

What is a contract?

A contract is a written agreement between two or more people. A contract is legally binding when signed by all parties. Before any work begins on your project, follow these few steps to insure that your contract has the necessary information needed to protect you should questions or a dispute arise between you and your contractor.



This valuable information is provided courtesy of the

NATIONAL ASSOCIATION OF STATE CONTRACTORS LICENSING AGENCIES



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A Consumer's Guide to Home Improvement Contracts



What does your contract say?

What information should be in your contract before you sign...



- The contractor's complete information, including the company name, address, phone number and the full name and license number of the builder/contractor and the salesperson.
- A detailed description of the work to be done, including specifics on materials such as color, quantity, size, model number, brand name, and product.
- The contract price which would be the exact dollar amount the contractor will be owed at the completion of all work listed in the contract.
- A payment schedule that parallels the amount of work completed, with a "retention", a percentage of each payment

or of the total job which you retain until the job is completed. This is to include all payments to be made to subcontractors and suppliers as well.

- The start and completion dates for work to be done that allows for any reasonable delays. This should also include a clause that allows for you to withhold payment if work slows down for no apparent reason.
- A statement that all required building permits and variances required by your city, state and county will be obtained by the contractor before work is begun.
- A guarantee that the contractor carries liability insurance and has Workers Compensation coverage; to protect you in case of accidents on the job.
- A statement of warranty on the work. Be sure it tells if labor and materials are guaranteed, and for how long with the names and addresses of the parties honoring the warranties.



- A statement of what cleanup and removal of debris and materials will be done by the contractor. Also giving instructions regarding pets, children or areas where materials may not be stored.
- A right to cancel clause detailing the time frame in which you may cancel after the contract has been signed along with any penalties that you may incur when canceling after work has begun.

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