

## Tips on Hiring a General Contractor

1. Let's start with the basics, by looking up the General Contractor's license.  
Start your search here:

<https://www.cslb.ca.gov/OnlineServices/CheckLicensesell/CheckLicense.aspx>

There you'll find if the license is active and other important information such as whether they are licensed to work in your area, if they are bonded and insured and if the license is suspended along with the reasons why. You'll also determine when the license was issued. We recommend that you check how long the Contractor has been in business and cross reference how old the license is. If you determine that the contractor has been in business for 10 years yet has a 2 year old license, you'll surely want to know why. There are a few reasons why a contractor would do this, and you want to make sure it's not because they have a history of changing their license every year. Whatever the reason may be you'll want to verify the justification. Hiring a General Contractor that has a long standing license will increase the likelihood that they'll be in business to back all their warranties, and the subcontractors too, which is 1 year warranty on the workmanship and 10 years for structural defects.

2. Experience matters. New construction projects will always face impactful challenges. So ensure you have seen sample projects and verified that they are experienced and truly specialize in your type of project so that when challenges arise on a project, they have the experience to solve them quickly and cost effectively. Avoid paying for someone to "learn" on the job.
3. Find out who is performing the work, think Local and ask yourself how important the carpentry work is. Area contractors who have been in business for a long time are usually reliable and safe bets for projects. If they didn't do good work in your community, they wouldn't still be around, and a significant contributor to overall success are the area subcontractors who should be well known by a reputable general contractor. It's also important to note the difference between a General Building Contractor and a General Contractor. If they are a General Building Contractor they'll self-perform some portion of the carpentry work. If you are building a custom home, you'll want the best carpenters on the job and generally speaking a General Building Contractor will have their own in-house carpenters that can produce craftsmanship quality work.

4. Maintain a lien free project. Before signing the contract, you need to inform the contractor that you'll require monthly lien waivers. Why is this important? You certainly want the General Contractor to pay each company involved in your construction project, so that when the project is done, it is lien free. Require that the General Contractor produce lien waivers every month as the project progresses and subs are paid the money they are owed. Upon making payment on any completed phase of the project, and before making any further payments, require your contractor to provide you with unconditional "Waiver and Release" forms signed by each material supplier and subcontractor involved in that portion of the work for which payment was made. The material suppliers and subcontractors that you obtain releases from are those entities who have filed preliminary notices with you. You should not make any final payments until any and all such liens are removed.
5. In part, trust your feelings too, The National Association of the Remodeling Industry recommends this piece of advice, "The biggest thing is choosing the right contractor, if somebody says something that's even an embellishment, it's enough of a reason not to trust him and move on to the next contractor. You have to trust the contractor 100 percent, not 95 percent." It all goes back to hiring a contractor you can trust because they'll never put a bad subcontractor on your job.
6. The details matter! Have a detailed proposal to help set expectations when evaluating the final contractors, you are interviewing. When it comes time to build, make sure the Contract is even more detailed. Proposals can often be purposely low priced to get the job or at least make it to the final round of your interview process. The actual contract itself can be low in areas like "allowances" to "win" the job, which then keeps the door open for big and costly change orders. Make sure your estimate is thorough. The point is to avoid reasonable surprises and it's important to ensure that the contract should cover all costs of the build. Look out for the brands of items being installed or types of finishes, since the contract can include allowances, such as "up to \$100 for a front door" when you know you are in the market for premium finishes, and there hasn't been a single door you looked at under \$1,600. Make sure the contract contains approximate start and finish dates, and the complete set of drawings being used with written specifications. There's never too much detail in a contract and if you agree on everything upfront, then there are no surprises.



7. An experienced and knowledgeable builder saves you money because they'll do the job the right way without missing a step. Attention to detail and building with care and craft will be extra money spent well, as quality building means you will not have to spend extra money redoing things that go wrong later. A Subcontractor will charge a higher rate per hour when doing the construction project under the owner of the building than when working under a general contractor. Because of this, general contractors can get the lowest bid from different subcontractors. That creates a competitive environment which can save you money. A general contractor has the option to buy materials in bulk, so you will have materials that are of highest quality for your project at a lower cost. A construction job that is of quality, overseen by an experienced general building contractor, has the potential to increase your overall business value and your property too!