



*Three Generations of Quality Homes*

## Questions to ask your builder and subcontractors.

### 1) Employees and liability

**a. Are your employees 1099, W-2 or a mix of each?**

1099 means a sub, but many of these are not properly licensed and insured. W2 means a legal employee.

**b. Do you carry workers compensation, unemployment and liability insurance on all your crew?**

If not, run away! You don't want that liability.

**c. Do you use sub-contractors?**

If so, find out when and why.

**d. What is the average length of time subs have worked for you?**

You are looking for several years here! If not, they may not reflect company values and standards well.

**e. Do these individuals have Workman's Comp & General Liability coverage?**

Better be a "Yes!"

**f. Do these individuals have the proper licensing from the state?**

The law may not require this, but it is always a good idea?

**g. If your subcontractor makes a mistake, who is responsible? Does your warranty cover his workmanship?**

I think you know what the answer should be.

**h. Can you supply me with the individual certificates from each company to prove this? When will I have them?**

Stop the conversation and write down the day he says they will be delivered.

## 2) Experience and Knowledge

**a. How many projects similar to ours have you worked on?**

You don't want to be an experiment!

**b. What did you learn?**

No one should stop learning – can he/she execute your project better than the last?

**c. What are your 2 favorite building & remodeling website?**

Go visit them. See what you can learn.

**d. Have you taken any continuing education classes?**

In what areas?

**e. How do you stay current with both products and practices? How does your crew?**

You are looking for someone on a path of education and continual improvement, with a formal method of sharing the best of that with his crew.

## 3) Company Capabilities and Performance

**a. How many people – direct employees – work for your company?**

This answer will give you an indication of company depth.

**b. What are their job descriptions?**

This answer tells you if the contractor has adequate support staff.

**c. What do they do each day?**

You should get a feel if the people are full or part time.

**d. How many jobs does your company have in progress right now?**

Will your job be lost among these?

**e. What is the average number of jobs you do at the same time?**

Does this number seem in line with the amount of support staff?

**f. Do you have any other outstanding bids right now?**

If these turn into jobs, will your job drop to the bottom of the list?

**g. Do you work from your home?**

This can be a sign of under-capitalization. I never had an office of my own, so ask more if this is important to you.

**h. How do you manage your jobs on a day-to-day basis?**

All jobs require management. Ask for details! Who checks for quality, mistakes and progress?

**i. Who will be on-site and in charge of my job each day?**

Get a name and cell phone number!

**j. What hours do you typically work on-site?**

This answer will give you an indication of the crew's motivation.

**k. How many days per week do you typically work?**

You might not want them on-site every day, but you may need to hold them to their answer.

#### **4) Company Professionalism**

**a. Have you or your company ever been sued before?**

The truth is available in the courthouse records!

**b. Have you or your company ever sued anyone or filed mechanics liens before?**

What happened? Why the disagreement?

**c. Have you/your company ever caused/been involved in an accident that caused someone to receive hospital treatment or be hospitalized?**

This is ANY accident. Automobile, construction incident, etc.

**d. Do you have a separate company bank accounts?**

Mixing funds in one account is a recipe for disaster. And illegal!

**e. Have you ever declared bankruptcy or operated a company under a different name?**

Listen to this answer!

**f. Who are your top three suppliers?**

Ask for names and number. Find out if the company's payables are current.

**g. Will your crew arrive in a marked company vehicle, wearing company clothing and safety boots?**

It's nice to know who people are!

**h. Do you provide health insurance for your employees?**

This may indicate how happy the people working on your site may be, and how committed the company is to a top-notch crew.

**i. How satisfied are your previous clients?**

Ask for the previous several clients, happy or not. Talk over any unsatisfied clients with him, finding out why and what he learned from that experience. You can learn more about a contractor from how he handled unhappy clients, than from his happy clients.

**j. What kind of warranty do you offer, and what are the critical factors in evaluating a warranty?**

You want to know what you are getting.

**k. What is your BBB rating?**

You can learn a lot in the comments. Check it out!

**l. What are your license numbers?**

Look these up with the state. Are they current? Any complaints?

## **5) Personality Compatibility**

**a. Who were your two best clients? Why?**

Listen! Do you sound similar or opposite?

**b. Who were your two worst clients? Why?**

Listen very closely...do you sense a conflict on the horizon?

**c. Do you volunteer to work at your church? Describe.**

Need I say more?

**d. Do you have children? Ages?**

If so, does the contractor seem interested in them? Sense any negativity?

**e. I really want \_\_\_\_\_, how to I get that?**

Don't settle for someone who won't work with your desires.

## **6) Contracts and Budget**

**a. Do you provide an estimate, or a bid? What is the difference?**

There is no right answer, but you need to know what you are getting.

**b. Will you provide detailed specification and a well-developed scope of work; so I can be sure of what I am getting?**

Nobody likes surprises; such as "I thought you were doing that!", or "I wanted this product!"

**c. When can I change things? When can I not?**

You may need to make some decisions earlier than you planned.

**d. What are you responsible for, and what part am I responsible for?**

You are responsible for some things, and the contractor probably assumes you know what it is.

**e. What is an "extra", and how do you handle it?**

Listen carefully here for how much your budget may increase.

**f. Do I receive the savings if I am under budget on an allowance item?**

You want the answer here to be a big "Yes!"

**g. What are some typical extras that might occur?**

There shouldn't be much here, any common item should be priced as an allowance.

**h. How will you deal with unforeseen situations?**

Decisions should be made together and documented well, but this can mean you will need to make them quickly.

**i. How do we distinguish between lack of foresight/planning and an "unforeseen" situation?**

It may be clear to him, but does his definition fit yours?

**j. How do you prevent cost overruns?**

Listen for a system.

**k. What are some common errors made in your trade? How do you correct them?**

Does this answer make sense? Is it satisfying to you?