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Department of Development and Environmental Services (DDES)

900 Oakesdale Avenue Southwest • Renton, Washington 98057-5212 • 206-296-6600 • TTY 206-296-7217

Working With Contractors

DDES Customer Information Bulletin #

6

• FREQUENTLY ASKED QUESTIONS •

Visit the DDES Web site at www.kingcounty.gov/permits for more information

King County DDES has created customer information bulletins to inform the general public about the effect of codes and regulations on their projects. These bulletins are not intended to be complete statements of all laws and rules and should not be used as substitutes for them. If conflicts and questions arise, current codes and regulations are final authority. Because the codes and regulations may be revised or amended at any time, consult King County staff to be sure you understand all requirements before beginning work. It is the applicant's responsibility to ensure that the project meets all requirements of applicable codes and regulations.

For alternate formats, call 206-296-6600.

This bulletin contains suggestions intended to help make customer remodeling projects as safe and economically painless as possible. If questions or concerns remain after reading the material contained in this bulletin, contact a representative at the Department of Development and Environmental Services (DDES) for assistance at (206-296-6600).

Choose a Contractor With Care

Because of increasing costs associated with new home construction and the rising price of property, many homeowners are electing to remodel their existing house rather than face the financial investment required to purchase a new home. Nowhere is the phrase, "Let the buyer beware," more important than in choosing a contractor.

Finding the right contractor is critical to the success of a remodeling project and finding satisfaction with the work. Following the steps outlined below should help customers select the right contractor for the job:

- 1. Before contacting a contractor about a project, take the time to define all aspects of the project and to list all the things that contractor will need to do. Be as detailed as possible and include such information as: project scope, what materials are optimal, if there is a preference, the time frame in which to complete the work, and any other specifications relevant to the remodeling work.
- Check with any friends who have had comparable work done and contact architects, lending institutions, and local contractors associations for the names of contractors they would recommend for the type of project. Contact several of the contractors and discuss the project with them to make sure they do the type of remodeling work sought after (not all contractors do remodeling).

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- 3. Find at least three contractors who are of interest, and schedule appointments with them to discuss the remodeling plans and to solicit bids. If one of the contractors has ideas or suggestions to incorporate into the project, be certain to include these ideas in requests for bids from the other contractors, as well. If this is not done, customers will find themselves comparing prices for different work, and will not be able to make a valid comparison of costs. It is critical to make sure all estimates are based on the same specifications and that they are detailed and precise, both in terms of time and costs. The lowest bid is not always the best choice—some contractors cut corners to hold down their prices.
- 4. Ask each contractor for the names of recent customers who can verify the quality of their work. <u>CONTACT ALL REFERENCES</u>. Ask whether the work was done on time and within the original budget; if it was not, ask why. Ask about the contractor's willingness to return to fix problems after the work was completed and about the condition of the site when the work was finished. In addition, customers may contact the Better Business Bureau at 206-431-2222 to ask if any complaints have been recorded for any of the contractors who they anticipate hiring.
- 5. Verify that the contractors are registered—ask to see their Washington State Contractor's Registration Number. Check the expiration date on the Registration. This is proof that the contractor is registered with the Washington State Department of Labor and Industries.

If customers have any questions about the validity of the Contractor's Registration, call the Washington State Labor and Industries Contractor Information Line at 1-800-647-0982, or look up a contractor, electrician, or plumber and get more information from the L&I Web site at www.lni.wa.gov/TradesLicensing/Contractors/HireCon/. Keep in mind, however, that having a valid Registration Number does not guarantee the workmanship or trustworthiness of the contractor, or the quality of the contractor's work.

Working With a Contractor

After selecting a contractor, customers must then develop and negotiate the terms of their contract. This is where the biggest mistakes are likely to be made. <u>It is worth the investment of time and money to have an attorney review the contract before it is signed.</u>

<u>DO NOT</u> allow any work to begin on a project until the contract is signed and all necessary permits have been obtained.

Be very cautious about accepting a preprinted contract from the contractor. While most contractors are reputable, even the most reputable can have clauses in their contracts that give them too much control over the project, leaving too little control in the customer's hands. <u>Be</u> wary of a contract with blank spaces; write VOID across any blank spaces, or have an Attorney review the contract and make a recommendation regarding how to address blanks.

Be certain that the contract includes everything discussed and agreed upon with the contractor. It is a good idea to include the following items in a contract:

• Complete Job Specifications: These should be detailed and should specify materials to be used, brand names, colors, grades, styles, and model numbers for any appliances or equipment. Make certain that any architectural or engineering drawings are cited in the specifications and that a copy is attached to the contract form.

Specify any procedures that are to be followed if materials or workmanship prove to be defective. Do not confuse a Manufacturer's Guarantee with the Contractor's Guarantee of Proper Installation.

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- Scheduled Start and Completion Dates: Project start and finish dates should be clearly
 identified in the contract. The contract should allow for any reasonable delays, but should
 probably also include a "Hold-Back Clause" that allows customers to withhold payment to
 the contractor if the work slows or stops for no legitimate reason.
- Modifications: <u>DO NOT</u> agree to pay for any additional work that is not clearly described in the contract. Stipulate in the original contract that if additional work is required an "Additional Agreement" will be drawn up and signed by both the customer and the contractor before any of the additional work is done. Modifications that change the approved plans and/or permit conditions may require a "Permit Revision" or "Plan Review."
- An Additional Agreement: If additional work does require an additional agreement, include a clause that credits customers with the cost of any unused, returnable materials.
- Payment Schedule: <u>DO NOT</u> agree to pay for any work in advance. The contract should stipulate that payments will be made upon completion of certain phases of the construction, and only after approval of the work.
 - A Hold-Back Clause indicating final payment 30 days after completion of the work gives the customer enough leverage to get their contractor to fix anything that may not have been done correctly, or completed to satisfaction. Such a clause also protects customers against unreasonable delays. DO NOT pay the contractor in full until there is complete satisfaction with the work, and DO NOT pay in cash; payment by check provides permanent documentation showing the contractor has been paid. Also note that all permits should receive final inspection approval before final payment is made.
- Subcontractors: Include a clause in the contract clearly stating that the contractor is held responsible for negligence or lack of performance on the part of any Subcontractors that work on the project. <u>DO NOT</u> sign a Work Completion Certificate without proof that the contractor has paid all Subcontractors and material suppliers. Check with an Attorney for specific questions on this issue.
- **Financing:** If the contractor arranges financing for the property owner, the Federal Truth in Lending Law allows at least three business days after the customer signs the contract during which time the customer may cancel it without penalty. The finance contract must spell out the interest rate and the cash price, plus the finance charge, along with the amount of each payment.
- Permits: Place a clause in the contract that specifies whether the customer or the contractor will be responsible for obtaining all required permits and variances. Building permits require review of the plans and specifications, as well as inspections of the work for compliance with appropriate codes. Note that inspections are required at different phases of construction, and final inspection and/or occupancy approval is required once all the work is completed. The property owner is ultimately responsible if work is done without the appropriate permits.
- Insurance: Place a clause in the contract that commits the contractor to having proper insurance in place during construction of the project. Customers may request a copy of the contractor's insurance to ensure that the property owner is named as coinsured on the policy.

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- Warranties: Include a written warranty in the contract. A reputable contractor should have no problem including such a warranty. The warranty should cover defects in workmanship or materials for a specified period of time. Some materials and equipment or appliances carry their own warranties, so make certain to obtain the warranty cards and instructions for use and maintenance.
- **Cleanup:** Include a provision in the contract that requires the contractor to leave the premises in "Broom Clean" condition.

Note: After the work is completed, <u>DO NOT</u> sign the "Certificate of Completion" until there is satisfaction that all work is complete, that the work was done according to the specifications established in the contract, and that all permits have received final inspection approval.

Additional Points To Remember

Keep the following points in mind whenever working with contractors:

- Try to develop and maintain a good working relationship with the contractor and crew, but don't interfere with their work or get in the way of the workers;
- Keep children and pets out of the construction area;
- Be familiar with as many building terms and techniques as possible to be able to follow the progress of the work;
- Take pictures or videos as the work progresses. These will be valuable in recording the progress of the work and could be useful if problems arise;
- Watch what is going on during all phases of the work. As a property owner, point out something wrong immediately—don't wait until it is too late to fix it; and
- Make certain that the work area is maintained in a safe condition at all times during construction.

Other Bulletins and Telephone Numbers That May Be Helpful

Bulletin 1	Building and Development Permit Telephone Numbers
Bulletin 3	Demolition Permits
Bulletin 4	Damage Repairs
Bulletin 7	Mobile Home Permits
Bulletin 8	Commercial and Multi-Family Building Permits
Bulletin 9	Obtaining a Residential Building Permit
Bulletin 12	Residential Building Permit Process
Bulletin 26	SEPA Process

These and other DDES bulletins are available via the department Web site at www.kingcounty.gov/permits.

206-296-6600 DDES Information 206-431-2222 Better Business Bureau

1-800-647-0982 Washington State Labor and Industries Contractor Information Line





Be sure to visit our Web site at: www.kingcounty.gov/permits

King County complies with the Americans with Disabilities Act (ADA). If you require an accommodation to attend a meeting (two weeks' notice) or require this information in Braille, audiocassette, or large print, please call 206-296-6600 or TTY 206-296-7217.

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