Trusted consumer authorities agree… hiring a good service provider with a solid contract is the best way to avoid home service nightmares and get the quality you expect at a fair price.

The following summarizes the home service hiring advice of the most important “trust authorities” in the field: the Better Business Bureau, Government Consumer Affairs Organizations and State Contractor Licensing Boards. [1][2][3][4]

Step 1  Create a complete, detailed “Project List”
If you do only one thing clearly, carefully and completely, do this: make all design, material and finish decisions before hiring anyone to work on the project:
- List all demolition, construction/relocation (for electrical and plumbing), installation and finishing steps – use the work specification and quality checks at http://www.homewyse.com/home_services/ to understand the work and clearly explain your quality expectations.
- List every component and material to be used in the project by brand, model and size. Use the appropriate Project List at http://www.homewyse.com/projects/ to keep track of your decisions.

Step 2  Gather a list of qualified service providers
Ask people you trust for names of providers they think who would be a good match for the size and type of project you’ve defined in Step 1. The best sources of referrals:
- Local building department or building code enforcement (also at this time – ask the building officials which permits will likely be required for your job).
- Homeowners you personally know who share your sense of quality & value, and who have had a recent, successful project.
- Service professionals who you’ve come to trust.
- Trustworthy Real Estate professionals with a strong sales track record in your neighborhood
- Contractors that have completed good work on homes similar to yours.

Step 3  Complete initial screening
Complete the steps on page 2 of this guide to filter out any unqualified or risky candidates.

Step 4  Interview (for projects over $1,000)
If your project totals less than $1,000 you may want to skip this step and go directly to Step 5. Otherwise, make sure that you use the 10 key questions on page 3 of this guide to identify 2-3 service providers matched to your project requirements.

Step 5  Get Bids
Use the “Project List” from Step 1 along with your key contract terms (see Page 4 of this guide) to collect bids from your finalists. Compare the bids and make a final decision.

Step 6  Prepare and sign contract
Use the summary checklist on Page 4 of this guide to decide on the terms you want to include in the signed document.

### Business Info
- Name
- Street Address
- City
- Phone
- Email
- Website
- License ID

### Website review
- Better Business Bureau
- State License Board DB
- Google Search - Business Name

### Reference Name
- Phone #
- Project Type
- Overall Experience
- Reference Name
- Phone #
- Project Type
- Overall Experience

### Insurance & Bond
- Insurance Agent / Company
- Policy ID# | Years
- Policy Coverage
- Bond Agent / Company
- Bond ID# | Years
- Bond Type / Coverage

### Local Building Dept.
- Sex Offender Database
- Criminal Database

### Initial Checks
- Rate: Poor Fair Good Excellent
- BBB: □ Pass □ Fail
- License History: □ Pass □ Fail
- Name Search:

### Client References
- Reference Name
- Phone #
- Project Type
- Overall Experience
- Reference Name
- Phone #
- Project Type
- Overall Experience

### Insurance & Bond Initial Checks
- Rate: Poor Fair Good Excellent
- BBB: □ Pass □ Fail
- License History: □ Pass □ Fail
- Name Search:

### Final Checks
- Rate: Poor Fair Good Excellent
- BBB: □ Pass □ Fail
- BBB: □ Pass □ Fail
- BBB: □ Pass □ Fail

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**STEP 1** - Collect this information from candidates by telephone or direct contact. After mutual interest is confirmed explain that you may be in touch later for more information. Don't confuse a business license with a professional contracting license.

**STEP 2** - Does candidate's website show work portfolio? Find your local BBB office at www.bbb.org - check complaints. Verify license status with state license agency. Google search contractor's name and business name. Go to STEP 3 if background seems solid.

**STEP 3** - Contact Candidates and explain you are completing your research on several candidates. Get names of client references from jobs within the past 18 months - IMPORTANT: references must not be relatives or work associates of candidate. Get 1 name for a job that had a complaint. Get insurance and bonding information for STEP 4. Contact references. If no problems go to STEP 4.

**STEP 4** - If client references are positive, verify coverage. Any suspicious coverage gaps over time?

**STEP 5** - Collect information for top 2 clients. Search internet for local criminal and sex offender databases - one option is www.peoplesearch.com/resources/background-check.
<table>
<thead>
<tr>
<th>Question</th>
<th>Candidate 1</th>
<th>Candidate 2</th>
<th>Candidate 3</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have you operated your business under other names in the past? Why?</td>
<td>1.</td>
<td>1.</td>
<td>1.</td>
<td>Multiple names in the same professional need to be researched separately and may indicate a pattern of service problems.</td>
</tr>
<tr>
<td>Is your current business address a residential address? How long at this address?</td>
<td>2.</td>
<td>2.</td>
<td>2.</td>
<td>A permanent address history is strong evidence of a stable business. A business run out of a pickup truck is a red flag.</td>
</tr>
<tr>
<td>Have you been cited for license infractions? For actions against bonds you've held?</td>
<td>3.</td>
<td>3.</td>
<td>3.</td>
<td>One issue may be OK if explained clearly. Repeat issues indicate a pattern of trouble and a red flag.</td>
</tr>
<tr>
<td>How do you handle lien releases (when subcontractors will be used)?</td>
<td>4.</td>
<td>4.</td>
<td>4.</td>
<td>You are looking for a clear, simple process to assure all lien claims are released before final payment.</td>
</tr>
<tr>
<td>What permits will be required for this project? Who should handle permit process?</td>
<td>5.</td>
<td>5.</td>
<td>5.</td>
<td>Familiarize candidate with job. Be suspicious if you are asked to handle permits or if the contractor insists permits aren't needed when you know otherwise.</td>
</tr>
<tr>
<td>What is your change order process?</td>
<td>6.</td>
<td>6.</td>
<td>6.</td>
<td>You are looking for a clear process that requires your approval of any unbudgeted expense, design change or material substitution.</td>
</tr>
<tr>
<td>What do you do to ensure project quality?</td>
<td>7.</td>
<td>7.</td>
<td>7.</td>
<td>You want to see quality specifications or checklists that must be completed before payment is issued.</td>
</tr>
<tr>
<td>Does your bond cover the total project value? If not, will you extend it?</td>
<td>8.</td>
<td>8.</td>
<td>8.</td>
<td>Any hesitation on this issue should be taken as a warning sign.</td>
</tr>
<tr>
<td>What are the big risks in this project? What will you do to minimize them?</td>
<td>9.</td>
<td>9.</td>
<td>9.</td>
<td>Early decisions on all material and design choices. Clear proactive ownership of delivery, trade scheduling and inspections</td>
</tr>
<tr>
<td>Will you be requesting a deposit or prepayment? If so, why?</td>
<td>10.</td>
<td>10.</td>
<td>10.</td>
<td>Financially responsible contractors usually don't require prepayment.</td>
</tr>
</tbody>
</table>
Get it in writing. Always complete a written agreement for any work performed on your home. Don't sign the agreement or let work begin until you've included the terms for your project type. For each project type, contract terms that are strongly recommended (R) or optional (O) are listed below:

### Project Type

- **Small** less than $300, single service provider, common work tasks
- **Minor** $300 - $1000, single service provider, with more involved tasks and quality implications
- **Major** >$1000, multiple service providers, permits and significant changes to home

### Job Requirements

<table>
<thead>
<tr>
<th>Item</th>
<th>Small</th>
<th>Minor</th>
<th>Major</th>
</tr>
</thead>
<tbody>
<tr>
<td>All work to be completed</td>
<td>R</td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td>Material grade / type / option</td>
<td>R</td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td>List of fixtures, fittings and hardware</td>
<td>R</td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td>List of all finishes</td>
<td>R</td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td>Quality Specifications</td>
<td>R</td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td>Sketches / working drawings</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
</tbody>
</table>

### Schedule

- **Project Start and End Dates**
- **Milestone management**
- **Late completion penalty**

### Contractor Responsibilities

- **Permitting**
- **Schedule management**
- **Quality assurance**
- **Sub-contractors**
- **Material delivery, storage**

### Price and Payment Milestones

- **Materials purchase and payment**
- **Contract price**
- **Payment schedule**

### Warranty

- **Common construction materials**
- **Installation labor**

### Insurance, Bonding & and Legal

- **Liability insurance**
- **Performance bond**
- **Lien release**
- **Dispute resolution**

### Other

- **Change orders**
- **Protection of structure, finishes**
- **Demolition, refuse, recycling**
- **Worksite rules**
- **Right of recission**

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