

BUILDERS POINT OF VIEW

APPLES TO APPLES

By Alex Guthrie

So you interviewed more than one contractor for your project, you checked references, and inspected their work. Two of the contractors seem as though they could do a good job, now who do you choose and why?

My clients sometimes tell me that they struggled with this very decision and although I sympathize with them, I consider it a small victory to be on their short list. Even though I would prefer to never have to compete and I feel I'm always the most qualified for the job, the real world isn't so kind and sure.

It only makes sense that this decision would be difficult if all things are equal, so it may come down to comparing the proposals and making the best deal.

First of all, compare the contracts, are both contractors including all necessary insurance and permits and has the contractor included all the elements that you expect them to purchase.

Depending on the project, the scope and cost, there should be ways to sharpen the proverbial pencil and become creative. Contractors have different ways of achieving this, everything from sharing discounts on certain items to allowing their customers to make purchases directly with some vendors. Beware of the inherent risk associated with purchasing your own fixtures, you are responsible for the delivery and condition of the products and you will have to deal with the warranty.

Most contractors are sensitive about releasing detailed pricing so you should get a detailed job description instead. This will enable you to determine that both of your choices are bidding the same project and help you decide whether you need more information. You might learn a lot about your contractors at this point, such as their tolerance and patience; it can be very frustrating to have to stop and research pricing. Ask for pricing on a few major items so, that you can decide whether the cost is compatible with your priorities. Things such as windows and appliances can really affect a budget and can vary greatly.

How the presentation is prepared is important, this will tell you something about the organizational and business skills of the individuals. A well-prepared and clearly defined scope is all you have to go by, don't fall into the trap of making assumptions, you'll get burned and disappointed every time. Everything should be in writing, and this means rewriting if necessary.

How do you know if the job description is complete and how detailed should it be? After all, you don't know the intricacies of construction or you would do it yourself. First look at the basic information, and the obvious and ask questions. Make sure you have a

clear understanding of what is being proposed and that you feel comfortable with it. After all, you will be living with the results for a long time.

Check the math. If you are paying in draws, get a schedule of payments and add it up. If there is a mistake, work it out, don't try to get sneaky. Products and services cost what they cost and aren't normally negotiable for the contractor so they won't be for you either. It's far better to be prepared for the reality than try to force a bad decision or an honest mistake. Many problems could be avoided if we just looked them in the eye and tackled them.

My strongest advice to my clients is to only do what they can comfortably afford, there are too many potential problems in remodeling to try and cut your budget too close. Have an amount equal to 10% of your budget available for potential problems and insist on written change orders. Verbal changes have a way of being misunderstood by everyone.

If you are paying in multiple draws insist on a statement periodically say, every 4th draw. The statement should include all the draws and change orders to date.

Remember to use common sense and reasonable judgment and you can work the best deal and hire the best person for your project.