

Hiring the Right Contractor for an Old Building

Restoring or rehabilitating an old building can be like traveling a winding road- a journey of exploration, with unforeseen challenges and unexpected charms. Finding a contractor who understands and appreciates that journey is key to the success of the rehab of an old building. The Metro Historic Zoning Commission recommends the following steps in finding the right contractor for your project.

1. Hiring a reputable contractor who is familiar with older construction may be the most important step in helping you to navigate your project. Keep in mind that material scales and construction methods of today are different from what they were 100 years ago. Buildings were not built with the standardization we are now familiar with and so even the best laid restoration plan may need to take some detours. A good contractor is someone who is familiar with old buildings; a problem solver, able to see potential in the flaws; and who is able to find ways to handle the unexpected, in order to keep the project on track and within your budget.
2. Plan carefully but be flexible. Sometimes the unpredicted can result in something truly special and become the one element about the building you love the most. Keep the lines of communication between you and your contractor open so that you are both able to respond in a manner that is respectful to the schedule and the budget.
3. Whether it is new construction or a restoration job, make sure your contractor is licensed. When interviewing potential contractors, ask for their license number and verify it at <http://verify.tn.gov/default.aspx>. Also check to be sure the contractor is insured for workers compensation, and claims against property damage and general liability. The best way to find a good contractor is by obtaining recommendations from friends and checking references. Don't be afraid to investigate the contractor by having him or her fill out a credit application.
4. Avoid fly-by-night operators. Be especially wary of unsolicited door-to-door salespeople and telephone solicitors. Some may offer a reduced price for a limited time only, or claim they have just completed a job nearby and have materials left over, or they may offer to use your homes as a "demonstration model." Don't fall prey to these kinds of sales tactics. Be wary of people who offer gifts, prizes, cash rebates or other special inducements. Beware of contractors who offer to finance your project for you. Do not sign a note they draw up because they could place a lien on your house. Be aware of unmarked trucks and vans as well as the use of post office boxes. You should always require the street address of the contractor and make sure it is not just an answering service.
5. Obtain all estimates in writing and get a contract! Don't rely on a gentleman's handshake. After all, even Pope Julius II never paid Michelangelo in full for his

work on the ceiling of the Sistine chapel. A contract may not have helped Michelangelo, but it can be a huge help to you. Even on small projects, a written contract, spelling out all the details, should always be used. Be sure to update the contract as the project changes. Avoid contractors who refuse to put anything in writing. Keep in mind that any promises the contractor makes will be difficult to enforce, if they are not in writing.

The contract should contain the full name, street address and phone number of the contractor as well the property owner; an agreed-upon price, costs for changes, a complete description of the work to be done, material to be used, cleanup after the work is complete, and payment schedule. The contract should state how long the complete job will be warranted. The contract should also include starting and ending dates. Consider adding a clause that requires the contractor to pay a specified sum of money for each day of delay beyond the scheduled end date.

There are three basic types of construction contracts: Stipulated Sum, Time and Materials, and Management:

- With a Stipulated Sum contract, the property owner pays a fixed price that can only be modified with a written change order. This type of contract should include a detailed estimate.
 - Time and Materials contracts may be appropriate for small projects. A few drawbacks to mention are that the property owner has no estimate of how long the job will take; and pays for all corrections. Comparison shopping is difficult, if not impossible.
 - With a Management Contract, the manager works as a consultant for a fee that is typically about 10% of the contract. The drawbacks for this type of contract are a potential conflict of interest because the contractor's fee increases when the amount of work increases; and partial responsibility for the work is shifted onto the property owner.
6. Be sure of your contractor before you pay any start up money. Most established contractors do not require this money. A good rule of thumb is not to pay for materials that are not on site or labor that has not been performed. Never release the final payment until the project is completed according to the contract. You should also have proof that all the suppliers and contractors have been paid.
 7. Don't forget permits! All the proper permits must be issued before the job begins, including a building permit and possibly plumbing and electric permits. The permits are normally obtained by the contractor and sub-contractors, as part of the overall job cost, but this should be spelled out in your contract.
 8. The key to a successful working relationship with a contractor is communication and planning. Changes cost money but are unavoidable. A working plan and constant communication can help keep costs to a minimum.

Even when you have carefully checked out a contractor, put together a strong contract, and keep the lines of communication open, *misunderstandings can happen*. Take time to talk with your contractor about your project and try to work out any disagreements. If problems persist, it is a good idea to document your side of the dispute by putting in writing all issues that need to be resolved. Send a copy to the contractor and keep one for your file.

These suggestions are useful anytime you are hiring a contractor, but remember, a contractor who is experienced with working on old buildings is an important consideration for rehabilitation and restoration.