. For a homeowner, when a quality or warranty issue arises, there is now no one to turn to. The homeowner must then pay a new contractor to come in and fix what they have already paid for. No one wins in this situation.

ONLY **1** in **10**

Remodeling companies stay in business for more than ten years



**As a buyer you have many needs, wants, and expectations. In the same way, each contractor offers their own way of completing a project and meeting their clients needs. It is very important to find the perfect fit for you. We hope that this guide enables you to find that contractor and begin a lifelong relationship with that company as you transform your home. We wish you the best as you begin your journey!**