

Avoiding The Money Pit When Dealing With Contractors

By
Bob Mulloy

Sad stories abound about consumers who are scammed by contractors during their efforts to renovate a home. While there are many reputable contractors out there, finding them and attaining a confidence level regarding their professionalism is difficult for most home owners. Hopefully, you can avoid a bad experience by becoming an informed consumer. Start your renovation off on the right foot with a sound foundation of research.

Choosing the right guy for the job: Talk to your friends and relatives and ask what experiences they have had and what contractor they would recommend. Utilize such on-line resources, such as www.angieslist.com and find 2-3 local contractors with references. Next arrange an on-site meeting with each contractor to discuss their credentials, experience, references, insurance, and ideas about the project and lastly request a written estimate. Some contractors may charge a fee for an estimate as their professional time is a commodity. Hopefully, one or more of the contractors you meet will exude that initial impression of confidence and professionalism and will look very attractive as the “right guy for the job.” However, your research is still incomplete and lacks one of the most important steps.

You should go on-line to the Attorney General’s web site in your state, review their recommendations for choosing a contractor and then check the status of the contractor’s license and any complaints. While doing the research, go to the Better Business Bureau www.bbb.com and also research their advice regarding contractors and any history of complaints against the person you are considering for hire. Only hire a contractor who has a good reputation of dependability and does reasonably priced work. Do the research on 2-3 contractors, collect multiple bids and choose wisely. Remember that the lowest bid may not be the right bid for you. Don’t feel pressured into making a decision; a professional contractor will know that you need time to do the research and to consider all the factors.

According to the MA Attorney General, “You should hire a registered home improvement contractor to protect yourself as a consumer. When contractors register with the Board of Building Regulations and Standards, they must make a contribution to the Guaranty Fund. Consumers may be eligible for reimbursements through the fund should something go wrong during the construction process.”

Request a written contract: The contract should state that the contractor will get all applicable permits before starting your renovation project. The scope of the work, estimated completion date and payment schedule should all be in writing. Never pay for the entire project upfront, and NEVER pay in cash! Establish a paper trail by paying by check or credit card so there is proof of payment, and always secure your own financing. Usually, a payment schedule is broken down into thirds, and the consumer should pay no more than 1/3 when the work begins. You may be wise to also consult your attorney and request that the contractor attach a copy of his professional insurance and workers compensation verification to the contract.

Web resources: MA ATTORNEY GENERAL:

http://www.mass.gov/?pageID=cagoterminal&L=4&L0=Home&L1=Consumer+Protection&L2=Home+%26+Housing&L3=Home+Improvement&sid=Cago&b=terminalcontent&f=consumer_choosing_contractor&csid=Cago

Better Business Bureau article “Home Contractors: Tip-offs to Potential Rip-offs”

<http://www.bbb.org/us/article/536>