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What You Should Know Before Hiring a Remodeling Contractor

A Remodeling Guide by Valley Home Builders, Inc.

So you've decided to remodel your home. It may be a small project, such as upgrading a bathroom, or an entire addition to your home. Either way, you plan to invest your time and hard-earned money to get the job done right. But where do you start? How do you find the right contractor? What should you know before you start? This booklet is intended to help you, the homeowner, better understand the process and provides you with sound advice about what to do, when to do it, and how to avoid pitfalls sometimes associated with home renovations.

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Dear Homeowner,

Your home is one of your most valuable assets, so when you consider remodeling, you want to have complete confidence in the contractor you hire. Selecting the right contractor will be the single most important factor in determining whether or not your remodeling experience will be a success. However, every contractor brings a different level of knowledge, commitment, and dedication to the job. How can you know which contractor will complete your project to your satisfaction?

This guide will help you. It provides important information about the remodeling process and gives you valuable advice about how to identify a quality contractor. Once you understand the remodeling process, you'll know how to make an informed and intelligent decision when choosing a contractor to remodel your home.

I hope you find this information useful. If you have any questions or need clarifications about information contained in this guide, please feel free to contact me.

Sincerely,



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About This Guide

If you're interested in remodeling your home, you probably have a lot of questions and concerns. Your home improvement or major remodeling project may be the single largest project that you'll ever attempt, and there's a lot at stake. After all, your home is a cherished place where you spend most of your time, and it's a strong reflection of who you are. It's the place where you, your family, and your friends feel most secure. You might find it difficult to trust an unfamiliar person with your home and you might feel somewhat uneasy about starting the remodeling process.

Add to that the horror stories you might have heard about disreputable contractors who ran out of money and left projects unfinished, delivered shoddy craftsmanship, or were impossible to work with on a daily basis. You might also worry about high-pressure sales tactics, being overcharged for jobs, having disagreements about schedules, and even experiencing a loss of home value.

Luckily, these pitfalls can be avoided if you know what you're doing—and that's where this guide comes in. To ensure the success of your project, you must understand your own role and that of the contractor you work with. And you must know how to spot the warning signs, those red flags that always signal trouble.

For the most part, homeowners tend to worry about three things:

1. How much the job will cost
2. How long the project will take
3. When the work can begin

Unfortunately, these are not the first questions to ask. Sure, they are important, but they are not critical to making a well-informed decision. You should really be asking about the contractor's past history, work ethic, processes and employees, customer satisfaction, typical scopes of work, how long they've been in business, and much more.

This guide will help you to know what questions to ask and will give you a much better understanding of how the remodeling process works. It should remove any fears about asking questions altogether, because you'll understand that a reputable contractor actually *likes* having a curious and fully engaged client.



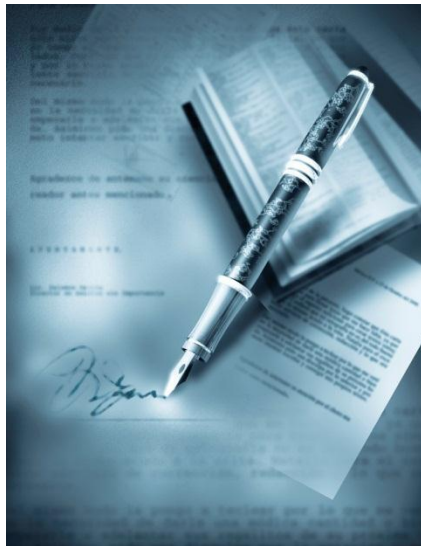
Basic Remodeling Concepts

This section discusses several important concepts related to remodeling. It highlights common misconceptions that many homeowners have and sheds light on areas you may not know about.

Comparing Bids

If your objective is to get a quality job at a fair price, simply comparing one estimate to another may be misleading. There aren't any "standard" prices or "standard" specifications for remodeling jobs. Each quote or estimate you receive is only a reflection of what is or is not included in the specific job that a particular contractor proposed for you.

Given that you are buying something that does not yet exist (as opposed to, for example, a car that you can test drive) it's impossible to tell how similar (or different) one contractor's proposed job is from another's. Even if you think everything is the same (or similar enough), it rarely is, and you won't discover this until the job is underway—or worse yet, completely finished. And that's after you've invested some or all of your money.



In the case of buying a car and comparing prices from one dealer to another, you are much more likely to be comparing the exact same car—built by the same manufacturer. But this is not possible with a home remodeling project. In fact, what you are buying hasn't even been built yet. You cannot try it out or even see it. This holds true whether a project is basic or complex. Even "simple" jobs, such as replacing windows or roofing, will have great

variances in materials and costs.

When you compare remodeling bids, it's easy to be misled by not fully understanding what each contractor plans to do or how they will do it. Many contractors are not very good at communicating exactly what it is they plan on doing, nor are they good at explaining how they might differ from other contractors you are considering.

Analyzing Low Bids

Think about the concept of "lowest bid" for a moment. If you have solicited several bids and decide to go with the contractor with the lowest price, you've essentially just awarded your job to the guy that figured out the CHEAPEST way of doing it. Is that really what you want?

If you look only at price, and not at ALL THE DETAILS, you may wrongly believe that bids are more similar than they really are.

One of the most common (and earliest) signs of trouble is someone offering to do the work for a very low price. The vast majority of remodeling horror stories fall into this category. If you get an exceptionally low bid, then be very cautious about moving forward. It's likely that some true costs are missing or that the materials used are not up to par. Remember that things that appear to be too good to be true usually are. There are no freebies in this business.

Everything has a cost, and what is omitted at the beginning will cost you more in change orders later.

What's Behind a Low Bid

Sadly, many contractors believe that the lowest price wins the most jobs. This is definitely an easy way to overcome sales resistance and fill an empty schedule, but inevitably, it will catch up with them. Sooner or later, those contractors will be out of money and out of business.

You might be thinking, "So what if my contractor goes out of business? That's his problem." But consider this: It very well could be *your project* that is stopped when he does. The list below identifies the most common methods that contractors use, whether knowingly or unknowingly, to cut their prices in order to win your business.

- Specifying unrealistic allowances
- Using poor quality materials
- Hiring inexpensive tradesmen or sub-contractors
- Simply underestimating the job due to lack proper analysis or experience
- Paying workers with cash under the table to avoid paying taxes and insurance
- Offers no warranty or no long-term warranty
- Disposes of debris illegally
- Inadequate dust control and surface protection
- Not accurately accounting for the proper amount of time necessary to complete the job correctly
- Hiring unskilled labor without the proper training
- Not carrying the proper insurance or having no insurance
- Inadequate safety precautions at their jobsites
- Charges more after a job is started by intentionally leaving things out of the original bid
- Typically doesn't stick to a schedule
- Avoids paying payroll taxes to the IRS
- Showing a general disregard for your home and belongings

Any contractor foolish enough offer you an extremely low bid is probably not going to make a profit and will deliver inferior products and services. Don't let price alone drive your decision-making process.

Plans, Specifications, and Drawings

You might have full architectural drawings and specifications (from a contractor or architect), but that doesn't guarantee that your remodeling bid is solid. Having drawings and specifications is always good, but different contractors can interpret these documents very differently. It's all in the details, and the more detail the better. Make sure that you check the bids against the plans. For example, if your plan



calls for recessed *LED* lights, check to see if your contractor is bidding recessed *incandescent* lights instead. Always check the details.

A reputable contractor will have considered and accounted for the cost of these details, but he also will have checked the need for wiring upgrades and other infrastructure elements required to support them. In the example above, a contractor might quote

the correct lighting, but he may not have included an upgrade to your electrical panel on the back of your house to support the new power requirements of those new lights. That would be a huge omission, and it could cost you thousands of dollars in change orders later in your project.

Most of the time, the low-priced contractor has left something out, while the higher-priced contractor has probably analyzed the job correctly. A good contractor will not underestimate your job, and therefore will never be tempted to cut corners later.

Revising Estimates

If your contractor put together a complete and honest estimate, but your circumstances change or you can no longer afford to go with the original plan, then *talk to your contractor*. All reputable contractors understand changes in personal circumstances and the effect this has on remodeling plans. When you began working, you may have thought that \$250,000 was a reasonable amount for your remodeling project, but now, perhaps, you realize that your costs must come down. That's okay. Have a talk with your contractor about what he can do to minimize the costs and bring the number down to a more comfortable level. Perhaps the total scope of work or square footage can be reduced, or perhaps you can use different door, window, or roofing products. Something can always be done to make the costs more acceptable.

Any reliable contractor will tell you the truth about what you want versus what you can afford. If you need to reduce the costs and the remodeler tells you the original scope of work can be done for less, be suspicious.

Payment Schedules and Contractor Stability

Home remodeling is a complicated business. Each project has a thousand moving parts and the cost overhead is high. Be on the lookout for a few significant signs when you are evaluating the stability of a particular contractor's business. One of these signs is the payment schedule; if a contractor asks you to pay a significant amount of money up front, before work begins on the project, *run away*. If a contractor asks you to deviate from your scheduled payment plan and pay early,

don't do it. He may be trying to collect your money to cover another job.

A contractor who is running out of money might go get another job started in order to generate some cash flow to stay afloat long enough to get your job finished. And, as you may have guessed, this is one reason some contractors have earned a reputation for leaving a job before it's finished. When you consider accepting a bid, inquire about the normal project load the contractor carries and the stability of other projects. If a contractor works on only one project at a time, then you should ask why. Most professional remodeling companies carry multiple projects at a time; those that don't may not have the financial backing required to complete your project.

Buying Materials Yourself

You might believe that purchasing your own materials (such as cabinetry, stone, or flooring) will save you money, but doing so can cost you more money and impose schedule delays later in the project. Reputable contractors usually have established relationships with other businesses that provide them with the best pricing and delivery schedules for their products. They are familiar with each other's best practices and processes, and have worked through many projects together in a mutually beneficial manner that also benefits their clients.

Let's take cabinets, for example. You could go to Home Depot to buy cabinets, sometimes even at a lower price. But if you do, you'll take a huge risk on whether or not those standard (not custom) cabinets will fit into their space properly upon delivery. You might assume that the cabinet design will accommodate the electrical and plumbing design that the contractor is implementing on your job, and that both the contractor and Home Depot can just "work it out" if things don't go as planned. This is simply not the case. Home Depot will deliver only what they agreed to deliver; if there is a quarter-inch gap or shortfall between where the cabinet ends and where the electrical outlet should go, then Home Depot assumes no liability. The contractor is typically not liable either, because the placement of the outlets was in the project plan since the original estimate was provided.



Moving those already-installed outlets would mean a change order and a cost to you. Having Home Depot their cabinets is, to say the least, an expensive proposition, and the expense would be yours. A significant delay might be imposed on the overall schedule, because until the electrical issue is resolved, the cabinets cannot be installed, and thus the flooring, the countertops, and all the other downstream tasks must be delayed.

You might wonder if you can get a better price by going it alone and bringing the

Any reliable contractor will tell you the truth about what you want versus what you can afford. If you must reduce the costs and the remodeler tells you that the original scope of work can be done for less, be suspicious.

disparate pieces of the project together yourself; probably not. Most homeowners do not have the level of knowledge or experience to “be their own contractor,” nor do they understand the cost implications of seemingly mundane decisions. Generally speaking, working with a contractor who can provide all the elements of a project for you is a safer way to go. Not only are the costs comparable and the work guaranteed to meet specifications, but the contractor is absolutely liable and responsible to you, the homeowner, to resolve all issues as they arise. A solid contract from a reputable contractor will spell this out for you in detail. Remember to ask previous clients about how their contractors handled issues and how satisfied they were with the outcomes.

Business is Business

Remodeling your home can be expensive—so expensive that you might have found yourself wondering if contractors are getting rich. But you might be surprised to learn that contracting is not generally a high-profit business, and that reputable contractors are not deliberately overcharging you to increase their profits. Remodeling companies have a lot of operating expenses that you might not even be aware of. They carry very high material costs, have big balance sheets, and often support a large payroll. They also carry a great deal of insurance and have regulatory burdens that add to their overall expenses.

Look at some of the elements that make up the overhead in every successful remodeling business:

- Telephones, cell phones, and pagers
- Office rent
- Office supplies
- Stationary and printing
- Website hosting and Internet charges
- Workman’s Compensation and Liability Insurance
- Health insurance
- Paid vacations and holidays
- Payroll
- Office administration and management
- Time doing “free” estimates
- Material price increases that might not be billable when a job is quoted
- Warranty repairs
- Tools and equipment
- Trucks, maintenance, fuel
- Continuing education and industry events
- Computers and software
- Business loans, interest, and taxes
- Accountant’s fees
- Production supervision and management
- Advertising, marketing, and sales expenses

These are just some of the items that a professional contractor has to pay for. When you consider that all of these items have to be paid for out of the money that's left after paying labor and materials, you can see why contracting is a small-margin business. Most professional contractors make only 5-8% in profit after accounting for all their expenses. Remember, this profit is necessary for the business to remain viable.

The next time you receive a quote from a qualified remodeling expert, if that quote seems high, don't automatically assume that he is inflating his estimate and trying to take advantage of you. He may very well just be trying to pay for the very things that allow him to survive and provide excellent service to you and a good environment for his employees.

Beware of any contractor who tells you that his prices are low because he keeps his overhead down. Chances are good that there will be trouble ahead.

Finding Reputable General Contractors

How hard can it be to find a reputable contractor? You're a smart person with a strong professional background and extensive experience of all kinds. Why shouldn't you be able to identify a good contractor yourself? But you're considering spending a lot of money on your most valuable asset—your home—so it's important to know what not to do, as well as what you should do, and to take some advice from industry experts. Below are some of the more important do's and don'ts that we've learned over the years.

Use Online Resources

Check Angie's List for local contractors in your area and read the reviews. The contractors themselves cannot add their own information or pay to have good reviews, so all reviews on this site are based upon actual customer feedback and are monitored and verified prior to posting. Sure, it will cost a small amount to join the site, but it is well worth it to know whom you are calling before you make that first inquiry.

Check Consumer Agencies

Check with your local Better Business Bureau, or the Home Services Review for your county. These agencies have done the research for you and have listings of premier local home services companies, including remodelers, for your area. Each company is rated after an extensive evaluation of their services, and their listing contains information about their owners, licenses, company profile, insurance carriers, awards, and direct quotes from customers.

Ask for Referrals

One of the best ways to find a contractor is through referrals. If you've seen a recently remodeled house that you particularly admire, ask the homeowner for a reference to his contractor. If your friends remodeled their homes, ask them which contractor they chose and why. Many times, people who have remodeled their home either love or strongly dislike their builder; personal references can give you a great deal of detail about their experiences.

Do Internet Searches

Internet searches can return many results, but it's hard to determine the quality and reliability from Internet sites alone. Don't assume that a great website equals a great contractor. Check a prospective contractor's website to see if they proudly display their licensing number, and have a physical office you can visit and an office staff instead of just an answering machine. Reputable businesses also have website connections to social networking sites (such as Facebook) and industry organizations, so check those sources to see what people are saying about the company and how it is rated in the industry.

Beware of Magazines and Advertisements

Don't call a company based on their advertisements alone or because of the impressive pictures you saw in a magazine. If you do find a contractor that interests you through these means, check their website, Angie's List, and your local BBB before calling them.

Also resist the urge to make assumptions about a contractor based solely on what you see in advertisements. Make no assumptions about the adequacy or pricing of a particular remodeler, because each job is different. There are no "standard costs" for kitchens, no magical equations for bathrooms, and no guarantee that what you see or *think* you see is affordable or not. Beware of contractor



advertisements that show a picture and promise, "You can have this kitchen for only \$XXXX!" Only during thorough discussions about *your* job can you begin to make decisions about costs and the affordability of a contractor.

Make Inquiries

Carefully consider how many contractors you will contact to discuss and quote your job. Many homeowners think that the more contractors they interview, the better, but this practice can become overwhelming, because each remodeler will quote the same job differently. Each will include different materials and labor rates. Some will actually exclude certain tasks or costs, making multiple bids incomparable.

What if the first contractor you interview seems easy to work with and prices your job reasonably? Should you still interview others? Not necessarily. If you follow the guidelines in this booklet, check client referrals, and scrutinize your estimate properly, you may have found the right contractor the first time. You don't have to put yourself through an elongated process involving many contractors if you're satisfied with the initial results. What is important is finding the correct fit, relationship, cost, and value proposition for your particular project.

You can do your part by finding licensed, reputable contractors or remodelers to visit your home, discuss your project, and provide initial quotes. Don't overwhelm yourself by involving too many, and do your own groundwork by talking with friends and checking reputable websites and agencies. This first step

Reputable contractors will offer design services for a nominal fee before quoting a job. This is an extremely important step because it significantly reduces the risk of over- or under-calculating a job. If you're not completely sure of what you want to do or what you can afford, spend a little money up front to get a preliminary design from the contractors you contact.

will save you lots of time, trouble, and frustration in a process that if done right, will be a long, but worthwhile investment.

Interviewing Contractors

Now that you've found reputable contractors to interview, what next? Usually the contractor will come to your home, take measurements, and talk extensively with you about your dreams and their service offerings. While it is easy to get carried away sharing your visions for your remodeled home, you must also be prepared to ask a *lot* of questions. Some of these questions are grouped below:

Licensing, Permits, and Insurance

- Is the contractor licensed? Can he show his State License Board Certification card to you? *Always* check www.statelicenseboard.com to check the status of the license and ensure that it is valid. The state license board also lists any violations and citations against contractors. This source can be a good indicator of contractor reputation.
- Will the contractor pull the necessary building permits for your job or will he want you to do it? Generally speaking, it's a red flag if a contractor doesn't want to pull permits for your job. It could mean he doesn't have the funding to cover those costs (which can be high on large jobs) or that he is not in good standing with the local building office and inspectors.
- Is the contractor insured? Is he willing to show you his coverage levels? This is a very important aspect of remodeling. Contractors are by law required to carry two types of insurance: Workman's Compensation Insurance (for injuries to workers and sub-contractors on the job) and General Liability Insurance (for damage done to your existing property). It is extremely expensive to carry this insurance coverage and some, even reputable contractors, have allowed their coverage to lapse. To protect yourself from potential litigation, you must have proof of their insurance coverage; if they cannot provide it, don't do business with them.
- What is the contractor's Occupational Safety and Health Administration record? Does the contractor have any history of accidents on their job sites and if so, how serious were they?
- Does the contractor offer a written warranty? Is the warranty offered in line with state regulations? In California, general contractors agree to a one-year warranty period for basic framing and foundation, at a minimum.
- Will the contractor provide a lien waiver to you after final payment has been made? It is critical that a lien waiver be issued to the homeowner when the job is complete, releasing the homeowner from any liability payments that may be due to the remodeler's sub-contractors and vendors.

Contract Terms and Specifications

- Will the contractor provide you with a complete and detailed contract that describes each aspect of the job? Will that document be specific about the total scope of the job, the materials used, and the labor costs incurred? If the contractor does not provide you with an extensively detailed contract, beware. Each contract should clearly state what the project milestones are, when payments are due, and how the contractor will deal with change orders or unforeseen circumstances (such as wood rot, water damage, termite damage, foundation, or plumbing issues that cannot be known

before the start of the project). In this case, knowing what *isn't* covered is as important as knowing what *is* covered by the contract.

- Will the contractor provide you with architectural drawings, visual renderings, and/or computer graphics that depict your project? Are these part of the contract costs or is there a design fee involved?
- Does the contract spell out what happens if a dispute arises? Does it discuss liens and their possible application? Does it discuss work stoppage and any applicable reasons for doing so, including weather?
- Does the contract put forth actual dates for completion? Are they realistic? If you see a completion date doesn't seem realistic, it probably isn't. Ask questions about rain delays and how your contractor might deal with them, to get a better idea of how he came up with a completion date. And remember, flexibility is required—nobody can absolutely guarantee a completion date, but they should be close.
- Did your contractor inform you of your right under the FTC's rule to cancel the contract within three business days if it was signed in a place other than the contractor's place of business?



Day-to-Day Interactions

You're going to be working with your contractor for a long time, from a few months to a year or even more so you'll need to understand some key elements of the working relationship:

- Will you be working with the contractor on a daily basis or will he assign a project manager or site foreman? If the latter, can you meet that person before signing the contract?
- If there is a project manager, what exactly is his role? In what circumstances would you call the contractor directly?
- Does the company have office staff who can help you with a minor issue if one arises?
- What hours does the general contractor work? Are there times when you cannot reach him?
- Does the contractor offer any interior designers, architects, and landscapers)? Are these included in the contract or are they billed as separate fees? How do those third-party interactions work?
- What time of day do the construction crews start working? What time do they end? Are the hours different on weekends? Do the crews work on weekends?
- How does the contractor mitigate noise and dust? Should your neighbors be notified? What if they complain—how is that handled? Reputable remodelers will always do their best to make your life comfortable during remodeling. Also, most cities and municipalities have stringent codes that must be adhered to in order to pass inspections and for work to continue.
- Will your contractor order a dumpster or do you have to do it? Will they haul away the construction debris? If so, at what intervals—weekly or only when the dumpster is full?

- How does the contractor ensure safety on the job site? How can you be sure that your children are protected from tools and other dangers found on construction sites?
- Where will the contractor store tools, equipment, and materials? If on the site, where?

Referrals and Job Site Visits

Most reputable contractors will want you to visit their past clients and see some of their previous remodeling work. During your contractor interviews, be sure to ask the following questions:

- How long have you been in business? How many homes have you worked on?
- Can I see these homes? Can I see completed homes as well as jobs in progress?
- Can I contact your previous clients for direct references?

When you visit the job sites, check the following:

- Is the site relatively neat and clean? (Be sure to consider the work being done that day and don't just drive by on the day new concrete is being poured; it won't be neat and clean).
- Is the workmanship of high quality? Are crown molding seams tight? Is the floor tile evenly spaced? Are bathroom fixtures installed correctly?

Of course, when you visit job sites and previous remodels, don't blame the contractor for poor design choices made by the owners. Remember that you're there to see the workmanship and quality of the job, and that the contractor is not necessarily responsible for designs that don't match your own style.

General Questions to Ask

Here are some other questions to ask potential contractors when you are considering them for a job:

- Are they members of any homebuilding or remodeling associations? The two most prominent are the National Association of the Remodeling Industry (NARI) and the National Association of Home Builders (NAHB). Contractors must pass background and competency checks to gain membership, so these certifications are a good indicator of contractor reliability and reputation.
- Do they travel to trade association meetings and seminars to keep current with building product advances and techniques?
- While there is no way to truly check the financial viability of a contractor, a good indicator is to check with his vendors to see if he pays their bills on time. Ask the contractor for two or three vendor references that you can call to ask about on-time payment history.
- Ask if the contractor has a formal education, such as a Bachelor's Degree in Business Administration; it might be an indicator of overall business administration expertise. A

remodeling business is a large enterprise and, like any other business, requires solid financial planning and management to be successful.

Finally, while interviewing potential contractors, take note of how you *feel* about them in your home. Even if a contractor has answered all of your questions correctly, you may still feel a bit off about how he communicates with you. This can turn into a huge issue down the road—you must feel very comfortable in discussing issues, or even being seen in your bathrobe, with this person around. You and your contractor must fit well together in conversation and see pretty much eye-to-eye in discussing even mundane issues such as grout color. The relationship must be give-and-take; remember, this is a *relationship* you're building. This theory applies to the contractor's relationship with your family members as well. While they may not be heavily involved in the project, they will be around during construction and they should feel comfortable too.

Ensuring That Your Project Runs Smoothly

After you've made your selection and have found the right remodeling contractor for your project, there are a few things that you can do to help ensure that the project goes smoothly. Two of the most important areas are scheduling and communication.

Scheduling

Your contractor should have gone over your schedule with you in detail during the original contract negotiations, so you should have a good idea about what will happen and when. That said, schedules are subject to change due to weather or unforeseen discoveries after the demolition and remodeling work begins. If a schedule delay is incurred, you should expect your contractor to notify you within 24 hours. In some cases, the contractor may need a day or two to investigate the issue, talk with other subcontractors, and understand the schedule implications.

Let's take an example of an unforeseen foundation problem. The contractor has demolished your kitchen and found significant water damage to the subfloors and foundation below the area where the damage occurred. While the original contract likely would accommodate the subfloor repairs, the foundation damage might be another matter altogether. In this case, the contractor might need to call a structural engineer to help determine the appropriate solution and to be sure that the work will meet any building codes in your area. The extra work might even require an additional permit. The contractor might also need a couple of days to analyze the problem and provide a solution to you.



Usually, however, small schedule slips are a common part of the process. They can be due to material shortages, weather, and a variety of other reasons. You should expect these and be as flexible as possible in dealing with them. It may mean that a crew will have to arrive on Thursday instead of Tuesday, or that the sinks won't be installed for a few days. In almost all cases, slips of this kind do not negatively affect the overall completion of your project. Your contractor should inform you weekly on the status of their progress, any slips they've incurred and why, and if they are concerned about overall delivery of the job.

The best way to avoid scheduling surprises is to make an effort to stay informed about current and upcoming milestones yourself. Check your construction schedule frequently to see what work is completing each week and what is coming next. And, if you have any personal issues that may affect the schedule—travel or times when the crews cannot be on site for some reason—communicate those to your contractor immediately.

You will personally have tasks related to your project and you must ensure that you meet your obligations to the schedule too. If your schedule calls for installation of bathroom fixtures by a particular date, then be sure to select those fixtures with enough lead time for their arrival before the scheduled installation. Your contractor will tell you "need by" dates and help you to understand the lead-time issues. If you're working with a remodeling company that offers design services, your designer will take you to the supplier locations and help you with your selections. They will also work directly with the supplier to ensure that your items are received on time and according to your project schedule.

Communication

At the beginning of the project, you and your contractor (or project manager) should agree on your preferred communication methods. Many homeowners prefer to communicate using email. This is usually okay; however, you should understand that this may not be the quickest method of getting a response because the contractor may be working in the field without Internet access. Decide how you intend to use email (general questions only, inquiries, and so on) before you start the project.

Also discuss the use of cell phones and office lines and the expected response times for particular sorts of issues. Certainly, if an immediate issue arises, you should be able to reach your contractor, but do you both agree on what an immediate issue might be? If you come home to find a light switch inoperable, is this a major issue? Perhaps not. But if you're living in your house during construction and come home to find that you have no electricity (something that should never happen), then that would be considered an emergency. You should never feel reluctant to call your contractor, but you should try not to take up his time with very small issues. The more time he spends on "little things", the less time he will have to concentrate on the bigger tasks involved in your project.

Many professional remodelers have websites and other online tools that track schedules and provide updates to homeowners. If your contractor has these tools, be sure to ask how to use them and what sorts of communications you should expect to find there. Ask about the office staff and when they might be able to help you.

Lastly, be sure to provide your own contact preferences to your contractor. Let him know when it is or is not acceptable for him to contact you. If you work, provide him with your preferences—do you want to be called immediately or would you prefer to wait until later in the day? Are there hours or days when you are totally unavailable? If so, be sure he knows these. Or, if there is another person to contact, such as your spouse, be sure to provide those phone numbers and email addresses.

Change Orders

Despite the due diligence you and your contractor have given to your project, it is inevitable that something will change during the course of your remodel. Whether it is unforeseen issues, or simply ideas that pop up after you've started work (such as, "Gee, can we add some additional lights in the den?"), you'll have to deal with change orders. Change orders are the way in which necessary or requested changes are officially reflected within your contract. They specify exactly what is changing and how much it will cost.

You will need to sign off on change orders as they occur. The vast majority of change orders are at the homeowners request, not the contractor's, so you should view these as a way of assuring that what you decide mid-process is implemented. But just like the master contract, be sure to read what is included in each change order and scrutinize it just as you did the original contract, estimate, and schedule. Pay special attention to any schedule implications that change orders may incur and discuss with your contractor any concerns that you may have.



Lien Waivers

Most reputable contractors and remodelers will utilize the services of other trade persons to complete your project. As previously discussed in this guide, the contractor likely has long-standing relationships with these subcontractors and knows their reputation for quality workmanship, timeliness, and financial stability. Under the law, your contractor is responsible for ensuring that all sub-contractors and material suppliers (lumber yards, drywall specialists, plumbers, and so on) are paid for the services rendered on your project. The contract you signed to complete the work on your home assumes that the contractor will pay their fees and that you are not directly responsible for those payments yourself.

A written lien waiver proves that you have paid the contractor or remodeler in full, and it should be provided to you at the completion of your project in exchange for your final payment. This important document ensures that the subcontractors and material providers cannot come back to you, the homeowner, for work they performed on your home in the event the contractor does not pay them. You should discuss the contractor's lien waiver practices during the negotiation of your contract and again at the conclusion of your contract. Do not make final payment to a contractor who refuses to produce a lien waiver.

Evaluating the Success of Your Project

At the conclusion of your project, you should be able to answer yes to all the questions listed below:

1. Were all my expectations properly set, and were they met or exceeded?
2. Am I very satisfied with the final results?
3. Is the quality of the work exceptional and enduring?
4. Did I feel comfortable with the workers who worked on my home?
5. Do I believe that I've paid a fair price for the value I received?
6. Did the project add value to my life and to my home?

If you have any areas where you cannot honestly answer yes to the questions above, be sure to discuss them with your contractor. Only through your feedback can he improve his service. If you felt that your experience was very good or exceptional, then be sure to provide that feedback to Angie's List or to other local agencies and websites. Another way you can thank your remodeler for a job well done is to allow future potential customers to view your completed home. It's a fun way to show off your work and help others with their decisions. And of course, this helps the remodeler, because happy clients are the best advertising they can get.



About Valley Home Builders

Valley Home Builders, Inc. is a complete home design and remodeling company that helps homeowners transfer their houses into homes. Our team of professional architect, designers, engineers, project managers has been providing outstanding service to homeowners in Santa Clara and San Mateo counties since 2005. We take great pleasure in helping our clients realize their dreams and we work very hard to offer the best value proposition in the business. Whether it's a kitchen remodel or a whole-house demolition and rebuild, we can help. We offer:

- Architectural Design with 3D Concept Drawings
- Full Service Interior Design & Material Selections
- Custom Home Construction & Home Renovation
- Major Addition including 2nd Story
- Complete Kitchen & Bath Remodeling
- Comprehensive Cabinet Design & Installation Services

You can see our corporate brochure for more detailed descriptions about our services or check our website for photos of our completed projects. If you'd like to meet with us, feel free to call us, schedule an appointment and meet us our office in Santa Clara. You can also find us at various Home Shows throughout the Bay Area.



Mehdi Vatani, CEO/Owner, Valley Home Builders, Inc.

Valley Home Builders is owned and operated by Mehdi Vatani. Mehdi holds a Bachelor of Arts Degree in Business Economics from University of California, Santa Barbara. Mehdi is known as an extremely likable and reliable person who listens closely to his client's needs and works very hard to see their dreams come true. You can get to know him better by viewing his customers' quotes at www.angieslist.com.

Mehdi truly cares about the quality of work offered by Valley Home Builders and takes great pride in the homes that he has remodeled. He is passionate about doing things right the first time and is an advocate for better building practices within the industry. Mehdi belongs to several industry associations, including a membership with Remodeler's Advantage, a nationwide trade group devoted to awareness and industry improvements.

National Association of the Remodeling Industry Award Winner

Valley Home Builders received the 2011 Gold Design Award for Excellence from the National Association of Remodelers (NARI) for work done on a home in Santa Clara County in the \$250-500K category. This prestigious award recognizes the design and execution of flawless style and craftsmanship and is truly an honor to receive. For additional information about Valley Home Builder's trade affiliations, see our corporate brochure.

Appendix A: Questions to Ask a Contractor's References

As noted earlier in this guide, your contractor should provide you with several client references that can validate what he's telling you against what his customers actually believe. We've compiled a list of questions that you can use when you contact previous clients:

- What type of project or projects has this contractor done for you?
- Did the company do a quality job?
- Why did you choose this contractor?
- Did you get prices or opinions from other contractors that you feel had comparable credentials? If not, why? And if so, how did they compare?
- Did the contractor finish within the timeframe that he said he would?
- What would you say about the crew members who performed the work? Were they respectable and clean? Did they seem to know what they were doing?
- Was the contractor responsive to your questions or concerns? Could you reach him when you needed to?
- Did the crew maintain a neat and orderly jobsite?
- Did the contractor do what he said he would do?
- Were there any additional charges, and if so, were they handled in such a way that left you feeling satisfied?
- On a scale of 1 to 10 (10 being the highest), how would you rate your overall experience with this contractor?
- Would you have any reservations about hiring him again?
- May I come to see the work first-hand?