

Hiring Contractors and Vendors

Overview

Many of us at the Highline Club will make improvements to our Units. Finding a contractor to perform quality work at a reasonable price can be a daunting task. Here are a few suggestions to help you through the process so that the project proceeds according to plan and hopefully with relatively few problems.

- 1. Check references.** Ask for three references. It's always a good idea to ask for and check references. You can also contact the Better Business Bureau and the state licensing bureau to see if there are complaints against a prospective contractor.
- 2. Certificates.** Ask for an insurance certificate (surety and liability) and a Workers Compensation certificate.
- 3. Licenses.** Make sure all the contractors/vendors have a Denver license and a Denver permit as required by law.
- 4. Get several bids.**
- 5. Scrutinize invoices.** The invoice should be fairly detailed and include the cost of licenses and permits.
- 6. Make partial payments as the project progresses.** A rule of thumb is that the initial payment should be a 1/3 of the estimate. Make the final payment only after the entire project is completed to your satisfaction.

In addition, the following warning signs can alert you to unscrupulous, disorganized, inexperienced or financially troubled contractors who may deliver broken promises, bad work and blown budgets rather than professional results.

First Impressions: In any business, first impressions are important. How a contractor presents himself and maintains his truck, tools and equipment are good indicators of how well he'll take care of you and your job. He should look neat and professional, and his vehicles and equipment should be clean and in good repair

Beware Low Bids: Price is always an important consideration when selecting a contractor, but don't let a low price or a special deal blind you to a potential problem—both can be signs that you should be wary. A bid far lower than others may indicate the contractor isn't experienced enough to know the actual cost of the job or he never intends to finish the work. Disreputable contractors may bid low to secure a contract and then tack on extra charges as the job progresses.

Take Your Time: If you are pressured during the bidding process by tactics such as "limited-time offers," look for a different contractor. Hiring a contractor is not a split-second decision; for this reason, many states give homeowners three days to cancel a home improvement contract — without obligation — after signing it. A prospective contractor should take his time as well, carefully reviewing the specifications of your job before submitting his bid. If he doesn't take notes and measurements and make material and labor calculations, or if he simply names a price based on a similar job, he may not be detail-oriented or thorough enough to do a good job.

Beware Materials Discount: A prospective contractor may offer you a discount, hoping to earn your future business following a job well done, but be wary if a contractor offers materials at a discounted rate. Small contractors rarely buy materials in the high volumes necessary to yield big discounts, and unless they severely overestimated quantities for a previous job, they rarely stock large inventories of material. Discounted materials are usually seconds, ungraded or below-grade minimums for code, any of which would compromise the quality of your project.

Only 20% Up Front: While the price may be right, what about the terms of payment? In general, don't choose a contractor who asks for more than 20 percent of the total cost of a job up front. While some projects require a large initial payment to cover a deposit for products like cabinets or special-order ceramic tile, it doesn't apply to commodity materials like roofing and lumber, which a legitimate contractor will usually purchase on account with at least 30 days to pay.

Beware Cash-Only Jobs: Finally, a contractor who works on a cash-only basis raises a big red flag. Not only does paying in cash limit your financial recourse if problems arise, the contractor is likely not operating a legitimate business, which includes paying taxes and insurance. Look elsewhere for a professional to perform the work.

REMINDER: You must submit an Architectural Control or a Landscape application to the management company prior to beginning any work you plan to do on the exterior areas of your property. You must receive in writing approval from the Board for any exterior work. The application must be completed and submitted to the management company two (2) weeks prior to the board meeting at which approval is requested.

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