

Choosing a Contractor – 25 Factors

Marty Schirber, CR of Castle Building & Remodeling, Inc. has written this article to aid consumers in the process of choosing a professional remodeling contractor. So often, the consumer is only told to “get several estimates, and make sure they are licensed, bonded and insured.” While this is important advice, there is so much more to be considered, to ensure a successful remodeling process. At Castle, we believe that education leads to a better understanding of the process, which creates better relationships, and a higher level of satisfaction with remodeling projects.

Marty is a Certified Remodeler (CR), a distinction granted by the National Association of the Remodeling Industry (NARI). Born the oldest of sixteen children, raised in Grand Rapids, Minnesota, Marty has been “running a crew” all his life. He began his career as a laborer in carpentry and remodeling more than 35 years ago and has learned through hands-on experience. On January 1, 1977, he started Castle Building & Remodeling, Inc. and has performed over 3100 successful jobs for over 1335 clients.

Mr. Schirber is considered an industry leader by his peers at the local, state, and national level. He was a founding member of the local chapter of NARI, which is a nationwide association for members of the remodeling industry to help keep them at the top of current trends, safety issues, new products, and refined techniques used by cutting-edge companies across the country. Marty served as President of the local NARI chapter in 1983-84. He was designated Industry Leader of the Year in 1993. He represented the Minnesota Chapter of NARI on the National level as their National Representative from 1993 to 1997. He held the position of Regional Vice president for three years, from 1998 to 2000. Remodeling Magazine chose Marty and Castle as one of the Big 50 Remodelers in the United States in 2000.

The local chapter of NARI has worked to settle disputes between contractors and consumers, and Marty was one of the first contractors to perform conflict resolution. His work in contract resolution is where he learned all of the elements that lead to disputes between homeowners and contractors. For many years, Marty worked with the City of Minneapolis to help investigate consumer/contractor disputes. When the State of Minnesota started licensing contractors, Marty was on the team that developed the guidelines and tests for State Licensing.

Below are 25 factors to consider when choosing a remodeling contractor. Whether you choose Castle or another contractor, we encourage you to be proactive, do your homework, and take all of these factors into consideration. We would like to help you better understand all of the common advice given to consumers and then share all of the other elements that will help ensure a successful project.

One caveat, the pronoun “he” has been used to identify the contractor throughout this article. It is used for brevity’s sake, as gender neutral, and not meant to intimate that all contractors are men. Our industry has many female participants.

Licensed, Bonded, and Insured

This is the advice given most often to consumers, “Make sure your contractor is *licensed, bonded, and insured.*” In short, if there are bonding or insurance requirements, these need to be fulfilled in order to get licensed. So, the real question should be, “Are you a licensed contractor?”

In order to obtain a license in Minnesota, building and remodeling contractors must: (1) have an owner or manager pass a written exam on technical and business matters; (2) provide proof of Liability Insurance and Property Damage Insurance; (3) provide proof of Workers’ Compensation Insurance and Unemployment Insurance; (4) disclose the organizational structure of the business; (5) pay a license fee and contribute to the Contractors’ Recovery Fund; and (6) obtain seven hours of Continuing Education Credits (CEC) each year.

How do you verify a contractor is licensed? First, ask the contractor for his state license number. Next, call the Minnesota Department of Commerce at (651)296-2488 ext. 4 and check on the contractor using the license number. They can tell you if the contractor is licensed, if he has been involved in any legal actions, if there have been any complaints filed, and the general results of any actions. There can be many reasons a contractor is unlicensed. An unlicensed contractor cannot pull a building permit or call for regulated inspections. Whoever pulls the permit is responsible for the whole project, so never pull the permit for a contractor. Minnesota law requires residential building, remodeling, and roofing companies (not individuals) to be licensed. This law applies to contractors working on 1-4 unit family dwellings. Each company receives a license number that is required to be displayed in all advertising. These licenses are extremely important to good contractors and they go to great lengths to keep their record clean. You will not have the same recourse against an unlicensed contractor. But remember, this license is not a guarantee of any kind.

How do you find out if a contractor is insured? First, ask the contractor for the name of his insurance provider, the insurance agent’s name, and the agent’s phone number. You can call the insurance provider directly and ask them to send you a current Certificate of Insurance. This document will tell you what kind of insurance the contractor has, who it is with, what levels of coverage exist, and when the policy expires.

What is the Contractor’s Recovery Fund? The purpose of the Contractor’s Recovery Fund is to compensate consumers who have suffered losses due to a contractor’s fraudulent, deceptive, or dishonest practices, conversion of funds, or failure to perform. All licensed contractors pay an annual fee to the fund. But beware! The total amount that can be paid out against any one licensed contractor is \$75,000. If multiple claims are filed against the same contractor, each claim is prorated. In these situations, you may not be able to recover your entire loss.

Unacceptable: The contractor doesn’t have the wherewithal to carry insurance. The contractor does not have a license or the license has expired or is in another company’s name.

Good: The contractor has all necessary insurance and has a license. Someone in the company took the tests for state licensure. He will share his insurance company's name so that you can follow up on proof of insurance.

Better: In addition to the above, the contractor shows you a copy of his State License and his Certificate of Insurance and will take care of getting you a current copy.

Best: In addition to the above, the contractor will make all arrangements to have a copy of his Certificate of Insurance made out to you and sent to you. He will help you understand the insurance and licensure process, explain the value of the process, and show you how you can check out any contractor with the state. The contractor has a higher amount of insurance coverage, which implies stability. He has an umbrella policy in addition to liability insurance. He also has a system in place to check that his subcontractors are also licensed and have the necessary insurance. He has a current Certificate of Insurance on file for all of the firms he has working relationships with.

Price

The other piece of advice given most often to consumers is: "Get several bids so you can compare price." Contractors all understand how important price is to your decision making process. It is important you understand the pitfalls of only considering price when there are so many other factors that affect your decision. In order for you to be able to compare price, all the bids have to be for the same project, the same products, the same specifications, and the same quality of work. This is almost impossible to realize. What if you took one small, easily definable, part of the project and asked a couple of contractors how much they would charge for that element of the project? Most contractors will try very hard to give you what you want at the price you want to pay. They will even find cheap products and inexpensive subcontractors to help you meet your budget. Be careful what you ask for and how you ask for it. Remember that the bid is only the starting point in your negotiations with the contractor and not necessarily the bottom line.

Keep in mind that the lowest bid may not necessarily be the best bid, and that an unusually low bid may be cause for alarm. In this case, the contractor may not fully understand the project's scope; may be inexperienced and is underestimating the amount of labor and materials required; or may be planning to cut corners by using inferior materials, low-paid, inexperienced workers, or not following local building codes. You could end up paying to repair or replace work much sooner than if the construction was done by qualified workers with quality materials. Contractors play a little game where they won't give you an apple to compare to an apple. They will give you a bid for something that is slightly different from their competitor's bid so you can't compare evenly. The best contractor will listen to you and be respectful of your budget. He won't try to sell you things you don't ask for or that are different than what you want.

Unacceptable: The contractor puts a dollar amount on the back of a business card and hands it to you. The contractor hand-writes a one page proposal that is short on details and pressures you to accept. The contractor presents a very low bid (to get the job), and then tells you all of the things that are extras, that weren't included in the original bid, or are upgrades from the allowances he had included in his original low bid.

Good: The contractor prepares a complete Proposal that refers to plans, gives you a “Notice of Cancellation” (tells you about your three day window to change your buying decision), and gives you a Lien Notice.

Better: The contractor has a presentation that breaks down the different areas, allowances are clearly spelled out, options are clearly outlined, plans accompany the proposal, and the proposal names specific brands and models.

Best: In addition to the above, the contractor has a system for design and estimating and makes a presentation outlining all costs associated with the design and estimating process. The contractor helps you establish a budget that you are comfortable with. The contractor shares design ideas with you about your project. The contractor helps you understand how your decisions affect the cost.

Reputation

A contractor’s reputation is one of his most valuable assets. A good contractor is very willing to share his reputation with his future clients. Does the contractor have a record of unresolved complaints with the Better Business Bureau (BBB) or other associations like the City License Bureau, the State Department of Commerce, or with any of his clients or competitors? These agencies investigate complaints from consumers alleging violations of law and rules. When necessary, these agencies take disciplinary action against a contractor’s license.

How does the BBB work? When the BBB receives a complaint, it presents the complaint to the business and requests its assistance in working out the problem with the unhappy customer. Most companies are grateful for the opportunity to resolve problems with their customers since it often means their patronage will be preserved. BBB members agree to respond to consumer complaints presented by the BBB, and lose their membership if they do not. Most other companies, regardless of whether they are BBB members, also cooperate with the BBB because the BBB can still report on a company if they are not a member. Your local BBB is listed in the telephone book and online at www.Minnesota.BBB.org.

A reputation is something that sticks with a contractor for years. It takes years of reliable work, many satisfied customers, and enduring relationships with suppliers to build up a good reputation. Conversely, it takes years of shoddy work, unsatisfied customers, and adversarial relationships with suppliers to create a bad reputation. If a trusted friend, colleague, family member, or supplier tries to steer you away from a contractor or is vague on the details, listen to your gut! Since contractors don’t receive report cards, this is a very important part of finding out about them. Believe me, every contractor has a reputation.

Unacceptable: The contractor doesn’t have any references that he is willing to share. The contractor hasn’t been in business long enough to have any references. The contractor has a history of being in small claims court with customers or suppliers. The contractor has a reputation of not paying his subs or suppliers timely or at all. The contractor doesn’t have a standing in the community, no one has heard of him, no one knows of the company, no one has had a relationship with him.

Good: The contractor will give references upon request. These references may or may not be recent. These references may or may not be related to the project you are considering.

Better: The contractor has a list of references for recent jobs that are like your job and the contractor willingly shares these with all prospects.

Best: The contractor has many references, has testimonials from past customers who had projects like yours, and exhibits a history of pleasing his customers and completing his jobs in a satisfactory manner. Any problems that may have arisen have been resolved in a positive manner. People in the better or best categories understand the idea of reputation and are proactive in maintaining a good reputation.

Completeness of the Estimate

One of the most confusing stages of dealing with a contractor can be “getting bids.” Different people attach different meanings to words, and it can be very confusing to consumers and contractors alike. There can be subtle differences between the words bid, estimate, proposal, or contract. Let me give you some basic definitions. A bid is an offer to do something, with certain conditions, for a certain (usually) lump sum price. An estimate is a calculation, a judgment, a written statement giving the likely price that will be charged for specified work. A proposal is an offer, a proposition (a price) for something, i.e. for this money, we will do this work. Some proposals include an allowance. An allowance can be a lump sum number, such as “\$8000.00 for appliances.” An allowance can also be for a unit cost of material, such as “\$4.00 per square foot material cost for ceramic tile.” An allowance is usually given because an exact product, process, or type of material has not yet been determined. A bid or estimate is usually the first step in determining the conditions of a project, and all it tells you is the projected cost of the project. The bid or estimate is usually followed by a proposal. A proposal outlines all of the other terms and conditions that will be included in the final agreement between the parties. The contract is the final agreement between the parties and the next section of this paper is devoted to the things that should be in the contract.

Homeowners are always cautioned against accepting a verbal bid. Many contractors will verbally tell you what things cost; they will pull these numbers from experience or price books they have acquired over the years. The caution applies to accepting a verbal quote as “the contract.” Always do business with all elements in writing in a binding contract. Verbal statements never hold up in court. That is where the expression “he said, she said” comes from. A judge has a hard time knowing who to believe or who is telling the truth. Beware of contractors who refuse to give a written estimate or contract.

A reputable contractor will not give you a sketchy proposal on the back of an envelope. He prepares a comprehensive set of material and labor specifications; carefully estimates costs, and offers you a detailed proposal, at a package price, covering every aspect of the job from removal of existing materials to a thorough cleanup when the job is done. Some contractors choose to leave certain items out of their proposal, either because they do not choose to perform that line of work or because they are trying to make their proposal less costly.

Homeowners are always encouraged to obtain several bids, and most contractors will give homeowners an estimate of what they think the project will cost. It isn't until all of the details have been determined, that a contractor can give a firm bid on the whole project. The smaller the project, the less complicated the project, the easier it is for

the contractor to put together an estimate. When the project is more complex, involves design, and/or has unique specifications, many contractors charge for estimates. Nailing down all of the details, getting bids from subcontractors, finding products that satisfy the customer, and designing the details of the project take a long time and involve a lot of work. Assuming that all contractors are supplying the same quality materials and performing the same labor, there shouldn't be big differences in the bids. Even allowing for shrewd buying and greater efficiency on the part of one contractor over the others, there shouldn't be more than a 10%-15% difference between the high and low bids. View bids from contractors that are way higher or way lower as bids that might be suspect or need extra understanding to explain the differences.

Unacceptable: You are sure to have trouble if you accept verbal estimates; nothing is documented and everything is left to chance. Be cautious if a contractor leaves whole areas of work out of the bid. Some contractors put in very small allowances for things like fixtures or appliances. Again, this could be to keep their bid the lowest. Some contractors minimize the job on the front end and then write a lot of Change Orders for extras, making the project cost a lot more than initially expected.

Good: The contractor listens carefully to the customer's wishes, offers good suggestions, and produces a bid that includes all the elements of the project that the homeowner asked for.

Better: In addition to the above, the contractor has a system for checking off all the elements that are necessary to complete this type of project. The contractor produces a document that makes it clear what the estimate or bid is based on. The contractor shows you samples, has you pick out elements of the project at showrooms or on websites, and helps you understand what you will get for what you want to spend.

Best: In addition to the above, the contractor specifies in detail the make, model, and color of the pieces of the project. He keeps the design and estimate reflective of each other. The contractor usually has a way to show what the parts of the project cost so the customer has a clear understanding of the elements that drive total costs associated with the project. The contractor is willing to share constructive ideas with the customers about decisions that will help the project meet budget. The allowances in the proposal are adequate to purchase the products desired in the project.

The Contract

After all of the decisions have been made, after all of the design has been completed, after all of the negotiations have taken place, the contractor of choice is usually asked to put together a contract. The contract between you and the contractor should be in writing and, at a minimum, should include (1) a summary of the work to be done; (2) provisions for the building permit; (3) estimated starting and completion dates; (4) provisions and procedures for handling Change Orders and the affect they will have on the project; (5) the schedule of payments; (6) a Lien Notice; (7) the Notice of Cancellation; and, (8) Warranties.

A "summary of work to be done" can take many shapes and forms. Some contractors list all of the work included in the proposal, some have an estimating system that breaks the work into categories and share the estimate with the homeowner, some write out a detailed description of all of the elements involved in the project, some refer to the drawings or plans for the details of the project, and some use a combination of

the above options. The intent is to convey the scope of the work as clearly as possible so all parties understand what the finished project will look like. Some contractors also go out of their way to list the things that are not included in the proposal, further eliminating the possibility of a misunderstanding. Many disputes happen because one or both parties had a different interpretation of some wording. I can't emphasize enough how important it is to review the contract and have a clear understanding of its contents. If something is unclear, take the time to ask the questions and clarify all aspects of the contract.

The provision for the acquisition of a building permit should include an understanding of who is responsible to pull the necessary permits and call for the required inspections. There are only a handful of small jobs that do not require a permit. A permit is not required if the work is not structural, or of a small dollar amount. Check with the governing bodies to determine the thresholds in your jurisdiction. The person or company pulling the permit is responsible for all of the permitted work. If a contractor is unwilling to provide the permit, it could be an indication they are not licensed or are unwilling to do the work in a manner that will pass code. If you agree to pull the permit, you will be held responsible for all of the work being done to code and you will be responsible for additional costs of anything required by the inspection process.

The starting and completion dates should be a part of every contract. Delays can and do occur, so a general statement allowing for reasonable delays, while establishing an anticipated starting and completion date is a good idea.

The provision for Change Orders is a necessary clause in every contract. This is an agreement that the contract cannot be modified without the written consent of both parties. Protect yourself, put all major changes in writing and document how these changes affect the cost of the project.

The schedule of payments, if not clearly outlined and understood by all parties, is an area that often comes into play in unsatisfying relationships. Many of the horror stories related to our industry can be traced to a faulty payment schedule. The payment schedule should be tied to performance and risk exposure on the job. A token down payment is customary; this should not be more than a small percentage of the total job. There are situations where a large order of custom cabinets or special order of windows (as examples) can affect the amount of the down payment. Any contractor who insists on a large down payment, with no obvious explanation, should be avoided. On the other hand, many contractors are small businesses with the need for cash flow to buy materials and pay wages. If this is the case, you should set up a schedule that reflects the work done to date. The ideal is to have an even balance between what has been accomplished and what has been paid for. The situation to avoid is one where the contractor has collected the bulk of the money and has little or no incentive to complete the project in a timely manner, especially if some things have started to go wrong. There are many fair ways to schedule the payments that satisfy both the owner and the contractor. Some contracts have a "holdback clause." This allows you to withhold a final payment (usually about 10%) until sometime after the job is completed. This allows you time to inspect the job. If there are any problems, this can serve as incentive for the contractor to remedy them.

The contract should outline all pertinent information about guarantees and/or warranties. A professional remodeling contractor guarantees the workmanship, whether his own or his subcontractor's, for a specific length of time. A professional contractor extends the warranties offered by the suppliers of the materials and the manufacturers' of the equipment to the end user. Every state has laws regarding the length of time certain warranties on workmanship are in effect. Do your homework and understand fully the extent to which your project is covered by warranties or guarantees.

Many professional contractors have many more elements included in their proposals, but the above outline is intended to capture the most essential elements needed. The time it takes to have a sound understanding as outlined in a well written proposal, is time well spent. No one wants to argue over petty misunderstandings and create an adversarial relationship. Most adversarial relationships are doomed to failure.

Unacceptable: The Contract and Change Orders are verbal, rather than written. Nothing is documented, everything is left to chance. Any one of the above outlined elements is missing or dismissed as unimportant. Issues are poorly covered in the document. Statements are vague and confusing.

Good: The contractor produces a proposal that includes all of the elements necessary to form the minimums outlined above. If there are blank spaces to put in dates, amounts, or choices, all of these blanks are filled in so nothing is left to chance later.

Better: In addition to the above, the contractor has formal, complete, professional contract documents and explains all of them thoroughly so there is a complete understanding of the project and all related elements.

Best: In addition to the above, the contractor has systems and procedures that they follow for every element of the contract process. This attention to detail and thoroughness makes every part of the contract relationship predictable. In the end, all of the contract documents are positioned to eliminate misunderstandings or surprises.

Level of Experience

Many seasoned contractors like to denigrate the "new guy on the block," but all of us were new to this industry at one time. Whether new or seasoned, the contractor should be willing to share the level of experience they have in the industry and the level of experience they have particular to the job you are asking them to complete. All of us have some level of employment history, job experience, training or schooling, and it is this experience that contributes to the value of the proposed project.

There are many questions you can ask to better understand the contractor's level and depth of experience. How long has the contractor been in business? Has the contractor performed a number of jobs like this particular job you are considering? Ask to see examples or pictures of jobs similar to yours. Ask to visit past jobs. Ask to visit current jobs. Talk about the quality of the work and decide if it will meet your standards. Interview past customers who had jobs like yours completed by the contractor. An experienced contractor should be able to offer a wide array of options and thus demonstrate knowledge of and experience with a variety of products, materials, and techniques.

Does the contractor have a working knowledge of the many types and ages of homes in the area? Knowing what is likely to be behind a wall or under a floor helps the contractor to provide reliable estimates. An extremely low bid may indicate lack of experience and an inability to later cover the actual costs involved in the job.

If a contractor underestimates costs of too many jobs, they will ultimately go out of business. Little or no experience is the most common cause of business failure. Nine out of ten businesses in our industry fail in the first five years. You don't want your contractor to go out of business halfway through your project because it is very difficult for another contractor to step in and take over a job that is already partially completed. The first contractor may be using materials or techniques that are not familiar to the second contractor. Plus, unless there are very specific drawings, the second contractor may not understand your wishes in the same way that the first contractor did.

Unacceptable: The contractor hasn't picked a niche yet; his business is too new and he is inexperienced. This contractor will go on every lead. This contractor will take every job, and then figure out how to do it. This contractor tries to be all things to all people.

Good: The contractor's business is developed enough that he knows what his core competencies are; only follows leads that his business can handle.

Better: The contractor has picked a niche and is very focused on what the business does and knows they are good at it. The business has a lead qualification system that helps the contractor to rate and determine if a particular lead "fits" their company.

Best: The contractor has a clear picture of his niche, brands his business in this niche, and works to develop a public image within this niche.

Customer References

This discussion about referrals will have two different, but related elements. The first part will talk about asking your contractor for referrals and the second part will talk about asking acquaintances for referrals to help you find a professional contractor.

One of the most widely used and trusted practices in checking out a contractor is talking to his past customers. These are people who have had first-hand experience with the contractor you are considering. It is always important to ask for and check out referrals from past customers. These referrals should be current. The referral should be for a job similar to the one you are considering. The referral should be willing to answer all questions openly and honestly. Ask your prospective contractor to give you references of similar past jobs they have completed.

When you contact another homeowner, ask them questions about the contractor and their satisfaction with the job. Would you hire this company again? Did the company maintain a reasonably neat and safe jobsite and haul away debris? Did the company keep labor and material delays to a minimum so that the job could be started and completed on time and within budget?

One of the best ways to find a reputable contractor is to hear about him from someone who has had a working experience with him. Seek referrals from friends, family, neighbors, coworkers, and others who have had remodeling work done. Contractors

love to be referred to future business. Many have systems in place to encourage referrals. Having a referral gives the contractor a “leg up” on all of the other contractors you might be considering. Ask a lot of questions. Was the work done on time? Were any delays for good reason? Did the crews conduct themselves properly? Were the lines of communication open and clear? Were the materials and workmanship as specified? Did all work pass the first inspection? Did the firm make timely callbacks? Have you had any unexpected problems since the completion of the work? How were warranty issues handled? Was the job completed within the original estimate? Would the customer use the firm again?

Most firms are consistent. If others with similar tastes and budgets were happy or unhappy with the services provided by a contractor, most likely you will receive the same results.

Unacceptable: The contractor can't or is unwilling to give you referrals. He pooh-poohs your requests for them, or says he will get you some and then forgets.

Good: The contractor has referrals and is willing to share them upon request.

Better: The contractor has a list of recent referrals for your type of job, and provides names, addresses, phone numbers and/or email addresses so it is easy to check out the references.

Best: The contractor has testimonials from recent past customers for your type of job. The contractor has a history of completing successful projects, on time, on budget, and meeting all customer and code requirements.

Business Location

Many times, unsatisfied customers have made the statement, “I just could never track him down.” Does your contractor live in the community? Is it easy for you to determine this contractor's business location or address? Be sure to watch for those who have no verifiable address or phone number or just have a P.O. Box number for their address. It is important to a lot of people to keep their business in the community. It is important to a lot of people to know how to contact the people they are doing business with.

There are a number of great reasons to choose a local contractor. Local firms are compelled to perform satisfactory work for local homeowners in order for their business to survive in the community. Local firms can be easily checked through past customers. They are tax-paying members of your community, so they care about the community.

Also, it is much easier for the contractor to stop by and check in on his workers if he works/lives nearby. Many jobs fail because of lack of supervision, and the time it takes to check a job, the travel time, is a definite factor in choosing a contractor. In addition, he will be more familiar with the styles of housing in the area, local building codes, soil conditions, common building practices, the age of the construction, and may even be familiar with the people who lived in or around the home before you did. In addition, he must do a good job because he feels that the neighbors are watching and scrutinizing his every move. His chance for a positive referral from you determines his future in his community. If he is local, this is his neighborhood too and he wants other work in this community.

Unacceptable: The contractor has come in from out of state, chasing a hail storm. He only has a PO Box address, so you don't know how to find him.

Good: The contractor has a central location from which he does his business.

Better: The contractor has a local office location with a sign up. It is clear that his business is a member of your community. Good neighborhoods need viable businesses and professional businesses need thriving neighborhoods.

Best: The contractor has a place of business with a showroom that displays past work. He is open regular business hours. You can make an appointment to visit the showroom. The contractor is called out many times over the course of a year as a supporter of local sports teams, local churches, local neighborhood efforts, and other community minded endeavors.

Professional References

It seldom occurs to homeowners to ask a contractor for professional references. This is an entirely legitimate question and concern. A professional contractor brings many business enterprises to the table to help complete all of the work they perform in a year. Their performance on your job is dependant on the level of the other professionals they have on their team. They can only be as good as the weakest link in their chain. What if their cabinet maker is less than adequate and the custom cabinets they are proposing for your job are a very important element of the whole project they are proposing for you? Does the contractor possess a trustworthy reputation among peers, suppliers, subcontractors, and other people involved in all aspects of the industry? Ask the contractor for references from his associates. If there is a large element to the contract that you are particularly concerned about, ask to meet and visit the subcontractor or suppliers' facility. Ask those other professionals about their relationship with your prospective contractor. If you determine there might be a strained relationship or worse below the surface, you could become the unfortunate benefactor of that relationship failing. All professional contractors have a reputation in the industry. You need to ask enough people to find out what that reputation is *before* you are in the contractual relationship. The length of the relationship is generally accepted as the best indicator of the success of the relationship. It takes a lot of concerted effort to stay in a relationship and make it work over the long haul, just like marriages.

Another type of professional reference should be from the financial industries associated with your prospective contractor. A professional contractor should be willing to provide enough financial information so you can determine the stability of the company. In general, banks will not share any information because of privacy issues. If a contractor offers financing, it is fair to understand your prospective contractor's relationship with the lender.

If a supplier will not do business with the prospective contractor, why would you? Chances are, when a supplier will not do business with a contractor, that supplier has not gotten paid for products or services. Let something like this speak very loudly to you that this contractor is not a good character.

Unacceptable: The contractor has burned a lot of bridges with subcontractors and suppliers. He has a reputation amongst subcontractors and suppliers for being

difficult to deal with. He won't give any references. He is on a COD basis with some/all suppliers and subcontractors. He has no established credit.

Good: The contractor is willing to share the names and contacts of all of the members on the team. He has a good working relationship with them.

Better: In addition to the above, the contractor shows evidence of long, healthy relationships with subcontractors and suppliers.

Best: In addition to the above, the contractor will show testimonials from subcontractors and suppliers on their team. The contractor will help you visit or talk with all other important team members so you are assured of the compatibility. The contractor is willing to speak openly and honestly about the professional relationships he has fostered over the years. The contractor might even have won industry-wide recognition for his professionalism.

Company History

Some companies don't have any history. Some companies have a short history. Some companies have a very long, well documented history. Some companies have changed over the years. Their focus has changed. The type of work they do has changed. How they service their clients has changed. Some companies have experienced quick change every year they have been in business and find it hard to predict where they will go next year. Quick growth can put many strains on a company. Unless a person has served a strong apprenticeship with another contracting firm, it will be almost impossible for an individual to rapidly put together a company and make it grow in an organized fashion. It is difficult to develop a system that ensures great work while a company changes rapidly. Longevity suggests financial stability.

There is a fine balance of skills that a successful contractor must have. He must understand both the business end and the building end of the business. The business won't be successful unless he can at least deal with both ends. For instance, he may have been a talented carpenter before he started this business, but does that mean he can keep the books in order and do payroll for his workers? There are a lot of hats a contractor must wear, and the success of the business depends on his understanding and ability to handle all of these functions.

Ask your prospective contractor enough questions to determine where he is on the continuum. There are a lot of acceptable places to land, but many homeowners seem to end up feeling blindsided if they found out later that there was something about their contractor that was different than they had assumed. Many older companies describe periods in the past that had specific characteristics; when they were a small company, when they had one location, when everything was run by the one owner, when they only did a specific type of job, a time before they had a successful business organization. Some companies never seem to change and they are still doing business the same way they did thirty years ago. How will these issues play out in your working relationship with this company? Are the decisions they made that make up their history acceptable to you? Do you think they made good decisions?

Unacceptable: The contractor has worked for or started several failed businesses. He has multiple bankruptcies in his history. He has a very short history with this particular company.

Good: The contractor is willing to openly share the history, structure, and workings of his business. He may be young, but he takes on jobs he is capable of handling.

Better: The contractor has systems in place to ensure the proper functions happen for each job. He manages work flow efficiently.

Best: The contractor has office workers dedicated to managing specific areas and has delegated authority to competent people. His employees have job descriptions. He has had slow, steady growth over a period of years. He is willing to share the history of the company and can be proud of many of the accomplishments the company has made.

Organization on the Job

Many professional contractors are very proactive about the type of organization they are. They have determined they want to be large or small. They have chosen whether they want to be a corporation, a limited partnership, or a sole proprietorship. They have decided if they are a general contractor (performing many if not all services) or only provide a specialized service. They have a target market and know they only work on residential or commercial or industrial projects. Some companies only work in certain areas or on certain types of structures. Some only perform certain types of projects (additions, second stories, kitchens, restorations, insurance work). Some companies seem to have a labyrinth of organization and others seem to operate by the “seat of their pants” on a day to day basis, reacting to every situation as it comes along. Which type of company are you most comfortable with? Their level of organization will play an important role in the day to day interaction they have with you as a customer. Do they complete most of their work with their own employees? Do they subcontract a lot or all of the work? Do they have standards that they share with you outlining their expectations for their employees, their subcontractors, their suppliers? Ask to see a job in progress to get a feel for how a contractor does business. Try to imagine the work site in your home. Would this drive you crazy?

Many times, a professional contractor will pass on a certain kind of lead, a type of job, or a certain type of customer. The longer most contractors have been in business, the better they know what kinds of jobs and customers are right for them. Often it is hard to explain to a consumer why a contractor is passing on a lead, but usually it has to do with incompatibility issues that center around the type of organization the contractor has put together. Sometimes they know their organization isn't set up to do that kind of job efficiently. Sometime they feel uncomfortable asking their workers to do that kind of work. Sometime they have a past experience with a similar situation that makes them reluctant. Sometime they are unfamiliar with the work. Some contractors will pass because your house is too old or too new. Some contractors will pass because your house is too messy or too clean. Some contractors will pass because your job is too complicated or too simple. Some contractors will pass because your job is too big or too small. Realize the best situation is a good match. Both the contractor and the homeowner have to ask enough questions to determine if it is a good match.

Unacceptable: The contractor has no real organizational structure. His lack of organization and scheduling delays jobs. His poorly maintained tools lead to poor quality work. Good suppliers and subcontractors have severed working relations with him.

Good: The contractor maintains no formal organization, but gets the job done. Seldom, if ever, is there an issue with the workmanship.

Better: The contractor has systems and processes in place for all parts of the projects. These systems and processes allow the owner to complete more projects, satisfy more clients, and grow a successful organization.

Best: The contractor can document and follow all areas of the project at any time. The contractor is able to take on any size job under many pre-existing conditions, and has the wherewithal to complete even the most challenging projects. This is not meant to convey that bigger is better.

Professional Associations or Affiliations

Some contractors find little need to belong to organizations, while others are “joiners.” There are many obvious benefits to belonging to organizations, yet some contractors seem to belong for all of the wrong reasons. Many businesses belong to the Better Business Bureau because it looks good and consumers expect it of them. Some contractors belong to an association to project the image of professionalism. They do it to buy credibility. The trick is to ask enough questions to determine which kind of contractor your prospective contractor is.

Local, State, and National organizations help to keep their members informed about new products, construction techniques, business practices, and industry issues. Through certification programs, these organizations confer designations on those who meet the requirements. Ask your contractor what, if any, associations or organizations they belong to. Ask them about the length of time they have been members. Ask them about what level of participation they have taken in these organizations. Do they go to meetings, seminars, conferences, trade shows? Ask them if they have taken any classes to further their knowledge of the industry. Ask them if they have held any leadership positions in these organizations. Ask them if they hold any designations or certifications, have won any design or construction awards, or are members of a specially designated group in their industry. Membership should be a given, participation is expected (you only get what you give), and active leadership should speak volumes. Call these organizations and associations and verify the contractor’s claims with the office personnel.

Seek referrals from local trade associations, such as your area’s local Minnesota Builders Association, National Association of the Remodeling Industry (NARI), or local Remodelers’ Council.

Participation demonstrates a contractor’s commitment to professionalism and the industry. With all the recent changes in materials and techniques, membership in a professional association is the best way for a contractor to keep up to date and informed through publications, seminars, and annual trade shows of professional products. These organizations and associations exist to promote these businesses and have a vested interest in your satisfaction with their members. Peer review and peer

pressure is one of the most potent motivators in a contractors' business experience. These associations are one of their most valuable resources to professionalism.

Unacceptable: The contractor does not belong to any professional association.

Good: The contractor is a member, has paid his dues on a continual basis. He attends some meetings and seminars.

Better: In addition to the above, the contractor participates on committees, and assumes leadership roles. The contractor enters design and/or construction award competitions. The contractor has received industry recognition.

Best: In addition to the above, the contractor is an officer, and/or has assumed other responsibilities in associations. The contractor has a list of recent awards. The contractor is quoted in industry publications. The contractor is featured in local publications. The contractor is a resource to others in the industry.

Design Services

There are many projects that require some level of design. Almost every job that needs a permit needs plans. Some jobs require structural engineering. Some jobs require a registered architect. Some customers want an interior designer to help them with the features of the project. Design can play a small role in some projects and a very large role in other projects. Design is the process of creating a plan or drawing to show the appearance and workings of something before it is built. There are different levels of design detail in every job and the trick is to match the design skill level of the contractor with those required by the project. First, determine at what level design will play a role in your project. Do you have special features of your home that you would like to match or replicate? Are there special challenges that need sound solutions? Will parts of the project need to be calculated by a structural engineer? Are there special elements that only experts understand and handle? Second, determine what design skills will be required for the project. Do you need a draftsman, an architect, a structural engineer, an interior designer? These are all people that possess special skill sets that contribute to the overall design of the project. Third, determine if your prospective contractor offers these skill sets and is able to provide the necessary design to have a project that is satisfactory to you. Does the contractor offer these design services? Does the contractor have these people on staff or does he have working relationships with them. Can he show you projects and explain how all of these people collaborated on other projects he has completed for other customers. Do you want to be on the design team and does this fit with the contractor's practices? How does the contractor balance cost with design?

Some contractors and some consumers just don't value design. They don't believe it contributes significantly to the project and they are unwilling to provide it or to pay for it, respectively. Some consumers and some contractors are very highly motivated by good design. The trick is to match the consumer's level of desire for design with the contractor's level of capability to provide design. The benefit to finding out the consumer's desire for design and the contractor's level of ability to provide design is to match the levels. There is nothing more frustrating to both parties than a mismatch. Ask questions to find out if the contractor you are considering is a good match. They will seldom change into something more satisfying after the job has started.

Unacceptable: The contractor pooh-poohs the need for design. The contractor represents themselves as a designer or an architect when they don't have the credentials or skills to back it up.

Good: The contractor understands and has respect for the relationship between design and construction. These services are talked about and decisions are made to incorporate these services into the project as needed.

Better: The contractor has a designer on staff and can offer design services. The contractor knows when to involve other professionals in the project. The contractor has many good ideas, can share solutions that he has used in other projects, and is willing to work collaboratively with a team.

Best: The contractor has an architect on staff, or a working relationship with an architect and knows when to involve them in a project. The contractor does mostly projects that are design driven and has a reliable reputation.

Size of the Company

Consumers believe that size matters in their failed relationships with contractors. They complain that the contractor was a "one man operation" and he took forever. They feel they were dealing with a huge operation and never talked to the same person twice. They experience contractors being "in over their head." They get handed off to the next division of the company so many times they lose track. All of these experiences relate to size. All of this could have been avoided if the consumer had asked simple questions and the contractor had made simple disclosures on the front end. Do you want to work with a huge company or a small, specialized company? As a rule, a smaller company does fewer jobs and can devote more personalized time to your project. Conversely, large companies typically have more efficient systems a greater division of labor, and are capable of a far greater range of projects. Normally, when working with a small company you will have one or two points of contact versus a large company where you may have more points of contact and a greater chance for miscommunication. Is there a part of you that "likes to deal with the owner?" Is there a part of you that needs to have a relationship with the person doing the work? Is there a part of you that likes to give the business to the little guy? It is just as much a mistake to ask a large company to replace your storm door as it is to ask a handyman to put on an addition or do a whole house remodel.

Many companies change size over time and this usually affects the type of work they do and the size of projects they take on. Many small companies are flexible, have fewer rules, are more unpredictable, and what you see is what you get. Larger companies have put systems and best practices in place because they can't leave outcomes to chance. For many years, our industry tended to be more of the small companies. They were good tradesmen, but often lacked the business skills to grow the business or be financially successful on a consistent basis. In recent years, the industry has changed greatly. National companies have put franchises in place. Many TV shows feature home improvement and design. The housing stock is getting older. The workforce is changing drastically; the trade schools have all but disappeared, and young workers growing up in the trade are a thing of the past. These, and many other issues like the internet, have changed our industry greatly.

Unacceptable: The contractor doesn't understand what his capabilities are. He doesn't understand the relationship between size and capabilities.

Good: The contractor has an understanding of the size of the workforce it will take to complete a project and he does not make commitments he can't meet.

Better: The contractor has a careful hiring process and only hires when he feels that the quality of work will be improved. The contractor has a tracking system so he knows the amount of work on the books and the backlog of work sold. This enables him to clearly communicate his job schedules to his customers.

Best: The contractor has a carefully projected growth strategy for the next 10 years. The contractor has divisions of labor and people are hired for their overlapping skills. The contractor has working relationships with many other contractors, subcontractors, or labor providers, so that his work force can expand or shrink as work load dictates.

Quality of Subcontractors

Subcontractors are specialty contractors. They have one set of trade skills. They are required to have special licenses for their particular trades, i.e. electrical, plumbing, heating, stucco. General contractors are not allowed to perform the work of the subcontractor because they are not licensed to do that work. Subcontractors are a very key element in almost every project. Subcontractors can make or break projects. They are not employees of the general contractor, so the contractor literally has no control over their schedule or how they do their work. If he did, they would be his employees, they would lose their independence and there would be tax ramifications. The relationship between a professional contractor and a subcontractor is nurtured over many years of concerted effort on the part of both parties.

It is important on every project to identify the key subcontractors that will be involved in the project. Your task is to determine what kind of relationship your prospective contractor has with his subcontractors. Has he worked with them for years? Has he ever had a problem with a subcontractor that was not resolved satisfactorily? Do any of his subs have a history of not showing up, not following through, or not taking care of warranty work in a timely manner? The subcontractors are essential to keeping the job running smoothly. Your general contractor is always only as good as the others on his team.

The cost of your project can be greatly affected by the cost of the subcontractors' contributions. When a general contractor is bidding a project, there is always a great temptation to find a cheaper subcontractor in order to bring the total cost of the project down and have the bid be more competitive. This practice can compromise the project, but it begs the questions about price and bids and the overall cost of the project. There is a correlation between the quality of work and the cost of the subcontractor. I think some consumers fear that a general contractor will give a lump sum bid for the job and then use the cheapest subcontractors and the cheapest products to produce the project, leaving the most profit attainable left for the general contractor. There are ways to structure the bid so that the homeowner gets what is bid and pays for what they get. Some contractors use allowances for the costs associated with the subcontractors, and then the subcontractors' proposal can be shared with the consumer.

Unacceptable: The contractor hires the cheapest subcontractor every time so his bid is the lowest. The jobs suffer for the lack of professionalism.

Good: The contractor has a working relationship with subcontractors and shares the names of those subcontractors with the prospective clients.

Better: The contractor has evidence of long healthy working relationships with professional subcontractors and involves them in the project early.

Best: The contractor has developed a core group of subcontractors in the various areas that he always uses. He knows their workers and managers and how to get a hold of them. Expectations are clearly spelled out in a separate Subcontractor Agreement written up and signed by both parties outlining all policies, procedures and safety issues.

Job Schedule

There are many areas where the schedule affects the satisfaction of the project. Did the contractor take too long to get the proposal done? Did the contractor take too long to get back to you with answers to your questions? Did the contractor promise to bring over samples and then have to be reminded? Is the contractor too busy to give you the attention you want? These kinds of things could be early warning signs that schedule may be an issue throughout the project.

If you missed all of those early warning signs and signed the contract, schedule still has a real chance of adversely affecting your satisfaction with the job. Did the contractor say he could fit you into his schedule and then something changes at the last minute? Was the permit pulled before the work started? If special materials were needed for your project, did they get ordered so the workers would have them when they needed them? Were subcontractor agreements negotiated in a timely fashion? If there were delays, did the contractor anticipate them, have an acceptable alternate plan, and inform you of the anticipated changes?

In general, issues around scheduling are always an issue for a contractor on every job or are rarely an issue. Companies have systems and habits, and they seldom do things differently.

Do you have special scheduling considerations? Do you want to have your new living room done for Christmas? Do you want this work completed while you are on vacation? These are extremely important considerations since many contractors schedule work many months in advance and many jobs have many elements to coordinate. Find out how you fit into his schedule and be up-front and realistic about a time line.

One of the things that happens most often in remodeling projects is that the scope of work changes, the customer is given a Change Order, agrees to the additional work, but the contractor didn't make it clear that the additional work would add to the timeline of the project. There are many subtle things that can change the flow and progress of the work. The more experience your contractor has, the more these things can be anticipated. The kinds of things the contractor can't anticipate are how long it takes you to make decisions, how long it will take you to visit showrooms and pick out products, or how long it will take you to do your part of the project.

Unacceptable: The contractor has no sense about how long the project will take. He can't count on his subcontractors or their schedule.

Good: The contractor gets back to all clients in a timely manner. The contractor provides a job schedule to the clients prior to commencement.

Better: In addition to the above, the contractor posts the schedule on the job, the lead carpenter is always managing the job on a daily basis and all changes are communicated to everyone who is affected by the changes.

Best: In addition to the above, the schedule for your job is on the contractor's web site and everyone who is affected by the schedule has access to it on the web site. The schedule is regularly updated. All scheduling concerns are addressed in a timely fashion and to everyone's satisfaction.

Does he use Employees or Subcontractors

It seems to matter greatly to some consumers whether or not a contractor will use his own employees or use subcontractors. There are several legitimate issues associated with this question, but it really is not an issue in most cases. It just seems consumers have been warned against a contractor who mostly uses subcontractors. Understand that the contractor is just as responsible for the subcontractors as he is for his own employees. It is solely the responsibility of the professional contractor to decide how and by whom the work will be completed. The contractor needs a wide margin of flexibility in this area because problems may arise and he needs to have the ability to solve the situation in a timely fashion. Many aspects of the remodeling process can only be legally completed by subcontractors. Many aspects of the remodeling process can be completed by just about anyone, but it is only the person who performs that task all day, every day that becomes proficient and cost effective.

Contractors who have their own employees tend to be more stable and in control of all aspects of the project. It takes a steady flow of work and a steady flow of projects, to effect steady employment for quality carpenters to stay engaged and satisfied. The carpenters tend to control the flow of the day-to-day operation on the job and guide the subcontractors in the absence of the contractor himself. Having the same workers there every day leads to better projects. A contractor is familiar with his own carpenters and their strengths and weaknesses.

Contractors who subcontract all of the work lose some of the control of the whole process and spend a certain amount of time trying to anticipate everything that could happen. Contractors spend a lot of effort conveying to the subcontractors how the work should be done and what has been sold to the consumer. The longer a subcontractor has worked with a general contractor, the more these things happen without intervention. Subcontractors may send a different crew each time, creating the necessity to stay on top of the project better so everyone is "on the same page."

Unacceptable: The contractor hires carpenters and other workers on an hourly basis from a day labor work pool. No one on the job is in charge. Every worker is doing "his own thing" and no one is supervised. There really is no plan. Workers come and go in an unpredictable fashion.

Good: The contractor has had the same group of employees for years. These employees understand the general contractor's systems and every one is working together with clear communication between all concerned parties.

Better: In addition to the above, the contractor has invested time and money for his employees continued education. Many of the employees have taken classes or participated in ongoing education to further their knowledge and understanding of their trade. They take great pride in their contribution to the project as a whole.

Best: In addition to the above, the contractor knows the strengths and weaknesses of all employees and has good personal relationships with all of them. The carpenters have secure jobs and they know it. There is room for advancement in the company and the company encourages and supports the growth of all employees.

Communication with the Homeowner

So much of the success of a project can hinge on the communication skills of all of the people involved in the project. There are so many details, so many decisions, so many factors to consider, and all of them usually significantly affected by time. The construction process usually goes through phases, such as design, estimating, bidding, contract negotiating, and production. The success of all of these phases is greatly dependant on the communication that takes place in each phase and subsequent phases are dependant on the communication in previous phases.

What if you are unsure if it is OK to ask questions? What if it isn't clear who to ask? What if you find yourself always waiting for a return phone call or an answer to your email? What if you find yourself passed to a new person or new phase every time you just get comfortable with someone. What if there is a salesman for sales, a designer for design, an estimator for estimating, a production manager for production and no real connection between any of them. What if the process isn't clear and always seems to catch you off guard or surprise you. What if you end up feeling like you have to figure out the right question to ask before it is too late to ask it? What if everybody you are dealing with only seems to know about their particular small part of the project and no one can answer the broader questions. What if every question you ask leads to the discovery of a problem in the whole project. These are serious early signs that communication will be an issue in this project.

Communication is a skill no less important than floor sanding or electrical wiring. Good communication can be the glue that holds a project together. You should feel that the contractors' job is to answer every question openly and honestly. You need that kind of information to make good decisions. You have a sense about another person that tells you if you like and trust the way that person answers your questions and communicates with you. Trust that instinct. If you are having trouble with the communication process early in the relationship, the chances are very good that you are not the only person that is going to have communication problems with this person or this company.

Unacceptable: The contractor has poor communication skills. He does not answer questions directly, the answers are evasive, or the answers confuse more than help.

Good: The contractor understands the value and importance of clear communication. He values your questions and practices clear communication.

Better: In addition to the above, the contractor makes sure there are no misunderstandings, asks for feedback on a regular basis about the communication and understanding to date.

Best: In addition to the above, the contractor has attended workshops or classes on communication to improve his communication skills. He has learned some public speaking skills and keeps those skills sharp by offering to speak publicly on a regular basis.

Source of Business

Talking to a contractor about where the bulk of his business comes from can tell you a lot about the company. Some contractors don't know where their business comes from and have never bothered to figure it out. Some companies only have a couple of customers and all of their business comes from them. Some companies have a lot of past customers and their business comes from past customers or referrals from past customers. Some companies advertise all over the place with big splashy ads and must rely on a lot of new calls. What about repeat business? Shouldn't a contractor who does quality work eventually not have to advertise as much as a new contractor due to repeat business and referrals from past customers?

Every successful contractor, without exception, has satisfied customers by providing a good value. Providing a good value should lead to referrals and a consistent base of customers. Good leads are the lifeblood of every company. Without this base, a contractor cannot succeed. Most established contractors' primary source of new customers is word of mouth. While every contractor has occasional customer problems, if a company gets too many unhappy customers, no amount of advertising dollars can overcome this situation. Unsatisfied consumers tell too many others of their misfortune.

Unacceptable: The contractor does not know where his business is coming from. He does not know why you called him or where you got his name.

Good: The contractor understands the importance of the lead source. He tracks leads and knows where his leads are coming from. He values leads that come from one source over leads that come from another source.

Better: In addition to the above, the contractor tracks leads and has a lead qualification system that helps him understand better which leads are right for his company. He knows the percentage of leads that convert to sales calls, the percent of sales calls that convert to sales, and works leads based on the anticipated fruition.

Best: In addition to the above, the contractor focuses his marketing and advertising strategies to attract the kind of leads that best suit the company. He has come to realize that everything he does creates a perception, and he is careful that the perception he creates is aligned closely with the direction the company wants to go.

Customer Service

In the same sense that you will talk about a doctors "bedside manner," many contractors are rated on their customer service. So many factors can contribute negatively or positively to a consumer's perception about a contractors' customer service.

Does he believe the customer is always right? Does he emphasize service and value a trusting relationship with you? Does he listen to and understand your needs and wants and work with you to ensure that the plans accurately reflect your expectations? When you discuss your priorities, does the contractor show enthusiasm

for your ideas and suggest ways to make them work within your budget. Professional contractors can make suggestions or give examples of how their company has solved similar issues for other customers. They take the time to establish a personal rapport with you.

Does the contractor engage in high-pressure sales tactics? How do you feel about working with this person? Is he honest, trustworthy, sexist, racist, chauvinist, ageist, judgmental? In short do you feel comfortable with the person? It is next to impossible to have a healthy, constructive, working relationship with someone you dislike. The construction process can be tough enough by itself, without adding some of these painful dimensions. This is not saying you have to be friends with the person you are asked to deal with, but shouldn't there be a mutual respect and a good working relationship?

A remodeling project that is not carefully planned can cause real headaches for the customer in terms of mess, delays, and missed deadlines. You will have to work with, spend time with, and interact with the contractor on a regular basis throughout the duration of your project. It is worth a little time at the beginning of the process to choose a contractor that provides great customer service, has a sense of all of the elements needed in the relationship, and that you get along with.

Unacceptable: The contractor is rude, does not listen well, interrupts often, and is trying to control the whole relationship. There is uneasiness about all of the interactions you have had with him.

Good: The contractor understands that he has been asked to make an improvement on your home and is very appreciative of the opportunity to work with you. He takes the time to get to know you, understand you, and tells you who he is so you can visualize your future working relationship.

Better: In addition to the above, the contractor finds out how you make decisions, what your taste is, what your long-term commitment to the house is, what your values are, and what your budget is, all in an effort to better serve you and create a successful project. He understands how to be in relationships and he values what good relationships contribute to the process.

Best: In addition to the above, the contractor has programs in place and ongoing training for all employees at all levels so this kind of customer service becomes a part of the company culture. These values have been clearly communicated to the subcontractors and suppliers also.

Community Involvement

A contractor's business has to exist someplace. A contractor can't operate in a void or with complete disregard for the community it serves. That same contractor is dependent on that healthy, thriving community, and it is significant if a contractor plays a vibrant and supportive role in the community. What role does your prospective contractor play in your community? What organizations does he support? What groups is he an active member of? Does he attend neighborhood meetings? Does he go to church in your community? Are his children in local schools and is he active in their education? Does he sponsor a local sports team? Are the employees involved in community groups and organizations? Many times, the importance of

participating and giving back to the community is overlooked by disreputable contractors and their employees and appreciated by professional contractors.

Community involvement often shows a respect and understanding of the community at large. They are familiar with community issues and local problems. They are also familiar with the age and type of architecture in the area. Involvement shows commitment to the community and its people. You can often find this information in community newspapers and at community meetings.

Is your prospective contractor active on the larger city-wide level? Has he played a role in local elections, served on the school board, held office, volunteered for community functions? Many neighborhoods and communities have home tours or home improvement shows. These are usually set up to support some segment of your community. Has he participated in these? Is he active in the governance of the community? Ask him these questions and afford him the opportunity to share how he participates.

Unacceptable: The contractor does not participate in any community activities. He has no understanding of the history or culture of the community. He doesn't have any connections to civic-minded groups in your community.

Good: The contractor takes an active role in the community. You meet him at numerous community gatherings. He understands the value of community and has an overall understanding of the community values and priorities.

Better: In addition to the above, the contractor has taken the time to serve in different community organizations. He knows other leaders and is comfortable in leadership roles. He understands this service makes him a valuable asset in the community.

Best: In addition to the above, the contractor is a key player in the community. He has served for years on the Board of Directors of local organizations. He knows their mission and values their contributions to the community. He has given of his time and money to community functions. He can be counted on as a staunch supporter of community endeavors. A lot of his employees live in the local community and he does business with many of the local businesses.

Creativity

So many times projects cry out for creative ideas that will help the project really reach a satisfying level. A professional contractor will be able to contribute many creative ideas that will enhance the project. A professional contractor has professional relationships with a wealth of designers, architects, and other creative people often necessary to your project. So many times, these elements are overlooked by less professional or inexperienced contractors. Ask your prospective contractor enough questions to find out if he is in a position to contribute these services.

Ask your prospective contractor if he has a designer on staff, an architect on staff, or a working relationship with an architect or designer. Does he work with a particular interior decorator or interior designer? Has he ran into problems like yours before? Do any solutions come to mind at this time for this particular problem? Usually, if something has been a problem and needs a solution, it is of particular interest to the consumer. It might even be the main impetus for the whole project. Can the contractor give this the necessary consideration and help solve this problem?

A creative contractor can help you work within your budget by suggesting alternative materials or plans that achieve the look you want with less material and labor cost. A creative contractor can also let you do some of the work or show you what parts of your project can be completed later. There are many skills needed to meet the budget, and every project usually has a budget.

A professional contractor with a lot of experience garnered from many years of working on many projects has a wealth of experience. Over those years of experience, many ideas, many concepts, many solutions, have been talked about and advanced. He has gotten a chance to be a tremendous resource for your project. Being able to tap into this experience can add tremendous value to your project.

Unacceptable: The contractor has no concept of creativity. If he offers a solution, it seems more like a shortcut or trick to deal with the situation.

Good: The contractor has many ideas for solutions to the problems. If he can't come up with a solution readily, he says so and offers to work on it.

Better: In addition to the above, the contractor has many people on his team that he consults on a regular basis to bring a wide range of ideas and solutions to the table. These ideas are openly shared with the consumer. This experience and knowledge and the willingness to share it adds value to the project and enhances the relationship.

Best: In addition to the above, the contractor understands the value of working in a collaborative fashion. Everyone on the team has a unique contribution, and his ability to draw the ideas and creativity out of the members of the team greatly enhances every project and adds value to the relationship.

Guarantees & Warranties

There is often a lot of confusion about guarantees and warranty work, both on the part of the homeowner and the contractor. Many contractors fail to be clear about the guarantees they make about their finished products. In response to this, the State of Minnesota has a law that says the dwelling shall be free from major construction defects due to noncompliance with the building standards for a ten year period after the warranty date. Defects caused by faulty installation of plumbing, electrical, heating, and cooling systems have a two year warranty and everything else has a one year warranty. All projects are subject to this condition and warranties survive passage of title.

A guarantee is an assurance that certain conditions will be fulfilled, especially that a product will be of specified quality or last a certain period of time. A warranty is a written guarantee promising to repair or replace an article if necessary within a specified period of time.

The clarifications that need to be done in the contract can often be many and complicated. What is guaranteed? Who is making that guarantee? Who will service that guarantee? What if a product fails, is the work or labor to replace it also a part of the guarantee? A reputable contractor guarantees his workmanship and services, and in addition is guaranteeing all of the work, services, and products provided as a part of the project, whether provided by him, his employees, his subcontractors, or his

suppliers. Many times the manufacturer of a product makes guarantees and these become an important part of the equation. For home improvements, the warranty begins when the project is completed, so it is important to know what defines completion.

Some contractors have been known to puff up their warranty or offer longer guarantees as a sales incentive. It does not matter how long the warranty is nor how it reads if the contractor never intends to do any warranty work. This goes back to past issues about the contractor's stability. Will your contractor be in business as long as necessary to honor your warranties? The homeowner can take action against the contractor for breach of warranty and may recover damages up to the amount necessary to fix the problem.

Unacceptable: The contractor doesn't have a written warranty. His verbal guarantee is vague and he is hard to nail down on the particulars. His guarantees sound too good to be true, are much longer than anyone else in the industry or seem puffed up.

Good: The contractor has a written warranty that is a part of his contract and it satisfies state law requirements. The obligations of the consumer and the contractor in regards to guarantees and warranties are clearly stated.

Better: In addition to the above, the contractor has provisions for providing all of the manufacturers' warranties for products used in the project in an organized fashion to the homeowner. It defines clearly the nature of the warranties for labor, if different than the warranties for materials.

Best: In addition to the above, the contractor has a process of notifying the consumer a short time before the warranties are due to expire to see if there are any issues that need to be addressed.

Craftsmanship

Some companies pay a lot of attention to all of the details in your home. They are very concerned about matching the details of the trim, the windows, or the species of the wood. Every house is unique in some particular way, especially if you live in an older home. Do you want some thought given to the project and these details? Do you have some details that you would like to respect and copy in the new parts of your project? This attention to detail and the quality craftsmanship that is required to achieve it is not a given with every contractor. Craftsmanship and attention to detail are not developed overnight. They are developed over many years of working in homes like yours and gaining experience. Here is another instance where looking at past jobs helps you determine the capabilities of the prospective contractor. Attention to detail is also a personal trait. A carpenter may be perfectly capable of quality craftsmanship, but his personality will decide whether he has an eye for detail. The same can be said about companies. Will the contractor put in the extra time necessary to achieve the final look desired and will the company support this endeavor, or will they cut corners to get the job done.

You can tell a lot about the quality of the carpenters and their attention to detail by observing how they work. If their tools are just thrown in the back of the bed of their truck, if there is no organization and the carpenter spends a lot of time digging around in the truck looking for a tool, if tools aren't sharpened or cared for on a regular basis,

or if materials are left all over the job, your project will likely look and be organized in the same fashion. These skills are acquired early in life, not changed overnight. Skilled craftsmen have already made the dumb mistakes that all inexperienced tradesmen have made in the past. They have learned first hand how things are done. They have learned the good, better, and best way to complete a project. Don't pay someone to learn on your project! Do you want your project to turn out even, sturdy, and looking good? Do you want all the drawers in your new kitchen to open and close smoothly? Do you want the new trim to match and line up with your old trim? Enough said!

Unacceptable: The crew is short on experience and has limited skills in limited areas. When asked for solutions to problems, the worker is so short on experience that they can't even make a recommendation.

Good: The contractor has experienced employees. He matches their skill level with the tasks at hand. You can be comfortable with the level of craftsmanship as evidenced by the daily progress and the finished product.

Better: In addition to the above, the contractor cares about the architectural details particular to your home and your project and has all of the resources to complete the task.

Best: In addition to the above, the contractor has been in business many years and has found many trades people with all of the special skills and talents so that he can produce anything required in any project.

Jobsite Clean Up

Many consumers have had issues around the definition of clean up as it relates to the construction project. Some contractors assume you don't want to pay carpenters wages to have someone clean up the construction site. Some contractors clean up at the end of each business day and use terms like "broom-swept clean" to describe the amount of cleaning. Some contractors do an extra clean up at the end of the week. Some contractors provide a maid service clean up of the whole house when the project is done. Some projects can look pretty unorganized, in fact, downright dangerous. Some job sites never have anything left out of place. It is usually never the condition of the project as much as it is the expectations. If the homeowner assumed one thing and the contractor provided another thing, there could be problems. Included in the contract, should be clear statements stating what the contractor will and will not do along the lines of clean up.

Construction is messy, smelly, and can affect other areas of your property that are not under construction. What precautions will be a part of the contract in regards to the rest of the house, the yard, or the homeowner's bathroom? For instance, if the contractor needs to do some excavation work, wouldn't you like them to be careful with their equipment around that new shrubbery you just planted? If you are reusing appliances, wouldn't you like the workers to be careful carrying that stove through your house? The key to minimal disruption is in the procedures and processes followed by the contractor to keep the mess, noise, and smell to a minimum. The key to not having a problem is clear communication around these issues and trying to anticipate all of the possible conditions.

Unacceptable: Clean up of any kind is not a part of the contract. You never know what you will find when you come home from work. It is not clear what is debris and what might be used tomorrow for the project. Your family's well-being is at risk.

Good: The amount of clean up included in the contract is clearly spelled out. Everyone is clear about who will handle what.

Better: In addition to the above, the contractor never leaves the job site with a surprise for the consumer. The contractor has a check list of all of the things that will be done at the end of the day by the last person leaving the job site.

Best: The contractor has a written agreement with all of his subcontractors and suppliers that cover his expectations about clean up. Everyone in the company works to back up each other if there is a problem, rather than having the attitude that it is someone else's problem.