

Hiring a Contractor or Doing It Yourself

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You are ready to embark on that long awaited home improvement project. The next big decision is whether to hire a contractor or do-it-yourself. In California, permits can only be issued to a licensed contractor or the property owner. If you decide to do the work yourself, you will be acting as what's known in the industry as an "owner/builder." In fact, by taking out an owner/builder permit, you become the general contractor. You assume all the legal liabilities for the job, including workers' compensation insurance, state and federal withholding taxes, permits, and scheduling of inspections. Unless you have the time, talent, and experience to handle all of the work associated with a construction project, it is best to hire a licensed contractor.

Ok, so you have decided to forego the thrill of being your own general contractor and want to hire a professional. Contractors in California are required by law to be licensed by the Contractors State License Board (CSLB). For a much more detailed explanation of what the CSLB does, please check out their website at www.cslb.ca.gov. The State issues 43 separate types of contractor licenses, ranging from general contractors who oversee jobs and hire specific subcontractors, to contractors who are licensed only to drill water wells. In all, there are nearly 300,000 licensed contractors in California.

With 300,000 licensed contractors to choose from, how do you go about finding a good one who is affordable and won't take years to complete the project? The best way to start is to ask your friends, neighbors, and relatives who have successfully completed a

construction project if they can recommend someone. Another way is to drive, walk, or bike around town and see if there are recently completed or ongoing projects that you like. Find out who the contractor is or was and do your homework. Ask the property owner how the job went, whether it was done on time and on budget, whether the contractor was willing to make necessary corrections, and whether they would hire the contractor again. Another way to see how a contractor performed in Alameda is to look at the inspection history on a job. Inspection histories can be viewed at <https://aca.accela.com/alameda/>. You probably want to avoid contractors who have more denied inspections than approved inspections.

As important as a recommendation may be, it is equally important to make sure the contractor is licensed. So why should you hire a licensed contractor rather than an unlicensed one? There are a number of reasons, but most importantly, unlicensed contractors are unlikely to have bonding or workers' compensation insurance. This leaves you vulnerable to financial ruin should there be an injury on the job. The CSLB will be unable to assist you should you have a complaint against an unlicensed contractor, and civil court will be your sole recourse. Often times, unlicensed contractors are unlicensed because they do not have the skills and qualifications to become licensed. A common technique used by unlicensed contractors to avoid the requirements of the license law is to convince property owners that it will be cheaper for them to pull the permit as an owner/builder. This should be a clear warning that things might not be on the up and up.

When considering a contractor, ask to see the contractor's pocket license and some additional identification. Make sure the name on the license matches the name of the contractor or the contractor's business name. Once you have determined the

contractor's name and license number, you can check the validity of the license at the CSLB website. There you can determine if the license is valid, what kind of work the contractor is allowed to perform, if any legal action has been taken against the contractor, and if the contractor is properly bonded and insured.

When it is time to get bids for your project, make sure each contractor is getting the same plans, scope of work, specifications, etc. Always solicit at least three bids, and don't automatically select the low bid. Carefully review each bid and discuss the details with the contractor. The more detailed your plans and specifications are the less guesswork the contractors will have. Be wary of bids that are significantly lower than the others, as this may indicate the contractor has left something out. Before you agree to start a job, make sure you have everything in writing. Never sign a blank or partially blank contract. Be sure the terms of the contract are clear, including the total price and payment schedule. California law requires that the amount of the down payment for any home improvement contract not exceed \$1,000 or 10% of the contract price, whichever is less.

Make sure your contractor has pulled a permit. Make sure they show you the job card with the City of Alameda seal on it. If your contractor tells you a permit is not needed or the City is holding up the project, or should you have any questions about what your contractor is telling you, contact either the City of Alameda Planning and Building Department or the CSLB. Both agencies are here for your benefit and are more than happy to assist you through the project.

During the construction process, your contractor will need to schedule a series of inspections. A good rule of thumb is that an inspection is required before something is

covered up and will no longer be visible. When the City performs an inspection, the inspector will note, on the job card, whether the inspection passed or failed. Additionally, within about 24 hours of the inspection, the results can be viewed at <https://aca.accela.com/alameda/>. It is a good idea to be aware of the inspections and how they are proceeding. When the project is complete, an inspector will proceed with a final inspection. It is highly recommended that you do not make that final payment to your contractor until the City has signed off on the job card.

There are far more good contractors than bad contractors out there. If you do your homework ahead of time by fully planning your project and carefully selecting your contractor, you will greatly reduce the likelihood of any possible problems that may arise during your project.

The CSLB website has a number of excellent publications you can download. And of course you can always contact us here at City Hall or by emailing me at buildingofficial@ci.alameda.ca.us. Obtaining a permit is the law, and it is also a good idea. Planning & Building staff are ready to assist you as you navigate through the review process. We are located in Room 190 on the first floor of City Hall, located at 2263 Santa Clara Avenue. We can be reached by phone at 510-747-6850.