



YOUR HOME REPAIR CONTRACT

Before committing to a contractor to repair to rebuild your home, the contract you will sign is a very important consideration.

This document contains standard protection wording that should be included in your contract and how this wording can reduce conflicts between you and your contractor.

1. The Contract Date and Signatures

The contract must contain the contractor's business name, address, phone number, and contractor's license number. The signature page must include the printed name, title and date signed of each individual signing the contract. Contracts that do not contain a date by each signature can present future problems if the date on the first page of the contract is one date and the contract is signed several days later. The title, president, vice president, owner, or principal next to the individual signing as the contractor and their printed name can avoid questions of who signed the contract and their authorization to commit the company.

2. The Date the Work Will Be Started and the Date the Work Will Be Completed

These dates are important to manage your expectations and the activities of the contractor. When a final completion date is not included in the contract your home could be under repair for a year with the contractor advising you that he has normal delays.

3. The Total Contract Price

Your contract should clearly state the total amount you are to pay the contractor for completing the work listed in the contract. Open-ended or calculated amounts based on “what we find after we start” should be avoided. Additional required work is explained in item 7 of this document.

4. Progress Payments

The contract should not require you to pay the full amount before the work is started and most contracts will not allow you to pay when all work is completed. Therefore your contract should clearly state when payments are due tied to the delivery of materials and the completion of work detailed in the contract, when the room is repaired and the interior walls are installed *not* when a percentage of the work is completed. “When I complete most of the work,” “when I need money for materials” or “to pay subcontractors” is never acceptable.

5. Penalties When the Work is Not Completed As Scheduled In the Contract

If the contractor fails to complete the work as detailed in the contract, the contractor should be obligated to pay the owner a specified dollar amount for each day the work is not completed. Example: The contractor agrees to pay owner liquidated damages of [a stated dollar amount] per day for each calendar day thereafter the work is not completed beyond the date when completed is required, so long as any such delay is not occasioned by the fault of the owner or waived in writing by the owner. This will reduce contractor’s delays related to contracting more jobs than they can complete.

6. Contractor Insurance

The contractor should maintain workers' compensation and employers' liability insurance coverage as required by State laws and comprehensive general liability insurance in amounts sufficient to protect the contractor and the home owner. When contractors are uninsured, your property is at risk.

7. Change Orders or the Requirement to Complete Additional Work

The contractor must agree in the contract not to make any changes or additions to the work schedule or work to be completed without the written authorization of the owner. Any changes should include any additional cost or state this change does not increase the amount payable to the contractor. When procedures and the process is not detailed in the contract, the contractor has the option to charge you for additional material or work completed without your approval.

8. Permits and Codes

The contract should clearly state that the contractor will perform all work in conformance with applicable laws, ordinances, regulations, orders if or if not specified in the construction contract. The contract should require the contractor to obtain all necessary permits and licenses required to comply with all applicable local requirements, including local building and housing codes. Your property is at risk if the contractor does not obtain the required permits or does not comply with applicable laws. If the contractor is penalized, your work may not be completed.

9. Condition of Premises

The contract should state that the contractor will keep the work areas broom clean and orderly and remove all debris during the course of the work and after the completion of all required work.

10. Termination of the Contract

The contract should contain wording that allows the owner to declare the contractor in default if the contractor fails to furnish materials or perform the work in accordance with the contract.

11. Removal of Contractor, Subcontractor and Material Delivery Liens

The contract should require a final inspection by you and the contractor and your approval that all work is satisfactory. It should also require the contractor to provide written evidence that any and all liens against the property generated as a result of construction activities have been removed before the final payment is made. This language protects the owners and insures that all subcontractors and material providers are paid.

12. Assignment of the Contract

The contractor should agree not to assign the contract to another contractor, individual or company without the written consent of the owner.