



SMARTHIRE CONTRACTOR KIT

Your Trusted Guide to Hiring the Right Pro
— and Avoiding Renovation Regrets



AMERICAN HOMEOWNERS ASSOCIATION

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AHA SmartHire Contractor Kit

Your Trusted Guide to Hiring the Right Pro — and Avoiding Renovation Regrets

How to Use This Kit

This SmartHire Contractor Kit is designed to guide you through every stage of hiring and managing a contractor — from first call to final walkthrough. Each section provides step-by-step direction, plain-language templates, and checklists you can print, fill out, and keep in your homeowner binder.

Before starting:

1. Read through the Planning and Vetting sections first.
2. Print the toolkit pages that apply to your project.
3. Keep your contract and documentation together in one labeled folder.

Disclaimer: This guide and sample contract are for informational purposes only and not a substitute for professional legal or financial advice. Consult your local laws or a qualified attorney for project-specific guidance.

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Plan Your Project Like a Pro

Homeowners rarely get burned because a contractor is “bad at their trade.” They get burned because the project wasn’t set up correctly from the start. Every major renovation problem—cost overruns, delays, ghosting, liens, unsafe work, unfinished projects—begins with one of these preventable failures:

The 7 Most Common Failure Points

1. **Unclear Scope** — Vague specs allow contractors to make assumptions (and upcharges).
2. **Bad Bids** — Homeowners compare price, not scope, quality, or feasibility.
3. **Lack of Documentation** — Without a paper trail, you have no leverage.
4. **Permit Avoidance** — Illegal work becomes your legal and financial problem.
5. **Poor Payment Structure** — Paying too much too early kills your leverage.
6. **Mismanaged Expectations** — Contractor thinks one thing; homeowner thinks another.
7. **No Change-Order Discipline** — Small changes compound into major cost spikes.

Planning is the single highest ROI step in the entire process. A poor plan will cost you 10–30% more, even with a great contractor.

The Project Plan

Before you talk to a single contractor, before you get a bid, and before you start comparing prices, there is one step that determines whether your renovation will go smoothly or spiral into frustration: **creating a clear, simple, homeowner-friendly project plan.**

That’s exactly what the **Project Plan Worksheet** is designed for.

Think of this worksheet as the foundation of your project. A house built on weak footing shifts, cracks, and causes headaches. A project built on vague expectations does the same. Most renovation disasters happen **not because contractors are bad at their jobs**, but because homeowners and contractors start the project with *different pictures in their heads*.

Your worksheet solves that.

It translates your ideas, preferences, and constraints into a document contractors can actually price accurately — and a document you can use to stay in control throughout the project.

And the good news?

You don’t need technical knowledge to fill it out.

You can find the worksheet in the **Forms & Templates** section of this toolkit. Just print a copy and fill it out with your specific details.

Contractor Scope Sheet

Once you've filled out your **Project Plan Worksheet**, you will turn it into a **Contractor Scope Sheet** — the document you give contractors when requesting bids.

This Scope Sheet serves two purposes:

1. Ensures every contractor is bidding the exact same work
2. Protects you by NOT including homeowner-only information, such as:
 - Your budget
 - Personal household details
 - Your fears about unknown conditions
 - Anything that weakens negotiating leverage

What you **SHOULD** include:

All project details that contractors must know to price accurately.

- What you're removing
- What you're installing
- Style direction
- Required elements (non-negotiables)
- Optional items to price separately
- Timeline window
- Access/HOA constraints
- Known site conditions
- Specific questions for them

What you **SHOULD NOT** include:

- Your internal budget range
- Emotional concerns
- Your maximum timeline flexibility
- The fact you're interviewing multiple contractors
- Notes about household sleeping patterns, unless it affects work hours
- Anything that could give away negotiating power

Why this matters:

A clean Contractor Scope Sheet:

- Gets you more accurate bids
- Protects you from overcharges, change orders, and confusion
- Helps you compare contractors fairly ("apples to apples")
- Signals professionalism — contractors take your project more seriously

Contractor Scope Sheet - Filled-In Example

1. Project Name / Type

Primary Bathroom Renovation — Semi-Custom Upgrade

2. Scope of Work — What is Being Changed

Removing:

- Existing fiberglass tub/shower
- 36" vanity
- Old tile flooring
- Damaged drywall in shower area

Installing / Updating:

- 4' × 6' tiled walk-in shower
- Frameless glass
- 60" semi-custom vanity (Shaker style)
- Quartz countertop
- LVP flooring
- Kohler toilet
- Moen Align fixtures (brushed nickel)
- Updated lighting and GFCI outlet
- New paint

Staying the Same:

- Plumbing locations remain
- Overall layout unchanged
- No wall movement

3. Style & Finish Preferences

Clean, light, modern aesthetic.

Matte porcelain tile in neutral tones.

Shaker cabinetry.

Frameless clear glass.

Preference for warm white paint tones.

Inspiration photos available.

4. Timeline Preferences

Ideal Start Window: June 15 – July 1

Preferred Completion: 6–8 weeks from start

Important Dates: No work July 4th week

Contractor Scope Sheet - Filled-In Example Cont'd

5. Site Access & Workday Constraints

Access Constraints: Upstairs bathroom; narrow stairs; parking for 1 vehicle.

Workday Limitations: HOA → Weekday work only, 8:30 AM – 5:30 PM.

Special Considerations: Two indoor cats; contractor to ensure doors remain closed.

6. Non-Negotiables

1. Waterproofing system: Schluter Kerdi or equivalent
2. Frameless shower glass
3. Tile installation with 1/8" grout lines
4. Use moisture-resistant backer board
5. Floor and dust protection daily

7. Flex Items (Optional Upgrades)

1. Heated flooring — price separately
2. Shower niche — size dependent on studs
3. LED vanity mirror upgrade

8. Known or Potential Site Conditions

1. Home built in 1984 — likely older plumbing
2. Slight musty smell near tub area (possible moisture)
3. Previous owner performed DIY repairs

9. Additional Questions or Requests for Contractor

- Do you handle debris removal?
- Do you include permit fees?
- Who will be onsite supervisor?
- What is your change order process?
- What is your estimated duration?

Get Multiple Bids & Compare Smartly

Getting multiple bids isn't just a box-checking exercise — it's your most powerful protection against overpaying, misunderstanding scope, or hiring someone whose approach simply doesn't match your expectations. Many homeowners assume that a bid is a simple price tag, but behind every number is a complex set of decisions a contractor makes about materials, labor, schedule pressure, and risk.

Understanding *why* bids differ will help you compare them the right way.

Why Bids Differ — The Hidden Drivers

Two contractors can walk into the same room, look at the same project, and deliver bids that differ by thousands of dollars. This isn't because one is honest and the other is dishonest; it's because every contractor runs their business differently.

Some contractors have a full calendar and price in a way that discourages “maybe” jobs. Others may have gaps in their schedule and sharpen their pencil to secure work. Some rely heavily on subcontractors, whose availability and pricing fluctuate. Others self-perform most tasks and can be more consistent. Still others lean on premium materials and meticulous prep, while some use budget-friendly alternatives that get the job done but may not last as long.

Risk tolerance is a major factor as well. One contractor may include a contingency buffer because they see potential issues in your home's age, plumbing, or access. Another may bid low and assume everything will go perfectly — and if it doesn't, the problem quickly becomes yours in the form of change orders, delays, or compromised quality.

In short: a low bid often isn't a gift — it's a **risk transfer**.

The contractor gives you a low number upfront, and you inherit the risk of whatever they didn't include.

Why Bids Differ — The Hidden Drivers

To meaningfully compare bids, you need a framework that goes beyond price. A smart comparison evaluates each bid across five categories that matter just as much as the final dollar figure.

1. **Clarity of Scope** – Does the bid clearly spell out what is and isn't included? Ambiguous bids are where surprises hide.
2. **Material Quality** – Are they using builder-grade materials or premium options? Are brands and specs listed?
3. **Timeline Realism** – Does their proposed schedule align with your expectations and the realities of labor availability?
4. **Contractor Communication** – Is the contractor responsive, clear, and willing to answer questions? You're hiring the person, not just the price.

5. Price vs. Value – Not “Is this the cheapest?” but “Does the value match the price?”

In a perfect world, you’d find a bid that aces all five categories. In reality, the best choice is the contractor who delivers the strongest overall score and aligns with your priorities.

A contractor who communicates well, uses quality materials, and offers a realistic timeline often provides far more value than one who is simply the lowest number on paper.

The “Apples-to-Apples” Trap

The biggest mistake homeowners make when comparing bids is assuming they’re all based on the same scope. Unless you provide each contractor with a precise, identical scope — like the Contractor Scope Sheet earlier in this guide — they’re each bidding the project *as they interpret it*, not as you envision it.

That leads to drastically different assumptions:

- One contractor includes waterproofing; the other assumes you don’t want it.
- One includes debris removal; another charges separately.
- One prices mid-range fixtures; another uses entry-level materials.
- One includes repairing discovered rot; another excludes it entirely.

Without a consistent scope, the comparison becomes meaningless — much like comparing the price of a car without knowing whether one has cloth seats and the other leather.

To avoid the apples-to-apples trap, require contractors to clarify anything that differs, in writing. If one leaves out waterproofing, insulation, demo, or haul-away, ask why — and what it would cost to include it. This gives you control of the conversation and protects you from “surprise” charges later.

A Real-World Example

A homeowner once saved \$8,000 by choosing the cheaper of two renovation bids. The work looked similar on paper, but the less-expensive contractor used a bargain underlayment beneath the flooring. It performed fine for a year, but by year two the moisture issues began. Tiles loosened. Grout cracked. Mold developed behind the baseboards.

The final cost to repair the issue? Over \$12,000 — not including the inconvenience.

The contractor didn’t necessarily do anything wrong; they simply made different decisions based on assumptions the homeowner never clarified. That’s exactly why *getting multiple bids and comparing them properly* is essential. It’s not about chasing the lowest price — it’s about choosing the contractor who delivers the best value, clarity, and long-term confidence.

Vetting Contractors: Credentials & Red Flags

The moment you start talking to contractors, you move from planning into **due diligence mode** — and this step matters more than almost anything else you'll do. Most homeowners assume that if a contractor is friendly, responsive, or highly recommended, they must be legitimate. But the truth is this:

- **Great contractors welcome scrutiny — because it tells them you're a serious, informed client.**
- **Shady contractors get uncomfortable when you start asking questions.**

This is the point where you separate the professionals from the pretenders.

The Credentials Every Contractor Should Provide

Think of these not as “nice-to-have” documents, but as *minimum requirements* for anyone performing work on your home. A reputable contractor will provide them instantly, without excuses.

1. Contractor License (Verify It)

A valid license tells you:

- They've met your state's minimum requirements
- They're allowed to pull permits
- They're accountable to a state board if something goes wrong

SmartHire Tip:

Never take a photo or card as proof — verify the license on your state's licensing board website. Look for:

- Status: Active
- No major disciplinary actions
- Proper classification for the work you need

2. General Liability Insurance

This protects your property.

If they accidentally flood your home, damage your floors, or cause structural issues, liability insurance covers it.

No insurance = *you* pay for their mistakes.

3. Workers' Compensation Insurance

This protects you from lawsuits.

If a worker is injured on your property and the contractor doesn't carry workers' comp, you can be held financially responsible for medical bills and lost wages.

Homeowners underestimate this risk — but attorneys don't.

4. Physical Business Address

A physical address (not just a PO box or vehicle decal) signals stability and legitimacy. It also gives you a real place to contact them if communication breaks down.

A PO Box-only contractor can vanish overnight.

5. References From Recent Jobs (Within 12–18 Months)

Most contractors have a “greatest hits” list they've been sharing for years. That's not what you want.

You want:

- The last 3–5 jobs completed
- Start and end dates
- Homeowner contact info
- Permission to call them

This gives you real insight into how the contractor performs now — not five years ago when they were in a different phase of life, business, or staffing.

Red Flags: Signs You Should Walk Away

Red flags don't automatically mean fraud, but they signal risk — and risk in a renovation becomes *your* burden.



1. Only a PO Box or no physical address

This suggests the contractor may not have a stable business presence. If something goes wrong, you have limited recourse.



2. Requests cash or full payment upfront

Industry norm:

10%–25% deposit, then progress payments tied to milestones.

Anyone asking for 50%+ upfront is waving a giant risk flag.

Cash-only? Even worse.

It often signals poor business practices, tax evasion, or inability to obtain insurance.

3. Avoids pulling permits

Some homeowners fall for the “permits aren’t needed” line. Contractors who avoid permits typically do so because:

- They’re not licensed
- They fear inspections
- They want to cut corners
- Past work has failed inspections

If it requires a permit, get one — or walk away.

4. No references or online presence

In the modern trades landscape, a contractor with zero digital footprint or no references raises questions:

- How long have they been operating?
- Why no track record?
- Are they hiding poor reviews?

Even small contractors usually have photos or a Google listing.

5. Bid is dramatically lower than others

A low bid is rarely a bargain. It typically means:

- They missed something important
- They use cheaper materials
- They don’t include critical steps
- They don’t carry insurance
- They intend to upsell later via change orders

Low bid = **risk transfer** from contractor to homeowner.

6. Poor communication early on

If they are slow to respond, vague in writing, or inconsistent in meetings before the contract... expect the same or worse once your home is torn apart.

Trust early patterns. They rarely improve during the job.

Verification Tip

Always verify licenses and insurance **yourself**, using:

- Your state's contractor licensing board
- State/local insurance verification portals
- Permit history databases (public record in many cities)

If the contractor hesitates, delays, or “will get back to you later” on requested documentation... that's a red flag all by itself.

Permits & Code Compliance

When it comes to home renovations, permits aren't just paperwork — they're legal and safety protections designed to keep your project (and your home) compliant, insurable, and safe. While it's tempting to think of permits as an annoyance or a cost-inflating step, the truth is that skipping them is one of the fastest ways for homeowners to end up with failed inspections, insurance refusals, unsafe work, or expensive re-dos years after the contractor is gone.

A reliable contractor will treat permits and code compliance as a **normal part of doing business**, not an obstacle to avoid.

Why Permits Matter (Even for “Small” Jobs)

Local building codes exist to ensure that any work performed on your home meets minimum safety standards for electrical, plumbing, structural integrity, and fire risk. Permits bring accountability and oversight into the process by requiring scheduled inspections from qualified building officials.

These inspections protect you from:

- Hidden safety hazards
- Sloppy or rushed workmanship
- Substandard materials
- Incorrect installations that could fail later
- Liability when selling your home

Even if everything seems fine today, you don't want a future home sale derailed because of unpermitted work.

What Your Contractor Is Responsible For

A qualified, licensed contractor should handle the entire permitting process without hesitation. Their responsibilities include:

1. Pulling all required permits

They should apply for permits under their license. This ensures that they take responsibility for the work and that inspectors know who to hold accountable.

2. Following all local building codes

Building codes change regularly. A professional contractor stays updated on:

- Electrical code requirements
- Plumbing standards
- Fire safety rules
- Structural load requirements
- Ventilation and waterproofing standards

Contractors who work “to code” reduce your risk of long-term problems.

3. Scheduling and meeting inspection requirements

Every permitted project has mandatory checkpoints. Your contractor must:

- Coordinate inspections
- Be on-site to walk inspectors through the work
- Make corrections if anything fails to meet code

A contractor with nothing to hide will welcome inspections.

The “Pull the Permit Yourself” Red Flag

One of the biggest red flags in home renovation is a contractor who asks you to pull the permit. This is not standard practice — and it’s rarely innocent.

Contractors who do this may be:

- **Unlicensed**, and therefore unable to pull a permit
- Trying to **avoid liability**. If you pull the permit, you become responsible for the work
- Hoping to **avoid inspections**, which suggests they may be planning shortcuts

If a contractor says things like:

- “You should pull the permit because it’s easier.”
- “Permits only make the project more expensive.”

...it’s a strong signal to walk away.

Permits protect you, not the contractor.

When Permits Are Typically Required

Permits rules vary by city and county, but most municipalities require permits for:

- Electrical work beyond fixture replacement
- Plumbing inside walls or floors

- Removing or adding walls
- Structural modifications
- Roofing
- HVAC installation or replacement
- Major kitchen or bathroom remodels
- Deck replacement or expansion

When Permits Are Not Required

One of the most confusing parts of planning a project is figuring out whether you need a permit. The rules vary by city, but the *pattern* is the same everywhere:

If you're not altering the structure, not opening walls, and not changing the mechanical/electrical/plumbing systems, you usually don't need a permit.

Think of it this way:

- **Repairs = usually no permit**
- **Replacements (same location, same type) = usually no permit**
- **Alterations, additions, or relocations = usually require a permit**

Common Projects That Usually Don't Require Permits

These vary slightly by location, but across most U.S. jurisdictions:

1. Cosmetic Updates Only

If you're not touching wiring, plumbing, or structure:

- Painting
- Installing trim or baseboards
- Refinishing floors
- Replacing carpet
- Installing shelves
- Swapping out door hardware
- Installing blinds or curtains

These are considered “finish work,” not construction.

2. Like-for-Like Replacements

Replacing something with the same thing, in the same place, without altering wiring, plumbing, or structure:

- Replacing a light fixture (same wiring)
- Replacing an outlet or switch (same spot)
- Installing a new faucet (no plumbing changes)
- Replacing a toilet (same location)
- Replacing an existing appliance (not adding a new gas line or circuit)

These are considered repairs, not modifications.

3. Minor Exterior Work

If you're not changing structure, load, or utilities:

- Replacing siding panels (same material)
- Painting the exterior
- Replacing windows *same size, same opening* (many places allow this without a permit)
- Replacing decking boards (but not the framing)

4. Small, Portable, or Low-Impact Projects

- Installing a shed under a certain size (varies: often under 100–120 sq ft)
- Landscaping
- Fences under a certain height (often 6 ft or less)
- Pavers or patios not attached to the home
- Prefabricated play structures

Always check local rules, but these are typically exempt.

The Easiest Way to Know for Sure If A Permit Is Required

You don't have to guess — every city or county has a building department whose job is to answer exactly this question. The challenge for most homeowners isn't what to ask, but who to call. Here's how to find them quickly and get the right answer the first time.

How to Find the Correct Permit Department

Your goal is to reach the office responsible for building, electrical, plumbing, or mechanical permits in your area. It may be called different things depending on where you live, but finding them is simple.

Step 1: Use This Search Phrase

Search in Google:

“[Your City] building department ”

If That Doesn't Work, Try These:

- “[City] permits office”
- “[City] planning & development”
- “[City] construction permits”
- “[County] building department” (if you live in an unincorporated area)

Tip: If you're not sure whether you live inside city limits, simply type your address into Google Maps. It will show the correct city or county name.

You're looking for pages labeled:

- Building Department
- Building & Safety
- Development Services
- Planning & Zoning
- Construction Services

These departments all handle homeowner permit questions.

What to Say (Script You Can Read Word-for-Word)

Once you find the correct department, call and say:

“I'm a homeowner. I want to confirm whether a permit is required for _____.
Could you tell me if it needs a building, electrical, plumbing, or mechanical permit?”

Then give them a **10–15 second description** of what's changing—nothing technical.
They'll tell you exactly what applies.

Why This Works

- It's **free**
- It's **anonymous** (they don't take your name unless you're applying)
- You get the **correct answer** for your jurisdiction
- You avoid relying on contractor misinformation or outdated online forums
- You'll know exactly what to expect before getting bids

What Happens if You Skip Permits

Skipping permits can cause:

- Failed home inspections during a sale
- Insurance refusing claims related to unpermitted work

- Fines and stop-work orders
- Forced demolition or rebuilding of non-compliant work
- Safety hazards that may not appear immediately

Worst-case scenario: If a fire, flood, or injury is linked back to unpermitted work, your insurance company may deny coverage entirely.

Bottom Line

A trustworthy contractor treats permits and code compliance as routine, not optional. If they push to avoid or shortcut the process, they're signaling that they cannot or will not stand behind their work.

Permits may feel like a hassle today, but they protect your home, your safety, and your investment for years to come.

Financial & Legal Safeguards

Money is where most homeowner–contractor disputes begin. Protecting yourself isn't about distrust — it's about **reducing risk** and ensuring everyone plays by clear, professional rules. The goal is simple: no surprises, no hidden liabilities, and no legal headaches after the dust settles.

Validate Insurance & Liability Coverage

Before anyone swings a hammer, you need proof that the contractor — not you — is financially responsible if something goes wrong.

Request a Certificate of Insurance (COI)

Ask the contractor's insurance agent to issue a COI with **your name and property address listed as "certificate holder."**

This is free and standard practice.

Why this matters:

- It confirms the policy is active (contractors sometimes show expired copies).
- You can be notified if the policy is canceled mid-project.
- It places liability where it belongs — **with the contractor**.

What to confirm on the COI

- **General Liability Insurance:** Minimum recommended: **\$1,000,000 per occurrence** (Covers property damage, injuries, and accidents caused by their work.)
- **Workers' Compensation:** Required for all employees
- (Protects you from liability if a worker is injured on your property.)

Without these, you — the homeowner — can be personally liable.

That could mean tens of thousands in medical bills or legal damages. Don't skip this step.

Protect Yourself From Liens & Subcontractor Issues

Here's a little-known risk:

Even if *you pay your contractor in full*, if they fail to pay a subcontractor or supplier, **that company can file a lien against your home**.

This means you could be forced to pay *twice* — once to the contractor, and again to clear the lien.

This isn't rare. It's one of the most common financial disputes in residential contracting.

How to Protect Yourself

1. Require Lien Waivers at Every Payment Stage

A lien waiver is a signed document saying the contractor (and subs, if applicable) have been paid for work to date and waive their right to file a lien.

There are two main types:

- **Partial Lien Waiver** — for milestone payments
- **Final Lien Waiver** — when the job is fully complete and all subs are paid

Only release payment when you receive the appropriate waiver.

2. Pay in Stages — Never 100% Upfront

A standard rule:

Pay **only after** approved work is completed — not before.

Reasonable deposit:

- 10–20% upfront is typical
- Anything above 30% is a red flag unless custom materials are involved

If the contractor pushes for:

- Full payment upfront
- Large deposits
- Cash only

...those are **major red flags**.

3. Ask for a Final “Release of Lien” from ALL subcontractors

This includes:

- Electricians
- Plumbers
- Tile installers
- Drywall crews
- Material suppliers (especially lumber, windows, roofing)

A professional contractor will provide these without hesitation.

4. Track Everything

Payment dates, amounts, lien waivers, and approvals should be recorded. Encourage homeowners to use the **Payment & Lien Tracking Sheet** in your Toolkit.

Red Flags to Watch For

These are signs of financial risk — or that the contractor is trying to shift liability onto you:

- They hesitate to provide a COI
- They ask you to pull the permits (often a sign of lacking a license)
- They push for large upfront payments
- They avoid written contracts
- They refuse to provide lien waivers
- They use only a PO Box and won't share a physical address
- They claim "I don't need Workers' Comp — my guys are subcontractors"

If a contractor avoids documentation, assume they are protecting themselves — not you.

What to Include in a Contractor Agreement

A contract is not just paperwork — it's the blueprint for how the job will run.

The goal is simple:

Everything that affects time, money, quality, or responsibility must be written down.

If it's not in writing, it doesn't exist.

Should You Use the Contractor's Contract or Create Your Own?

Most homeowners don't need a lawyer or a 20-page agreement. But they *do* need clarity. The right approach depends on project size:

Small Projects (< \$10k)

Use the contractor's contract — it's usually fine.

Just attach your **written scope** (from the worksheet) or thoroughly review and edit theirs so expectations are clear and aligned.

Mid-Size Projects (\$10k–\$50k)

Use the contractor's contract **plus your addendum** (your scope, materials, milestones, and change-order rules).

This gives you clarity without reinventing the wheel.

Large or High-Risk Projects (\$50k+)

Use a **homeowner-provided contract** (like your SmartHire contract template).

Larger jobs have more moving parts — you want the agreement to match the complexity.

Bottom line:

For small jobs: theirs.

For moderate jobs: both.

For large jobs: yours.

What the Agreement Should Include

1. Detailed Scope of Work (Attachments Allowed)

- What's being removed, installed, updated
- Materials, brands, finishes, and model numbers
- Drawings or sketches

This section prevents "I assumed..." disputes.

2. Itemized Estimate

Labor, materials, allowances, and exclusions.

This ensures you know *what is and isn't included* in the price.

3. Timeline

- Target start window
- Estimated duration
 - Not a guarantee — but a baseline for accountability.

4. Payment Schedule (Milestones Only)

Simple, contract-ready version:

Payment happens **after** work is completed, not before.

5. Permit Responsibilities

A single sentence is enough:

“Contractor is responsible for obtaining required permits and scheduling inspections.”
(Your permit section already explains the reasoning.)

6. Cleanup & Jobsite Protection

- Daily cleanup expectations
- Dumpster / haul-away details
- Surface protection (floors, landscaping, etc.)

Cleanup issues are one of the top homeowner complaints — but easy to lock down contractually.

7. Warranties

- Workmanship warranty length
- Product warranty handling

8. Change Order Rules

One paragraph:

All changes must be written, priced, and approved by the homeowner before work begins.
This rule alone prevents half of renovation conflicts.

9. Dispute Resolution

A simple clause:

Mediation before legal action; local jurisdiction applies.

10. Termination Conditions

Protects both parties. Typical language:

Either party may terminate with X days' written notice, with payment for work completed to date.

Managing the Project: Docs, Changes, and Check-ins

You don't have to micromanage — but you do need a paper trail.

Set up a simple “Job File” to include:

- Contract and any change orders
- Photos (before, during, after)
- Permit copies
- Receipts, lien waivers, warranties
- Weekly notes or status checklists
- All texts and emails with your contractor

Hold short **regular check-ins during the project** (even by phone or text) to confirm progress and catch issues early.

Jobsite Safety & Daily Cleanup

Professional crews respect your home. That includes safety, cleanliness, and minimizing disruption.

Before work begins, confirm:

- Will flooring, furniture, or landscaping be protected?
- Is there a written cleanup plan (daily and final)?
- Are materials stored securely and out of pathways?
- Will they use dust barriers, negative pressure fans, etc. for indoor work?

If kids, pets, or older adults are at home — ask how they'll be kept safe during the project.

State Recovery Funds & Consumer Protections

If something goes wrong — you may still have options.

Some states offer **contractor recovery funds or consumer protection programs** to help homeowners recover money if a licensed contractor abandons a job or causes major damage.

To find out:

- Check your state's **contractor licensing board or attorney general's website**
- Search for terms like: "Contractor Recovery Fund" or "Homeowner Complaint Process"

Many states also require contractors to post a **bond** — which may cover certain losses.

Be proactive: verify these resources before you sign a contract.

Forms & Templates

Printable tools to help you plan your project, compare contractors, and stay organized.

Includes: Contractor Comparison Grid, Project Plan Worksheet, Contractor Scope Sheet, Contractor Interview Template, Contract Template w/Lien Waiver Form, Change Order Log, Payment & Lien Tracking Sheet

How to use: Evaluate each contractor side-by-side. Fill in the details after your interviews and bids. Look for patterns — consistency is a good sign, and major gaps can signal risk.

Contractor Comparison Grid

Feature / Criteria	Contractor A Name:	Contractor B Name:	Contractor C Name:
Valid License	<input type="checkbox"/> Yes / <input type="checkbox"/> No / <input type="checkbox"/> N/A	<input type="checkbox"/> Yes / <input type="checkbox"/> No / <input type="checkbox"/> N/A	<input type="checkbox"/> Yes / <input type="checkbox"/> No / <input type="checkbox"/> N/A
Verified Insurance	<input type="checkbox"/> Yes / <input type="checkbox"/> No / <input type="checkbox"/> N/A	<input type="checkbox"/> Yes / <input type="checkbox"/> No / <input type="checkbox"/> N/A	<input type="checkbox"/> Yes / <input type="checkbox"/> No / <input type="checkbox"/> N/A
Similar Projects Completed	<input type="checkbox"/> Yes / <input type="checkbox"/> No	<input type="checkbox"/> Yes / <input type="checkbox"/> No	<input type="checkbox"/> Yes / <input type="checkbox"/> No
Recent References Provided	<input type="checkbox"/> Yes / <input type="checkbox"/> No	<input type="checkbox"/> Yes / <input type="checkbox"/> No	<input type="checkbox"/> Yes / <input type="checkbox"/> No
Bid Clarity (Scale of 1 - 10)			
Timeline Estimate			
Professionalism & Communication			
Price			

Notes

Project Plan Worksheet

Filling out the worksheet is not about getting everything “right.” It’s about getting everything “clear.” You’re not producing a construction document — you’re building a communication tool.

1. Project Name / Type

What kind of project is this?

Example: “Hall Bathroom Refresh”

Project Name: _____

2. What Are You Changing?

What are you removing?

Example: old tub, carpet, damaged deck boards, N/A if nothing is being removed

Removing: _____

What are you installing or updating?

Example: walk-in shower, new flooring, deck railing

Installing / Updating: _____

What is staying the same?

Example: plumbing stays in place, layout unchanged

Staying the Same: _____

3. What Do You Want It to Look Like?

List colors, styles, or attach 2–3 inspiration pictures.

Style Notes / Examples: _____

4. Budget Range (For Your Clarity — Not Always for Contractors)

Before you speak with contractors, it’s important to understand the general range you’re comfortable spending. This number is primarily for you — to guide your decisions, keep expectations realistic. You may choose not to share it with contractors early in the process. If you reveal your budget before getting bids or without a clear scope, some contractors may simply “fill the number.”

Budget Range: _____

5. Timeline Preferences

When would you like it to start?

Ideal Start Window: _____

When should it ideally be completed?

Preferred Completion Window: _____

Any major date restrictions?

Example: hosting guests, baby due, vacation scheduled

Important Dates: _____

6. Home & Lifestyle Constraints

Do you live in the home during the project?

Occupants During Work: _____

Do you work from home?

Work-From-Home Notes: _____

Pets, kids, seniors?

Household Considerations: _____

Access or parking issues?

Access Constraints: _____

HOA limits or rules?

HOA Notes: _____

7. Non-Negotiables (Absolute Must-Haves)

Examples: tile shower, soft-close drawers, no weekends, must finish by June.

1. _____
2. _____
3. _____

8. Flex Items (Nice But Not Required)

Examples: shower niche, heated floors, upgraded fixtures.

1. _____
2. _____
3. _____

9. Suspected Risks / Unknowns

You don't need certainty — just list concerns.

Examples: old wiring, previous DIY work, moisture smell

Potential Issues You're Aware Of:

1. _____
2. _____
3. _____

10. Additional Notes or Questions for the Contractor

Anything else on your mind?

Notes

[illegible]

Contractor Scope Sheet

1. Project Name / Type:

2. Scope of Work — What is Being Changed

Removing:

Installing / Updating:

Staying the Same:

3. Style & Finish Preferences

4. Timeline Preferences

5. Site Access & Workday Constraints

6. Non-Negotiables

7. Flex Items (Optional Upgrades)

8. Known or Potential Site Conditions

9. Additional Questions or Requests for Contractor

Contractor Interview Template

Interviewing contractors is one of the most important steps in the hiring process. A contractor can seem polished on paper and have great online reviews, but the way they respond in conversation reveals something deeper: their professionalism, their systems, their communication style, and their honesty.

Use these questions during phone screens or in-person estimates. They aren't just about the answers — they're about what the answers **tell you**.

1. “Have you completed projects like this recently?”

A set of handwriting practice lines for the first question. It consists of six horizontal blue lines. A vertical red line is positioned on the left side, serving as a margin.

2. “Who will be on-site each day — you or a crew?”

A set of handwriting practice lines for the second question. It consists of six horizontal blue lines. A vertical red line is positioned on the left side, serving as a margin.

3. “What’s your current workload like?”

A set of handwriting practice lines for the third question. It consists of six horizontal blue lines. A vertical red line is positioned on the left side, serving as a margin.

1. “Have you completed projects like this recently?”

Handwriting practice lines for question 1, consisting of six horizontal blue lines and a vertical red margin line on the left.

2. “Who will be on-site each day — you or a crew?”

Handwriting practice lines for question 2, consisting of six horizontal blue lines and a vertical red margin line on the left.

3. “What’s your current workload like?”

Handwriting practice lines for question 3, consisting of six horizontal blue lines and a vertical red margin line on the left.

4. “How do you handle change orders?”

Handwriting practice lines for question 4, consisting of six horizontal blue lines and a vertical red margin line on the left.

5. "Can you walk me through a typical project timeline?"

6. "Do you warranty your work?"



Notes

CONTRACTOR AGREEMENT

Effective Date: _____

This CONTRACTOR AGREEMENT (the "Agreement") is entered into by and between:

Owner: _____

Address: _____

Email/Phone: _____

Contractor: _____

Business Name: _____

License Number: _____ State: _____

Address: _____

Email/Phone: _____

Collectively referred to as the "Parties."

ARTICLE I – SCOPE OF WORK

1. Contractor shall furnish all labor, materials, equipment, and supervision necessary to perform the work described in Exhibit A (Scope of Work) attached hereto and incorporated herein.
2. All work shall be performed in accordance with applicable building codes, laws, and regulations.
3. Contractor shall complete the work in a professional, workmanlike manner consistent with industry standards.
4. "Substantial Completion" shall mean the stage when the project is sufficiently complete in accordance with the Agreement so that the Owner may occupy or utilize the work for its intended purpose.

ARTICLE II – CONTRACT PRICE AND PAYMENT

1. The total contract price shall be as stated in Exhibit B (Payment Schedule).
2. The Owner shall pay the Contractor in installments as set forth in Exhibit B. Each payment shall correspond to a defined milestone of work completed.
3. The down payment shall not exceed the lesser of ten percent (10%) of the total contract price or \$1,000, except as permitted by applicable law.
4. Each progress payment shall not exceed the value of work performed and materials furnished as of the payment date.
5. Contractor shall furnish conditional lien waivers with each progress payment and unconditional lien waivers upon final payment using Exhibit C (Lien Waiver Form).
6. A retainage of five percent (5%) shall be withheld until final completion and acceptance of all work.
7. Failure to provide the required lien waivers shall suspend payment obligations until provided.

ARTICLE III – TIME OF PERFORMANCE

1. Work shall commence on or about _____ and shall be substantially completed by _____, subject to extensions under this Agreement.
 2. Contractor shall promptly notify Owner in writing of any delay and propose an updated completion schedule.
 3. Delays due to acts of God, strikes, fire, or other events beyond Contractor's reasonable control shall be grounds for equitable time extensions but not additional compensation.
-

ARTICLE IV – PERMITS AND COMPLIANCE

1. Contractor shall obtain and pay for all required permits, licenses, and inspections.
 2. Contractor shall coordinate all required inspections and provide copies of approvals to Owner.
 3. Contractor shall comply with all applicable laws, regulations, and building codes governing the work.
-

ARTICLE V – INSURANCE, INDEMNIFICATION, AND LIABILITY

1. Contractor shall maintain at its sole expense the following insurance:
 - General Liability Insurance, minimum coverage \$1,000,000 per occurrence
 - Workers' Compensation Insurance as required by law
 2. Contractor shall provide a Certificate of Insurance naming Owner as Certificate Holder prior to commencement of work.
 3. Contractor shall indemnify, defend, and hold harmless the Owner from and against any claims, damages, losses, or expenses arising out of Contractor's negligence, willful misconduct, or failure to comply with this Agreement.
-

ARTICLE VI – WARRANTIES

1. Contractor warrants that all labor and workmanship shall be free from defects for a period of one (1) year from the date of final completion unless a longer period is specified by law.
 2. All manufacturer warranties for materials shall be assigned and delivered to Owner upon completion.
-

ARTICLE VII – CHANGE ORDERS

1. Any modification to the scope, schedule, or cost of work shall be authorized only by a written change order signed by both Parties.
2. Each change order shall describe the alteration, state the cost adjustment, and indicate any extension of the completion date.

ARTICLE VIII – CLEANUP, SAFETY, AND SITE ACCESS

1. Contractor shall maintain a clean and safe work area and remove debris daily.
 2. Contractor shall protect Owner's property, including floors, furniture, landscaping, and fixtures.
 3. Contractor shall secure tools, equipment, and materials at the end of each workday.
 4. Working hours shall be limited to _____ to _____ on weekdays, unless otherwise approved by Owner.
 5. Discovery of hazardous materials shall immediately suspend work pending testing, abatement, and mutual agreement on next steps.
-

ARTICLE IX – DISPUTE RESOLUTION

1. The Parties shall first attempt to resolve any dispute through direct negotiation.
 2. If unresolved, the Parties agree to mediation administered by a neutral mediator.
 3. If mediation fails, disputes shall be settled by binding arbitration under the rules of the American Arbitration Association (AAA). Judgment on the arbitration award may be entered in any court of competent jurisdiction.
 4. This Agreement shall be governed by the laws of the State of _____.
-

ARTICLE X – TERMINATION AND DEFAULT

1. Either Party may terminate this Agreement upon written notice if the other Party materially breaches any term and fails to cure within seven (7) days of written notice.
 2. The Owner may terminate this Agreement for convenience upon payment for all work performed to date.
 3. Upon termination, Contractor shall deliver all materials, work product, and documents to Owner.
-

ARTICLE XI – CONFIDENTIALITY AND NON-DISCLOSURE

1. Contractor shall treat all project information, drawings, plans, and Owner's personal data as confidential and shall not disclose or use such information for any purpose other than performance of this Agreement.
 2. This obligation shall survive completion or termination of this Agreement.
-

ARTICLE XII – INDEPENDENT CONTRACTOR REPRESENTATION

1. Contractor is an independent contractor and not an employee, agent, or partner of the Owner.
2. Contractor shall be solely responsible for all taxes, withholdings, insurance, and other statutory obligations arising from this engagement.
3. Contractor shall determine the means, methods, and procedures of performing the work, subject to Owner's right to inspect and approve final results.

ARTICLE XIII – ASSIGNMENT, WAIVER, AND SEVERABILITY

1. Contractor shall not assign or transfer this Agreement without the prior written consent of Owner.
2. Failure by either Party to enforce any term shall not constitute a waiver of future enforcement.
3. If any provision of this Agreement is held invalid or unenforceable, the remaining provisions shall remain in full force and effect.

SIGNATURES

OWNER: _____

Signature: _____ Date: _____

CONTRACTOR: _____

Signature: _____ Date: _____

EXHIBIT A – SCOPE OF WORK

Category	Description	Materials/Brands	Deadline
Exterior			
Interior			
Electrical			
Plumbing			
HVAC			
Finishes			
Other			

Allowances: List any budget allowances for items not yet selected.

Unit Prices: List rates for common variable items (e.g., rot repair per SF, trenching per LF).

Penalties/Bonuses: Contractor agrees to pay \$_____ per day as liquidated damages for delays beyond the completion date, unless caused by events beyond Contractor's control.

EXHIBIT B – PAYMENT SCHEDULE

Milestone	% or Amount	Due Upon	Conditions
Deposit		Contract execution	Max 10% or \$1,000 per law
Progress Payment 1		Completion of first milestone	Conditional lien waiver required
Progress Payment 2		Completion of next milestone	Conditional lien waiver required
Final Payment		Completion & acceptance	Final lien release required

Retainage (5%) shall be withheld until completion of punch list and delivery of all warranties, waivers, and inspection approvals.

EXHIBIT C – CONTRACTOR LIEN WAIVER FORM

Conditional Waiver and Release Upon Progress Payment

This document waives and releases lien rights conditioned upon receipt of payment for work performed through the date of this release.

Project: _____

Property Owner: _____

Contractor: _____

Amount Received: \$ _____

Through Date: _____

Upon receipt of payment, Contractor releases all lien rights for labor, services, equipment, or materials furnished to the above project through the date stated, except for any unpaid retainage or pending change orders.

Signature: _____ **Date:** _____

Print Name/Title: _____

Company: _____

Notary Acknowledgment (Optional)

State of _____ County of _____

Subscribed and sworn before me this _____ day of _____, 20.

Notary Public: _____

My Commission Expires: _____

NOTICE OF CANCELLATION

You may cancel this Agreement at any time prior to midnight of the third business day after the date you sign.

If you cancel, any payments made must be returned to you within ten (10) business days following receipt of your notice of cancellation.

To cancel, sign and date this notice and mail or deliver it to the Contractor at the address listed below before midnight on _____ (insert date).

CONTRACTOR: _____

Address: _____

Phone/Email: _____

I hereby cancel this Agreement.

Homeowner Signature: _____

Date: _____

PUNCH-LIST & FINAL COMPLETION FORM

Project: _____

Date of Substantial Completion: _____

Item	Description of Deficiency	Completion	Deadline	Verified Complete
1				<input type="checkbox"/> Yes / <input type="checkbox"/> No
2				<input type="checkbox"/> Yes / <input type="checkbox"/> No
3				<input type="checkbox"/> Yes / <input type="checkbox"/> No
4				<input type="checkbox"/> Yes / <input type="checkbox"/> No
5				<input type="checkbox"/> Yes / <input type="checkbox"/> No
6				<input type="checkbox"/> Yes / <input type="checkbox"/> No

Final Completion Date: _____

Owner Acceptance Signature: _____

Contractor Signature: _____



🔑 How to use: Record every change to the project — no matter how small. Each change should have a written change order showing the cost, timeline impact, and homeowner approval. This log keeps all changes organized, prevents misunderstandings, and protects you if disputes arise later.



Change Order Log

[illegible]

Notes

[illegible]



How to use: Track every payment you make and collect a lien waiver for each milestone. Before the final payment, confirm that all subcontractors and suppliers have provided a “final release of lien.” This protects you from surprise liens later.



Payment & Lien Tracking Sheet

[illegible]

Notes

This image shows a blank sheet of white paper with horizontal blue lines and a vertical red margin line on the left side. The lines are evenly spaced and extend across the width of the page. The red margin line is positioned approximately one-fifth of the way from the left edge. There is no handwriting or other markings on the paper.

What If Things Still Go Sideways With Your Contractor?

Even if you check licenses, compare bids, get everything in writing, and follow SmartHire best practices, construction is messy — and sometimes things don't go as planned. Materials get delayed. Quality slips. Communication dies off. Or worst case... the contractor disappears.

Here's what to do before you panic — and how to regain control.

Can You Stop the Project?

Yes. Homeowners can pause work if the contractor breaches the agreement, such as:

- Not showing up as promised
- Failing inspections
- Using unapproved materials
- Falling significantly behind without explanation

Tip: Document everything. Take photos, save texts, and keep notes. A clear paper trail protects you.

Can You Hold Back Payment?

Yes — as long as your contract links payments to milestones.

This is why the SmartHire payment schedule is structured the way it is.

If the work isn't completed to the stage you're paying for, you can legally delay the next payment without being "in breach."

Never pay ahead to "help them buy materials."

That's how most scams start.

Can You Fire Your Contractor?

Yes — but do it correctly.

You can terminate a contractor if they:

- Repeatedly miss deadlines
- Ignore safety or code requirements
- Refuse to fix defective work
- Violate contract terms
- Disappear for days without notice

Before firing:

1. Give written notice (email is okay if in writing)
2. State the problem and required fix
3. Give a reasonable timeline to correct (often 3–7 days)
4. Document everything

Most states require “notice + opportunity to cure” before termination.

When Should You Bring in the City (Inspectors)?

If you suspect:

- Unsafe wiring or plumbing
- Structural shortcuts
- Work being done without required permits
- A contractor refusing inspections

Then call your building department.

You can request an inspection yourself — even mid-project.

This often forces the contractor to correct issues fast.

What If They Walk Off the Job?

Sadly, this is extremely common — especially if they underbid.

Your steps:

1. Stop all payments immediately
2. Document abandoned work (photos, dates, unfinished tasks)
3. Send a written notice requesting a return date
4. Give 3–5 business days for a response
5. If no response, hire someone else using your documentation

Your photos and logs protect you from claims later.

When Should You Escalate?

Escalate if:

- You find dangerous or illegal work
- Deadlines repeatedly slip without explanation
- They refuse to correct poor workmanship
- They stop communicating

Escalation options:

- Building department (code violations or permit issues)
- State licensing board (professional misconduct)
- Homeowners insurance (if damage occurs)
- Small claims court (most disputes fall here)

Will Disputing or Firing a Contractor Hurt You?

No.

Enforcing your contract does not affect your home, your insurance, or your future projects.

Myth: “The contractor will put a lien on my house.”

Truth: They can attempt to — but they can only succeed if you didn’t pay for work that was actually completed

Lien waivers protect you further.

Should You Try to Work It Out First?

Usually yes — *briefly*.

Some contractors just need a reset, clarity, and expectations in writing.

A good rule of thumb:

- Quality issue? → Ask for corrections.
- Communication issue? → Reset expectations in writing.
- Pattern of broken promises? → Prepare to terminate.
- Unsafe or illegal work? → Escalate immediately.