

DEALING WITH CONTRACTORS

Prepare detailed Bid Specifications

A paper describing the scope of the work to be performed and the specific products to be used or the quality of the materials to be used and the work to be performed. CRC's "Scope of Work Form" can be used for this purpose regardless of the size of the house and its "after repair value".

Initial contact with contractors and sub-contractors

Be friendly and open.

Chat a little to develop rapport.

Act like it can be the beginning of a long relationship.

Communicate, Communicate, Communicate

Show them your Scope of Work Form.

Communicate upfront with Contractors and Subs to make sure they know your expectations.

Don't wait until the end of the project and be surprised because they deliver a work product that doesn't meet your expectations. Surprise and disappointment lead to anger. Explain, explain, explain.

Tell them what you are trying to do, and come to an agreement on what the final outcome will look like.

Get their commitment as to phase and project completion.

Have a Written Contract with Contractor

Regarding:

Work to be done per Scope and quality of Work

Bid price (labor, materials, or both)

Handling unanticipated work

Who will get building/structural permit

Time(s) of completion of phases

Time of completion of rehab project

Definition of abandonment of the project

Consequences of abandonment

Performance penalties and incentives

Payment provisions

Payment issues to be addressed

Advancing funds before work begins. It isn't wise to advance money to contractors or subs. Tell them you'll pay them within 2 business days after the work is inspected and determined that it has been completed in a good and workman like manner.

Abandonment. Tell the contractor you expect the job to be manned every business day, and you expect work to be completed within a certain amount of time. Write in your contract that if the job is not manned for a certain number of consecutive business days that the contract will be considered terminated for abandonment, and the contractor will not be paid.

Holding back monies. Since the last 10% of the job is the hardest to get completed, it's best to hold onto some money until the final walkthrough inspection is completed and all work is found to have been completed satisfactorily.

Along the way

Give praise when deserved.

Ask questions and learn.

When they cry and whine and tell you a story or they need to pay their crew, be firm and stick to what you've agreed on. If you don't, you'll lose their respect and it will be more of the same next week.

Show them you mean what you say.

Follow-up until project has been completed to your satisfaction.