



Township of Pequannock

Construction Department

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Choosing a Contractor

We've all heard similar stories at one time or another about the supposedly reputable contractor hired to do an addition, alteration or renovation of some sort who didn't live up to their promises or guarantees. They don't start on the promised day, don't finish when promised if at all, start the job and don't come back, takes the money and uses it for another job, does poor work and won't fix it, gives a low ball estimate only to load up on extras, don't return phone calls, etc, etc, etc. This handout is intended to help you try to avoid these types of problems.

Prepare and plan

It is important to know what you want so you can give a clear picture to the contractor. Be as specific as possible. Have an idea of the size of the improvement, materials, appliances or fixtures you want and your price range. Depending on the scope of your project an architect may be needed to design the project (contractors are not permitted to prepare blueprints unless they are also licensed architects). Visit showrooms, model homes, and home improvement stores to see recent trends and any new products which may be available.

Who do I call?

The most frequently used method for finding a reputable contractor is to ask a friend or neighbor who has done work for a recommendation. Checking with local design professionals, lumberyards, and home centers also provide a good source. Last but not least look in the Yellow Pages and local papers.

Meeting with potential contractors

It is easier to compare contractors estimates if the same written scope of work is used for each estimate. A written, itemized estimate related to the scope of work should be requested of each contractor. The estimate should include at a minimum

- Who is responsible for getting the building permit?
- Time frame for the project, including start date.
- Responsibility for site cleanup and provision for a dumpster.
- References

- Proof of insurance
- A valid New Jersey Contractors Registration Number

It is recommended that you get at least three written estimates.

Making a decision

The contractor's background and reputation should be carefully checked. Be sure to ask the references about the scope of work done, if the project was completed in a timely manner and if they would hire this person again. Remember contractors are only going to give names of people that were pleased with their work so you may also want to call the local Better Business Bureau (973-581-1313) and/or the Morris County Office of Consumer Affairs at 973-504-6200. Make sure that whoever you hire is registered with the NJ Department of Consumer Affairs. As of 01/01/06 all persons in the business of selling or making home improvements must be registered. Beware of the contractor who wants **you** to take out the permit to avoid this requirement.

Hiring a contractor

When you decide who to hire a contract is then needed and required once a home improvement project is in excess of \$200. The contract should include the following at a minimum.

- Legal name and business address, contractor's name, address, phone number and state license number.
- Estimated start and finish date.
- Financial terms (total price, payment schedule, method of payment, finance charges and cancellation penalty)
- Details of the contractor's responsibility (cleanup, providing dumpster, protection of personal property, etc.)
- Detailed description of work to be done.
- Detailed description of all materials to be used including model numbers, size, color, capacities, brand, quality, grade, and quantity
- Statement of any guarantees or warranty with respect to products, materials, labor or services.
- Binding arbitration clause.

Payments

Once hired, contractors need a percentage of the cost of the project to purchase supplies. Generally 15-20% of the project cost should be adequate. Many contractors set up the payment schedule to require monies at set times as work progresses. Some choose to take payments as the work is inspected. Whatever the process be sure it is spelled out in the contract.

Final Payment

It is extremely important to withhold the final payment until all aspects of the contract are fulfilled. According to New Jersey Law, final inspections are required to be satisfactorily

completed before the final payment is made (NJ 13:45 A-16.2). Request copies of inspection certificates prior to payment.

Complaints

The County Office of Consumer Affairs can help you resolve complaints with contractors. (973-504-6200)

Beware of....

- Hiring unsolicited contractors.
- Unrealistic price reductions if you act now.
- Being asked for more than 30% of the project cost up front.
- Contractors not willing to apply for permits.

It is ultimately the homeowners responsibly to ensure that inspections are done as required by law, but it is the contractor's responsibility to follow through with any corrections needed.