

Working with a Professional: How to Hire a Pro

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Why are you here?



- What are you looking to get out of this session?
- If you could learn only one thing today, what would that be?

Why am I here?

- To help you know what to look for in a potential contractor
- To ensure your project goes the way YOU want it to

If everyone plays the game the same way, hopefully I'll win more because of my rugged good looks and charm...



Well then, shall we begin?



When you leave, you will:

- Know how to qualify a contractor
- Know what to look for in a quote/estimate
- Know how to compare estimates...What means what?
- Know a couple of key points to look for in a **CONTRACT**
- Know several different contracting business models and which one may work best for you.
- Know some of the tell tale signs that it's time to move on
- **Be more confident in engaging a contractor**

Due Diligence



- DO IT!!!
- The Low-Hanging Fruit:
 - Greater Vancouver Home Builder Association Membership
 - BBB Accreditation
 - Liability Insurance (*I suggest at least \$5m*)
 - WorkSafeBC Clearance Letter
 - Business License Number
- Previous work
 - Can be, *but is not always*, an indicator of future experiences
- Past customers
 - Your friend/cousin/uncle may have much lower expectations than you
 - One referral is NOT ENOUGH



Due Diligence, cont'd



- Current Customers
 - Go and view a project or two
- Tradespeople
- Employees
 - Number of Current Employees can be a strong indicator of company's strength
 - Length of employment with company IS a strong indicator of company's track record and business acumen

Remember, the money you are about to spend will likely be the 2nd largest investment of your lifetime.

Quotes & Estimates



- Based on what?
 - Are there detailed design drawings?
 - Have selections been made?
 - How detailed is it?
 - Does it include everything? (Turn-key)
 - Is it based off of subtrade quotes? *Did subtrade visit your home and/or review drawings to provide quote?*
- Overhead and Markup
- Project Management
- Detailed Scope of Work Documents, DUDE!
SO IMPORTANT!!!

Planning- Ha! Who needs a PLAN?!?



- **Everyone needs a plan.**
- A project can't run without a plan (*SmartSheets, MSProject, CoConstruct or BuilderTrend*)
- Apartment buildings don't just get thrown together, why should your project be any different?
- An hour in planning could translate to days or weeks in production.
- Expect a few speed bumps along the way...Even the best laid plans can run into unforeseen problems.

Contracts



- Dates:
 - Start date
 - Substantial Completion date
 - Completion date
- Detailed Description of:
 - Work to be done (Project Scope)
 - Materials to be used
 - Cost
 - Warranty
- Understand if there is any hidden markup
- Ownership of materials
- Escape clauses for both contractor and customer

Get it in Writing!

“Cost Plus” Business Model



Cost Plus (Time and Materials):

- Hourly charge for work to be performed, plus markup on materials, typically.
- Unless you insist on it, they may not get detailed quotes or estimates from the trades and vendors...
- Often leads to budget overages, but can also save money as contractor(s) aren't padding their budgets to allow for contingency.

“Fixed Price” Business Model

- The quotes above have more than one meaning
- Perceived cost certainty
- Oh? I didn't include that [?????] misery...
- Change Order torture
- Rewards cost reduction -> can lead to corner cutting...
- If things really goes sideways: goodbye contractor, hello court.

A better way. .???....



- Produce well defined scope of work documents (*eliminate "I didn't include that"*)
- Get quotes where you can and where it makes sense
- Understand what you are going to pay for
- Will your contractor charge you? When? How? Why?
 - *Transparency is the key here!!!*
- Did they open up any walls to give you your budget?

A proper construction budget should take a considerable amount of time and **MUST** be based on actual selections, NOT allowances

- Turns out, more expensive product often times cost a great deal more to install as well...

Is it time to say GOODBYE?!?



Here are some tell tale signs you should be looking to terminate your contractor:

- Unpaid trades and/or vendors
- Sloppy workmanship
- Repeated unexplained (or unexplainable) budget overages
- Undocumented requestsAsks for money without paperwork to back it up
- Drastic and unanticipated slowdown in production
- Work having to be redone repeatedly

Listen to your gut!

Rap it up? (nah, let's just wrap it up)



1. Get 'em qualified. (*Due Diligence*)
2. Get the numbers, understand them. Don't? Ask. (*Quotes & Estimates*)
3. Plan it out, after all, if there isn't a plan, why are you paying someone to "manage" your project. (*Planning*)
4. Get it in writing and watch for those warning signs.
5. Trust your Contractor, otherwise, why did you hire them?
 - a. Constant second guessing will temper even the best contractors' motivation to push your project to completion
 - b. That said, hold them accountable to deadlines and budgets.

THANK YOU FOR LISTENING



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