

## **A Guide to Hiring a Building Contractor**

Whether you're planning an addition for a growing family or simply getting new storm windows, finding a competent and reliable contractor is the first step to a successful and satisfying home construction or repair project. This document is designed as part of our Town-wide effort to help improve customer service and is intended to serve as a general reference guide to anyone looking to build, repair or improve their home in Wells.

The Maine Home Construction Contracts Act requires that any home construction or repair work for more than \$3,000 in materials or labor must be based on a written contract containing specific information such as price, a description of the work and estimated completion date unless, the homeowner and the contractor agree to an exemption. Any "change orders" that change the contract price must also be in writing. If contractors do not use a written contract to meet the requirements of this law they are subject to civil penalties.

For more information on the Home Construction Contract Law, (Chapter 17 of the Consumer Law Guide), change orders or a sample of a standard contract for home construction, repair or remodeling, visit the Town's website at [www.wellstown.org](http://www.wellstown.org) or the Maine Attorney General's Office at [www.maine.gov/ag/](http://www.maine.gov/ag/)

### **Where to File a Complaint**

For consumer information or to file a complaint contact:

Attorney General's Consumer Information and Mediation Service

6 State House Station, Augusta, Maine 04333, Phone: 207-626-8849, E-mail: [consumer.mediation@maine.gov](mailto:consumer.mediation@maine.gov); Website address: [www.maine.gov/ag/](http://www.maine.gov/ag/)

This is a free service offered to Maine consumers who are having a problem with a business.

### **Get the Names of Several Contractors**

Home construction contractors are not licensed or regulated by the State of Maine. The old saying "Buyer Beware" applies. While some towns and cities have adopted codes and enforce them, others have not. We recommend that you talk to Well's code officials before you begin construction. We also recommend that you ask the contractor for several references and follow up on them. It is also a good idea to get to know your local building supply company. They will know the dependable contractors in your area. Although home construction contractors are not licensed, some trades are licensed. Plumbers, electricians, oil burner technicians, and installers of mobile and modular homes are licensed in Maine. For more information on licensed individuals in the trades go to: [www.maine.gov/pfr/professionallicensing](http://www.maine.gov/pfr/professionallicensing)

### **Research Your Project**

Ask questions of your friends, local hardware stores and local building inspectors. Your research should include what has to be done, the best ways to do the work, the types of materials that may be used and their cost.

### **Get and Compare Bids on Your Project**

It's usually a good idea to ask at least three contractors to estimate the costs of your project. This is normally a free service and it helps prepare you for negotiating a final contract. Make sure that the bids detail the scope of the work, the types of the materials that will be used and the total cost of the project.

Once you receive the bids, take time to compare them carefully. Be sure each includes everything you want. Keep in mind that the lowest bid is not necessarily the best bid. A particularly low bid may indicate that the contractor does not fully understand the scope of the project or is too inexperienced to accurately estimate the amount of labor and materials required.

### **Beware of Con Artists**

Door-to-door fraud is a growing problem. Contractors do not normally solicit work in this manner. Here are some things to look out for:

- Arrival in an unmarked truck or van;
- Ask you to sign an estimate or authorization before you have decided to actually hire them;
- Appear to be willing to do the job at an unusually low price;
- A post office address with no street address, or a phone number that is just an answering service;
- Asking for full or substantial payment before work begins;
- High pressure sales tactics;
- Refusal to give you a written estimate, contract or provide local references.

### **Signing a Contract**

Once you've agreed on a bid with a contractor, get it in writing. For all home construction and home improvement projects over \$3,000, Maine law requires a written contract.

A contract should include:

- An exact description of all work to be performed;
- A detailed list of the materials to be used which defines textures, brands, colors, sizes etc.;
- The total dollar amount of the contract and a schedule for payments. Maine law prohibits payment of more than 1/3 of the contract price up front. If a contractor asks you for any money up front, make sure that money is being used to purchase materials for your project. Ask for receipts and for lien waiver from subcontractors;
- Any promises made by the salesperson / contractor;
- Who will be responsible for getting the necessary building permits;
- The starting and completion dates;
- Any warranties provided by the contractor;
- The contractors' signature as well as your own.

### **Financing Your Project**

If a lender is financing your construction project, make sure that you know your lender and that you understand how the loan proceeds will be disbursed and how subcontractors will be paid. Be careful of contractors who claim they can arrange financing for you.

### **Completing the Project**

Before you sign off and make the final payment, make sure the job is complete. Check that:

- All work meets the standards spelled out in the contract;
- You have written warranties for materials and workmanship;
- You have proof that all subcontractors and suppliers have been paid;
- The job site has been cleaned up and cleared of excess materials, tool and equipment;
- You have inspected and approved the completed work;
- The Town's final inspection has been done and all appropriate approvals granted.