



Contractors

Many Saskatchewan consumers will renovate older homes, add on a family room or perhaps install a new garage. Past complaints received indicate that problems may arise for some people having this kind of work performed.

From the department's experience, most problems that arise between a consumer and a contractor are a result of people failing to explain to the other party exactly what they expect. Therefore, a contractor may make some decisions or changes regarding the finished job while work is progressing.

If the expectations of both the consumer and the contractor are clearly spelled out in the contract, most problems can be avoided.

Hiring a contractor is not a simple arrangement. You will agree, in writing, with the contractor to have something done for a price. This written agreement is the contract; hence, the term "contractor". You are the "contractee" or owner. Again, it is imperative that you be specific in the contract, detailing exactly what is to be done by when, and what materials are to be used.

You will usually begin with a plan, particularly for complex structures. A contractor can usually help you with this plan. You may otherwise choose to employ an architect or, simply, do



the design work yourself if you have had some experience.

The next consideration is the price. To make a useful comparison, obtain at least three detailed estimates.

Beware of extremely low estimates as they may spell compromises in the areas of materials or workmanship.

Perhaps the best way to select three contractors to estimate the cost of the job is by references, preferably from people you know. If you don't know any people who recently had work done, ask contractors for references. Then, go to see their work. If possible, ask the people for whom the work was done if they were satisfied with the work of the contractor.

You can then select a contractor and proceed with the work.

A few other things should be written into the contract in order to avoid problems. You will want the job done on time. Therefore, a date of completion should be included within

the contract. The contract should also contain a statement about how the contractor will be paid.

A common method of payment is to pay 10% down, and the 70% or 80% in installments while work is progressing. Never leave the payee portion of your cheque blank. It is sensible to hold back the amount remaining for a period of 40 days after you and the contractor agree that the job is finished. The reason for this is that suppliers or employees of the contractor may file a lien against your property if, for some reason, the contractor isn't able to pay them. You may be obligated to pay them, if such a lien is filed within the legal time limit of 40 days. (Reference: *The Builder's Lien Act*)

If significant amounts of money are involved, you may consider hiring a lawyer to help you with the contract. You should understand your legal obligations before the contract is signed.

You should also ensure that the contractor you choose to do the work has both property damage and liability insurance, along with worker's compensation coverage.

In some instances non-local contractors and home renovators will be licensed under *The Direct Sellers*

Act. Contact the Consumer Protection Branch at (306) 787-5550 to verify licensing status.

Contact the Corporations Branch at (306) 787-2962 to verify if the company or business is registered to do business in the province. This is official information, which is required for any legal action, which may be necessary.

For more information contact:

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1919 Saskatchewan Dr.
Regina, SK S4P 4H2
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