Family and
Human Services

Services à la famille
et à la personne

PEI Home Renovation Programs
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SUGGESTED TIPS FOR HIRING A CONTRACTOR

These are only suggested guidelines to help homeowners to find and work with contractors. Homeowners are not required to follow these tips.

Define the Work:

- Develop a detailed description of the work to be completed at your home. Where possible, include shop drawings or cut sheet literature showing different products that could be used. Depending on the size of the project, provide plans or sketches and specifications of the renovations to be completed.

- Check with your municipal building department to ensure that any renovations can be done and if zoning approval or any special permits are required.

Find a Contractor:

- Get recommendations from family, friends, neighbors, local homebuilder and renovator associations, building supply outlets and, in some municipalities, your local building department.

- Ask contractors for their business license number and check with the local licensing offices and the contractors' insurance company for public liability and property damage insurance and with the Workers Compensation Board of PEI for workers compensation coverage.

- Ask for references from past customers.

- Check with the Better Business Bureau for complaints against the contractor.

Requesting Quotes:

- Provide possible contractors with the detailed description of the work to be completed.

- Ask contractors for several detailed quotes to allow comparisons.

Establishing a Written Agreement Between You and Your Contractor – Consider Including:

- The complete address of the property where the work will be done.
- Your name and address.
- The contractor's legal name, address, telephone and HST numbers.
- A requirement for the contractor to provide a Certificate of insurance from the contractor's insurer. The homeowner is responsible for ensuring that any contractor completing the work has appropriate insurance. Consider: a current commercial general liability insurance policy with limits of at least Two Million Dollars ($2,000,000).
- A requirement for the contractor to provide a Certificate of good standing from the Workers Compensation Board of PEI.
- A detailed description of the work to be completed including the removal from the site of extra fill or debris resulting from the work in accordance with the Department of Communities, Land and Environment requirements.
- A clause indicating the amount of holdback that will be retained - PEI requires a 15% lien holdback in contracts above $15,000 and 20% for lesser amounts that must be held 60 days past substantial completion of the contract. In PEI, liens must be filed within 60 days of doing the last renovation.
- A clause stating that work will conform to the requirements of all applicable codes, such as building, safety and fire codes.
- The start and completion dates.
- The price (including or plus HST) and payment schedule.
- A clause indicating who (homeowner or contractor) is responsible for all necessary permits, licenses, inspections and certificates.