



## **How to Find a Reliable Contractor**

*Leona K. Hawks*, Professor, Extension Housing Specialist  
*Lucy Delgadillo*, Assistant Professor

FL/HO-08

Revised March 2005

Have you ever needed to find a contractor and just didn't know where to start? Inexperienced and unqualified contractors can cost thousands of dollars, especially if the work has to be redone. The first step in finding a reliable and reputable contractor is to develop a list of possibilities.

- \*Ask friends or relatives for names of contractors who have done satisfactory work.
- \*Find out where local contractors purchase their materials and ask for recommendations.
- \*Survey local real estate agents. They often know the reputable builders who work in the community.

Once you have your list of contractors, you need to determine their reputation and quality of work. Talk to all of the contractors on your list to determine if you could work with them. If you don't like their personality, you surely won't like it after working with them for awhile. Ask the contractor how long they have been in business. What responsibility does the contractor assume for the work of the subcontractors? Who will be responsible for correcting problems? Does the contractor belong to the local builders association and is he/she affiliated with the National Association of Home Builders? Does the contractor carry workers' compensation and liability insurance? Does the contractor have any registered complaints at the Better Business Bureau?

One way to check out contractors is to talk to their clients. Ask the contractor to provide names of people who would be willing to talk with you. Take the time to talk to the people and inspect the completed projects. When you talk to the clients, be sure and ask them these questions: Did they finish the project on schedule and at the agreed price? Would the client hire that contractor again? Was the client satisfied with the quality of their work? Did the contractor do what was promised in a timely manner?

Find out if the contractor is licensed. Membership in the National Association of Home Builders, the National Home Improvement Council, or the Remodeling Contractors Association. This membership does not always guarantee quality or reliability, but it may be an indicator of stability as well as experience. The Department of Commerce, Occupational and Professional Licensing can be called to find out if a contractor is licensed. The best way to determine contractor licensure is to go to the Occupational and Professional Licensing Agency on the Internet. You can save a lot of time by just going to [www.dopl.utah.gov](http://www.dopl.utah.gov) for information on contractors.

Once you have decided on contractors that are qualified, ask each of the contractors to submit an official bid on how much the project will cost. Ask for bids from at least three contractors. Bids prepared properly can take considerable time. If a

contractor is bidding against a large number of other contractors, they may not want to waste their time. It is a good idea to inform the contractor how many other bids are being obtained. During the bidding process, pay attention to how well the contractor sizes up the project. Does the contractor take measurements, ask questions, and make suggestions?

After getting contractors' bids, compare them. Deciding who gets the bid should be based on the detailed plans and specifications, how well you can communicate with the contractor, and the ability of the contractor to do a quality job. They should state exactly what must be done and where, and the kinds of materials that will be used. The bid should be well organized and clear. Once you select the best contractor, don't forget the contract. The contract should be in writing. The contractor will usually draw up the contract. Read it very carefully and make sure you understand it. If necessary, an attorney should be consulted. Remember that after you hire a contractor, you have three days to back out of the deal without a penalty. Items to include in the contract:

- Who is to obtain and pay for the necessary permits?
- By what date will the work be started and completed?
- Will the contractor provide a written warranty of workmanship?
- Any promises made by the contractor.
- What quality, brand, and grade of materials will be used?
- Exactly what work will be done?
- What damages will be paid to the homeowner if the work is not completed on time?
- Who will clean up and remove debris from the job site?
- What provisions are included for protection of property near or in work area, including landscaping, driving over trees, or damaging the sidewalk?

Other important items to include in the contract are:

- The right of the owner to make changes, which will include a change order and agreement on the cost of the changes.
- The amount the owner will pay to the contractor.
- If applicable, an agreement that the work shall conform to local and state codes.
- The schedule of how and when payments are to be made. It is best to pay as work progresses. Don't pay for work before it starts. Hold back the final payment until you are sure all of the work for the contract has been completed to your satisfaction.
- Owner's right to terminate the contract.

Very important is that you try and protect yourself from liens that may be placed against the job for failure of the contractor to pay for materials, labor, equipment, etc. In 1994 the Utah legislature created the Residence Lien Recovery Fund to prevent homeowners from having to pay subcontractors and supplier for work done on residential property. However, the fund only operates if very specific requirements are met. The best source of information on how to protect yourself from liens as a result of contractor not paying the bills is [www.dopl.utah.gov/programs/residence%20Lien%20Fund](http://www.dopl.utah.gov/programs/residence%20Lien%20Fund)

Most contractors try to do a good job and many of the problems can be solved by just talking to the contractor. Sometimes, however, this method doesn't work. A problem that is often cited is that the contractor took the down payment to purchase materials, and the potential homeowner hasn't seen the contractor since.

Another is that the job is complete and you have paid the contractor in full. One week later the work falls apart, and another contractor must be paid to do it over. If something like this happens, you may want to consult a lawyer to get your money back. This approach should generally be used only if you have tried to contact the contractor yourself, and failed; if the contractor refuses to give the money back; or if the amount of money attempting to be recovered is substantial.

Another way to get your money back is to bring a suit in Small Claims Court. However, you may only do this if the money you are trying to recover is a relatively small amount, usually no more than \$1,000. If you can't afford a lawyer, the county clerk can help you fill out the papers for Small Claims Court. If you want a quick settlement, a case is usually heard within 30 days. However, you may have trouble collecting any money if the contractor has left town or is broke and unable to pay.

The Attorney General's office may provide assistance if there has been a violation of consumer law. Be sure to check with them if you think there has been a violation. The Better Business Bureau, which maintains a list of good and bad contractors, can often settle disputes out of court. Your contractor may choose to settle rather than have a poor Better Business Bureau rating.

Sometimes things simply go wrong that are out of the control of the contractor. Some problems may be due to the lack of planning, different points of view, well-intentioned mistakes, underbids by contractors or subcontractors, lack of necessary skills, wrong deliveries, judgment calls, or it is done right, but it just looks wrong. A good way to handle these mistakes is to check the contract agreement, keep good records, find out why it was done this way, stay calm and talk with your contractor, step back and look at it, tear it out and do it over again, send it back, or accept it and negotiate. If you use the information in this fact sheet you will be able to shop for a contractor with confidence and the knowledge that will help you make the right decision.

Utah State University is committed to providing an environment free from harassment and other forms of illegal discrimination based on race, color, religion, sex, national origin, age (40 and older), disability, and veteran's status. USU's policy also prohibits discrimination on the basis of sexual orientation in employment and academic related practices and decisions.

Utah State University employees and students cannot, because of race, color, religion, sex, national origin, age, disability, or veteran's status, refuse to hire; discharge; promote; demote; terminate; discriminate in compensation; or discriminate regarding terms, privileges, or conditions of employment, against any person other wise qualified. Employees and students also cannot discriminate in the classroom, residence halls, or in on/off campus, USU-sponsored events and activities. This publication is issued in furtherance of Cooperative Extension work. Acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture, Jack M. Payne, Vice President and Director, Cooperative Extension Service, Utah State University (EP/DF/03-02)