

THE 5 STEP FORMULA YOU MUST KNOW IN ORDER TO CHOOSE THE RIGHT CONTRACTOR

A Consumer Guide To Better Remodeling



This contractor selection guide has been prepared to assist homeowners during the contractor selection process of your construction project. The material contained in it is based on information provided by Architects, Manufacturers and Trade Association, as well as Consumer Protection Groups. They provide this information as Contractor Selection Criteria Guidelines for homeowners.

Certified Contractors Network (CCN) serves to provide guidance and training for its network of independent contractor members, so they can provide homeowners the highest quality construction services at the lowest possible competitive rates.

In the unlikely event you are ever dissatisfied with the services of one of our members, CCN can serve as an arbitrator, helping bring the dispute to a quick, friendly resolution for all parties. CCN provides you with a toll free number 1-800-396-1510 so you can access the following information:

- Specification for a contracting project
- Consumer tips
- A member's standing within our organization
- Arbitration services

Getting A Contractor to Bid Your Work

Some homeowners are confused when contractors are not over eager to bid their work. If the contractor believes you are not ready to have the work done, or you are just a price shopper, they may feel your project is not worth their time. Here is how you can get them to bid.

- Tell the contractor you are only getting three bids, you are not looking for ten.
- Tell the contractor you are not looking for the lowest bid, but the best value for your dollar.
- If you were referred to the contractor or you saw his work and liked it, make sure to mention that.
- Tell the contractor all involved parties will attend a meeting and set aside adequate time to discuss the details, so the contractor is confident everyone is in alignment and he/she will be able to achieve one hundred percent customer satisfaction.

Certified Contractors Network Code of Ethics

CCN Members have pledged to observe the highest standard of integrity, frankness and professional responsibility in dealing with their customers...

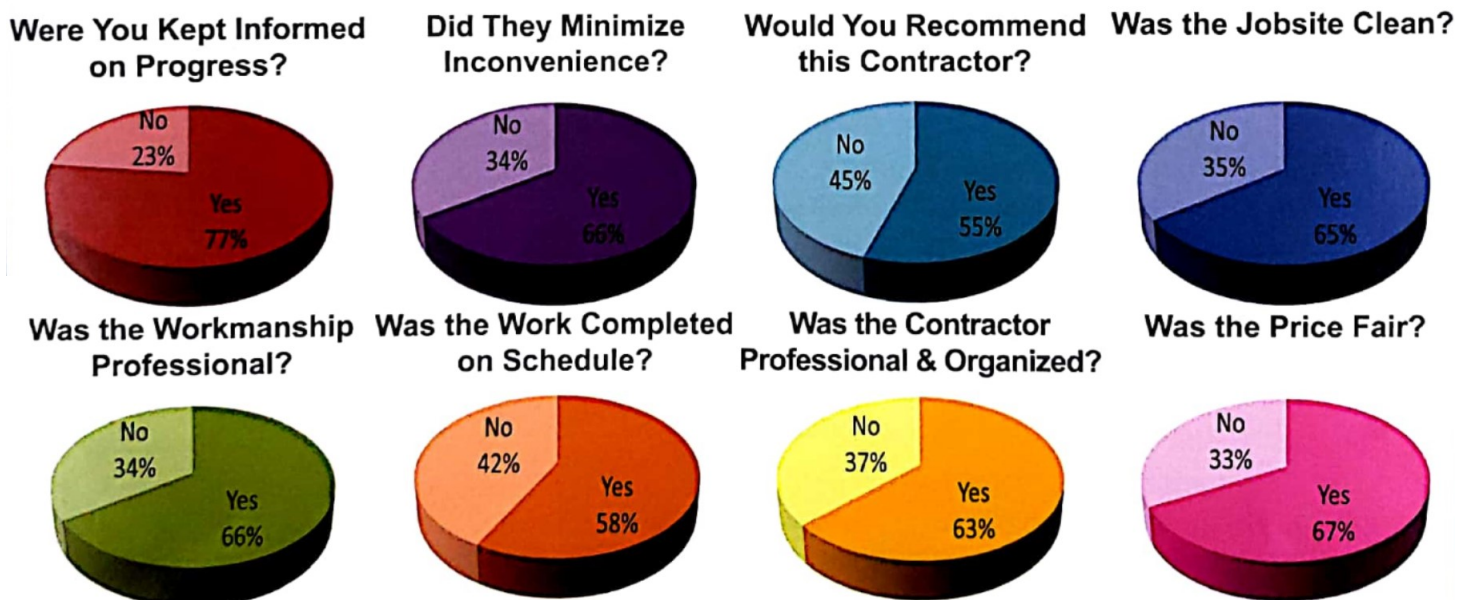
1. By making no false promises or claims in advertising
2. By providing professional, courteous reception when the owner calls with an inquiry or requests for bid.
3. By keeping appointments at the agreed scheduled time. If a conflict arises, they will call the owner and reschedule prior to appointment.
4. By providing adequate time to meet with all involved parties, assuring there is a clear understanding and mutual alignment with the proposal and specifications.
5. By providing a professional appraisal of the owners needs.
6. By providing written specifications for the required project, according to manufactures specifications and industry standards.
7. By encouraging only projects that are structurally and financially sound.
8. By being licensed by local authorities and following local requirements.
9. By being a certified installer by manufactures, when applicable.
10. By providing proof of insurance to owners.
11. By providing customer reference list to owners.
12. By fulfilling contract obligations.
13. By providing manufactures' long term warranty, when applicable.
14. By providing contractor's labor warranty.
15. By maintaining communications with the owner regarding any changes in schedule, scope of work, or unforeseen conditions.
16. By providing safe work conditions, according to OSHA/WSIB guidelines or industry standards.
17. By being professionally responsive to owners service calls.
18. By attending continuing education programs.
19. By aspiring towards 100% owner satisfaction.

Below are survey results from Qualified Remodeler magazine, who conducts an annual survey of homeowners who have completed remodeling projects. Certified Contractors Network (CCN) and it's contractor members, in partnership with Guild Quality conducted a similar survey. While all attempts have been made to verify information provided, the Authors assume no responsibility for errors, inaccuracies or omissions. The authors understand that Qualified Remodeler conducted their survey through RenovationExperts.com of nearly 1,000 respondents. Guild Quality's survey included data from more than 1,700 respondents, which we believe is a valid sampling and provides compelling information for all remodeling companies and homeowners. The surveys asked homeowners to rate contractors on overall satisfaction, professionalism and whether they would recommend the contractor. The non-CCN contractor had lower ratings on a year over year basis, while the CCN member contractors consistently ranked much higher. The low rating for non-members are reflected in the percentage of homeowners that said they would not recommend their contractor, only 45%, as compared to the CCN member contractors, who's customers would refer their contractor 97% of the time.

CCN Contractor Customers Surveyed by GuildQuality



Non-CCN Contractor Customers Surveyed by National Magazine



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Dear Friend,

Your home is one of your most valuable assets. Selecting the right contractor will be the single most important factor in determining whether your next remodeling experience will be a successful and pleasurable construction investment experience, or not. In fact, according to two recent national studies, contracting has among the highest number of complaints of all industries, and almost half (45%) of all respondents would not hire the non-CCN contractor they had hired, for a future project. To be completely satisfied with the outcome of your project, your contractor must incorporate the proper design and scope of work, have a well incorporated process and the right team of people. Every contractor brings a different level of knowledge, commitment, and dedication to the table.

This guide was written to help you better understand the questions to ask, so you'll know exactly what it takes to ensure that your next project is a success. With this valuable information, you'll be able to make an informed and intelligent decision when choosing the contractor for your next remodeling project.

THE 5 STEP FORMULA YOU MUST KNOW TO CHOOSE THE RIGHT CONTRACTOR

When planning a home remodeling project, homeowners face a long list of worries and concerns. How much will it cost? Will it take too long? Is this really the right move? But there is one question that homeowners could benefit from asking more often: how do I hire the right contractor?

According to the CFA (Consumer Federation of America) and NACAA (National Association of Consumer Agency Administrators), contracting has among the highest number of complaints of all industries. Another survey found that almost half (48%) of all respondents would not hire their contractor for a future project.

Too many homeowners are spending thousands of dollars on home improvement projects, only to be left disappointed in the quality of the work done. Even worse, they might have to spend more money covering up and repairing the deficiencies of the initial contractor. And to top it all off, their experience with the contractor was more like torture, than a business relationship.

Rank Contractors Using This Proven Method

Understanding that most homeowners don't take on remodeling projects that often and that there are many things to consider in order to have a good outcome. Most people simply ask the two questions they believe are necessary to select their contractor; HOW MUCH WILL IT COST and WHEN CAN YOU START. The problem with this method is, a bad contractor can answer those questions, and appear to be a good contractor, if those are the only questions you ask. Some organizations seem to try and make the selection process something more difficult than it needs to be. Our goal is to assist you in selecting the right contractor for you, for the particular project you are considering. That's why we decided to reduce the process of selecting a contractor, down to a simple, manageable process with predictable results.

This method consists of the 5 performance P's: Problem, Product, People, Price and Process. Based on these, you can create a 0–130 point ranking system that drastically reduces the risk of ending up with the wrong contractor, enabling you to make a wise remodeling investment, rather than a remodeling expense, throwing your money down the drain.

The next step is to assess each contractor based on the above five components and rank them accordingly. Asking important questions in these 5 areas, which are listed below. Scoring them in each of the questions in the 5 areas between 0 and 5.

P1 Problems (0-5 score in each of the 5 questions below)

Determining and Qualifying Your Needs, what do you want to fix or remodel.

Questions you should ask

1. What is the proper design or scope for your project?
2. What are the specifications that will achieve the scope of the work?
3. What criteria are required for the Contractor Qualification and Selection
4. Does the contractor have adequate insurance?
5. What are the risks and liabilities of uninsured, or underinsured contractor's?

Understanding the value of the answers to these questions is simple, does the contractor understand your needs and have the basic business acumen and experience necessary to assist you in completing your project.

P2 Product (0-5 score in each of the 5 questions below)

Satisfaction and Trouble-Free Service

Questions you should ask

1. What are the preparation requirements that impact long-term performance?
2. What are the proper materials for the project?
3. Do the manufacturers have any special requirements for their long-term warranty?
4. What are the craftsmanship requirements?
5. What styles, options, grades, and warranties are available?

The result of putting together; the proper specifications, with the proper materials, applied by quality craftsman, is Satisfaction and Trouble-Free Service. The right contractor, based on your needs and budget, will guide you in selecting the product/materials you **SHOULD** use, not just the ones you **COULD**.

P3 People (0-5 score in each of the 6 questions below)

Never Buy a Product Buy a Contractor

Questions you should ask

1. How long has the contractor been in business?
2. Is the contractor active in their community?
3. Is the contractor a member of his/her trade association?
4. Is the contractor licensed?
5. Is the contractor approved or certified by the manufacturer?
6. Can the contractor provide references?

Never buy a product... buy a contractor. Good Product + Bad Contractor = Bad Job. The right contractor has: the right answers to problems, uses the right products and specs, has the right people, has the right process and has the right price. Does that make sense?

Are they active in the community? This is very important, anyone can be superficially pleasant and agreeable, but true character, principles that will prove to be the true foundation of the organization, are not put on and taken off and should be evident. An organization that is active in their community is powerful evidence that the contractor makes a sincere effort to be genuinely caring and helpful. Characteristics that will prove to be invaluable in an event as personal to you, as remodeling your home.

So often homeowners miss the importance of this. You are not buying a product; you are buying a service! It is not something pulled off a shelf, that was built in a factory's assembly line, where no matter what price you pay and who you buy it from, the quality will be the same. Qualified Remodeler magazine tells us that of 1,000 people surveyed, 45%, nearly half, would not refer the contractor to friends or family.

It is important to remember that you are hiring people with whom you are going to spend quite a lot of time. You will frequently talk to them, discussing various options. You will work together to make decisions on various important issues. The project period is sort of a marriage. If you do not connect with your contractor, the whole thing may end up in shambles with you suffering.

Research the contractor and their staff. Check online to see whether they have been mentioned by a past customer in a negative light. Keep in mind; no matter how good the contractor, there are some people who are impossible to please. However, most of the reviews should be positive.

When you interact with prospective contractors, try to examine their social skills. Imagine it is a first date and you are trying to find out whether they would make for a good partner. After all, you are going to be actual partners in the remodeling project.

Ask plenty of questions and see how they respond. How easy is it to talk with them? Are they friendly when answering questions and providing explanations, or do they seem impatient? Do they come across as overly forceful, pushing you to make a decision even if you do not want to?

As you talk to contractors, your gut will automatically tell you which one is the easiest to deal with. Rate each of them according to the 5 Ps, on a scale from 0 to 5. The goal here is to find someone that is highly capable and easy to work with.

The right contractor will guide you to ask the right questions. They, being the professional, understanding that this is not something you do every day, will make certain the topics that need to be discussed, are front and center. Think about the relationship with your doctor, a good one understands that you may not know what to ask and brings up the things that are important for a good outcome.

P4 Price (0-5 score in each of the 5 questions below)

Expense or An Investment

How do you determine if the price is right?

Questions you should ask

1. Has the contractor worked nearby for price comparison?
2. Has the contractor done similar projects in scope and size?
3. Are there potential unforeseen and unknown extra costs?
4. What are your options for funding your construction investment?
5. Is the contractor's proposal clear and understandable?

How do you determine if the price is right? The project is either done right and it's like putting money in the bank, or it's done wrong and it's like burning money. HOW WOULD YOU KNOW? Only when it has stood the test of time, or didn't and you are suffering. Does that make sense?

This is where many homeowners typically stumble in their contractor search. It is very common for homeowners to choose a contractor based solely on how cheap they are.

You may save some money by choosing the lowest bid, but the risk of poor workmanship is too high to be worth it. The most important thing when evaluating a contractor based on price estimates, is to balance between cost and value. How is the value of their services relative to the price they are charging? This is critical, your experience hinges on you understanding this.

"The Bitterness of Poor Quality Remains Long After the Sweetness of Low Price is Forgotten"

You need to be especially careful about questionable contractors charging rock bottom prices. Ask why their estimates are that low. It could be that there are other hidden costs you are not aware of, or that the contractor is planning to leave things out of the project that will prove to be critical to your long term satisfaction.

Generally, don't let the price issue influence your decision too much. Price is important, however focus on the other P's first – problem, product, people and process, before getting to price.

If the contractor listens well and has a great solution to your problem, or remodeling needs, shares their knowledge of the right products, is someone you can work with and has a comprehensive and well-defined working process/system, with past clients saying positive things about them, then it is highly unlikely they'll be the cheapest.

To determine the price score for a specific contractor, compare the services they will provide with what they are charging.

P5 Process (0-5 score in each of the 5 questions below)

Peace of Mind; A contractor is only as good as their written game plan, without a written plan, results are unpredictable

Questions you should ask

1. Does the contractor have a written process for material selection?
2. Does the contractor have a written process to confirm the proper materials are delivered?
3. Does the contractor have a written process to ensure it is built properly, to the highest standards, not just to code?
4. Does the contractor have a written process for inspection?
5. Does the contractor have a written process for handling disputes?

Get a good run-through of their work process before you hire any contractor. Not only will this give you an idea of what to expect when the actual project starts, it will also show you how well they work and how organized they are. To rank a contractor properly in this area, you need to ask the questions above.

Asking all these questions and any others you deem necessary will ensure that you go in prepared and knowing what to expect. By comparing answers given by the different contractors, you can rank them on how efficient and customer-friendly their processes are.

For example, it is a problem if a contractor lacks a dispute resolution process. It is also a sign of trouble if there is no defined contact person. That could result in a whole lot of communication problems if you decide to hire the contractor.

Adding up the Scores

Our ranking system starts from 0 (very poor) to 130 (excellent). To get the final score, add up the individual scores you have awarded them in every P above. Compare the sum against the following scoring categories to see how each contractor has done.

100-130 Excellent – Ideally, your final choice of contractor should be in this range. The contractor is friendly, efficient, has vast experience, has many positive reviews and charges fairly based on the type of project.

75-99 Good – The contractor is friendly but may have fewer reviews and a smaller portfolio, most likely because they are relatively new in the market. But they have proven themselves in the short time they have been around and the prices are not too bad. Be careful that they will stand the test of time. The number 1 reason contractors go out of business is, they charge too little to provide proper customer service and be profitable.

50-74 Moderate – The contractor may have several unhappy past clients, or they may not be experienced in your specific kind of project. You may also feel that they are charging a bit too much based on what they bring to the table. If you decide to go with a contractor in this range, be sure to ask lots of questions in the areas that you are concerned about.

0-49 Fail – they perform poorly in most if not all the P's. Avoid at all cost.

GRADE THE CONTRACTOR

Contractor # 1

NOTES

Contractor Name: _____

Visit Date: _____

P1 Problems (0-5 score in each of the 5 questions below)

Determining and Qualifying Your Needs, what do you want to fix or remodel

Questions you should ask

SCORE

1. ____ What is the proper design or scope for your project?
2. ____ What are the specifications that will achieve the scope of the work?
3. ____ What criteria are required for the Contractor Qualification and Selection
4. ____ Does the contractor have adequate insurance?
5. ____ What are the risks and liabilities of uninsured, or underinsured contractor's?

____ **Total P1 Problems**

P2 Product (0-5 score in each of the 5 questions below)

Satisfaction and Trouble-Free Service

Questions you should ask

SCORE

1. ____ What are the preparation requirements that impact long-term performance?
2. ____ What are the proper materials for the project?
3. ____ Do the manufacturers have any special requirements for their long-term warranty?
4. ____ What are the craftsmanship requirements?
5. ____ What styles, options, grades, and warranties are available?

____ **Total P2 Products**

P3 People (0-6 score in each of the 5 questions below)

Never Buy a Product Buy a Contractor

Questions you should ask

SCORE

1. ____ How long has the contractor been in business?
2. ____ Is the contractor active in their community?
3. ____ Is the contractor a member of his/her trade association?
4. ____ Is the contractor licensed?
5. ____ Is the contractor approved or certified by the manufacturer?
6. ____ Can the contractor provide references?

NOTES

P4 Price (0-5 score in each of the 5 questions below)

Expense or An Investment

Questions you should ask

SCORE

1. ____ Has the contractor worked nearby for price comparison?
2. ____ Has the contractor done similar projects in the scope and size?
3. ____ Are there potential unforeseen and unknown extra costs?
4. ____ What are your options for funding your construction investment?
5. ____ Is the contractor’s proposal clear and understandable?

____ **Total P4 Price**

P5 Process (0-5 score in each of the 5 questions below)

Peace of Mind; A contractor is only as good as their written game plan

Without a written plan, results are unpredictable

Questions you should ask

SCORE

A contractor is only as good as their execution

1. ____ Does the contractor have a written process for material selection?
2. ____ Does the contractor have a written process to confirm proper materials are delivered?
3. ____ Does the contractor have a written process to ensure build?
4. ____ Does the contractor have a written process for inspection?
5. ____ Does the contractor have a written process for handling disputes?

____ **Total P5 Process**

Score Contractor 1

To arrive at the final score, add up the individual scores you have awarded them in every category above to see how this contractor has done.

100-125 Excellent

75-99 Good

50-74 Moderate

0-49 Fail

GRADE THE CONTRACTOR

Contractor # 2

NOTES

Contractor Name: _____

Visit Date: _____

P1 Problems (0-5 score in each of the 5 questions below)
Determining and Qualifying Your Needs, what do you want to fix or remodel
Questions you should ask
SCORE
1. _____ What is the proper design or scope for your project?
2. _____ What are the specifications that will achieve the scope of the work?
3. _____ What criteria are required for the Contractor Qualification and Selection
4. _____ Does the contractor have adequate insurance?
5. _____ What are the risks and liabilities of uninsured, or underinsured contractor's?
_____ **Total P1 Problems**

P2 Product (0-5 score in each of the 5 questions below)
Satisfaction and Trouble-Free Service
Questions you should ask
SCORE
1. _____ What are the preparation requirements that impact long-term performance?
2. _____ What are the proper materials for the project?
3. _____ Do the manufacturers have any special requirements for their long-term warranty?
4. _____ What are the craftsmanship requirements?
5. _____ What styles, options, grades, and warranties are available?
_____ **Total P2 Products**

P3 People (0-6 score in each of the 5 questions below)
Never Buy a Product Buy a Contractor
Questions you should ask
SCORE
1. _____ How long has the contractor been in business?
2. _____ Is the contractor active in their community?
3. _____ Is the contractor a member of his/her trade association?
4. _____ Is the contractor licensed?
5. _____ Is the contractor approved or certified by the manufacturer?
6. _____ Can the contractor provide references?

NOTES

P4 Price (0-5 score in each of the 5 questions below)

Expense or An Investment

Questions you should ask

SCORE

1. ___ Has the contractor worked nearby for price comparison?
2. ___ Has the contractor done similar projects in the scope and size?
3. ___ Are there potential unforeseen and unknown extra costs?
4. ___ What are your options for funding your construction investment?
5. ___ Is the contractor’s proposal clear and understandable?

___ **Total P4 Price**

P5 Process (0-5 score in each of the 5 questions below)

Peace of Mind; A contractor is only as good as their written game plan

Without a written plan, results are unpredictable

Questions you should ask

SCORE

A contractor is only as good as their execution

1. ___ Does the contractor have a written process for material selection?
2. ___ Does the contractor have a written process to confirm proper materials are delivered?
3. ___ Does the contractor have a written process to ensure build?
4. ___ Does the contractor have a written process for inspection?
5. ___ Does the contractor have a written process for handling disputes?

___ **Total P5 Process**

Score Contractor 2

To arrive at the final score, add up the individual scores you have awarded them in every category above to see how this contractor has done.

100-125 Excellent

75-99 Good

50-74 Moderate

0-49 Fail

GRADE THE CONTRACTOR

Contractor # 3

NOTES

Contractor Name: _____

Visit Date: _____

P1 Problems (0-5 score in each of the 5 questions below)

Determining and Qualifying Your Needs, what do you want to fix or remodel

Questions you should ask

SCORE

1. _____ What is the proper design or scope for your project?
2. _____ What are the specifications that will achieve the scope of the work?
3. _____ What criteria are required for the Contractor Qualification and Selection
4. _____ Does the contractor have adequate insurance?
5. _____ What are the risks and liabilities of uninsured, or underinsured contractor's?

_____ **Total P1 Problems**

P2 Product (0-5 score in each of the 5 questions below)

Satisfaction and Trouble-Free Service

Questions you should ask

SCORE

1. _____ What are the preparation requirements that impact long-term performance?
2. _____ What are the proper materials for the project?
3. _____ Do the manufacturers have any special requirements for their long-term warranty?
4. _____ What are the craftsmanship requirements?
5. _____ What styles, options, grades, and warranties are available?

_____ **Total P2 Products**

P3 People (0-6 score in each of the 5 questions below)

Never Buy a Product Buy a Contractor

Questions you should ask

SCORE

1. _____ How long has the contractor been in business?
2. _____ Is the contractor active in their community?
3. _____ Is the contractor a member of his/her trade association?
4. _____ Is the contractor licensed?
5. _____ Is the contractor approved or certified by the manufacturer?
6. _____ Can the contractor provide references?

NOTES

P4 Price (0-5 score in each of the 5 questions below)

Expense or An Investment
Questions you should ask

SCORE

1. ____ Has the contractor worked nearby for price comparison?
2. ____ Has the contractor done similar projects in the scope and size?
3. ____ Are there potential unforeseen and unknown extra costs?
4. ____ What are your options for funding your construction investment?
5. ____ Is the contractor’s proposal clear and understandable?

____ **Total P4 Price**

P5 Process (0-5 score in each of the 5 questions below)

Peace of Mind; A contractor is only as good as their written game plan
Without a written plan, results are unpredictable
Questions you should ask

SCORE

A contractor is only as good as their execution

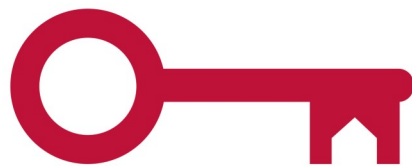
1. ____ Does the contractor have a written process for material selection?
2. ____ Does the contractor have a written process to confirm proper materials are delivered?
3. ____ Does the contractor have a written process to ensure build?
4. ____ Does the contractor have a written process for inspection?
5. ____ Does the contractor have a written process for handling disputes?

____ **Total P5 Process**

Score Contractor 3

To arrive at the final score, add up the individual scores you have awarded them in every category above to see how this contractor has done.

100-125 Excellent
75-99 Good
50-74 Moderate
0-49 Fail



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NETWORK**

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