

CODE OF ETHICS AND COMPETENCY

# CONTRACTOR STANDARDS | THE GUIDE

Learn How to Choose the Right Contractor...  
THE FIRST TIME.



**CRAFTSMAN**  
CONSTRUCTION  
DESIGN - BUILD

# Contractor Standards Guide

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# So, You're Thinking About A Remodeling Project For Your Home?

Congratulations! When done properly, a remodeling project can make your home more enjoyable and prove to be a valuable investment. Unfortunately, we've all heard horror stories about home remodeling projects gone bad. Problems with longer-than-expected installation, final bills that come in higher than the quote, and shoddy workmanship, sadly, are commonplace. We were shocked and embarrassed to find out that, according to Better Business Bureau statistics, home improvement contractors are in the top 1% most complained about industries—right up there with auto repair and airlines.

We've always done a good job and treated our customers right—and we've been able to build a nice business because of it. However, over the years I've noticed that some consumers will choose less-than-reputable companies to do jobs for them... usually because they are quoted less money. Don't get me wrong: I'm all for good, honest competition, but it pains me to see good folks risk their hard-earned money with contractors who don't have their best interests at heart. You deserve a great value for your money—which includes an honest contractor who uses high quality products and stands behind their work in both word and deed.

## Industry Standards Weren't Tough Enough

We wanted to find a way to educate consumers about how to choose a good, honest home improvement contractor. The industry standards simply aren't tough enough—just about anybody with a hammer and a pickup truck can be a contractor. That's why we've pioneered a set of standards called the **Code of Ethics & Competency for Remodeling Contractors**. The Code calls for contractors to uphold a high set of standards that will allow you to judge BEFORE hand whether or not a contractor is likely to do the job right. This guide specifies those standards.

Before you hire any company to work in or around your home, make sure you consult this guide and INSIST that the company comply with EVERY SINGLE STANDARD in this book. If you do, chances are excellent you'll get exactly what you want out of your project.

Sincerely,

Jerry Jackness

President, **Craftsman Construction**

**“We were shocked and embarrassed when we found out that contractors were America's #1 most complained about industry.”**



# Chapter 1: Stability



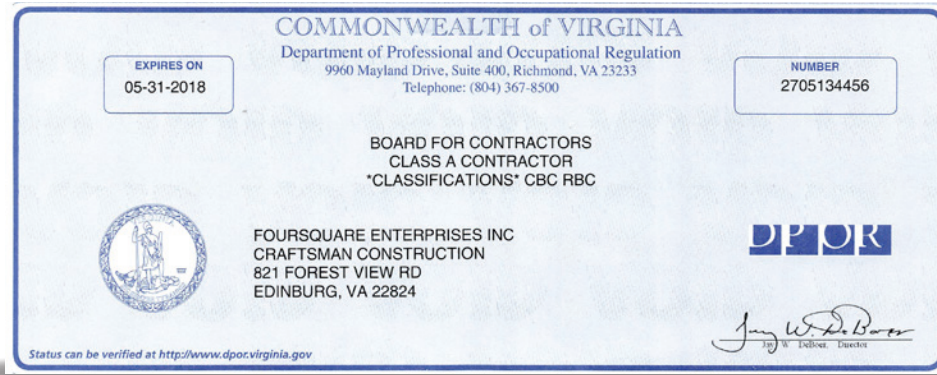
## What To Look For: Bank Letter

**Why It's Important:** Good standing with a bank is crucial for any business, by gaining the confidence and security of its financial managers allows a company not only to sustain itself and endure even in rough economic times, but to innovate and grow to meet and service customer demands.



## What To Look For: Supplier Letter

**Why It's Important:** This is written confirmation of the company's dealings with a supplier of the product they install stating that they are in good standing as a vendor and pay their bills promptly. These letters are easy for your contractor to obtain from suppliers. If a contractor says they are difficult to obtain, then there might be something they're trying to hide.



## What To Look For: Business License(s)

**Why It's Important:** Make sure they have been operating under the same name for a minimum of 5 years. Many contractors open and close their doors multiple times to avoid past customer complaints. (Naturally, some businesses will be legitimately new—if so, get a 10 year work history of the owner and ASK questions!)

ACORD CERTIFICATE OF LIABILITY INSURANCE

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DATE (MM/DD/YYYY) 01/23/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

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INSURER(S) AFFORDING COVERAGE:

INSURER A: Cincinnati Insurance Company	NAIC # 10677
INSURER B: Cincinnati Indemnity Company	23290
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED: Foursquare Enterprises, Inc. 1/3 Craftsman Construction 821 Forest View Rd. Edinburg, VA 22824

COVERAGES

TYPE OF INSURANCE	ACORD FORM NO.	POLICY NUMBER	POLICY EFF. DATE (MM/DD/YYYY)	POLICY EXPI. DATE (MM/DD/YYYY)	LIMITS
A COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR	EPP0088988	05/14/2014	05/14/2015	EACH OCCURRENCE	\$ 1,000,000
				DAMAGE TO RENTED	\$ 600,000
				MED EXP (Any one person)	\$ 10,000
				PERSONAL & ADV INJURY	\$ 1,000,000
				GENERAL AGGREGATE	\$ 2,000,000
PRODUCTS - COMP/OP AGG	\$ 2,000,000				
GEN'L AGGREGATE LIMIT APPLIES PER: POLICY [ ] PER [ ] LOC [ ]					
B WORKERS COMPENSATION AND EMPLOYER LIABILITY Y/N [Y] N/A	WC1865235	02/22/2014	02/22/2015	COMBINED SINGLE LIMIT (EL, BODILY INJURY, PROPERTY DAMAGE PER ACCIDENT)	\$
				BODILY INJURY (Per person)	\$
				BODILY INJURY (Per accident)	\$
				PROPERTY DAMAGE (Per accident)	\$
				E.L. EACH ACCIDENT	\$ 100,000
E.L. DISEASE - EA EMPLOYEE	\$ 100,000				
E.L. DISEASE - POLICY LIMIT	\$ 600,000				

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
Jerry L. Jackness and Fay Jackness are excluded from Worker's Compensation coverage.

CERTIFICATE HOLDER: Jerry L. Jackness

CANCELLATION: SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE: *Mike Funkhouser*

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## What To Look For: Insurance

**Why It's Important:** You need to know if your contractor carries general liability insurance for both commercial and residential projects. A sizable contractor will carry no less than \$500,000... and usually around \$1,000,000 of coverage. If your contractor's insurance policy can't cover potential damages, then the contractor would be personally liable. If he cannot cover the damages himself, you will have no legal recourse and will end up paying for any possible damages or injuries yourself. Many contractors are not financially stable...and don't carry proper insurance coverage to protect you against losses. Additionally, contractors who fail to provide workers compensation benefits risk severe governmental penalties and potentially company-ending lawsuits should an employee become injured.

Craftsman Construction carries \$1,000,000 of general liability coverage, and here's the certificate to prove it! Do NOT deal with a contractor without sizable coverage, or you will foot the bill for the mistake.

# Chapter 2: Reputation

## What To Look For: Memberships & Awards

**Why It's Important:** Any reputable company will be a member of at least their local Chamber Of Commerce—and often multiple Chambers. In addition, if a contractor has been in business for any length of time—and doing a good job—they will most likely have been written about in a magazine or newspaper, received an award of some kind, or received special recognition from an association or trade organization. Any company that can't produce at least SOME of these kinds of accolades might not be worthy of accolades!



## What To Look For: Customer References & Online Reviews

**Why It's Important:** All reputable contractors carry pre-printed lists of references... that includes customers from 1 to 5 years ago, as well as customers from the previous six months. A five year list of clients should contain at least 25 to 50 job references. In addition, you should be able to find at least 20 to 50 online reviews for a reputable contractor. A company with very few (or no) reviews should be a huge red flag.

“Craftsman Construction built our custom home in 2006. I cannot say enough about Jerry’s attention to detail and quality. Our main objectives were to build an energy efficient home, and to have it fit architecturally into the historical ambiance of the village. Craftsman Construction exceeded our expectations and built us a house that we cherish. I believe it is also important to mention that Jerry was able to suggest successful cost saving ideas that kept us on budget and, at times, improved our final design.

Craftsman Construction is dependable, fair and customer-oriented. Over the years since our construction, we have used Jerry for all of our improvements. We presently live overseas, and when there is an issue at our house, Craftsman Construction is who I call. I know I am going to receive an honest evaluation and a fair price for any work that must be done.”

— Timothy Nojaim, Homeowner

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“Jerry was very easy to work with as he appreciated the skill the architects brought to the table. I appreciated his attention to detail during the very large, multi-year, custom, single family project. In addition to his own work overseeing construction, the myriad subs, material orders, and etc., he listened and worked with us on numerous details and changes. He was always very jovial yet took his role very seriously. I look forward to the next chance to work with him.”

— Cathy Svercl, Design Freedom, Clearwater Florida

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“Jerry Jackness is an incredibly capable builder who is curious to new ideas and approaches. He generously pulls from years of experience and his continued education in green building techniques, to offer as many viable and interesting possibilities as possible to the homeowner. Besides this obvious dedication and know how, Jerry is a pleasure to work with, always calm and good natured. He keeps the job moving with a dose of humor and the love of building. I can recommend Jerry Whole Heartedly to anyone interested in building a home that rivals all others.”

— Roberta F.

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“Throughout the building of the new facility at Paradise Springs, Craftsman Construction was a pleasure to work with. With such a unique project and building, it took a company that really knew how to piece together so many aspects of our needs to deliver a final product that is both a showpiece and a functional facility for producing our product. With a talented team, no request was too much for them to handle. The project was delivered on time and within budget. Furthermore, the follow up response of the owners in wanting to make sure everything functioned as it was supposed to was phenomenal. Craftsman Construction takes great pride in their work and it showed with our project. I would recommend them to anyone looking for a quality build. In a time where many contractors are trying to maximize profit, even if it means compromising quality, Craftsman Construction delivers and will not steer you wrong. Today, we host thousands of guests a month whom enjoy both the quality surroundings and the wine which was produced all in our new facility.”

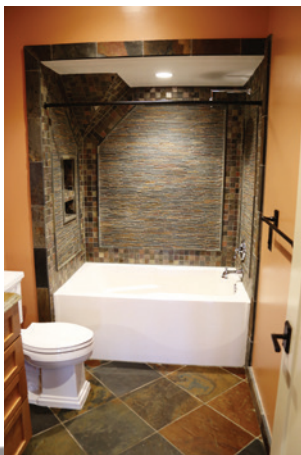
— Kirk Wiles, CEO, Paradise Springs Winery

# Chapter 3: Professionalism

A good contractor doesn't just do good work. They also understand that, when dealing with customers, it's often-times the little things that make a big difference. You should find a contractor that shows you respect by the way they treat you, the way they look, the way they treat your property, and how they pay attention to details. Check any contractor you're considering against these standards of professionalism found on the next few pages.

## What To Look For: Detailed Proposal and Change Orders

**Why It's Important:** Most contractors provide no written bid or a basic receipt or invoice. The minimum you should accept is a bid which details the type and amount of materials to be used. Even better than that is a detailed bid which lists measurements, estimates time to be spent on the job, and details the type and amount of materials to be used. Always make sure the bid has the contractor's signature on it. In competitive bidding situations, make sure that bids are "apples to apples," especially in the case where one bid is significantly less than others—not a good sign.



### CHANGE ORDER FORM AND ACCOUNTING SUMMARY

Craftsman Construction  
821 Forest View Road, Edinburg, VA 22824  
PHONE: 540-908-2030  
FAX: 540-984-4906  
E-MAIL: jerry@craftsmanbuilds.com  
LIC #:

DATE:

OWNER'S NAME:  
ADDRESS:

PROJECT ADDRESS:

CONSTRUCTION CHANGE ORDER # \_\_\_\_\_

#### I. GENERAL SCOPE OF WORK DESCRIPTION

Pursuant to the Construction Agreement between Contractor and Owner dated \_\_\_\_\_, 20 \_\_\_\_, Contractor agrees to perform the following additional work:

**LUMP SUM PRICE FOR ALL WORK ABOVE:** \$ \_\_\_\_\_

\* Additional time needed to complete project as a result of this Change Order: \_\_\_\_ Days. (Add to completion date in Construction Agreement.)

#### II. ACCOUNTING SUMMARY

A. Original Contract Amount: \$ \_\_\_\_\_  
B. Net Change by all prior Change Orders: \$ \_\_\_\_\_  
C. Adjusted Gross Contract Amount prior to this Change Order: \$ \_\_\_\_\_  
D. Amount of this Change Order: \$ \_\_\_\_\_  
E. Adjusted Gross Contract Amount including this Change Order: \$ \_\_\_\_\_





**SALES ASSOCIATE "CUSTOMER RESPECT, NO TRICKS, NO PRESSURE" AGREEMENT**

As a sales associate for \_\_\_\_\_, you must agree to abide by the principles and precepts of our **Code of Ethics and Competency**. Any violation of these principles will be grounds for written warning; multiple violations will be grounds for termination.

I \_\_\_\_\_ agree to abide by these guidelines when working with prospective customers/current customers for \_\_\_\_\_.

1. I will not smoke inside the customer's home.
2. I will not use foul language on the jobsite.
3. I will respect the customer's time by being punctual.
4. In the event I cannot be on time, I will call to alert the customer and reschedule if necessary.
5. I will keep my clothing neat and clean.
6. I will respect the customer's telephones, bathrooms, parking spaces, etc.
7. I will earnestly strive to find the best solution for each customer's needs.
8. I will not utilize high-pressure techniques to force customers to comply with my requests.
9. I will not sell products or services to customers when they are financially not able to manage the investment.
10. I will give all of my customers a fair price and a fair opportunity to consider their options.
11. I will educate my customers on all sides of the purchase decision being made.
12. I will give my customers the opportunity to express any concerns they have and work to resolve them.
13. In the event that the customer is not ready to move forward, I will respect their decision.

\_\_\_\_\_  
(Sales Associate Signature)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Company Owner Signature)

\_\_\_\_\_  
(Date)



**WORKER CONDUCT COMPLIANCE AGREEMENT**

As a worker for **Craftsman Construction**, you must agree to abide by the principles and precepts of our **Code of Ethics and Competency**. Any violation of these principles will be grounds for written warning; multiple violations will be grounds for termination.

I \_\_\_\_\_ agree to abide by these guidelines when working on job sites

**For All Workers**

1. I will not smoke inside the customer's home.
2. I will not use foul language on the jobsite.
3. I will not consume alcohol or drugs on the jobsite.
4. I will play any radios or music on the jobsite quietly.
5. I will keep my clothing neat and clean.
6. I will wear my identification and certification badge when on the jobsite.
7. I will respect the customer's telephones, bathrooms, parking spaces, etc.
8. I will strive to keep dirt and messes to a minimum.
9. I will put trash in the proper container and leave the jobsite clean at the end of each work day.
10. I will keep any materials or tools that are left on the jobsite in an orderly fashion at the end of each day.
11. I agree to keep a current license appropriate for my trade(s).

**For Sub-Contractors**

12. I agree to carry workers' compensation, accident insurance, or have a waiver form signed before work begins. I understand that my insurance must remain in effect for the duration of the job.
13. I agree to carry general liability insurance; or make special arrangements with the contractor before any work begins.
14. I agree to be responsible for my own taxes.
15. I agree to comply with any OSHA safety regulations for my trade.
16. I will communicate any changes to the agreed work schedule to the job supervisor before the original scheduled time.
17. I agree to warranty all work and materials supplied by me for one year, and perform any callbacks or warranty work within two weeks of the request.

\_\_\_\_\_  
(Worker Signature)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Supervisor Signature)

\_\_\_\_\_  
(Date)

## What To Look For: No Tricks, No Pressure Sales Agreement

**Why It's Important:** Many unethical contractors will resort to high-pressure sales tactics to get you to buy before you've had an opportunity to do proper due diligence on them. If you know nothing about the contractor prior to the sales call (from literature, references, online information), and they give you a low-ball price "but only if you buy right this minute," you should be wary. Any time you feel uncomfortable or unduly pressured in a sales environment, you should ask the contractor to "back off." Reputable companies will have a no-tricks, no-pressure sales pledge signed by the owner, sales manager, and each sales associate. All **Craftsman Construction's** Sales Associates sign a "Zero Sales Pressure Agreement" that is also signed by the owner to pledge that they will handle sales situations in a respectful way.

Ask your Sales Associate to see a copy of his signed agreement when he comes into your home.

## What To Look For: Worker Conduct Agreement

**Why It's Important:** This compliance agreement, signed by the workers, is a 17-point contract prohibiting the use of alcohol, drugs, foul language, misconduct, or other unacceptable behavior on a job site. It also lists appearance standards. Keep in mind that not everything is perfect, but this agreement will greatly reduce the likelihood of problems. All **Craftsman Construction** Sales Associates sign a "Worker Conduct Agreement" that is also signed by our sales manager to pledge that they will conduct themselves in a respectful and courteous manner. Ask your Sales Associate to see a copy of his signed agreement when he comes into your home

# Chapter 4: Workmanship

Ultimately, any contractor has to be competent to do the job right the first time. Competence comes as a result of training, experience, and good old-fashioned hard work. As you evaluate a contractor, look for signs that they can do the job right the first time.

## What To Look For: Project Photos For Ideas And Inspiration

**Why It's Important:** A contractor who serves his customers well should be proud to present pictures of the work they've done. Ask to see a sample of jobs they've done—for inspiration for your own project and to gauge the quality of the work they've done in the past. If no photos can be produced, that should be a major warning sign.

















# Frequently Asked Questions

**Q: Are you saying that you are the only company in the area that can uphold these standards?**

A: Most companies cannot uphold them, but there are several good, honest contractors to be found. Just be sure to take the time and use this guide to make sure before you hire anyone.

**Q: Can a contractor just “fake” these standards?**

A: Not likely. Most shady contractors that don't put any effort into making their businesses good, also won't put effort into faking these standards. It's a lot easier for them to just move on to their next unsuspecting victim.

**Q: What if a contractor SAYS they can do all these things, but can't show the proof?**

A: Don't settle for lip service. Demand to see the documentation for every single standard on the checklist at the end of this guide.

**Q: Are there any other things I should look for or watch out for that aren't listed in the pages of this guide?**

A: Look for some of these telltale signs of contractors who shouldn't be trusted:

- Main phone numbers that ring to cell phones
- Main phone numbers that are never answered by receptionists
- Trucks without signage on them
- No business cards or cheap business cards
- No company logo on work clothes/uniform
- Few references available
- Unresolved BBB complaints or no report at all
- Prices that are unusually low compared to other bids
- No website or very poor website
- Ability to start on your job immediately—no backlog
- Unwillingness to give any information

## An Ounce Of Prevention...

It's been said that an ounce of prevention is worth a pound of cure. When the stakes are high—your home and your wallet—that saying is even more true. We hope that by reading this guide you feel more prepared to evaluate home improvement contractors and make the best decision for your family.

# Choosing the Right Contractor

When you're hiring someone to do any type of work in your home, remember that it's **your** money and **your** home. Be sure you get everything in writing, ask all the questions on your mind and clearly understand the answers you receive. Besides what we've mentioned here, there are several other ways to gather information on a company before giving anyone a dime. Check with the Virginia State Board of Contractors.

If all this makes sense, and you are curious about our approach to remodeling, please give us a call. We'll be happy to answer all of your questions for free. As part of our commitment to our previous and potential new customers, at your request, we will set up a time to come to your home to answer your questions and concerns. At this time we can also determine if we can meet your remodeling needs. We provide this as a FREE, NO OBLIGATION service for you and your family.

Hopefully we can show you, as we have thousands of others, how to make your home absolutely gorgeous— something to be really proud of! Remember that when **Craftsman Construction** visits your home, we are not going to use high-pressure sales tactics. It is simply a chance for you to meet us and see if our services can benefit you. If, after our meeting, you believe there is no benefit to be derived from working with us, we simply leave and that is that. If, however, you do find that you would like our help, we will discuss how we proceed from there.

I can't think of a better way to work. Can you? If you think our approach is fair and honest, please consider **Craftsman Construction** for your construction needs.

Best of luck with your remodeling plans!

Sincerely,

**Jerry Jackness**  
President, **Craftsman Construction**



# Contractor Standards

# ✓ CHECKLIST

For your convenience, we've enclosed a checklist of all the items you'll want to look for before hiring any contractor.

What To Look For	Craftsman Construction	Contractor A	Contractor B
Proof of Establishment	✓		
Bank and Supplier Letters	✓		
Business License(s)	✓		
Proof of Insurance	✓		
BBB Accreditation	✓		
Memberships & Awards	✓		
Customer References	✓		
Detailed Proposal & Change Orders	✓		
No Tricks, No Pressure Sales Agreement	✓		
Jobsite Cleanup Roster	✓		
Worker Conduct Agreement	✓		
Project Photos for Ideas & Inspiration	✓		

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