Hiring a Contractor Checklist

Check them out, get it in writing and pay safely.

CHECK THEM OUT

- [ ] License looked up and active, in the name on the bid (if the trade requires one)
- [ ] Certificate of insurance sent directly from the insurer: liability and workers' compensation
- [ ] Complaints checked with the state attorney general and local consumer agencies
- [ ] Court records searched for lawsuits and liens
- [ ] Three recent references called
- [ ] Physical business address and a phone that's answered

THE WRITTEN CONTRACT

- [ ] Contractor's legal name, address, phone and license number
- [ ] Detailed description of the work, materials and quantities
- [ ] Total price, and a payment schedule tied to completed work
- [ ] Start and completion dates
- [ ] Who gets and pays for permits and inspections
- [ ] Change orders in writing, signed, with price and time effect
- [ ] Cleanup and protection of the property
- [ ] Lien waivers before each payment
- [ ] Warranty terms in writing
- [ ] How disputes are handled

PAYING SAFELY

- [ ] Keep the deposit modest; some states cap it
- [ ] Pay by check or card in the business's name, never cash
- [ ] Hold back a final payment (often 10%) until the punch list is done
- [ ] Collect lien waivers from the contractor, subcontractors and suppliers

FINAL WALK-THROUGH

- [ ] Walk the job and write a punch list
- [ ] Final inspections passed; copies in hand
- [ ] Final lien waivers from everyone
- [ ] Warranties, manuals and material specs collected

> Signed at your home? The FTC Cooling-Off Rule generally gives you until midnight of the third business day to cancel a sale of $25 or more.

SOURCES

16 C.F.R. Part 429 (FTC Cooling-Off Rule): https://www.law.cornell.edu/cfr/text/16/part-429
FTC: How To Avoid a Home Improvement Scam: https://consumer.ftc.gov/articles/how-avoid-home-improvement-scam

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