



Substantial Repair and Reconstruction Contract Checklist

You have multiple quotes, are comfortable with the cost estimate(s), done your review of the potential contractor(s) and now have a contractor in mind.

Don't have a contractor in mind? Check out our Quick Reference Guide on Selecting a Contractor.


This level of detail may not be applicable to smaller scale repairs or set jobs on separate contracts (such as siding or roofing). However, the principles of setting out who, what, when, and how much apply to all repairs and you can use this checklist as a guide.

ADDITIONAL SUPPORTS: Disasters and emergencies can cause significant disruption and add stress to your life. If you experience stress reactions that make it impossible to function normally over a long period of time, seek help. One option is to contact your local health facility, or a local crisis support line. For immediate **support** anywhere in Canada, **please call Crisis Services Canada** at 1-833-456-4566.



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Who the Deal is With _____


- Contractor's name, address and contact information.  *The name of the lead contractor can be different than the company signing the contract.*
- Contractor's business name, address and registration number.
- Work plan approved by insurer on: _____

Description and Quality of the Work to Be Done _____

- Clear description of the work including itemized products, quantity, services and type and quality of materials as well the corresponding prices.  *Ensure sufficient detail, everything you are expecting should be listed.*
 - Separate any work that is different from your original home condition due to such things like meeting current building code requirements or other improvements.
 - Include blueprints and building permits if appropriate.
 - Attach your original estimate to the contract.  *The estimate you obtained should include a clear and thorough description of the work to be done and materials to be used (including the quality).*
 - A statement that all work will be done according to local applicable building codes.

Timelines _____

- Clear work schedule and target performance dates i.e. completion of foundation, framing etc.
- Specify start and completion dates.  *How will you deal with contractor-caused material delays? owner-caused material delays? How will the cost implications be dealt with?*

My Notes 
Start Date:
Completion Date:

In working with beneficiaries following several large scale catastrophic events our experience is that - if the deal sounds too good to be true - it likely is.

Handshake & Cash Deals —A written contract that confirms cost, time and expectations is a strong way to protect yourself. Cash deals can be appealing, but if anything goes wrong you will not be able to provide proof of payment or what was agreed without a contract and/or a receipt.

Cost & Payment Terms



- Total cost (with clear budget) + applicable taxes. *☞ Reputable companies should meet their legal obligations and charge taxes.*
- Clear outline of what costs are included and what is an additional cost (and how additional costs are approved – see Change Orders and Disputes). *☞ If there is an additional charge for winter building or deployment costs make sure this is specified.*
- Keep down payments to a minimum (industry standard is no more than 10% upfront).
☞ Consider payment against completion against pre-set targets rather than by time (i.e. monthly).
- Keep a holdback, and do not pay the full amount of the contract before the work is done and inspected by the relevant building inspector.
 - Holdback amounts can vary by province, usually 10% . Holdbacks are released 45 days from substantial completion. Substantial completion generally means **sufficiently complete in accordance with the contract so the owner can occupy or utilize space for its intended use.**
☞ This ensures the work is fully completed and cleaned up, and protects you if the contractor goes out of business or relocates.
- Depending on which contractor is rebuilding your house, you may be responsible for obtaining insurance on the structure as it is being rebuilt. In that case, you must maintain coverage for the anticipated **full value** of your rebuilt home. The cost of purchasing this coverage is typically included in the replacement cost of your home.
 - This means if your home once completed will be valued at \$400k, the insurance coverage purchased must be for this value and not the value of the incomplete state. Check with your homebuilder, and ask your insurance representative about what coverage you require and the options available to you.
 - Alternatively, you can ask the builder to insure the project under a “builders risk” policy and include that in the cost of the work.
☞ Construction contracts rarely complete on schedule or on budget. Ensure that you have sufficient resources to adapt if/when the project is delayed or runs over cost. Consider factoring in a 25% buffer in your budget.
- Payment terms and schedule, including deposit and holdback amounts.

My Notes



Many insurers guarantee the quality of work done by their preferred contractors. If you are using your insurer's contractor, and speaking to the contractor didn't rectify the problem, your next step is to speak to the adjuster assigned by your insurer to outline your concerns. Each insurer has an internal escalation process to address these types of issues.

Change Orders & Disputes

- Specify how disputes and problems will be resolved.
- Set out how changes to the work are to be approved and agreed.  *Suggest this is confirmed in writing.*
- Set out how additional costs are to be agreed.  *Owner to approve all additional costs before they are incurred?*
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Calculator

Total Cost (\$):

Holdback (\$):

Holdback % (of Total Cost):

Exclusions or Additional:

Deposit:

My Notes



Permits, Inspections & Approvals

- A statement that identifies who is responsible (you or the Contractor) for getting all necessary drawings or blueprints, permits, inspections and approvals by local authorities at the proper times.

Warranties

- A statement of all warranties identifying what is covered, for how long and what will be done if there are problems.

Contractor Insurance

- The name of the contractor's insurer and policy number and where applicable, a Certificate of Insurance showing the contractor's liability and property damage insurance.
- If you are insuring the project speak to your insurance representative before agreeing to add the contractor to your policy. It may be preferable to have the contractor insure the project and add the owner as an additional insured to the contractors "builders risk" policy.
- The contractor's Workers' Compensation Board number.

Subcontractors

- A statement of any work that is to subcontracted (i.e., plumbing and wiring).
- Listing of all sub-trades that will be contracted out and who is responsible to pay for those sub-trades.
- When obtaining quotes from contractors, consider negotiating clauses which will form part of the contract that could assist in protecting you in the event that a lien is registered on your property by a sub-contractor. For example, a clause identifying that the Contractor will be liable for any costs associated with discharging liens caused by the Contractor's failure to pay the sub-contractor.

Cleanup

- Make sure there is a statement in your agreement/contract that the contractor is responsible for removing all debris as soon as construction is completed.

Cancellation and Termination

- A statement outlining any walk away, termination or cancellation rights.

My Notes

