CONTRACTOR AND GENERAL CONTRACTOR SELECTION CHECKLIST

(Print this complete packet for each job and place in the project file)

When selecting a Contractor or General Contractor for a project, it is important to adhere to a set of guidelines for your benefit and theirs. The list below will assist you in establishing details, expectations, timelines and prices for a successful and smooth project. Use this checklist as a guide and keep all parties on the same page.

*Not all sections will apply to all situations. Pick and choose which sections apply to your project. Keep in mind that small business and sole proprietor contractors may not have some of the information you request. It will be up to you to make a judgement call on whether to work with them.

Property Address: ____

Anticipated Project Start Date: ______/______/_______

Contractor Name: ____

Business Name if different from above: ____

Business Address: ____

Business Phone Number: (____)-(___________) Contractor Cell Number: (____)-(___________)

Email address: ___________________________________

PRE-PLANNING FOR THE PROJECT

Use this section to prepare for the project. This section will assist you in locating a contractor that is qualified to do the project and fits within your budget. You are also establishing the work to be done, the rules and expectations for the project.

Pre-Qualify your potential contractors

____ Verify any applicable business or trade licenses with State regulators

____ Verify Liability insurance

____ Verify workers' comp.

____ Optional - Obtain certificates naming you and your LLC as additional insured.

____ Check prior job references Ask about budget adherence, punch-list speed, and communication.

____ Run a lien and lawsuit search if there are negative reviews

____ Ask for supplier letters confirming accounts are in good standing if contractor will be purchasing materials for the project.

____ Inspect a current job site (if available). Safety and cleanliness predict quality.

Define a crystal-clear scope of work

____ Give the contractor a copy of the SOW. Walk the property and discuss it with the contractor. Discuss locations agree on materials, model numbers, and finishes.

____ Attach a room-by-room scope, specs sheet, and finish schedule. Include pictures or spec links.

____ Require a detailed schedule of values, line-item pricing, and a target calendar with milestones.

Requesting Bids – Schedule a minimum of 3 contractors for the project / job. They should all be on the same day. (Have them meet you at the property)

____ Give / Send the same scope and spec package to at least three qualified contractors.

____ Require bids to include labor, materials, disposal, permits, and contingencies as separate lines.

____ Disqualify lump-sum estimates that lack line items. (This is a big no-no too easy to hide cost and items not included)

Build a smart payment plan

____ Tie draws to verifiable milestones, not dates. Example, "rough-in electrical complete and passed inspection."

____ Use 5 to 10 percent retainage held until punch-list completion.

____ Pay subs or suppliers directly for big-ticket items or use a check.

____ Never front large deposits for labor. Pay for custom or special-order materials to secure lead times, then store on site or at supplier will-call in your name.

____ Make sure the contractor understands the payment process.

Plan the schedule and communication cadence

____ Confirm sequencing, inspections, access, dumpster location, and neighbor expectations.

____ Establish check in days based on the size of the project, 20 minutes max, with written bullet updates.

____ Require photo uploads for critical path items, stored in a shared folder labeled by date and room. (Set up a Dropbox or Google drive folder)

____ Order long-lead items on day one. Track deliveries.

Work order changes process (Discuss with Contractor)

____ No field changes without a written change order that states scope, price, payment timing, and schedule impact.

____ Set a not-to-exceed policy for small changes, for example, automatic approval up to $100 with same-day written notice. Dollar figure is up to you or just choose - **absolutely no changes without prior approval regardless of dollar amount.**

PROTECTING YOURSELF

Contracts, Insurance, and Financial Controls

Use a written agreement for every project. Keep it concise, then attach the detailed exhibits. Use the following clauses. It is recommended to have an attorney draw up a blanket contract that you can fill in the details for each job. The money you save using a good contract will more than cover the cost of the contract if you are active or plan to be an active investor.

*Every page that has details about the project on it should be initialed or signed by all parties involved and a complete copy given to the contractor. By initialing the page, it shows the contractor read the information. If they did not read it and still initialed, then that is frankly their problem. When push comes to shove, they put their ink on the page. **ALL** investors should have some type of e-signature software.

Core contract clauses

____ **Scope and exhibits**. Incorporate the scope of work, plans, finish schedule, and photos.

____ **Schedule of values and milestones**. Each draw references specific, verifiable work.

____ **Payment terms and retainage**. Retain 5 to 10 percent until final completion and delivery of all closeout documents.

____ **Change orders**. Written only, with price and schedule impact stated before work proceeds.

____ **Quality standards**. Reference code compliance, manufacturer instructions, and a workmanship warranty period, for example, one year.

____ **Permits and inspections**. Contractor obtains and closes permits unless you explicitly assume responsibility.

____ **Insurance**. Require general liability and workers' comp, with you and your entity named as additional insured. Ask for primary and non-contributory language, plus waiver of subrogation.

____ **Subcontractors**. GC is responsible for their subs' pay, insurance, and compliance. You can request a sub roster.

____ **Lien waivers**. Require conditional waivers with each payment, unconditional waivers when funds clear, from GC and subs. It is best if you have a general waiver drawn up by your attorney that you can fill in the blanks.

____ **Default and cure**. Define breach, give a written cure period, then allow termination for cause and step-in rights.

____ **Dispute resolution**. Escalation meeting within 3 business days, then mediation, then arbitration or court in your home county. Include prevailing party attorney fees.

Financial safety practices

____ Verify W-9 and business entity before the first payment.

____ Use checks or credit cards for direct-to-supplier payments for roofing, HVAC, windows, and cabinets.

____ Keep a 10 to 15 percent contingency in your project budget.

____ Track actuals versus budget weekly. Small leaks sink boats.

Documentation to collect

____ Signed contract with exhibits.

____ Permit card and inspection results.

____ Insurance certificates with additional insured endorsements.

____ Sub roster and supplier list (if applicable)

____ Conditional and unconditional lien waivers for each draw.

____ Final warranty ____ final lien release ____ closeout packet.

____ All punch-list items complete.

____ Unconditional lien waivers received from GC and subs.

____ Final inspection signed off and permits closed.

____ Warranties and any applicable manuals delivered.

____ Final payment is released after verification.

Document Collection Completed by:

Name: ____ Date: _____/______/_______

PROBLEM SOLVING

Refer to this section when you are experiencing problems

Problems can and probably will happen at some point in a project. The larger the project the more likely you will encounter a problem. Once you realize there is a problem or you can see the problem on the horizon, the key is to take action quickly to resolve the problem.

Cost overruns (Actions to correct)

Freeze discretionary work. Re-baseline the schedule of values.

Adjust finish selections by item & cost that do not affect rent or resale.

Release only the portion of the draw tied to completed items, verified by photos or inspections.

Behind Schedule (Actions to correct)

Identify the bottleneck on the critical path. Add parallel tasks where possible.

Re-sequence work to keep trades productive. For example, exterior crews can advance while interior permits clear.

Increase meeting frequency until the schedule stabilizes.

Quality Issues (Actions needed)

Stop covering bad work. Conduct a focused quality walk at rough-in, pre-drywall, and pre-paint stages.

Create a punch list with photos, locations, and due dates. Tie payment to completion.

Permit or Inspection Failure (Corrective Actions)

Ask the inspector for a written fix list. Prioritize items that unlock the next trade.

Assign each fix to a person and a date. Reinspect as soon as feasible.

Cash flow Requests (Outside of Normal guidelines from your contractor)

Return to the contract. Pay only for verified, completed milestones. (Discipline)

If needed, pay suppliers directly with conditional lien waivers.

Contractor Unresponsive or Threatening to Walk

Issue a written notice to cure by email and certified mail to business address, referencing the default clause, with a clear deadline.

Prepare a takeover plan and line up a backup crew in case cure fails. (This is where having a few reliable contractors of various trades will pay big dividends.)

GENERAL CHECKLISTS

Quick reminders

Always keep these reminders close when preparing or bidding out any project. It is easy to get caught up in the process and forget certain items.

Red-flag checklist during bidding

- Bid is far below peers without a clear reason.
- Refuses to provide insurance or sub roster.
- Vague scope, lump-sum numbers, and no schedule.
- Demands large deposits for labor.
- Poor communication or missed appointments.

Weekly site review checklist

- Work completed matches the milestone.
- Photo log uploaded and labeled.
- Inspections passed or scheduled.
- Change orders approved in writing.
- Safety, cleanliness, and material deliveries on track.

Closeout checklist

- All punch-list items complete.
- Unconditional lien waivers received from GC and subs.
- Final inspection signed off and permits closed.
- Warranties and manuals delivered.
- Final payment is released after verification.

IMPORTANT – Remember this list is a guide for you to follow. It is not meant to be all inclusive. Ultimately you need to be the final judge on the character and experience of the contractor. Will the contractor get the job done on time, on budget and correctly!

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