

how to hire a **great** contractor

Step-by-Step
GUIDE



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How to Hire a Great Contractor: Step By Step Process

In this guide I will show you what steps I would take to research, interview and ultimately hire a contractor using my family's 50+ years of contracting experience.

This 4 step process will have specific directions for you to follow with strict minimums that the contractor you are considering has to meet to be considered a great contractor (what I call a Qualified Local Contractor, QLC). If the contractor you are interviewing falls short on any of these requirements listed below- they can not be considered a great contractor (QLC) and I do not recommend hiring them.

Step 1

Compile a list of potential contractors to do your preliminary screening.

Here are some helpful tips for you to compile the list:

- Ask your friends, family, neighbors and co-workers if they can recommend a contractor.
- Go to the Better Business Bureau (bbb.org) website and check the list of A+ rated contractors.
- Find Google and Yelp reviews of local contractors.
- Go to your favorite search engine and search for [trade] + [city, state] in the search bar.

Most people would like to get 5-7 or even 10 estimates because they are afraid they may get ripped off if they don't get a lot of estimates. In fact, I recommend you to make a list of a minimum of 5 and a maximum of 10 contractors to vet. If you follow these 4 steps listed below you will greatly reduce the possibility of getting ripped off. The goal is to ultimately interview 2-3 good contractors in your home instead of wasting time on 7-10 standard or substandard contractors. I will show you the process of how to narrow this list of interviews to only the Qualified Local Contractors who you will invite to your house for a presentation and estimate.

Step 2

Online Screening Process: Once you've compiled your list of potential contractors, online screening is the next step in the process of eliminating non- QLC companies from your list.

If a contractor on your list does not pass the criteria listed below, remove the company from your list:

- **Rating:** Go to bbb.org and verify that the contractor has an A or A+ rating with the Better Business Bureau (BBB).

Note: all companies have complaints lodged against them at some point, what matters is how the company handles the complaints. The BBB has always been the best rating company to report complaints and document how the contractor handles the complaints. You can only have an A or A+ if you handle the complaint fairly and expeditiously.

- **State Reporting:** Go to the regulatory agency in your state (**see below**) to verify following items:

- Contractor's license in good standing and active.
- Ensure the contractor has been in business for over 10 years.
- The contractor's name and license has not changed in the last 10 years.
- Verify the business address and make sure their office is in your area (they are not out-of-town).
- Check if there are any open complaints. If there are, investigate the complaints.

There is a lot of contractors that don't have an active license or a license in good standing with the state for several different reasons (none of which are good) such as: too many consumer complaints, not honoring warranties, fraudulent contracts, bait and switch techniques, illegal name changes etc. If a company has been in business for over 10 years, statistics show that the company has a better than average chance of honoring it's warranties and staying in business long term.

Virginia: <http://www.dpor.virginia.gov/>

[LicenseLookup/](#)

District of Columbia: <http://pivs.dcra.dc.gov//BBLV/>

[Default.aspx](#)

Maryland: https://www.dllr.state.md.us/cgi-bin/ElectronicLicensing/OP_search/OP_search.cgi?calling_app=HIC:HIC_qselect

Or Google "contractor license lookup + [your state]"

- **Work Space:** The contractor must work out of an office or a warehouse space (does not work out of their house). You verify this by getting their address and checking Google Maps to see if their address is located in a residential neighborhood or in a commercial area.
- **Website:** Go to the contractor's website (if they don't have a website- they are probably not an established company).
 - The overall appearance of the website should have a professional and established presentation. *An established and seasoned company usually will have professional looking website, newer companies don't have the time or experience for this. Don't let them practice on your roof, only work with established companies.*
 - Check to see if the company participates in any form of community service. *If the company is involved in the community - they will most likely be an established company and they will usually have a customer-first mentality.*
- **Warranties:** Check the website to see if the contractor offers Extended Warranties on these products: **Roofing:** 25 years for labor and materials, **Siding:** 20+ year warranty, **Windows:** lifetime warranty for labor and material (these are the minimums). If the company is not authorized to offer these extended manufacturer warranties- do not use them.
Warranties can be complicated and easily manipulated by a contractor. Warranties are very much like insurance policies, you don't find out what you have until you need to use it. Unfortunately, oftentimes warranties turn out to be a simple material warranty that doesn't cover leaks.
TIP: I recommend to ask for a no-dollar limit (NDL) labor and material warranty certified and backed by the manufacturer.
- **Online Reviews:** Check Google, Yelp and other review sites to see what previous customers say about their experience.
Note: Even Qualified Local Contractors will get a negative review from time to time. What differentiates a QLC from an average (Non-QLC) contractor is how they address the problems that inevitably arise.

Step 3

Phone Screening: To further weed out the non-QLC companies, here's a list of questions to ask your contractor on the phone:

- **References:** Ask your contractor to send you at least 2 new and 2 older references (3-5 years prior) and the contact information for their material supplier(s).

The newer references will determine if recent customers are happy with the work and the older references will show if past customers are still happy with the work and if any issues have arisen you will find out how the company handled them. The older the references - the better indication of the longevity of the company (not a fly-by-night or a Storm Chaser). Call the material supplier to make sure the contractor pays their bills. This will help avoid the possibility of the supplier placing a lien on your home.

When you call the prior customer references, ask these questions:

- On a scale of 1-10 how satisfied were you?
 - Did the contractor complete all the items in the contract in a timely and professional manner?
 - Is the overall job aesthetically pleasing?
 - Did the contractor show attention to detail such as cleanliness, organization and good communication?
 - Were the crews respectful and skilled?
 - Did the company do everything that the salesperson promised?
 - Did the contractor finish on time or were there long delays?
 - If you had another project to do, how likely would you be to use this contractor again?
- **Company Ownership:** Ask the contractor whether their company was rented or bought by an out-of-town contractor. If the person hesitates or gives you a non-answer, then it's a good chance that this company was bought or rented by a Storm Chaser.

Because fraud is rampant with Storm Chasers, I recommend you to stay away from any company that was bought or rented by an out-of-town Storm Chaser.

- **Payment Terms:** Ask the contractor what percentage of the contract is due for the deposit and when does the balance have to be paid.

Payment schedules can also speak to a contractor's financial status and work ethic. If they want half the bid up front, they may have financial problems or be worried that you won't pay the rest after you've seen the work.

- **Lien Release:** Ask the contractor if they are willing to sign a lien release for their company, crews and the material supplier before you pay the balance in full.

This is an important question to ask because unless a lien release clause is in the contract- the contractor, the crew and/or the material supplier legally can put a lien against your home even if you have paid in full (regardless if the work was done properly or not).

- **Warranties:** Refer back to the step 2 regarding the information you found under warranties and verify that the warranties are still available.

- Ask the contractor to send you the manufacturer certification.

In order for you to have an extended manufacturer warranty- the contractor and crews must be trained, certified and have special designation by the manufacturer.

- **Insurance:** Ask the contractor to email a copy of their insurance to you. Here are the 5 different insurances (and their minimums) that a contractor should carry at all times (usually all 5 of them are listed on one insurance certificate):

- Worker's Compensation (mandatory): used when a contractor injures himself or anyone on his crew on the job. (minimum amount \$500,000)
- Automobile Insurance (mandatory): used when a contractor has an accident in his vehicle. This is an important policy to carry- many contractors go out of business because they can not afford to pay for the legal and doctor fees if an accident occurs. You want your contractor to be in business during the entire term of your warranty. (minimum amount: \$1,000,000).
- Property Insurance (mandatory): If materials are stolen from a job site, the insurance company will pay the contractor to replace the stolen materials. (minimum amount: \$50,000).

- Liability Insurance (mandatory): is used in case somebody damages your house (the house gets flooded, burned etc) or injures someone or worse (minimum amount: \$1,000,000).
- Umbrella Liability Insurance (mandatory): if a claim exceeds a contractor's maximum dollar amount limits for any of the above insurance riders, the Umbrella policy will cover the claim up to the maximum of the umbrella policy. (amount: \$3-5 million).

A big problem in the home improvement industry is under-insured or non-insured contractors damaging homeowner's property, getting hurt or worse on the property and not being able to pay for their accidents or mistakes thus shifting the liability to the homeowner. To protect yourself, ask the contractor to add you as an "additional insured" on the insurance certificate for the duration of the job. If the insurance policy gets cancelled for any reason, you will be notified. Some unscrupulous contractors show homeowners an insurance certificate with a cancelled policy. If you request the certificate with you as an "additional insured" on it - it will come directly from the insurance company- verifying that the contractor's insurance is active. You can also call the insurance company to verify the insurance status.

Click on the link to see sample insurance certificate: nvroofs.com/insurance-certificate

- **Quality Control:** Do you have a Quality Control person to oversee the project and make sure everything is done according to the code and manufacturer specification.
- **Expertise with Insurance Claims (after a storm):** If you have suffered from a hail or wind storm- ask the contractor whether he/she has trained hail/wind inspectors on staff with at least 2 years of hail damage experience with the ability to navigate through the insurance claims process and to ensure your insurance company is held accountable for ALL legitimate damage. Ask the contractor how many insurance-related jobs they have completed (200 is a minimum amount to be considered an insurance claim expert).
- **Availability:** Ask the contractor how backed up he/she is and how long will it take for him/her to complete the project. Remember, Qualified Local Contractors (QLCs) are usually busy and if there is a storm added into the mix you may have to wait for a few months. Be patient, a QLC is worth the wait.

- **Background checks:** Ask the contractor if they do background checks on all their employees. *The background check will reduce the possibility of theft, identity theft, assault etc.*

Step 3

In-Home Estimate (final interviews): I strongly recommend you only get estimates from contractors that have passed the steps 1-3 (it will save you a lot of time, money and headaches). This step is the last step you take to determine whether the contractor is a Qualified Local Contractor (QLC) or not.

Here's some of the questions you should ask the contractors to find out if they are a QLC:

- **Certifications:** Find out what certifications the contractor has that is relevant to the product you are purchasing and verify this certification with the manufacturer (all manufacturers have customer service and technical support lines to help you with this).
- **Warranties:** Ask the contractor to specifically explain what warranties they offer themselves and what warranties they offer on behalf of the manufacturer (call the manufacturer to verify that the contractor is authorized to offer the extended manufacturer warranty on behalf of the manufacturer).

There are many certified contractors but very few of those certified contractors are able to offer the manufacturer's extended warranty. Because the manufacturer's warranty guarantees no leaks for 25 years, the manufacturer is very selective on who they authorize to offer the extended warranties. Make sure your contractor is able to offer the extended manufacturer warranties. If something happens to your roof, siding or windows (malfunction, improperly installed or leaking) your manufacturer will take care of it. This is the ultimate insurance.

- **Company Information:** Ask the salesperson to give an overview of the company to include the company's community service, business philosophy and specific experience installing the product you are purchasing. Ask the contractor to recite the last two mistakes the company has made and how they handled them. Ask for the contact information of one of these two customers so you can verify that the contractor handled the mistakes properly.

Every company you interview will always tell you how great they are and all their experience, but in the construction industry mistakes will happen. One of the signs of a great company is how they address that mistake and make you whole. A QLC often leaves a customer more impressed with them after the mistake is handled.

- **Installation Crew:** Ask the contractor how long the crew that's going to do your work has worked for them. The crew should work with the company for a minimum of 3 years. The crew should be a certified installer of the product you are purchasing. Most manufacturers require the crews to take on-going training and testing to be certified each year.

Don't worry about whether the crew is a sub-contractor or in-house crew because now many of the best crews are sub-contractors for tax purposes (this thought process on sub-contractors vs in-house crews has substantially changed in the past 5 years. 10 years ago I never would have recommended you to use a sub-contractor). The main requirement is that the crew is certified and established with that contractor.

- **Products and Manufacturers:** All manufacturers offer good, better or best materials in their product lines, so before you look for a specific product, pick a manufacturer that will stand behind their products first, and then choose the product that best suits you and your budget. If the product goes bad or the contractor installs the product improperly a good manufacturer will guarantee "no leaks" for 25 years.

Ask the contractor if the manufacturer they work with meets the criteria below:

- Has the "Good Housekeeping Seal of Approval" that is guaranteed by Good Housekeeping to be free of any defects or Good Housekeeping will replace the product for free. Obviously, any product that gets the Good Housekeeping Seal of Approval has gone through rigorous testing.

- A 25 year “no leak” labor and material warranty
- Have at least 25 years of experience manufacturing product
- Manufacturer provides independent inspectors to verify installation was done correctly at the end of the project.

● **Price vs Value:** A big mistake that I see people make with multi thousand dollar home improvement projects (such as but not limited to roofing, siding or windows) is that they often choose the lowest price, which in the long run can turn out to be way more expensive. There is a reason why Qualified Local Contractors charge more for their services than the regular discounted contractors and one of the big reasons is that QLCs are very good at paying attention to the details which is the difference between a great job and a average / standard job. Ask the contractor what details separate them from other contractors. Ask the contractor if the following customer-support infrastructure is in place (a QLC will definitely have this infrastructure):

- A 25 year “no leak” labor and material warranty
- Appointment Confirmation email and a phone call.
- Pre- Construction details so that you know what to expect before the project begins and what is required from you the homeowner and any special instructions you have for the contractor.
- Point of contact at the office is also very important so if there are any questions or issues you have one person to hold accountable and less likely to get the “run around”.

On top of that here are some other details that will greatly affect the price depending on whether they are included or not (beware that many contractors will promise to include everything in their price but pick and choose some of the more expensive items to skip). If you get a higher price- find out why- are they actually including all the details or are they simply trying to make more profit?

Since roofing is the most complicated and important home improvement project (because of the potential for severe damage to the interior of your home if the roof is not installed correctly) below I will use a roofing project as an example of details that a discounted contractor would not include (some or all of) these important items in their estimate, but a QLC would always include them. So ask the contractor if all these details are included in the roofing estimate:

- Gutter apron instead of the drip edge at the gutter lines.
Gutter apron is a better option because it is a longer flashing that goes down onto the back side of the gutters which helps prevent water from going behind the gutters and damaging fascia. Gutter apron greatly reduces the possibility of ice damming.
- Drip edge on all rake edges (sides of roof).
Drip edge reduces the ability of wind driven rain entering underneath the shingles from the sides of the roof.
- Special starter shingles at all gutter lines and rake edges.
Starter shingles are unique because they have adhesive at the top and bottom. This enables the starter shingle to bond to the roof deck and to the shingles above it thus greatly reducing the possibility of wind uplift at the roof's weakest points (sides and gutter-lines of roof).
- Ice and water shield at all roof penetrations including, plumbing pipes, chimneys, skylights, vents and on eaves and rakes.
Ice and water shield is a thick rubberized membrane that sticks directly to the plywood deck and does not allow water penetration from ice or water leakage wherever it is installed therefore it should be used around all roofing penetrations and flashing details as well as at the gutter lines and valleys.
- Proper roof ventilation.
It is very important for attics to be properly ventilated (this is when the air and the moisture in the attic are pushed or pulled out of the attic by natural or manmade airflow). If the attic ventilation is installed incorrectly it can cut the life expectancy of the shingles in half and dry rot your plywood deck as well as causing high utility bills and black mold.

- Minimum four 4 nails per shingle (the high-end shingles should get 6 nails).
- Shingle underlayment should be upgraded from standard 15 pound felt to a synthetic underlayment.
It's important to have upgraded shingle underlayment because the standard felts (15 & 30 pounds) tend to wrinkle and are not as water resistant as the upgraded underlayments.
- All flashings should be replaced.
Most roof leaks are due to improper installation or old worn-out flashings. Make sure all flashings are replaced.
- Never roof over an existing roof. Always tear the existing roof off down to the wood deck. Plywood deck should be inspected for rot or dry rot and replaced where necessary.

If you have noticed, I haven't mentioned anything about shingles because everybody puts shingles, felt and some flashing in their contract, but a great contractor (QLC) will use all the above listed details to deliver a great product (not just a standard product).

Best Practices

Things To Pay Attention To:

- **Punctuality:** The sales representative should be on time, if they are running late they should call you before the time they are supposed to be there.
- **Appearance:** Sales representative should display a uniform shirt (with the company logo) and identification.
- **License Plate and Driver's License:** Take a picture of their car license plate and their driver's license.

If anything were to go wrong in the future, you have a picture of their license and license plate to give to the police. A local license plate and driver's license usually ensures that the salesperson and the company are local. If they refuse these requests, then they are probably hiding something- you should ask them to leave.

- **Professionalism:** The salesperson is the representative of their company. You should expect the salesperson to conduct themselves in a professional, courteous and knowledgeable way. If they do not, this should be a warning sign for the rest of the company.

Red Flags

Beware if you notice these things:

- The contractor Insists on cash payment(s).
Never pay any contractor in cash. It's very important to have a record of payment- use checks or bank cards.
- Contractor is pressuring you to sign the contract on the spot.
- Contractor starts promising things, but doesn't want to put them in the contract.
If it's not in writing- the contractor legally doesn't have to perform any "promises".
- The salesperson can not adequately answer questions about the product.
- The contract does not have a start and completion date, detailed scope of work, total price for entire project, specific payment terms, detailed "terms" of the agreement- the fine print (usually on the back of the contract).
- If the contractor is willing to cut the price in half or even more after you've said "no" a couple of times, this is a sign that the contractor is price gouging.