



## How to Find the Right Contractor for your Home

Source: NBC Today show

Person interviewed: Barbara Corcoran, real estate expert

So many of us have had bad experiences, but the question is how do we protect ourselves? And you say the first thing we should do is ---

Get three bids and compare the bids. A lot of people will hire the guy who gives you the cheapest bid. He is always the wrong guy to hire. The next thing is get the references but not just collect them, as many people do, but call them. Other customers will always give the low down and tell you the truth.

So are you saying hire the guy who gives you the highest bid?

No, but when you get three bids, if one is way off, very often people will snap up that contractor. There is something wrong every time when that happens, and that's the one guy you should avoid.

Ok, look inside the contractor's truck?

I know it sounds whacky but believe me, I have found this to be the single most telling thing about a contractor. If his truck is a total mess, your job is going to be run the same way. If it's neat and his tools are in order, your household is going to be run exactly that way during the job.

I think a lot of us are smart enough to realize that you need to be able to communicate well with a contractor but what do we need to communicate well about?

I think we have to ask a couple of key questions and these are the questions that almost everybody overlooks. How many other jobs are you doing right now? You don't want to compete with too many jobs. How many men are you going to have on the job every single day? Not one or two - those jobs never get finished. You want to be able to just get right up front and ask these questions.

The completion date too.

Well, everybody knows who has done a job that you always get a start date and that has nothing to do with the job getting done.

What about paying/billing. How should we handle that?

The most important thing to remember is you want to hold the power over the contractor so you want to retain a full one third of the money for the whole job until every last thing is done. The most insulting thing about the job is when you have to chase somebody to get them to come back and finish the little things. But you go to bed at night and you know you have one third of that person's money, you're going to sleep like a baby.

Ok, now, but once you've chosen somebody, the question, I guess, is how do you deal with, for example. I mean I have discovered something like change orders, like what the heck is that about and how do we deal with that?

Change orders are simple. It is just a clause in the contract that says if I change my mind on anything, you will bill me blank number of dollars an hour for me to make that change. Most people don't address it, and inevitably, you change your mind when you're doing a job. So now you don't have an open-ended license to kill, in essence, because you have labeled an exact dollar amount for the change.

You also say you can really save money if you buy the appliances yourself.

You can. Appliances and fixtures are a big chunk of everybody's job budget, so to speak. But if you go out shopping for them, all the big stores have a sale, you can get slightly damaged merchandise. You can save a ton of money if you are smart enough to leave that out of the contract.

You also say:

- Make sure that the contractor comes back for a final inspection.
- Get at least three bids.
- Get references and call past customers.
- Organized truck equals an organized contractor.
- Ask how many people will be on the job on a regular basis. Ask about availability and more importantly find out about completion date.
- Include in the contract change orders and cleanup.
- Don't pay last one third of bill until the job is completed.