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Hiring a General Contractor

A Chicago homeowner's field guide — the 8-point vetting checklist, what a GC does phase by phase, and the red flags to walk away from.

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START HERE

Do you actually need a general contractor?

A general contractor (GC) owns your whole project — pricing, permits, scheduling every trade, quality control and the final walkthrough. That coordination is worth paying for on some jobs and overkill on others. Use this quick test before you start calling.

- ☐ **One trade, no permit, a few days of work** — Hire the trade directly — a single plumber, electrician or painter doesn't need a GC's overhead.
- ☐ **Structural changes, a building permit, or 3+ trades to sequence** — This is GC territory: additions, gut renovations, kitchen extensions, basement build-outs, custom homes and commercial build-outs. Coordinating trades yourself usually costs more in schedule slips and rework than a GC's fee.
- ☐ **You don't have time to be on site every day** — A GC is your full-time project manager. If you can't be there to catch problems the day they happen, that's exactly what you're hiring one to do.

If two or three of the last items sound like your project, read on — the rest of this guide is the checklist we'd hand a family member before they hired anyone.

THE CORE CHECKLIST

Vet any Chicago general contractor in 8 checks

Most construction horror stories were preventable at the hiring stage. Run every contractor you interview — including us — through all eight. Check each box only once you've actually verified it, not just heard it promised.

- ☐ **Verify an active City of Chicago general contractor license** — Chicago licenses GCs by class based on project size, and the city's online license lookup is public — anyone can confirm a license is active in about two minutes.
- ☐ **Get a certificate of insurance — from the insurer, not the contractor** — You want general liability AND workers' compensation, on a certificate sent directly by the insurance agent. A photocopy proves what existed once, not what exists now.
- ☐ **Demand an itemized written estimate** — Line items and named allowances, not one lump number. If a bid can't tell you what the cabinets cost, it can't tell you what a change will cost either.
- ☐ **Tie payments to milestones, in writing** — A written draw schedule means you pay for work after it's done. Be wary of anyone who needs a large amount of cash before anything happens.
- ☐ **Require lien waivers with every payment** — Waivers are what keep an unpaid subcontractor from placing a claim against your title. Every draw, every time — and final waivers before final payment.
- ☐ **Confirm who pulls the permit** — It should be the contractor, under their license. “You pull an owner's permit, it'll be faster” shifts code liability onto you — a classic warning sign.
- ☐ **Talk to recent references — and see a project** — Ask for projects like yours from the past two years, then ask to walk one. Photos are curated; a three-year-old staircase doesn't lie.
- ☐ **Get the warranty in writing** — What's covered, for how long, and who answers the phone in year three. A verbal “we stand behind our work” expires when the truck leaves.

BEHIND THE CURTAIN

What your GC does, phase by phase

Wondering what you're paying a general contractor for? Here's the work a good one absorbs at each stage of a project — and the one thing worth knowing before you sign.

— **1. Design & budget** — Site walk, scope development with your architect (or the GC's drawing partners), and an itemized estimate built from real trade pricing. Worth knowing: a design priced against a real budget from day one saves weeks of redesign — the most expensive drawings are the ones you throw away.

— **2. Permits & approvals** — Coordinating drawings, filing permit applications under the contractor's license, checking zoning, and scheduling every inspection. Worth knowing: the contractor should pull the permit — an owner's permit shifts code liability onto you.

— **3. Structure** — Demolition, foundation, framing, beams and a weather-tight exterior. Worth knowing: this phase sets the quality of the building for decades, which is why the best builders keep framing in-house. Straight walls can't be added back with trim later.

— **4. Systems** — Plumbing, electrical and HVAC by licensed subs, sequenced so they don't stall each other, with rough-in inspections passed before anything closes up. Worth knowing: the GC's real job here is scheduling — when trades step on each other, weeks slip.

— **5. Finishes** — Insulation, drywall, trim, cabinets, counters, tile, flooring and paint, with a running punch list. Worth knowing: late finish decisions are the #1 cause of budget creep on well-run jobs. Pick early, even if the product ships later.

— **6. Closeout & warranty** — Final inspections, a punch list completed to zero, final lien waivers from every sub, and warranty paperwork. Worth knowing: never release a final payment before final lien waivers and inspection sign-offs are in your hand.

TRUST YOUR GUT

Red flags — reasons to walk away

Any one of these on its own is a conversation. Two or more is usually your answer.

- **A large cash deposit before any work begins** — A reasonable deposit covers initial materials and mobilization. A demand for a big share of the total up front is one of the most common ways homeowners get burned.
- **Reluctance to put things in writing** — Scope, price, schedule, change-order process and warranty all belong in a signed contract. “We'll figure it out as we go” is how disputes start.
- **Asking you to pull an owner's permit** — This shifts code responsibility and liability onto you and often signals a licensing problem on their end.
- **A bid dramatically lower than the others** — If one number is far below the rest, something is missing — scope, quality, insurance, or the intention to make it up in change orders later.
- **No verifiable license, insurance certificate, or references** — If you can't independently confirm all three, you have nothing but a promise.
- **Pressure to decide today** — Legitimate contractors expect you to compare bids. High-pressure “this price is only good now” tactics belong in a car lot, not a construction contract.

HOW THE MONEY SHOULD WORK

Pricing, draws and lien waivers

- **Two pricing models** — Fixed price is an itemized number you sign once; cost-plus is actual costs plus a management fee, commonly 10–20%. Whichever a contractor uses, insist on line items — a one-number bid hides the decisions.
- **A milestone draw schedule** — You pay for completed phases, not promises. The schedule should be in the contract before work starts.
- **Lien waivers every draw** — Each payment should come with waivers protecting your title from subcontractor and supplier claims — and final waivers before the final payment.
- **Final payment last** — It should be due only after final inspections pass, the punch list is at zero, and you've signed off on the walkthrough.

AT THE FIRST MEETING

Five questions worth asking out loud

- **Do you do the framing and structural work with your own crew, or is it all subcontracted?** —
- **Can I see a project like mine that you finished in the last two years?** —
- **How do you price and approve change orders once we've started?** —
- **Who is my single point of contact, and how often will I get updates?** —
- **What does your warranty cover, for how long, and is it in writing?** —

Put us through this checklist.

Bofran Builders has been building additions, custom homes, renovations and commercial build-outs across Chicago and the North Shore since 1999. We hand you all eight items above — license, insurance, itemized quote, draw schedule, lien-waiver practice and a written 5-year warranty — before you ever ask.

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