



AEX-643-11

# Your Old Barn III: Hiring a Contractor

**Ann D. Christy**, Associate Professor  
**Trent A. Bower**, Graduate Administrative Associate  
 Food, Agricultural and Biological Engineering

## Introduction

When planning the rehabilitation of your old barn, one of the greatest concerns can be making sure that you have hired the right people to do the work. While choosing the right contractor may not be as simple as flipping through the Yellow Pages™, it need not be difficult. This fact sheet will go through the process of selecting a contractor who will have the right skills for the job, making sure that your project doesn't go over budget, and finally, documenting everything properly so that you will be able to take advantage of the tax incentives discussed in fact sheet AEX 642-11. The following ten step process has been developed specifically for Ohio barns by modifying and expanding upon the Historic Landmarks Foundation of Indiana's publication, *Hiring a Contractor*.

## Step 1: Seek free information and advice

While the actual rehabilitation of your barn will not be free, if you look in the right places you can find a great deal of free information that will help you plan your project. For instance, many local preservation organizations, community development corporations, and builder's associations maintain lists of contractors and specialty trades people that can be good places to start your search for a contractor. Moreover, these organizations may know which lending institutions are friendliest to rehabilitation or agricultural projects, and provide other tips based on their research or first-hand experience. Ohio has several such organizations, for example:

- OSU Extension's Barn Again in Ohio program: <http://barnagain.osu.edu>
- Ohio Historical Preservation Office (OHPO): <http://www.ohiohistory.org/resource/histpres/index2.html>
- Friends of Ohio Barns (FOB): <http://ohiobarns.osu.edu>

If you live near the border of another state, you might want to consider looking for organizations in that state as well, for instance:

- Michigan Barn Preservation Network (Northern Ohio): <http://www.mibarn.net>
- Historic Landmarks Foundation of Indiana (Western Ohio): <http://www.historiclandmarks.org>
- Preservation Kentucky (Southern Ohio): <http://www.preservationkentucky.org>
- Historic Barn and Farm Foundation of Pennsylvania (Eastern Ohio): <http://www.pahistoricbarns.org>

Likewise, these national resources can very helpful:

- The National Trust for Historic Preservation's Barn Again program: <http://www.preservationnation.org/issues/rural-heritage/barn-again/>
- National Barn Alliance: <http://www.barnalliance.org/>
- The Barn Journal: <http://www.thebarnjournal.org>
- Timber Framers' Guild: <http://www.tfguild.org>
- Preservation Trades Network: <http://www.iptw.org>

Renovation articles and books can also provide many good tips for detecting problems, suggesting possible causes and describing remedies. Understanding the process helps to determine the scope of work and your budget. Probably the best documents to start with would include:

- *Barn Again! A Guide to Rehabilitation of Older Farm Buildings* available at <http://www.preservationnation.org/issues/rural-heritage/barn-again/additional-resources/A-Guide-to-Barn-Rehab-of-Older-Farm-Buildings.pdf>
- *The Preservation of Historic Barns* by Michael J. Auer, available at <http://www.nps.gov/history/HPS/tips/briefs/brief20.htm> would be a particularly good choice for those who are interested not only in the rehabilitation of their barn, but also the preservation of its original character.

## Step 2: Define the scope of work

The scope of work describes in reasonable detail what you want a contractor to do. It can be written as either a narrative or a list. You should try to get bids based on this written scope from several contractors. If the scope of work is clearly written, it allows each contractor to submit a bid based on the same information. An unclear objective can cause a disparity in the estimates by either forcing contractors to bid high to protect themselves or allowing them to bid low because of something not explicitly mentioned in the project description. If you're having trouble defining or articulating your project, try clipping magazine pictures of layouts and materials you like, or sketch your ideas. Also, if you expect the contractor to obtain any necessary building permits and handle debris removal, be sure to include this in your scope of work.

## Step 3: Identify your time frame

Decide what dates you want the work to start and finish, and be sure to consider anything that would require special timing considerations. If your project is very large, you might want to consider breaking the project into smaller phases. Also, remember that contractors may offer a better price for indoor work scheduled during the slower winter season.

## Step 4: Determine the budget

Be realistic about the amount of money you can spend, and you should pad your budget by 5% to 10% as a contingency. Also, when drafting the budget, consider how you could scale back the project if problems surface that add to the cost; for instance, is there any part of the project that isn't absolutely necessary, or might there be lower cost material that would suffice, or could you even postpone a part of the project?

## Step 5: Research contractors

Do research to compile a list of contractors to contact about your project. OHPO provides a list of contractors who claim to have experience in old barn rehabilitation or adaptive uses for download at <http://www.ohiohistory.org/resource/histpres/docs/barn.pdf>. Likewise, *The Barn Journal* maintains a small list of contractors as well as links to lists that others have compiled. It is available at <http://www.thebarnjournal.org/resource/contractors.html>.

Please note that a contractor's presence on these lists is not an endorsement, but merely a statement of ability or specialization. It is also a good idea to doublecheck contractors' standings with the Better Business Bureau at <http://www.bbb.org>. As with any project, you should also ask for recommendations from friends and neighbors who have undertaken similar projects. Talk to other barn owners, attend local state, or national barn workshops, and speak with workshop presenters.

## Step 6: Interview contractors

From your preliminary list of candidates, select two or three to interview. Give a copy of your scope of work and preferred schedule to each contractor so all bidders have the same information. Contractors should not charge you for this pre-bid meeting and review of your project.

The contractor's approach to the initial interview should tell you a lot about them. During initial phone calls and meetings, note the contractor's professional habits—are they punctual, organized, and prompt in returning calls? These factors forecast how the contractor will approach your project and the firm's attentiveness to detail and schedule. Most of all, trust your gut reaction to the first meeting. If you are not comfortable with a contractor, keep looking.

In the interview, ask questions about the contractor's project history, approach to managing jobs, and your project in particular. Discuss your expectations, especially regarding the project cost and schedule, to get the contractor's initial reaction. Be sure to ask the contractors how they handle change orders, documents that alter time and/or materials specified in the original bid. Here's a sampling of questions you might ask each contractor:

- What are your current projects?
- Have you done projects similar to my barn project?
- How long have you been in business?

- How many people will be on the job?
- Can the job be completed within the schedule?
- Will you hold weekly meetings with your clients?
- Will the supervisor be on site?
- Do you arrange for building permits and debris removal?
- What labor and material warranty do you offer?
- What are your payment terms?
- Will you share references for barn projects completed within the past three years, including a contact person's name, their contact information, address of the project, and date completed?

### **Step 7: Ask for bids**

Ask for a bid in writing to be due by a specific date. Contractors will give a bid as a lump-sum amount, a cost-plus amount, an amount based on time and materials, or a combination of these bid types. If the project is well-defined and straightforward with little chance of unforeseen problems, a simple lump-sum bid should be possible. However, if the project calls for one of the other bid types, agree to a mark-up of no more than 10% to 15% for materials prior to bidding.

Most contractors require a down payment of 25% to 30% of the contract total. Upon substantial completion, 90% of the fee is due with the remaining 10% percent due on total completion. Make sure you understand in advance and agree to the contractor's definition of "substantial completion." Request that the contractor provide a copy of the firm's insurance certificate. Pass the certificate along to your insurance agent for an opinion on the adequacy of coverage.

### **Step 8: Check references**

Check the contractors' references by phone and in person to gauge the customers' satisfaction and to determine if the details of the work meet your own standards. You might also call the Ohio Secretary of State's office and the Better Business Bureau to make sure that no complaints have been lodged against the firms. Questions you might ask the owner include:

- Were you satisfied with the work?
- Would you hire the contractor again?
- Was the crew timely and professional?
- Did the crew observe safety procedures?

- How did the contractor handle problems?
- Was the job completed on time and within budget?
- Were change orders handled promptly?
- Did the crew maintain a neat and clean job site?

### **Step 9: Select a contractor**

Once bids are returned, compare them with your scope of work and initial budget. If all bids exceed your budget, scale back. If not, base your selection on the bids you receive and on the results of your reference checks. If a bid is unclear, or does not appear to include all elements of your scope of work, ask the contractor for written clarification.

Once you've made your choice, ask the contractor to draft a schedule that will allow you to gauge the progress of the project. Make sure you get copies of the contractor's insurance certificate, with your name listed as an additional insured. And be certain you understand and agree on the payment terms and approach to change orders.

### **Step 10: Document the project**

Take photos or videotape the project daily to record progress. Document all phone conversations with the contractor. If you make an important decision over the phone, verify the decision by sending the contractor a letter or e-mail stating the agreement you reached. Set up weekly meetings with the contractor to review progress and discuss any problems or concerns that might have arisen. Regular, face-to-face communication ensures mutual understanding of the project and a cooperative contractor-client relationship.

### **Conclusion**

The process of hiring a barn contractor is not one that should be underestimated. If done carefully, it could mean the difference between a successful barn rehabilitation and a warning tale to others of what not to do. The age old adage of "measure twice, cut once" doesn't only apply to the construction itself. The extra time that can be required to make certain that the right person for the job is hired the first time is not one of the corners on your project that can be cut. However, if the contractor is chosen carefully, and the project managed well, then your rehabilitation project should go relatively smoothly—and soon, your old barn will be your "new" old barn.

## Other Helpful Publications

### ***American Institute of Architecture (AIA) Contract Forms***

*AIA forms are often used in professional practice to define agreements between owner, architect, and contractor. Reading the following documents will give you an idea of standard practices and each party's responsibilities. The forms are available for a small fee from any of the AIA's regional offices: <http://www.aia.org/groups/aia/documents/pdf/aia076340.pdf>.*

*Forms you might consider are:*

*A101—Standard form of agreement between owner & contractor*

*A201— General conditions of the contract for construction*

*A501—Recommended guide for competitive bidding procedures*

*A701—Instructions to bidders*

### ***National Park Service (NPS) Preservation Briefs***

*The National Park Service publishes pamphlets on a wide range of topics from foundations and mortar to slate roof repair. The entire catalog of briefs is available on their site at <http://www.nps.gov/history/hps/tps/briefs/presbhom.htm>.*

Reviewed by Dr. Charles Law and Dr. Q. Victoria Chen.

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Keith L. Smith, Ph.D., Associate Vice President for Agricultural Administration and Director, Ohio State University Extension

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