

# TIPS FOR CHOOSING A CONTRACTOR

**Building or updating a home is a major investment. The following are a few helpful tips to ensure you get the most for your money.**

## **Choosing a Contractor:**

As you get ready to choose a contractor, it is important that you research the contractor to verify that they are licensed with the State of Michigan, and whether or not other homeowners have had difficulty with this contractor.

To Verify Contractor Licensure: Call the Department of Consumer and Industry Services License Verification Unit at **1-900-555-8374**.

To Investigate a Complaint History: Call the Department of Consumer and Industry Services Complaint Department at **1-517-241-9302**.

Any contractor who bids for work that exceeds \$600.00 in labor and materials must be licensed by the Department of Consumer and Industry Services. Working with an unlicensed contractor is not recommended and done at your own risk.

## **Get Estimates & References**

We recommended written estimates from the contractors you are considering. Make sure the estimate includes the total price, terms of payment, type of materials, and expected completion time. Be careful when considering a low bid with lower quality materials. This may not be cost effective in the long run. Considering all aspects of the bid is important.

Once you have received bids, be sure to ask for references from the contractors. You may ask for the names of previous customers to ask if the work was satisfactory.

## **Signing a Contract**

Once you have chosen a contractor, make sure that all agreements pertaining to the contract are in writing. This way you ensure there will be no misunderstanding as to what work is to be done. Be sure the contractor has a permanent business location and telephone number before signing. You may also check the contractor's credit reputation with local banks or suppliers.

## **Paying the Contractor**

We recommend never paying the contractor in full prior to the work being completed and all inspections approved by the Building Department. Instead, make a deposit when work is about to begin to cover the cost of supplies and other beginning cost. Then you can make scheduled payments as construction progresses. All scheduled payments and amount should be indicated in the written contract signed prior to construction. Prior to the first payment, you may contact the Building Department to verify that a permit has been paid for. It is ultimately the responsibility of the homeowner to verify that the proper permits have been paid for prior to allow construction to begin on their property.

## **Resolving Problems**

You first try to resolve any problems with your contractor prior to final payment. If you have purchased a new home and the problems occur 18 months prior to your closing or final Certificate of Occupancy date, you may file a complaint through the State of Michigan (See State Complaint link). If it has been longer than 18 months or you are not eligible to file a state complaint for any reason, you may wish to take the contractor to small claims court or contact an attorney.