

Hiring a Contractor After a Disaster

LOCATING QUALIFIED PEOPLE AND AVOIDING FRAUD

If your home has been damaged by a natural disaster, you are probably eager to have repairs made. But it is well worth your time to find a reliable contractor for the job. Most people start by asking friends, neighbors and colleagues for recommendations. Hardware stores, lumberyards, insurance agents and lending institutions may be able to recommend contractors as well. If your community is receiving disaster assistance, check with agency personnel for lists of contractors.

Always get a written contract for repairs, but don't be pressured to hurriedly sign it. Ask for references and check them out. If sub-contractors will be used, do the same.

GENERAL CONTRACTOR OR SPECIALIST?

If you need a variety of repairs, you may want to hire a general, building or remodeling contractor to coordinate the project. You sign one contract and the contractor arranges all the work, subcontracting with various specialists — like plumbers, masons or electricians.

Specialists often are available to work on a single type of repair such as: concrete, masonry, carpentry, drywall, insulation, painting, floor coverings, electrical work, plumbing, heating, roofing, siding, waterproofing, and fire and flood restoration.

DO YOUR HOMEWORK

When it comes to home repair, it's important to understand the options you have, as well as some of the terms contractors use. Some good sources of information include your county Extension office, disaster assistance center, lumberyard or local librarian. Also think about any home improvements that might be combined with repairs, such as modifications to increase energy efficiency or sump pump installation to prevent future basement flooding.

INTERVIEWING CONTRACTORS

Be prepared to have contractors approach you after a disaster. Make sure they are legitimate business persons. Are they registered with county authorities? Do they have a business card, brochure, letterhead and telephone number? Ask if they belong to any trade associations. For plumbers and electricians, ask to see their state license.

Write down a list of questions you want to ask each prospective contractor and interview at least three. Some possible questions include:

- ◆ *Does the contractor have a good reputation?* Ask for references from previous jobs and if you can see examples of past work. Ask where he or she plans to purchase materials and contact the supplier to see if bills are paid on time. Call the local building inspector, Better Business Bureau, Home Builders Association, Building Trade Council or chamber of commerce to see if any complaints have been filed against the contractor.
- ◆ *Does the contractor have appropriate insurance?* Contractors should have liability insurance and workers' compensation insurance. If not, you may be liable for accidents on your property. Ask the contractor for proof of current insurance coverage.

CONTRACT PROBLEMS?

If problems arise with a contract:

1) Try to resolve them directly with the contractor. Do this in writing so you both have a copy;

2) If you cannot resolve the problems, contact the Consumer Protection Office for Wisconsin at (800) 422-7128 or the Better Business Bureau at (800) 273-1002;

3) Contact the contractor's trade association. They may act as an intermediary or arrange arbitration.

- ◆ Will the contractor provide a written estimate? You should insist on a written estimate. The estimate usually will be in the form of a contract you can sign to hire the contractor. When comparing estimates, be sure that all bids are based on the same work. And if you plan to do some of the restoration work yourself, be sure to check with the contractor to see how this will affect warranties and the schedule.

Remember, the lowest bid is not always the best one. There may be a misunderstanding of the nature of the work being quoted, a mistake in the quote, poor quality workmanship being offered or use of low-grade materials.

QUESTIONS TO ASK REFERENCES

Call at least two contractor references. Here are a few questions to ask:

- ◆ Why did you decide to use this contractor?
- ◆ What work was done for you? Was it completed on time?
- ◆ Are you happy with the finished product?
- ◆ Did the workers keep the project area neat and clean?
- ◆ Was the work completed at the price stated in the contract?
- ◆ Would you hire this contractor again?

CONSTRUCTION CONTRACTS

Get a written contract. Oral contracts can't always be enforced.

- ◆ Include the building plans and/or specifications in the contract.
- ◆ Specify the start and finish dates to protect your interests, but realize that bad weather, unavailable materials or other problems may affect these dates.
- ◆ Include pay schedules for the work and itemized prices for the work. If you want special materials — for example, hardwood trim or top grade lumber — be sure this is specified.
- ◆ If possible, have a lawyer review all contracts and related documents before you sign.
- ◆ Don't make a large first payment, and don't pay for the project in full until work has been completed and inspected.
- ◆ Clearly state any warranties or guarantees on the work.
- ◆ Be sure both you and the contractor sign the agreement, with each of you keeping original copies.

Additional resources:

Your county family living agent

Related publications:

UW-Extension publication "Hiring a Contractor After a Natural Disaster," December 1993.

"Home Improvement and Repairs," Office of Consumer Protection, Wisconsin Department of Justice, June 1982.