



# Guide to Working with Contractors

The following guide will help you hire and work well with contractors.



## Choosing a contractor

- Choose local contractors whenever possible. They are more familiar with Jasper-specific rules and regulations.
- Check whether the contractor has valid Municipality and Parks Canada business licences.
- Ask the contractor or builder if they are a part of the Alberta New Home Warranty Program (ANHWP). Check the ANHWP website to confirm.
- Ask for references. Check their previous work.

**Important:** Be alert for scams. For example, be careful of someone going door to door offering services at a highly reduced price.

- Ask for proof of liability insurance and workers' compensation coverage.
- Design with wildfire resilience and mountain-style architecture in mind.
- Choose materials that are fire-resistant and environmentally friendly.
- Get the most detailed quotes possible. Include the following:
  - Business name
  - Description of each component
  - Contact information
  - Quantities
  - Business number
  - Unit rates



## Negotiating a contract

Be sure to get a detailed **written contract** that outlines **scope, cost, and timelines**.

- Confirm whether it is a **fixed price** or a **guaranteed maximum price**.
  - A fixed price is a single, predetermined price for all project work, including labour and materials. It is best for straightforward, well-defined projects.
  - A guaranteed maximum price sets a cap on the amount you will pay. It is best for more complex projects that may require changes and flexibility.
- Include clear clauses to allow you to pause or end construction. These clauses will protect you if you run out of funds.



- Include how the contractor will handle **change orders**. A change order is a written amendment to your contract. It is important to agree upon which changes you must approve **in writing** before work proceeds. Do not verbally agree to changes.
- Include a **dispute resolution clause** in your contract. This clause explains how you will handle disagreements about the work, quality, or payment. It helps solve problems faster and saves money by avoiding court.
- Define an **approval threshold** for change orders. An approval threshold defines the type of changes for which the contractor must get your written approval before work proceeds. See the examples below.

<p><b>Dollar amount:</b></p>	<p>This type of threshold stipulates that any change over the agreed-upon amount requires your written approval.</p> <p>For example, you could set a threshold of \$1,000. Any work over \$1,000 requires your written approval.</p> <p>This type of approval threshold is the most common.</p>
<p><b>Percentage of the contract:</b></p>	<p>This type of threshold stipulates that any change over a certain percentage of the total contract value requires your written approval.</p> <p>For example, you could set a threshold of 1–2% of the total contract value.</p>
<p><b>Zero tolerance:</b></p>	<p>This type of threshold stipulates that <b>all</b> changes require your written approval.</p> <p>This type of threshold is best for tight budgets.</p>

- Confirm the amount of the first deposit.
  - The first deposit should be as small as possible. Do not pay more than 25% of the total value of the work. Or pay an amount that covers the costs of purchasing materials. (Contractors must often purchase materials before starting work.)
  - If the contractor asks for more than 25%, ask them to prove the expenses that the deposit is for.
- Hold back 10% of the total contract amount for 30 days. This holdback will protect you against **liens**. A lien is a legal guarantee that you will pay a debt.
- Do not pay installments that exceed the percentage of work completed to date.

Consider having a lawyer review the contract before you sign it if you are unsure or want a professional opinion. If you need referrals to lawyers, please contact a Canadian Red Cross case manager.

## Working with the contractor

To help your project run smoothly, stay engaged, communicate clearly, and know how to respond if issues come up.

- Stay involved and keep clear records.
  - Know what work is happening on your property and what stage the project is at.
- Ask questions when needed.
  - Keep organized records such as emails, written agreements, invoices, text messages, photos, and notes. Good documentation helps prevent misunderstandings and supports you if problems arise.
- Communicate regularly and in writing.
  - Make sure all agreements, changes, and decisions are in writing. Do not rely on verbal agreements.
  - Clearly confirm who is responsible for drawings or blueprints, permits, inspections, and approvals. And confirm when these need to happen.
  - Establish a single point of contact for both the contractor and the leaseholder. Agree on an update frequency.
- Maintain a safe and respectful work site.
  - Require or ask the contractor to clean up the site daily or weekly to keep the area safe and reduce impacts on neighbours.
  - Post the contractor's contact information at the site so that neighbours know who to contact if issues arise.
- Know what to do if something goes wrong.
  - Understand the steps in your contract for handling disputes or work stoppages, including when you can pause payments and how you will resolve issues.
- Get help early.
  - If something does not feel right, get advice as soon as possible from a lawyer, inspector, or other professional. Early guidance can help resolve issues faster and reduce the risk of larger problems.

**Not legal advice:** This guide is for information purposes only. It is not—and should not be take as—legal advice. You should not rely on or take or fail to take any action based on this information. Never disregard professional advice or delay in seeking legal advice because of something you have read in this guide.

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