

# Selecting and Working with Contractors

If your home must be repaired or rebuilt and you need a good contractor, here are some tips.



## Investigating

If you have been satisfied with work done before by a local licensed contractor, use that firm. If you haven't used a contractor before or if you were unhappy with a previous experience, you may have to do some investigating to increase your chances of getting a good one.

- Ask the contractor for proof of insurance. This should include a completion bond, disability and worker's compensation insurance. Improperly insured contractors may expose you to liability for accidents occurring on your property. A completion bond protects you if the contractor goes broke.
- Check the firm's reputation. Ask the Better Business Bureau or the appropriate contractor licensing agency. They can tell you if the firm has had unanswered complaints filed against it.
- Ask for references. Reputable contractors are willing to provide names of previous customers. Contact some of them and ask how satisfied they were with the job and if they would hire that contractor again.

## Get it in Writing

- Discuss what you want done with one or more contractors and get their take on it.
- Get written estimates. Compare approaches, cost and timing. Make sure everything is included.
- Come to a clear agreement. The contract should cover everything and should clearly state what will be done, how much it will cost, and when payments are due. Never sign a contract that has blanks or that leaves anything important to be decided later.
- Ask for guarantees. The contract should state what is guaranteed, who is responsible for the guarantee (dealer, contractor, manufacturer) and the length of time for which it is valid.
- Get a written contract. Verbal agreements depend on memory, often result in disagreements and usually cannot be enforced. It may be worthwhile to have your attorney look it over if a lot of money is involved.
- Inspect the work carefully. Don't sign completion papers or make the final payment until you are sure the work is finished to your satisfaction. Get the work approved by your local building inspector. Obtain lien waivers to ensure that no one who supplied materials can put a lien on your home because the contractor did not pay them.

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### Beware of Disreputable Business Activities

Areas recovering from disasters are often the targets of those who are less than honest. Guard yourself against crooked practices.

- ▶ Beware of "special deals" offered by contractors you don't know.
- ▶ Beware of unknown contractors wanting to use your house as a "model home."
- ▶ Do not sign any contract if you feel you are being pressured to sign. In many cases, you can cancel a contract for work on your home if you do it within three business days of signing it. Send your cancellation by registered mail. For more information on cancelling such contracts, go to the Federal Trade Commission web site at [www.ftc.gov/bcp/online/pubs/buying/cooling.htm](http://www.ftc.gov/bcp/online/pubs/buying/cooling.htm).
- ▶ Beware if you are asked to pay cash on the spot instead of a check made out to the contracting company. A reasonable down payment is up to 30% of the total project cost.

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# FEMA

## BUILDING CODES TOOLKIT

# Checklist of Questions to Ask Your General Contractor

**Purpose:** This document equips property owners with basic knowledge, consumer protection, and questions to ask when hiring a professional general contractor to perform new construction, remodeling, rebuilding, or mitigation work.

**Target User:** Property owners.

- Are you licensed for the type of work proposed?

It is important that you verify that any individual or company you are considering is properly licensed. To verify they are licensed, ask for a copy, check the expiration dates, and contact the issuing authority to verify their license is in good standing. In some states, there is no state-wide licensing for certain trades such as general contractors; rather it is done on a local level either by the county or the city. Some counties do not have licensing requirements; however, for your safety it is recommended that you work with a verified licensed professional. In some jurisdictions, in addition to being licensed, general contractors are also required to be bonded. Being bonded means a bonding company has secured money that is available to anyone who files and wins a claim against the general contractor.

- How many building permits have you obtained in this jurisdiction in the last two years?

This question is important because some general contractors are based outside of the property owner's jurisdiction.<sup>1</sup> Make sure that your general contractor is familiar with your local building code requirements and permitting process, is credible, and has worked with municipal jurisdictions in the past.

- Can you help incorporate mitigation techniques as part of the construction project?

This question is important because most mitigation techniques are a lot cheaper to apply to structures if planned as part of the property's scheduled maintenance and upgrade. Applying mitigation techniques would help reduce future risks to the property from natural hazards and their effects. For example, in order to reduce or eliminate the damage to exterior elements caused by earthquake forces, you could brace chimneys, secure wall panel anchors, and brace large windows.

- Have you performed any other repairs or rebuilds of properties damaged in a natural disaster such as this?

It is essential that your general contractor check with your local code official regarding permits before repairing or rebuilding a structure damaged by natural disaster. There are often strict local requirements on how and where structures can be renovated. Consulting your local code official will ensure your repairs or rebuild is compliant with local standards. If you are in a federally designated disaster county, you can also visit Disaster Recovery Centers to talk with FEMA Hazard Mitigation specialists about rebuilding advice. To find the Disaster Recovery Center nearest you, see the [Disaster Recovery Center Locator](#) on [FEMA.gov](#).

- Have you used FEMA to get technical guidance on a project? If not, would you be willing to do so? Are you aware of FEMA technical guidance?

It is essential that your general contractor be mindful of mitigation techniques to provide a means of protecting your family and property from future devastating natural disasters. As the property owner, it is your responsibility to set the scope of the project and if the scope includes mitigation, it is valuable for your general contractor to understand the FEMA guidance pertaining to your project.

FEMA offers an array of technical guidance materials all focused on minimizing the damages that can occur as a result of a natural disaster. To order FEMA technical guidance publications, please call 1-800-480-2520 or visit the [Protect Your Property or Business from Disaster: How-to Tips](#) on various hazards section of [FEMA.gov](#).

- Can you provide proof of your general liability insurance before I sign a contract with you?

General liability insurance protects your home from damage or negligence of the general contractor, his employees,

<sup>1</sup> This is particularly true following a disaster, when local resources are overwhelmed and out of State general contractors are needed to support rapid recovery.

and any sub-general contractors brought onto your property. For your protection, verify that anyone you are considering has a general liability insurance policy by asking for a copy of their insurance certificate, checking the expiration dates, and calling the issuing authority to verify their insurance is valid.

- Do you carry workers' compensation insurance?

Workers' compensation insurance protects you from liability if a worker is injured while on your property. It is always recommended to hire a fully insured general contractor. Please note: if the general contractor does not have any employees, he may not need or have workers' compensation insurance.

- Will you provide me with a list of your past clients for whom you performed a similar job?

A credible general contractor should have no problem providing multiple references. It is important to contact between three to five previous clients for whom the general contractor performed a similar job. Only then will you know the type of work they are capable of and the level of service you can expect.

Questions to ask the general contractor's references:

- Were you satisfied with the results of the project?
- Did the project come in according to budget and was it completed on a timely basis? If not, what types of problems or delays affected the overall cost?
- Would you hire the general contractor again? If not, ask why?

- Will you be hiring sub-contractors on this project?

If so, ask for the name of everyone who will be hired and the type of work they will be doing so that you can verify their credentials and ensure they have the necessary insurance requirements (if applicable). A sub-contractor is an individual or business that signs a contract to perform part or all of the obligations of another's contract.

- What kind of written warranty will you give me?

A credible general contractor should guarantee his or her work and provide a written warranty agreement. The warranty should clearly spell out what is covered, what is not and for how long. At a minimum, a general contractor should guarantee a one year warranty; although, two years is preferred.

- How will my project be supervised?

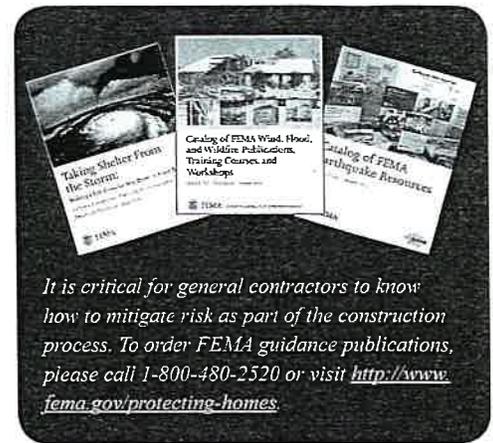
The general contractor or another lead individual should be assigned to oversee your project from start to finish. It is extremely important that the project manager is not only experienced, but very familiar with the details of your plans and manages the daily operations of your project to ensure the work is done correctly and is compliant with the local building code. You should be given the contact information for this individual so you can ask questions and resolve any issues that arise through the project.

- What will the payment schedule be?

It is not unusual that a down payment is required for a contract; however, you should never pay a general contractor in full before the project is completed. If the project will extend over several months, ensure that the payment schedule is determined and outlined in a written contract before the work begins. Make payment in a way that they are traceable or get receipts for each of your payments.

- Will you obtain all of the required building permits?

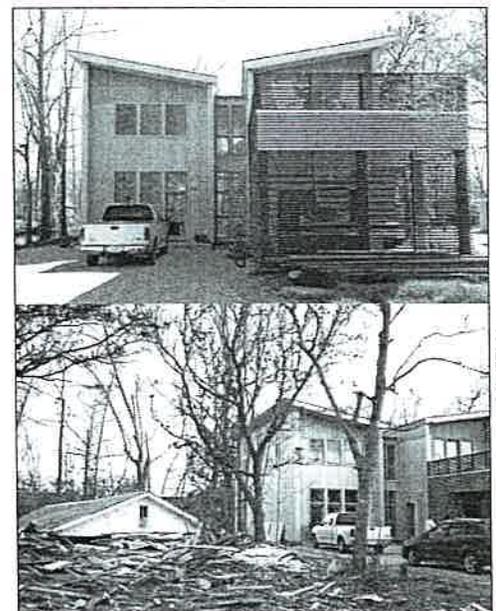
Although there is some cost and additional time required for obtaining



*It is critical for general contractors to know how to mitigate risk as part of the construction process. To order FEMA guidance publications, please call 1-800-480-2520 or visit <http://www.fema.gov/protecting-homes>.*



*Joe Barry, a volunteer from the United Methodist Committee on Relief, helps a homeowner clean after Hurricane Sandy washed away exterior walls and completely filled the basement.*



*House in Bay St. Louis, MS, was built to code and survived Katrina; their neighbor's house was destroyed by Katrina.*

