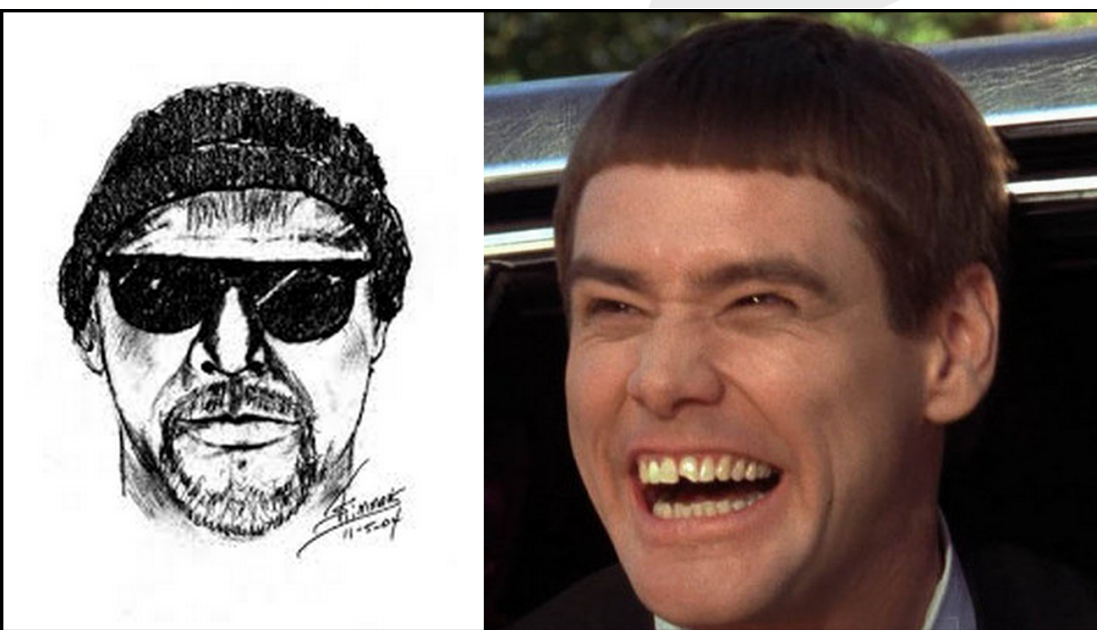


Avoid Bad Contractors: Basic Due Diligence in Hiring



OFFICES

CALIFORNIA

949-240-9971

CA License #713760

OREGON

503-660-8670

OR License #173960

MAILING ADDRESS

931 Calle Negocio, Ste J
San Clemente, CA 92673

GENERAL INQUIRY

info@petefowler.com

www.petefowler.com

Date: 06/30/2016
To: FILE
From: Pete Fowler Construction Services, Inc.
Project: Avoid Bad Contractors: Basic Due Diligence in Hiring (PFCS 16-196)
Regarding: Avoid Bad Contractors: Basic Due Diligence in Hiring

We recently published a post called "Who Would You Prefer As Your Contractor?" (pfcs.co/fgqf). So here is our method to find professional (not criminal or incompetent) contractors or consultants. The process works for any type of hiring by the way, including doctors, lawyers, accountants... Seriously, anything. In list form, it seems like more work than it is. Jump to the bottom for an abbreviated procedure for small jobs.

HIRING PROCEDURE

1. Outline the Scope of Work in a "Sensible List" (pfcs.co/8bsh).
2. Define the Scope of Work clearly enough so the contractor knows exactly what to do and where, including material specifications and so that a third-party inspector can verify conformance with the specification.
3. Layout a Budget and Bid Form using the "Sensible List" (pfcs.co/8bsh).
4. Layout a Progress Schedule form using the "Sensible List" (pfcs.co/8bsh).
5. Use a blank contract form in coordination with the Owner's lawyer.
6. Write a "One Minute Summary" (less than 250 words) of the project and what you're looking for.
7. Package all of the above in an RFP (Request for Proposal), including an invitation to bid document that includes the One Minute Summary, minimum contractor requirements and qualifications, your selection process, some project images to give an idea of where and what the project is, etc.
8. Identify and pre-qualify interested contractors, and send them the RFP Package. If you don't know any contractors, then first apply "Proving the Obvious Using Google" (<http://pfcs.co/n64p>) to find some, then:
 - A. Call anyone remotely connected to the contracting specialty we're looking for. Get them on the phone and:
 - B. Read the One Minute Summary and ask if they offer the kind of help we're looking for. If yes:
 - C. Interview them and take really good notes. Ask all the who, what, when, where, why, how, how many, and how much (8 W's) questions. If no:
 - D. Ask them if they know who can help, and try to get more than one referral, if possible. Ask "Who is the best person in this field?"

- E. Repeat this from item 8.1-8.4 until you have spoken to AT LEAST 3 qualified, interested vendors. More than 3 is WAY better; up to as many as 10 because people often fail to deliver the bids they promise.
 - F. Each vendor we speak with we learn something important, so after the last one we sometimes need to re-interview the earlier people before making a decision.
 - G. If you are new to an area, this could take 2-4 hours but you will begin to hear the same names over and over. This is when you know you've made enough calls. It's best to keep track of how many people referred you to each of the prospective contractors.
9. Job walk the contractors.
 10. Accept bids only on the Bid Form and with a Progress Schedule filled in by the contractor and a list of 3 current and applicable references with contact information.
 11. Evaluate proposals, contractors, bids and schedules.
 12. Call references and verify contractor's license and insurance.
 13. Make a hiring decision.
 14. Execute the agreement.
 15. Collect all insurance documents.
 16. Set a date for the Project Kickoff Meeting.
 17. Keep planning for project success.

ABBREVIATED PROCESS TO QUICKLY HIRE A SPECIALTY CONTRACTOR FOR A SMALL JOB

1. Write a "One Minute Summary" (less than 250 words) of the situation and what we're looking for.
2. Call anyone remotely connected to the specialty we're looking for. Get them on the phone and:
3. Read the One Minute Summary and ask if they offer the kind of help we're looking for. If yes:
4. Interview them and take really good notes. Ask all the who, what, when, where, why, how, how many, and how much (8 W's) questions. If no:
5. Ask them if they know who can help, and try to get more than one referral, if possible. Ask "Who is the best person in this field?"
6. Repeat this from item 2. until we have spoken to AT LEAST 3 qualified, interested people / vendors. Each one we speak with we learn something important, so after the last one we sometimes need to re-interview the earlier people before making a decision.
7. Verify contractor's license and insurance.
8. Review notes and make a hiring decision.
9. Update the One Minute Summary and use it as part of the written "Agreement" (contract) with our chosen professional. Make sure the Objective is stated really clearly. For construction, you also need a detailed, written Scope of Work (too much detail for this post).
10. Refer back to the written Agreement throughout the engagement, especially when payments are being made, to make sure the objective is being met.

