

# The Historic Huntsville Quarterly

---

Volume 29  
Number 1 *Preservation Primer*

Article 14

---

3-20-2003

## How to Hire a Contractor

Mike Holbrook

Follow this and additional works at: <https://louis.uah.edu/historic-huntsville-quarterly>



Part of the [Historic Preservation and Conservation Commons](#), and the [History Commons](#)

---

### Recommended Citation

Holbrook, Mike (2003) "How to Hire a Contractor," *The Historic Huntsville Quarterly*. Vol. 29: No. 1, Article 14.

Available at: <https://louis.uah.edu/historic-huntsville-quarterly/vol29/iss1/14>

This Article is brought to you for free and open access by LOUIS. It has been accepted for inclusion in The Historic Huntsville Quarterly by an authorized editor of LOUIS.

MIKE HOLBROOK

### **How to Hire a Contractor**

Which comes first, the designer or the contractor? When undertaking historic restoration, rehabilitation or renovation, many homeowners decide to employ the services of professional designers, such as architects, kitchen or bath designers, interior designers or draftsmen. While the professional designers provide the blueprints, it is the responsibility of the contractor to translate their vision into your reality.

When choosing an architect or designer, it's a good idea to select the contractor as early in the design phase as possible. That way the contractor can work with the designer to ensure that construction details are both buildable and affordable. Integrating the construction professional into the design process is important, as owners can often be disappointed to learn that their wonderfully designed project is beyond their budget because they lacked a realistic idea about project costs. While some renovation contractors also offer design/build services, it's advisable to also have an architect or other preservation professional involved to be sure that the project is sensitive to the historic aspects of the building.

### **The Quest**

Choosing tradesmen or a contractor to manage the tradesmen for your preservation project can be the single most important step of the entire process. Unlike the architect or designer who may periodically visit during the construction process, the contractor will be “moving in” for the duration (and sometimes longer). The contractor and his workmen will get very intimate with the home and no doubt this will affect the family's lifestyle. While some extensive renovation projects require that the family move out, most families choose to (or must) stay in the home during the process. Therefore, choosing a contractor based solely on price, experience, craftsmanship or even a personal recommendation can be risky business. The

contractor's attention to customer service and project management can sometimes have as much impact on one's satisfaction with the final outcome as, say, attention to details on the custom cabinet work.

So just how does one go about selecting craftsmen to get the best value for the investment? First, look only for contractors who specialize in renovations, especially historic preservation projects. Just as one wouldn't want a family practice physician to do heart by-pass surgery, it's not a good idea to choose a contractor who doesn't specialize in historic renovation. It's very unlikely that a typical builder of new houses (or his subcontractors) will be the best choice for a renovation project. Experience working around existing conditions and the knowledge of how to protect them from dust and damage is a basic expectation of renovation specialists. Builders of new houses rarely have occasion to learn these methods. Further, the work site of a renovation project by day is a family's home at night, and experienced renovators understand the importance of making the home as livable as possible for the customer. For example, a renovator should clean up the work site every day—remove wood scraps, throw away food and drink containers, and sweep up dust and debris. At the end of the workday the site should be safe for a family to wander about.

To start developing a list of potential contractors with proven renovation experience, solicit recommendations from co-workers, friends and neighbors who have had similar work completed. But don't simply ask them how satisfied they were with the quality of the work. Ask them specific questions about how the process went. Did they have good communication with the contractor? Did the contractor follow the plans, or insist on his ideas? Did the contractor finish on time and on budget? Did the contractor respect their home life, and—most important—would the client use him again. Someone else's tolerance for a cluttered work site, budget overruns, schedule delays or poor communication could make your experience with the same contractor a disaster. If an architect or designer has already been selected, he might be able to recommend renovation contractors and tradesmen with whom he's had successful projects.

No matter how impressive a resume or positive a recommendation, you should never hire a building professional without first checking his credentials. Verify that all prospective contractors are properly licensed and insured to operate a construction business. Most renovations and additions require the services of a general contractor because these projects involve specialty subcontractors such as plumbers, HVAC technicians or electricians. By law, only a general contractor (or you as homeowner) may engage the services of subcontractors. You should also contact the Better Business Bureau to be sure that a potential contractor does not have unsettled claims against him. And finally, check with local trade associations (i.e., Huntsville/Madison County Builders Association) to verify membership and professional certifications. These organizations can also give you a list of professional members who specialize in renovation projects.

*No matter how impressive a resume or positive a recommendation, you should never hire a building professional without first checking his credentials.*

After narrowing the list to a manageable number, the homeowner should interview each contractor. Show him the plans so he has a general idea of the scope of the job and can determine if he is capable of and interested in doing the work. Don't get sidetracked into talking specifically about the plans or the cost of the project at this phase of the interview process. It's a mistake to focus initially on cost. Instead, take this opportunity to get to know the contractor and understand his approach to the project. You shouldn't focus on cost without taking these other factors into consideration. Ordinarily, the bidding process assumes that, all things being equal, the low bid is the best value. In renovation projects, however, the low bidder may actually be the contractor who does not have a good understanding of the project, who omitted the most work, or who found ways to cut corners.

The direction in which you take the interviews with potential contractors should

reflect your priorities. Take this opportunity to ask the contractor specific questions about issues that are most important to you. If staying on budget or finishing on time is critical, ask him how he handles changes in work or makes up lost time. The personalities of owner and contractor play an important role in communication—and communication is vital to completing a project on time, on budget and with mutual satisfaction about the finished product. (Since good communication is such an important part of this relationship, a smart contractor will also be interviewing the owners to determine whether they and their project are a good fit for his work style.) During the interview, ask for references, names, phone numbers and

addresses for at least three of his customers—one project in process, one recently completed, and one completed over one year ago. Finally, thank the contractor for his time and make the commitment to call him after talking to some of his



customers. Then call the references and get their feedback. Ask these customers the same questions you asked the friends and neighbors who gave you the referrals. Arrange to visit a job in progress to see how the contractor treats the customer’s home and lifestyle. Remember, talking about the plans in any detail at this initial interview isn’t important since you have already established that the contractors interviewed are technically capable of doing the work. What is important is finding the right match of personality and communication style.

At this point, you may be thinking, “Boy, finding the right contractor is a time-consuming process.” IT IS. But the investment of time and energy now will pay big dividends during the process and long after the dust has settled. Research has shown that the average homeowner will spend much more time on selecting a new car than on choosing a contractor. Yet the average home (usually one’s largest investment) is worth many times more than the average car. Not only will a homeowner have to deal with the contractor during the construction process, but for at least one year after the project is completed for material and services covered by

warranty. It is hoped that if you have chosen well, you won't have many problems, but it's important to know that if warranty issues occur after the job is finished your contractor will work hard to see that you remain a satisfied customer.

### **The Bidding Process**

Although the bidding process commonly involves getting at least three bids from prospective contractors, it's important to allow personal preference to guide this process. Some people follow the traditional method of accepting competitive bids while others choose a contractor and then negotiate a price. Competitive bidding is based on the premise that the best value is achieved when you have contractors submit bids based on the same set of complete plans. This may be an effective approach when building a new building, but in a renovation project there are always unknowns. Contractors know this. **Accordingly, a contractor may submit the lowest bid to win the job, but know that ample opportunity exists to increase his profit throughout the course of the project with change orders.** In the long run, though it may not prevent change orders, negotiating a contract with a contractor that best fits the project and personality of the owner may provide a less stressful renovation and cost less as well.

### **The Agreement**

Once a contractor has been chosen and you have reached an agreement on price and terms, be sure that all agreements are in writing. Any reputable and professional contractor will provide a written construction agreement (contract). If an architect is involved, the agreement may be a standard AIA Owner/Contractor agreement. In either case, the agreement should have as much detail as possible and include the following:

**SCOPE OF WORK** Type of work, extent of work, where work will take place.

**SPECIFICATIONS** Details such as materials used, including brand names, model numbers, sizes, colors, etc., and how materials are to be installed.

**BUILDING CODES** The agreement should state that all work will be performed in accordance with all applicable building codes and local ordinances. The contractor, not the owner, should purchase the permit.

**INSURANCE** The agreement should include requirements for contractor's insurance. General liability coverage, at a minimum, is required, and in some instances, Builder's Risk also.

**FINANCIAL ARRANGEMENTS** These include the total cost of the project and how much and when payments will be made to the contractor. Contractors rightfully require up-front payments (up to 25 to 30 percent of the cost) to show good faith on the owner's part so they can schedule crews, stage equipment and order materials without risk of loss. However, never pay more than a 50 percent up-front payment and never pay any amount up front without a written agreement.

**CHANGES OR ADDITIONS TO WORK** Any work that is not described in the original agreement will require a change order. This change may involve replacing a rotten floor joist that is encountered or performing additional work you decide to do in another part of your home. The changes, including the details and cost of such changes, should also be in writing and signed by both parties. Both parties should receive a copy.

**THE SCHEDULE** The agreement should include a schedule or at least a starting and completion date. Some agreements have incentives for early completion as well as penalties for schedule overruns.

**WARRANTY** The agreement should specify what work and materials are warranted and for how long.

### **Warning Signs**

We've all heard stories of disreputable contractors who take off with a homeowner's money, leaving him stranded in a half-completed, shoddy renovation.



Unfortunately, these stories scare scores of people away from buying and renovating older property because they fear they might fall prey to some contractor's scheme. To avoid this scenario, you need to be able to recognize the warning signs exhibited by "shady" contractors. Avoid any contractor or tradesman if any of the following situations arise.

You can't verify the name, address, telephone numbers or credentials of the prospective contractor. Don't settle for a post office box number or a cell phone or pager number.

The salesperson tries to high-pressure you into signing by offering you discounts or other considerations that are "only available today."

You are told you will receive a special low price.

The contractor does not comply with your request for references or the references have reservations about the contractor's work.

You are unable to verify that the contractor is properly insured.

You are asked to purchase the building permit for any reason. There is no legitimate reason for the contractor not to buy the permit.

You are asked to pay for the entire job in advance or to pay cash to anyone instead of by check or money order to the company itself.

The contractor tells you he can start on your project tomorrow.

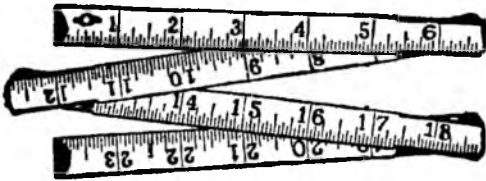
### **The Most Important Thing to Remember about a Preservation Project**

Quality pays—it doesn't cost. Your home or business is probably your single largest investment. Choose your projects and contractor wisely for the best return on your additional investment in your home or business. Renovations and additions can cost more per square foot than new construction. There is no average square foot cost for renovation. No two projects involve the same amount of work, materials or



details. What does a car cost per pound? It depends on whether it's a Mercedes or a Hyundai. Regardless of the extent of your restoration, you should not undertake a preservation project on an historic property with an unrealistically low budget. Your budget should be flexible enough to fix structural or system problems uncovered by the renovation, or to make cosmetic improvements such as upgrading fixtures or finishes. You might decide that, with all the workers there anyway, it's a good time to have work done in other parts of the house. It's been said that the bitterness of poor

quality long outlasts the sweetness of a cheap price. The lowest bid does not assure you of the best deal. Look for the best value—not the lowest cost.



**QUALITY PAYS — IT DOESN'T COST.**