

The Texas Contractor Bid Checklist

Use it on every bid before you sign. Two honest bids for the same job can differ by thousands of dollars, and the gap is usually in what one of them left out.

1. Who you are hiring

- ☐ **Licensed where Texas requires it.** Electricians and HVAC contractors are licensed by TDLR; plumbers by the Texas State Board of Plumbing Examiners. Look the number up yourself. Texas does not license roofers or general contractors, so for those, references and insurance matter more.
- ☐ **Proof of liability insurance**, sent to you by their insurance agent, not a photo of a card. Ask whether they carry workers' comp for their crew.
- ☐ **Who actually does the work:** their own crew, or subcontractors? Get the name of the person in charge on site.
- ☐ **A real business:** an address you can verify and references from jobs in your area in the last year.

2. What the bid has to spell out

- ☐ **Scope in writing:** materials by brand and model, quantities, what gets removed and hauled away, and cleanup.
- ☐ **The permit:** included, pulled by the contractor (not you), with the fee shown. Many DFW cities require one for re-roofs, water heaters, HVAC replacement and most electrical work.
- ☐ **Code items named, not implied.** Panel job: outdoor emergency disconnect, arc-fault breakers, surge protection. AC: matched indoor and outdoor units, line set, pad, drain. Roof: underlayment, drip edge, flashing.
- ☐ **Unit prices for surprises:** rotted decking per sheet, extra piers, drywall repair. A bid with no unit prices turns every surprise into a negotiation.
- ☐ **Warranty in writing:** manufacturer and workmanship, how long each lasts, and who honors it.
- ☐ **Start date, expected duration**, and what happens if weather delays it.

3. The money

- ☐ **Payments tied to milestones**, not a large payment up front.
- ☐ **Final payment after the final inspection passes**, not when the crew packs up.
- ☐ **A signed lien release with each payment.** In Texas a waiver and release only works if it substantially follows the statutory forms (Property Code §53.281 and §53.284): conditional before the payment clears, unconditional after.
- ☐ **One total price** that includes tax, permit, disposal. Nothing marked "TBD."

Red flags, and the questions to ask

Any one of these is a reason to slow down. Two or more is a reason to get another bid.

Red flags

- **Offers to “cover” or waive your insurance deductible.** Illegal for the contractor in Texas (Business & Commerce Code §27.02), and you owe the deductible anyway (Insurance Code §707.002). Your insurer may hold back replacement-cost money until you show you paid it (§707.004).
- **Wants to negotiate your claim with your insurance company.** Contractors may not act as your adjuster (Insurance Code §4102.163).
- **Asks you to pull a homeowner permit** for work they are doing. That puts the legal responsibility on you.
- **Pressure:** “this price is only good today,” a crew that showed up after a storm without being called, cash only, or a large deposit before any materials arrive.
- **Vague line items** like “replace roof — \$12,000” with no materials, quantities or permit.
- **Far below every other bid** with no explanation. Find out what is missing before you celebrate.
- **Asks you to sign something** before you have a written, itemized bid in hand.

Questions for any contractor

- “What exactly is *not* included in this price?”
- “Who pulls the permit, and when is the final inspection?”
- “If you find damage you did not expect, what is the unit price, and do you stop and ask me first?”
- “Can I call two customers from the last year near me?”

By job

- **Roof:** Is all the underlayment being replaced? What does each sheet of rotten decking cost? If you are quoting Class 4 impact-resistant shingles, will you give me what I need to ask my insurer about a discount?
- **AC:** Are the indoor and outdoor units a matched system with an AHRI certificate? What refrigerant does it use, and is the line set being replaced?
- **Foundation:** How many piers, what type and how deep? Is there an engineer’s report? Is the warranty transferable if I sell?
- **Electrical panel:** Is the outdoor emergency disconnect in this price, and which code edition is my city enforcing?

Is a hail claim worth filing?

Most Texas wind and hail deductibles are a percentage of your dwelling coverage, not a flat \$1,000. Fill this in from your declarations page before you call your insurer.

- 1 **Dwelling coverage** (Coverage A) on your declarations page _____ \$
- 2 **Wind and hail deductible** as a percentage (1%, 2%, 5%...) _____ %
- 3 **Your deductible in dollars** = line 1 × line 2. If your deductible is a flat amount, write it here. _____ \$
- 4 **Roof estimate** from a written, itemized bid _____ \$
- 5 **Roof age** in years _____ years
- 6 **How does your policy pay for the roof?** Check one. Some Texas policies pay roofs on a schedule based on age, so read the roof section of the policy, not just the declarations page.
☐ Replacement cost (RCV) ☐ Actual cash value (ACV) ☐ Age-based roof schedule
- 7 **Depreciation** (ACV or a schedule only). Your adjuster sets this; the online calculator estimates it from roof age. _____ \$

What the claim could pay

Replacement cost: line 4 – line 3. Usually paid in two parts: actual cash value first, then the held-back depreciation once the work is done and you show proof.

Actual cash value or schedule: line 4 – line 7 – line 3.

If the answer is small, zero or negative, filing may not be worth it. A claim that pays little still goes on your claims history.

Worked example

\$350,000 dwelling coverage × 2% = **\$7,000 deductible**. On a \$14,000 roof with replacement-cost coverage, the claim could pay up to **\$7,000**. The same roof on actual cash value, 12 years into a 20-year life, is about 60% depreciated (\$8,400): \$14,000 – \$8,400 – \$7,000 = **nothing**. Same storm, same roof, very different answer.

Run your own numbers in the free calculator:
ultimatehomefix.com/texas-wind-hail-deductible-calculator