

Selecting Contractors for Home Renovations and Repairs

The purpose of this brochure is to provide homeowners with information concerning permits, licences and how to protect themselves when selecting a contractor for home renovations or repairs.

"This information is provided for convenience only and is not in substitution of applicable City Bylaws or Provincial or Federal Codes or laws. You must satisfy yourself that any existing or proposed construction or other works complies with such Bylaws, Codes or other laws."

Before you start

Ask yourself the following questions:

- How do you want the renovation to look?
- Will this project blend in with the rest of your home or will it look like an add-on?
- Are your plans and drawings adequate?
- Should you consult with an architect or designer before you look for a contractor?
- Are there structural factors such as load-bearing walls, etc. that will limit what you can do?
- Will heating and electrical systems need to be modified as a result of the renovation?
- Will an inspection by a house inspector/renovator assist in planning your renovation?

Next, write a description of the work you want done, providing as much detail as possible. The planning you do at this stage could save you time and money later. It will also make it easier for you to select a contractor.

In addition, you should inform your insurance company that you are planning to renovate and find out if additional insurance, such as 'course of construction insurance', is required. Damage or theft of material and tools stored on site may be claimed against your insurance policy.

How to select a contractor

When you are thinking of having any home improvement work done, unless you are a skilled trades person, it is best that you hire a reputable contractor to do the job for you.

Obtain at least three written estimates from contractors who have permanent addresses in your area. If you have friends or colleagues who have had renovations done ask them if they can recommend a contractor. The Canadian Home Builder's Association of B.C.'s Renovator's Council or the Greater Vancouver Home Builders' Association's Renovator's Council can probably supply you with a list of member contractors in your area. Beware when a contractor's only address is a post office box, telephone number or the address of their answering service.

Don't automatically accept the lowest estimate. Make sure all bids are based on the same set of specifications and materials. Question any surprisingly low bids. Remember, you get what you pay for. The contractor may have made a mistake or made an unrealistic estimate of the amount of work required.

Beware of quick estimates and high pressure tactics. Legitimate contractors need time to prepare detailed estimates and won't pressure you into an immediate decision. Ask for the names of at least two recent satisfied clients and two current subtrades and suppliers. Check with them to determine the contractors' quality of work, professionalism, etc. Phone your local Better Business Bureau, Housing Recreation and Consumer Services, Consumer Operations Branch or the City Licence Department to see if any complaints have been filed against the firms you are considering. Renovators soliciting door-to-door require a provincial direct seller's licence and identification.

All contractors in Burnaby should have a Burnaby Business Licence. If the renovator/direct seller is not licenced, then the consumer may not be bound by the contract. The most obvious reason for hiring for cash is to avoid paying taxes and, perhaps, to dodge building permits. This can put a consumer at enormous risk. For example, recently, a Winnipeg judge ruled that a claim for damages against an incompetent contractor be dismissed because the homeowner had agreed to enter into an illegal arrangement to avoid paying tax. The homeowner was stuck with a \$17,000 repair bill after the renovator simply walked away. Because most all cash deals do not involve a written contract or proper receipts, it is virtually impossible to prove your case should it proceed to court.

Be suspicious of contractors who approach you at your home claiming that they can give you a reduced price because they have leftover material, or that your roof looks hazardous and needs immediate repairs, or that they will pay you a commission if others agree to the same work, or that, as factory representatives, they can offer you a 'good deal'.

Contractors should provide proof that they are in good standing with the Workers' Compensation Board and can provide third party liability insurance. If the contractor is not paying W.C.B. fees and a worker gets hurt while working on your project, you may be legally responsible.

The contract

Obtain a typed or legibly printed contract on company letterhead which includes the following

- the contract documents;
- a description of the work to be done;
- a complete price quotation and cost of the work to be done;
- the start and completion date (timing);
- the terms of payment;
- the payment schedule;
- any changes in work including extras and deletions;
- the standards of work and the quality of the materials to be used;
- the cleanup and removal of waste materials;
- any guarantees or warranties;
- liability insurance;
- workers' compensation;
- default by purchaser; and
- default by renovation contractor.

Do not sign a contract until you fully understand it, unless it contains everything you have been promised and unless you know who will be responsible for the actual work being done. Make sure that all verbal promises are put into writing. Ensure new or forgotten items are written into the contract and initialled. Be wary of vaguely worded provisions, exclusions or limitations which could pose a problem later.

For larger projects you may want to have a lawyer review the contract before you sign it.

Provide no more than 10% - 15% of the total job cost as a deposit when the contract is signed. If the contractor asks for more than a 10% - 15% deposit, ask why and satisfy yourself that the request is reasonable. If the contractor asks to include money for materials in the deposit, try to separate the cost of materials and pay, by invoice, directly to the suppliers. Remember, if you pay for the material, you own the material. Do not let contractors tell you that they over ordered and the balance belongs to them. This is **not true**.

You must withhold 10% of the total cost upon completion of the work for 40 days. This will protect you, should liens be placed against your home. Check with the Land Title Office for liens before paying the remaining 10%.

If you signed the contract in your home, you have 7 days in which to cancel the contract by notifying the contractor by double registered letter. Do not allow work to commence until after the 7 day cancellation period has expired.

Make sure that both you and the contractor sign two copies of the contract - one for each of you.

Permits

Be very cautious of any contractor who makes the following statements

- "You don't need a permit. I know what's required."
- "What the City doesn't know won't hurt them."
- "Permits are only a formality. They'll just cost you money."
- "The inspectors don't know anything anyway."
- "I can save you a lot of money without the inspectors bothering us."
- "The drawings are only required to get the permit. I know what I'm doing."
- "That inspector just doesn't like me. He's just picking on me because he's a bureaucrat."

Renovations or interior or exterior construction to your home or accessory buildings may require building, electrical, plumbing or gas permits. Before you employ a contractor, contact the Burnaby Building Department at 604-294-7130 to determine which permits will be necessary for the work being done.

If permits are required, be sure your contractor obtains them and do not make the last payment to the contractor until all final inspections are completed.

A permit is your permission to construct something according to the drawings and documents that were reviewed by the Building Department for compliance with the Building Code and Burnaby Zoning Bylaws.

The Zoning Bylaw is a City standard, set by the Planning Department, based on the Official Community Plan and approved by Council. It is a standard that is set to allow the City to grow and develop in harmony.

The Building Code is a "minimum" standard of acceptable construction practises including health and safety standards. If greater than minimum standards are desired, specifics must be outlined in the contract documents.

Once the permit has been issued, the plans should not be altered, either diagrammatically or structurally, without discussing the changes with the Building Department or the Building Inspector. Minor changes are rarely a problem but structural, size or floor area changes can present major problems if not properly dealt with.

While we do inspect certain stages of your construction, we do not supervise the work. It is up to you or your contractor to assure that the work being done meets the standards set out in the code. It is also up to you or your contractor to assure that the appropriate inspectors are called to carry out the required inspections. Cutting corners on code regulations will only produce a substandard product.

Remember, the staff of the City's Building Department are here to help. We are a concerned third party that is looking out for your best interests.

Additional advice and sources

The best advice we can give is to DO YOUR HOMEWORK.

Talk to as many past clients as you can. In addition to consulting the Better Business Bureau, Housing Recreation and Consumer Services, Consumer Operations Branch or the City Licence Department, also consult with other organizations such as Consumers' Association of Canada (B.C. Branch), Canadian Home Builders' Association of B.C. and their Renovators' Council, Greater Vancouver Home Builders' Association and their Renovators' Council, Chamber of Commerce and as many other sources as you can find.

Trying to do parts of the job yourself may lead to mistakes and confusion which may in turn cost you money and or time. Once you have gone to the trouble of selecting a good contractor let him do the job properly and completely.

For more information visit the Burnaby Website at www.city.burnaby.ca.

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