

## HOW TO HIRE A CONTRACTOR



Lorton Stone repairing a damaged gablet on the Washington National Cathedral Washington, DC. Photo by Joe Alonso.

Grantees enter into the National Fund for Sacred Places (National Fund) program at different phases of a capital construction project. Grantees range from just beginning the planning process to being ready to start construction, and everything in between.

Hiring a contractor for your capital construction project is an important decision. The right contractor will make sure that the construction project is completed on time and on budget, runs smoothly, and meets your expectations for quality. An inexperienced contractor, or one that does not have specialized expertise with historic buildings, could make a critical mistake that could cause significant delays, an increase in cost, or a low-quality final project.

Your working relationship with a contractor can last months and sometimes years, so it is good to find a contractor who is dependable, honest, communicative, works to meet your goals, and understands your historic sacred place.

How do you find the right contractor for your project? There are a variety of methods you can use, but here are some basic steps you can follow.

### CLARIFY YOUR PROJECT SCOPE, REQUIREMENTS, AND GOALS

Before starting your search for a contractor, it is important to know exactly what your project entails, including the scope of work, budget, timeline, and expected results. Working with an architect and/or engineer can be extremely helpful with this step. They will help you finalize your scope of work and develop construction or bid drawings, to ensure that all of the potential contractors you are considering are reviewing

the same scope of work. An architect and/or engineer will also help you develop cost estimates for the project and create a realistic timeline. Providing as much detail as possible to contractors up front will help them bid the project accurately and develop a comprehensive and achievable timeline.

## **RESEARCH, GET REFERRALS, AND COMPILE A LIST OF POTENTIAL CONTRACTORS**

You are now going to start your search for a contractor. The goal is to find contractors in your geographic vicinity that work on projects similar to yours and have experience working on historic buildings. You can find potential contractors through researching, getting referrals, or selecting a contractor who has previously worked on your building.

When researching contractors, you can look at their website, reviews, and social media profiles to learn about the type of work they do, their work quality, their work philosophy, and their reputation. You can also look at resources like the Better Business Bureau (BBB) to learn more about a potential contractor.

In addition to researching contractors, you can get recommendations by reaching out to the following groups and organizations. If you need help identifying the organizations you should contact, reach out to your National Fund Point Person.

- Congregations with historic sacred places in your geographic area or within your denomination that have recently gone through a capital construction project
- Your local historic preservation non-profit, if applicable
- Your statewide historic preservation non-profit
- Your city's historic preservation office or commission
- Your State Historic Preservation Office (SHPO) or Tribal Historic Preservation Office (THPO)
- Your local American Institute of Architects chapter
- National Organization of Minority Architects (NOMA)
- Association for Preservation Technology (APT)

If you are working with an architect or engineer, they can also help identify potential contractors with good reputations and experience working on historic buildings.

## **PUT YOUR PROJECT OUT FOR BID**

This phase can be as formal or informal as your congregation and design team would like. If you are working with an architect or engineer, they will help you through this process. We encourage you to obtain at least three (3) competitive bids/quotes for materials and services exceeding \$50,000 as best practice, but we know this is not always possible.

A formal bidding process includes issuing an Invitation for Bidding to the contractors that you would like to work with and/or posting it for an open bid. As part of the Invitation for Bidding, there is a bid package that includes bid or construction documents (drawings and/or specifications) and project requirements. The contractors then formally respond to the bid through a bid submission that is due on a specific date.

If you prefer not to go through the formal bidding process, you can also request that specific contractors provide bids for your project. We recommend that you have construction drawings or a written scope of work, to ensure that all contractors are bidding on the same scope.

## **ASSESS THE CONTRACTORS' EXPERIENCE**

After you have received your bids, you will begin comparing the contractors to determine who is the best fit for your project. If you did not do this before the bidding process, a good starting place is to assess the contractor's experience. Some contractors specialize in specific projects, and others work on a variety of projects. Before moving forward with hiring a contractor, you will want to make sure that the contractors bidding on your project are qualified to work on a historic building and have experience working on projects similar to yours.

## **CHECK REFERENCES**

Checking references or speaking with people who have previously worked with contractors bidding on your project can help you assess the contractors as potential partners. You can learn more about what it is like to work with the contractor, how they communicate, how they run their jobsite, whether they stayed on budget, and if they met their timeline. It is typically helpful to ask for a list of references (at least 3) for recently completed projects that are similar to yours as part of the bidding process. Below are some of the questions you could ask the references:

- Did the contractor communicate clearly and frequently?
- How did the contractor handle unexpected issues?
- Did the contractor provide consistent supervision at the jobsite?
- Did the contractor complete the project on time and within budget?
- Would you hire the contractor again?

## **VERIFY THE CONTRACTORS' CREDENTIALS**

It is important that all contractors are properly licensed and insured. You should ask to see a license certificate and proof of insurance. You can also consider having the contractor carry certain bonds. A licensing bond guarantees the contractor will act in accordance with applicable laws and standards. A surety bond protects you from financial loss in cases where the contractor fails to complete the project, typically up to a certain dollar amount, depending on state and local requirements and regulations.

## **INTERVIEW**

After you have vetted your possible contractors and potentially narrowed the list of potential contractors, you should invite them to interview, preferably in person. If you are working with an architect or engineer, they can help you through this process.

### **Example Interview Questions**

- How long has your company been in business?
- What experience do you have with this type of project?

- What experience do you have with historic buildings?
- What sets you apart from your competitors?
- How do you approach communication and problem-solving?
- What strategies do you use to manage budgets and timelines?
- How do you handle unexpected problems or delays?
- Do you keep a job safety record?
- Do you guarantee your work?
- Do you have the necessary permits or licenses?
- Are you insured?
- Do you have references?
- Can you review your bid with us?
- Is your bid an estimate or a fixed price?
- What is your payment schedule?
- What is the timeline for this project?
- How soon can you start?



Woodruff Construction forming the footings for the emergency egress stairs at Amana Church Society Middle Amana, IA

Photo by Emilie Hoppe

## COMPARE BIDS AND EVALUATE YOUR COSTS

The cost of the project is one of the most important factors when choosing a contractor. It is important that if you are seeking bids from multiple contractors, they should all be bidding on the exact same scope of work to ensure that you are comparing bids that cover the same work, materials, and terms.

Staying on budget and getting a good cost for the proposed project is important, but the lowest bid is not always the best value. A bid that is substantially lower than the other bids or substantially below the market rate could be a red flag that the contractor does not fully understand the scope of work, uses substandard materials, or employs lower-quality construction methods.

The final decision for selecting a contractor should be based on more than just the project's cost, but also on the contractor's experience, quality of work, references, and credentials.

## NEGOTIATE

You do not have to accept the contractor's initial bid. You may be able to negotiate terms, payment schedules, and timelines to secure the best deal, but be cautious not to push too hard. You should work together with your contractor to develop terms and a contract that works for both groups.

## REVIEW AND SIGN THE CONTRACT

Once you have identified the contractor you want to hire, you are ready to review and sign the contract. It is important to document everything in writing, so all parties know the project expectations and their responsibilities. This will include detailed information such as payment terms, timelines, materials costs, labor costs, permit requirements, warranties, and contingencies. A good contract should protect both the congregation and the contractor.

The contract is a legally binding document, so it may be helpful to have a lawyer review the contract before signing.

Congregations sometimes choose to hire businesses or individuals who are also members of their church. We would recommend that congregations follow any relevant conflict of interest policies in this situation, or consider enacting a conflict of interest policy if one does not exist.