



Food for Thought...

How to Find the Right Service Contractor without Getting Burned

The last thing you want to do in the restaurant business is jump from the frying pan into the fire. Yet that's exactly what many restaurant operators do when they hire the wrong Service Contractor to fix a problem. Suddenly the issue of a broken exhaust system bursts into a bigger problem with a contractor who shows up late, or asks to be paid up front, or makes a temporary fix with parts leftover from another job. When the same exhaust system stops working two weeks later, the contractor is nowhere to be found. And you're burning mad.

Unfortunately, this sad but true tale happens too often in the restaurant business. Restaurateurs tend to focus most of their attention on the food: its freshness, taste, and presentation, and rightfully so. Yet there are hundreds of non-food details that also demand attention: lighting and sound systems, heating and air conditioning systems, hood exhaust, condition of the parking lot ... the list of items to maintain is mind boggling. Often these maintenance tasks fall on the shoulders of the General Manager, a Facilities Department or even the overworked chef.

Sooner or later, some critical system breaks down and pandemonium breaks out. You need to get it fixed ASAP but you don't have a clue who to call. You could let your fingers walk through the Yellow Pages. Or you could call your sister's best friend's handyman boyfriend. If you're computer savvy, you could even go online to the leading contractor directory Fixxbook.com. But before you do an "eeny miny moe" selection, here are some smart ways to find the right Service Contractor.

First make the decision to conduct your search for a Service contractor with as much care and attention as you give to hiring an employee. You need the same qualities from both: competence, integrity, professionalism and ability. Begin with an interview.

8 questions to ask a Service Contractor candidate:

1. **How long have you been in business?** (Training and education are important, but on the job experience is invaluable. Look for a contractor with at least 5 years behind him.)

2. **Do you operate under any other names?** (Sometimes, a contractor with several business names is trying to hide something, such as a complaint file at the BBB.)
3. **How many projects like mine have you completed recently?** (This will help you determine how familiar the Service Contractor is with your type of project.)
4. **May I have a list of references?** (A good prospect will freely give you contact information for at least three clients who had similar work done. If they have service contracts with clients, find out how long the clients have been under contract. Longevity implies satisfaction.)
5. **May I visit your jobs in progress?** (A qualified contractor will not hesitate to show off works in progress.)
6. **What type of insurance do you carry?** (Ask for copies of current insurance certificates for personal liability, worker's compensation and property damage coverage. Don't take "later" for an answer.)
7. **Will my job require a permit and, if so, will you procure it?** (Most localities require permits for even small jobs. Beware of a contractor who asks you to obtain the permit. His unwillingness to get it himself could indicate he's not licensed or registered as required by law.)
8. **Will you be using subcontractors on the project?** (Ask about the subcontractors and talk to them. Find out if they have any required insurance and licenses and ask if they are paid on time. Most importantly, ask the Service Contractor and all subcontractors for a lien release or lien waiver for the project work. This protects you from having a mechanic's lien placed on your property in the event the contractor fails to pay the subcontractors and suppliers.)

After you've asked all the right questions of the contractor candidate, ask yourself if you like this person. Do you find yourself noticing irritating mannerisms, a sloppy appearance or insincerity? Remember, this person will be involved in your business for a while. Trust your first impression and only consider people you'd like to have around. Also look for these signals: Was she/he pressuring you to decide immediately? Did he need money upfront, or promise a discount if you paid in cash? Did he offer you an unrealistic bargain price because he'd like to use your project as a "demonstration"? If so, things should be starting to smell fishy by now, and it's not coming from the kitchen.

But let's say none of these issues came up and you liked the answers you got from your candidate. There's more you need to do before making a commitment.

Verify the answers you received

You need to do a little investigative research to verify what you've been told.

- Do call the references you were given. Better yet, make a personal visit to inspect the projects. Ask if the job was done on time, how problems were solved, if there were unexpected costs. Did the contractor keep the customer informed about job status, delays or problems? Did the contractor clean up after himself? Would this customer use him again?
- Check with your local consumer protection agency, or the BBB.
- Go online and do a search for the contractor. You'd be surprised how disgruntled consumers will freely vent their dissatisfaction to the world through reviews or blogs. Don't overlook Facebook either. It often speaks volumes about people.

You've found your contractor. What's next?

Don't leave anything to chance. A clearly written contract is your safety net. It spells out the who, what, where, when and how of your project and its cost. Whether required by law or not, insist on a written contract that contains the following information:

- The Service Contractor's name, address, phone and license number
- An estimated start and completion date
- Frequency of recurring maintenance service
- Total cost of project
- The Contractor's obligation to handle all necessary permits
- How change orders will be handled. Common on most remodeling jobs, change orders affect the project's cost and schedule. Spell out how they will be handled to avoid surprises.
- A detailed list of all materials including color, model, size, brand name
- Warranties covering materials and workmanship. This should include the names and contact information of all parties honoring the warranties. Service Contractor, distributor or manufacturer should be clearly identified, along with length of warranty period and any limitations.
- Specific details of what the Service Contractor will and will not do. (Are filters included in the air conditioning service? Is site cleanup and trash hauling included in the price?)
- Any oral promises should be added to the written contract.
- A written statement of your right to cancel the contract without cause with written notice to the Service Contractor.

The contract is signed. Is it time to relax yet?

With a signed contract and work underway, you may feel the stress is over. But before you head back to the kitchen to taste the chef's new recipe, keep one eye on the project as it progresses.

Keep all paperwork related to your project in one place, such as copies of the contract, change orders, and correspondence with your contractor. Keep a log of phone conversations. Take photographs at various stages of the job. One of the many benefits of having a computerized maintenance management system such as ServiceChannel.com is the ability to keep track of all your projects and service events in one place. Should you have a problem with your project during or after construction, having accurate records is invaluable.

If you do have a problem with your project, first try to resolve it with the Service Contractor. Many disputes can be resolved at this level. Follow any phone conversations with a letter sent by certified mail. Request a return receipt as proof that the company received your letter. Keep a copy for your files.

The project is finished. Are you happy?

Before you pay, make sure you are happy with the job. While the money is still in your pocket, you hold the power. Use this checklist before you pay.

- All work meets the specifications spelled out in the contract

- You have written warranties for materials and workmanship
- You have proof all subcontractors and suppliers have been paid
- The job area has been cleaned up and cleared of excess materials, tools and equipment
- You have a detailed list of all materials used in the project including color, model, size, and brand name
- You have inspected and approved the completed work
- You are happy

For most repair projects, pay by check or credit card, not cash. Be sure you have a detailed invoice that clearly defines all costs including labor, materials, tax and all other agreed upon costs in the contract.

Don't make the final payment or sign an affidavit of final release until you are entirely satisfied with the work. Some state or local laws limit the amount by which the final bill can exceed the estimate unless you have approved the increase. Check with your local consumer protection agency.

If you have a problem with merchandise or services that you charged to a credit card and you have made a good faith effort to work out the problem with the contractor or seller, you have the right to withhold payment from the card issuer. You can withhold payment up to the amount of credit outstanding for the purchase, plus any finance or related charges.

Prepare now for the next time

After the project is finished or the problem is repaired, it's happily back to business as usual. However, in the restaurant business, unforeseen catastrophes seem to be built right in, and you certainly don't want to spend your time always putting out fires. It's a wise business owner who lines up qualified Service Contractors beforehand to cover every contingency. It's one of the smartest ways there is to keep from getting burned.

Eric Schechter
VP Business Development
ServiceChannel.com
www.servicechannel.com
www.fixxbook.com
516-240-6852 Direct Dial
813-220-9556 Cell
866-626-9639 Fax

Eric Schechter has over 20 years involvement with restaurant facilities management and construction.

