



After you choose your contractor the next step is to put the agreement in writing. This does not require a lawyer, and standard forms are available from various reliable sources. The important thing is that it is clear and agreed to IN WRITING to both parties what will be provided by your contractor. Here are some specific items to consider:

- ✓ A clear understanding of the specifications and the plans.
  - The specifications consist of the descriptions of all materials, their quality, and the installation or application of them.
  - The plans consist of all the drawings in connection with the work.
- ✓ All arrangements relating to the actual construction as well as responsibilities, rights and method of payment should be put into writing.
- ✓ As a general rule, the contractor maintains all liability insurance, including workers compensation, bodily or personal injury and property damage.
- ✓ The owner is responsible for such things as all property insurance, including fire, extended coverage, vandalism and malicious mischief.
- ✓ Usually, the contractor is also responsible for securing and paying for all permits and licenses required for the work and must comply with all laws, ordinances, regulations and any public authority.
- ✓ The contractor should also pay for and provide for all labor, equipment and tools and scaffolding necessary during the remodeling job.

### **Fees and Payments:**

- ✓ The contractor agrees to construct the project for a fixed sum which includes all costs and the contractor's profit and the owner pays this sum, plus any "extras" due to changes or omissions.
- ✓ The usual options for making payments are as follows:
  - Partial payment:
    - This is the most commonly used method used by contractors. Contractors are paid based on the amount of work completed and materials delivered to the site.
  - On completion:
    - The contractor receives the entire amount upon completion of the remodeling project. Very few contractors will accept this kind of arrangement on a project which extends over the period of months.
  - *In each of these methods, a percentage (usually 10 percent) of the value of the work completed is retained by the owner and paid to the contractor upon final acceptance of the project.*

### **Changes and Change Orders:**

- More than anything else, misunderstandings and trouble during a remodeling project have been caused by changing the original plans and specifications.
- If changes are to be made during construction by either the owner or the contractor or if extras are to be added, the instructions should be put in writing before the changes are made.



## **Terminating the Contract:**

- ✓ Either an owner or a contractor may end a contract before the renovation is completed under circumstances varying according to statutes and terms of the contract and written notice must be given.
- ✓ The owner can terminate the contract if the contractor neglects to do the work properly or fails to perform any provision of the contract and must pay for any work completed.
- ✓ The contractor can terminate the contract if the owner fails to pay within a certain time after a payment is due or if work is stopped for any length of time by any public authority or by the owner.
- ✓ Utilizing these tips for choosing a home remodeling contractor will make your remodeling project move along smoothly and ensure the success of your home remodeling project