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“Your source for the best contractors in town”

How to Select a Contractor for Your Job:

(Taken from CIDs website: <http://www.rld.state.nm.us/CID/index.htm>)

Select a New Mexico Licensed Contractor

- **Make sure the contractor is licensed with the Construction Industries Division (CID).**
A contractor’s license is required for any business or individual which bids on a project, or does construction, alteration, demolition, installation, or remodeling. This includes painting, paving, roofing, carpentry, siding, plumbing, electrical, mechanical, and general building work.
- **Verify the validity of the contractor’s license.**
Call the CID office to determine if the contractor is licensed and what he is licensed to do.

Find the Right Person for the Job

- **Develop a list of potential contractors.**
Ask friends, neighbors, relatives, and co-workers who they have used. Find out if their experiences were good or bad and why. Ask if they would use the contractor again.
- **Ask contractors for references.**
Call your potential contractors and ask for a list of their customers or locations of completed jobs. Call references and ask whether they were satisfied with the job done, if the contractor kept to the agreed-upon schedule, and whether they would hire the same contractor again.
- **Ask to which trade associations the contractor belongs.**
Homebuilding and remodeling are professional work. Membership in a professional association is one sign the contractor recognizes the responsibilities of being a professional.

Make Sure to Obtain and Evaluate Bids

- **Ask for a free written estimate of the work you want done.**
Be sure everyone is bidding on the same exact scope of work and including the exact materials you want. If one contractor is bidding on furnishing top-of-the-line materials and another is bidding on furnishing bottom-of-the-line materials, this could account for a big difference in price. Be sure all quotes include everything you want.
- **Remember "you get what you pay for" applies to home construction and improvement.**
A higher bid may be worth the price for better workmanship and contractor reliability. If a contractor has bid too low to make a profit, he may use cheaper materials, take shortcuts, or walk off the job to take another project.
- **Make sure you understand the different types of bids you may receive.**
Be careful about hiring a contractor on an hourly time-and-materials, or cost-plus basis. Although the price may seem high at first, a fixed-price bid may give you the best protection and price. Also beware of "special deals," "demonstration projects," or "a great deal from a friend of a friend."

Questions to Ask Before Hiring a Contractor

- What experience, expertise and/or certification do you have? Do you specialize?
- Who will be doing the actual work- you personally, your employees, or subcontractors? Who will oversee the day-to-day job? (You may really like the contractor, but that person may not be the one performing or supervising the work.)
- How many other jobs will you be working on at the same time as mine? (If there are several, yours may not get the attention you want. On the other hand, the contractor's business may be large and he may be able to handle several jobs.)
- How long will the job take? What kind of mess, noise, and inconvenience should I expect? What problems may come up? (Asking questions before the job starts helps prevent surprises later.)
- Does hiring this contractor feel right? (Use intuition – if you do not feel comfortable, find someone else.)
- Do I have rapport with this contractor? Am I confident in his expertise and ideas? Does he care about my concerns? Will he be reliable, keep his appointments, and return my telephone calls?
- Can I work with this person for a period of time? (If you are having major remodeling done, this person may be in your home for weeks.)
- Can I communicate with this person? Does he seem honest and forthright? (The contractor may be top-notch at the trade, but if the final product is not what you expected, you will not be happy.)
- Can I be reasonable and let my contractor work without calling every other hour? Do I realize he cannot return my calls within minutes because he has other jobs and a personal life?
- Am I willing to be reasonable about unexpected costs that arise and to let my contractor make a profit?
- Am I ready for the unexpected, such as digging into solid rock, finding asbestos in the walls, etc.)? Can I be flexible when the job takes longer than expected?
- Are my expectations so high that I will never be satisfied with my contractor?

You Have Selected a Contractor, Now What?

A Note About Payment.

Many people ask if they should make a down payment at the time of entering an agreement with a contractor. A licensed contractor is protected whether or not you pay him. If he furnishes labor and material for your home and you do not pay him, he can place a lien on your property. On the other hand, if you pay him and he does not furnish materials or labor for your home, you might have to file a civil suit to recover your funds. A reputable contractor should be able to purchase whatever materials are necessary to begin the job at any building supply store – either on a store charge account or on credit card. For large projects, check the contractor's bank and suppliers for financial stability.

Protect Yourself with a Written Contract.

Although not required, it is a good idea to have an agreement in writing. Your contractor's understanding of what you are asking him to do may not be the same as what you want. You may want to consult an attorney to draft a contract. State clearly in writing exactly what work needs to be accomplished; any time limits for completion of the work; exact sizes, quantities, colors, model numbers, brand names, finishes, or grades of materials; guidelines for clean-up after work; terms of payment; and whether he will do the work himself or hire subcontractors. Be as exact as you can so you will end up with what you want and limit the possibility of misunderstanding.

Basic Items to Include in a Contract

You may want to consult an attorney to draft a contract and include these items in an agreement between you and your contractor.

- A list of materials to be used (quality, quantity, weight, color, size, and brand names).
- A list of "allowance" items and the budgeted amount. An allowance is a specific amount of money to buy something that has not yet been selected. When the light fixtures, woodstoves, etc. exceed the allowance, the homeowner pays the additional amount.
- A list of permits needed and who will obtain them. (It should be the licensed contractor.)
- A project starting date and a completion date. You might add a penalty clause if the work is not completed on time.
- The total price, when payment will be made, and a cancellation penalty.
- A payment schedule. Be careful about paying for something up front. Consider partial payments upon completion of portions of the work.
- A list detailing what the contractor will and will not do.
- Warranties and guarantees of workmanship, length of warranty, and what is and is not covered.
- The contractor's license number.
- Everything else you feel is important (specific products, complete clean-up and removal of debris, workday restrictions, special requests, etc.)

How to Work With Your Contractor

Plan your Project Carefully.

Consider your budget. Find pictures, styles, and products you like and write down brand names and models. Show them to your contractor. "High quality faucets" may mean something different to you and your contractor. Walk with your builder through a finished project, and talk about what you like and do not like. Get accurate plans or blueprints. Study them carefully to make sure they show your project accurately. Approve the completed plans before the work begins. Since you are not the builder, ensure the builder obtains a building permit. A permit is required for any work over \$500.

Use a Written Contract.

A written contract protects you and the contractor. Put all agreements, including all changes to the contract, in writing. CID cannot become involved in contractual disputes. Generally, the more detailed a contract is, the fewer the problems that will come up later. A big project should have a detailed contract. Make sure you understand what the contract does and does not cover. Do not sign the contract unless you fully understand everything. Ask questions.

Make Changes in Writing.

People change their minds during a building project. If changes are made at the right time, the cost and length of the job may not be affected. Delay, however, can mean costly changes. For remodeling and new home projects, allow at least a 10 percent increase for changes from the contract. If changes in the plans or contract occur during the project, put them in writing as amendments to the contract, including any differences in cost. Both you and the contractor should sign the change orders. Change orders are a major source of misunderstandings and cost overruns.

Communicate.

Talk to your contractor during the project. Many disputes happen because people fail to communicate at every step of the project. If in doubt, talk it out. There are no stupid questions you can ask your contractor.