



HIRING A CONTRACTOR

City of Lawrence

Department of Public Works

317-545-8787

www.cityoflawrence.org

This handout is intended only as a guide to the subject matter covered herein and is based in part on the 2020 Indiana Residential Code. While every attempt has been made to insure the correctness of this handout, no guarantees are made to its accuracy or completeness. Responsibility for compliance with applicable codes and ordinances falls on the owner or contractor. For specific questions regarding code requirements, refer to the Indiana Building Code or contact your local Building Department.

Do you plan to build a new home or remodel your present home? Your first concern should be to make sure the contractor is registered to work in Lawrence. If you hire an unregistered contractor, you may be subject to being issued a stop work order and having your project delayed.

DPW hopes this information will provide you valuable insight as to some do's and don'ts when planning a construction project for your home. It is not all inclusive as to steps you should take when hiring a contractor. Building projects can be fun and exciting when all the "upfront" work has been carefully contemplated. We look forward to working with you and/or your contractor.

Before you begin:

- Get more than one bid.

Avoid hiring any contractor who:

- Arrives in an unmarked truck or van
- Asks you to sign an "estimate" or "authorization" before you have decided to hire them. In some cases, a salesman for the contractor will explain that the company will work with the homeowner's insurance carrier to get a good settlement, and that the homeowner will not have to pay any more than the amount of their deductible. The salesman will then ask the homeowner to sign an "authorization" form to allow the salesman to contact the insurer. Many of the forms state that by signing, the homeowner agrees to have the contractor perform the work allowed by the insurance company in exchange for the insurance claim proceeds. The homeowner may be left with the mistaken impression that they are still free to pursue bids from other contractors, even after signing the document. However, some of these contract forms contain small print (usually on the back of the document) that says if the homeowner cancels the contract after three business days, the homeowner will owe the contractor a percentage (usually from 15 to 50 percent) of the total claim settlement. This becomes a problem when the homeowner finds another contractor that they prefer over the original contractor.
- Appears to be willing to do the job at an unusually low price
- Only provides a post office box for their business address
- Requires full or substantial payment before work begins
- Refuses to provide you with a written estimate or contract
- Refuses to provide you with a Lawrence registration number
- Refuses to provide you with references

- Shows up at your door unsolicited
- Uses high pressure sales tactics.

Before you sign a contract, make sure it includes:

- A detailed summary of the work to be done
- A description of materials
- The total price or how the price will be calculated
- Specific timelines and provisions that address what will happen if the contractor fails to meet the contractual deadlines
- Verify they have insurance to cover any accident that might occur on site with their employees.
- Verify whether their company employees will be doing the construction work or whether they intend to sub-contract the work.
- Take the time to read your contract carefully. If you are feeling uneasy with the contractor sitting there while you are reading it, tell them you need time to review it and you will contact them within an agreed upon time. If they are looking forward to your business, this should not be an inconvenience. It also affords you the time to verify with DPW that they are currently registered and they do not have any issues pending with the Department.
- If any of their contract is printed too small for you to easily read, ask them to provide one that is of an appropriate size. (Do not just take their word for what has been written in small print.) More often than not the items written in small print are the ones you should be reading.

PERMITS

Once the project has started there must be a permit on site at all times. The permit provides you the opportunity to review what inspections are taking place and when. It also informs you that the contractor has purchased a permit for your project. The inspectors will leave a copy of their comments on site and sign the appropriate box when the inspection has passed their code requirements. If you do not see your permit on site, ask your contractor to post it.

Note: If you are just having plumbing, electrical or heating work done, a permit is still required.

INSPECTIONS

- Depending on the nature of your project, you could have as few as one inspection or multiple inspections for projects such as additions.
- The permit will show what inspections are required and the order in which they must be called for.
- If you have any questions during the project please call 317-545-8787 and a staff member will assist you. When you call, please have your permit number(s) ready so we can access the information you need quickly.

FINAL SIGN OFF

When any permit is issued, there must be at a minimum, a final inspection. Unless you have worked out other arrangements, it is your contractor's responsibility to call for the required inspection(s). The City has no way of knowing when a job has been completed unless someone calls. You, the homeowner, are in the "driver's seat" as far as the financial payouts. Without seeing written proof by the City that your project has had a final inspection and has passed, you should not conclude your financial contract with the builder. A reputable contractor will be happy to show you the results of their inspections. A reputable contractor should not ask for final payment on any type of work until they provide you with your inspection documents. The permit is **YOUR** record and should be given to you by the contractor at the completion of the job.