



Tips for working with contractors

The following tips will help you hire and work well with contractors.



Choosing a contractor

- Choose local contractors whenever possible. They are more familiar with local rules.
- Check whether the contractor has a valid business licence.
- Ask the contractor or builder if they are a part of the Atlantic Home Warranty Program (AHWP). Check the AHWP website to confirm.
- Ask for references and check their previous work.
Important: Be alert for scams. For example, be careful of someone going door to door offering services at a highly reduced price.
- Ask for proof of liability insurance and workers' compensation coverage.
- Confirm that they understand wildfire and wildlife-safe building requirements.
- Get the most detailed quotes possible. Include the following:
 - Business name
 - Contact information
 - Business number
 - Description of each component
 - Quantities
 - Unit rates



Negotiating a contract

Be sure to get a detailed **written contract** that outlines **scope, cost, and timelines**.

- Confirm whether it is a **fixed price** or a **guaranteed maximum price**.
 - A fixed price is a single, predetermined price for all project work, including labour and materials. It is best for straightforward, well-defined projects.
 - A guaranteed maximum price sets a cap on the amount you will pay. It is best for more complex projects that may require changes and flexibility.
- Include clear clauses to allow you to pause or end construction. These clauses will protect you if you run out of funds.
- Include how the contractor will handle **change orders**. A change order is a written amendment to your contract. It is important to agree upon which changes you must approve **in writing** before work proceeds. Do not verbally agree to changes.

- Define an **approval threshold** for change orders. An approval threshold defines the type of changes for which the contractor must get your written approval before work proceeds. See the examples below.

Dollar amount:	This type of threshold stipulates that any change over the agreed-upon amount requires your written approval. For example, you could set a threshold of \$1,000. Any work over \$1,000 requires your written approval. This type of approval threshold is the most common.
Percentage of the contract:	This type of threshold stipulates that any change exceeding a certain percentage of the total contract value requires your written approval. For example, you could set a threshold of 1–2% of the total contract value.
Zero tolerance:	This type of threshold stipulates that all changes require your written approval. This type of threshold is best for tight budgets.

- Confirm the amount of the first deposit.
 - The first deposit should be as small as possible. Do not pay more than 25% of the total value of the work. Or pay an amount that covers the costs of purchasing materials. (Contractors must often purchase materials before starting work.)
 - If the contractor asks for more than 25%, ask them to prove the expenses that the deposit is for.
- Hold back 10% of the total contract amount for 30 days. This holdback will protect you against **liens**. A lien is a legal guarantee that you will pay a debt.
- Do not pay installments that exceed the percentage of work completed to date.



Working with the contractor

- Communicate regularly:
 - Make sure all agreements are in writing. Do not accept verbal agreements.
 - Clarify responsibilities for getting things like drawings or blueprints, permits, inspections, and approvals from local authorities at the right time.
 - Keep written records of all conversations.
- Require or ask that the contractor do daily or weekly site cleanups. Regular cleanups keep the site safe and help to maintain a respectful relationship with the community.
- Post the contractors' contact information at the site so that neighbours know who to contact if there are issues.