



**Every Year,
Dozens of
Honest-looking
Pool Builders
Go out of Business,
Leaving Hundreds of
Homeowners with
Big Empty Holes
in the Ground**



Ask these 15 questions to protect yourself from an unpleasant pool-building experience.

At Bluewater Pools, we want you to know as much as you can about buying a pool *before* you sign any contracts. We want you to be delighted with your pool and your pool-buying experience—no matter who you buy it from. That’s why we offer you this helpful guide—to give you the information you need to separate the competent and trustworthy pool builders from all the rest, and then make the best decision possible.

So before you sign any contracts...

We suggest you interview prospective builders in person, over the phone, and/or via e-mail. Ask them a series of questions to determine their business stability, their technical competence, their credibility, and their commitment to customer satisfaction. Ultimately, you’ll have to decide for yourself whether you can trust the builder you’re speaking with. But these 15 questions should give you some terrific insight into the person and company you’re about to do business with.

We wish you many years of healthy enjoyment in your new swimming pool.

HOW TO CHOOSE THE RIGHT POOL BUILDER

1. “Where is your place of business? Do you have a showroom?”

This industry is famous (or infamous) for what is known as the “one-poler”—a couple of guys working out of their pick-up truck, trying to build pools. Anybody that lives in an RV, motel, or apartment building and works out of the back of a pick-up truck can leave town in the blink of an eye with all of your money. Check to see if he owns his own home, or is just renting. A pool builder with strong ties to the community isn't likely to leave town quickly.

Look for a pool builder who has a showroom or office space in a commercial building. A showroom lets you view the builder's products, see his operations, and meet some of his employees before you sign a contract. This shows that they are serious about their business, and are more likely to have the financial resources to take care of things if there is a problem with your pool. They're also a lot easier to find if there's a problem!

2. “How many years have you and your company been in business under the PRESENT NAME and PRESENT OWNERS? Have you, your partners, the owners or the officers ever gone out of business or left an unfinished pool in the ground?”

Shady pool builders don't like this question, because it's too easy to check out—especially with the internet. It's sadly common in this industry for someone to build a bunch of pools, run into financial trouble, go bankrupt, and leave a bunch of unfinished pools in people's back yards. Then a few months later, open a NEW company with a new name, and start all over again. They may change towns in an attempt to put their bad reputation behind them. But sometimes they'll open that new business right next to the ashes of that last one, hoping most people won't notice that they abandoned their previous clients.

By the way—when a pool builder goes out of business, your pool warranty disappears. So why risk your home and financial investment?

The rule of thumb is that if a pool builder has been in business fewer than three years, forget him. Or be *really* safe, and only deal with pool builders who have been in business for ten years or more. Only a few strong and trustworthy pool companies will make it past the ten-year mark, at which point you shouldn't have to worry about their stability.

3. “What's the ‘Draw Schedule’ for payment on pool construction?”

This is probably the single most important questions you can ask. The reason many pool builders get into trouble is

because they collect too much money up front, and then run into cash flow problems when it's time to complete your pool. It's quite common, in fact, for a pool builder to collect up to 75% or more of your money at the “gunite” (cement) stage, when in fact he's only completed about 25% of the work. By spreading out the “Draw Schedule” to coincide with the actual amount of work being completed, you greatly reduce the risk (and temptation) for the pool builder to abandon the job.

It's difficult to define the “ideal” draw schedule because every job is a little bit different. But as a general rule, a pool builder should have no more than two-thirds of your money by the time he's finished with the gunite. If the draw schedule appears to be heavily weighted in favor of the builder, and/or the builder is asking for large amounts of your money BEFORE any work is completed, you may be safer to steer clear and find another builder.

4. “Can you give me the names and phone numbers of at least three suppliers that you've done business with for the last two or years or more?”

This is a great source of information, because suppliers who've been cheated by a pool builder will be more than happy to tell you about it. Even more importantly, if the pool builder doesn't pay the suppliers' bills, the homeowner may get stuck paying it again. (See Question 14: “Vendor Liens”.)

5. “How many references will you give me?”

You should be able to choose freely from a list of at least 50 names, preferably a hundred or more. A shorter list probably means that your pool builder hasn't built very many pools, or has had trouble satisfying his customers.

You should definitely talk to at least five people randomly from the list. It's also a good idea to arrange a meeting at one of the homes. This gives you a chance to see the finished product, while also talking directly to the homeowner who worked with the builder.

6. “Are you a current member of the BBB?”

The Better Business Bureau (BBB) demands ethical business practices from all its members. The fees to join are by no means burdensome, so there's no reason for a bona fide, ethical-minded pool builder not to join.

If a pool builder is not a member of the BBB, that should be a clear warning to look somewhere else.

7. “Will my checks be made payable to a business account or to a personal account?”

When the company name and the principal's name are the same, it can be difficult to discern between bank accounts. For example, if the pool builder's name is Johnny Smith,

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and the check is made out to “Johnny Smith,” then he could go to your bank and cash the check and avoid paying any state or Federal income taxes. If the IRS discovers this, you might be held accountable.

When you write out a check to a company that is incorporated (“Inc.”), or has the principal’s name as only part of the company name (e.g., “Johnny Smith Pool Construction Co.”), then the bank is required to deposit the check in the pool builder’s checking account. This greatly reduces the likelihood that the builder is going to run off with your money.

8. “Can I see your Dun & Bradstreet report?”

The Dun & Bradstreet organization keeps track of a business’ credit rating. A long history of on-time payments and good credit should be reassuring. Conversely, a lack of history indicates they haven’t been in business very long. (Remember Question 2?) A *bad* payment history should be a clear warning that there’s potentially big trouble ahead. (See Question 13.)

An upstanding pool builder will have no trouble sharing his Dun & Bradstreet report with you.

9. “Do you have workmen’s compensation and general liability insurance?”

A “subcontractor” is someone who is hired by the pool builder to do work on your pool, but is not an employee of the pool builder. He could be a plumber, a laborer, an electrician, or gunite shooter. Anything that happens to one of these laborers on your property could turn into a liability for you.

Workmen’s Compensation insurance will protect you from having to pay for the subcontractor’s lost wages. A General Liability policy will protect you from lawsuits and other liabilities to these laborers. An inexperienced pool builder may have neither of these policies, and put you at risk. A professional pool builder will have both, and pro-

tect you from any liabilities.

10. “What insurance company should I call to get a copy of your certificate of insurance?”

Watch their reaction when you ask this question. If they start to squirm, start looking for another builder. Likewise, if they say “I’ll get you a copy,” or just show you something from their briefcase, find another builder. Anyone can easily alter the dates of an expired policy. That’s why the certificate of insurance must come directly from the insurance company to you. A professional pool builder won’t hesitate

to give you the name and phone number of his insurance company.

11. “How many projects have you done that would qualify you to build my pool?”

This is another good question to help ferret out the inexperienced, inept, or blatantly dishonest pool builders. Today’s pools are substantially more sophisticated than they were 15 years ago. New features like “vanishing edge,” “in-floor cleaning,” “grottos,” “weeping walls,” and countless others take experience and engineering know-how. There are stunningly beautiful, but can be very expensive and disappointing disasters if built by someone with insufficient experience.

Get the names, addresses, and phone numbers of the pool builder’s clients that have the special features you’re considering. Call them and ask if the features work as promised, and if they had any trouble with dealing with the builder. A professional pool builder will be more than willing to give you all of the names you want or need.

12. “Is all necessary work for the pool included in my contract?”

In almost any part of the country, it’s possible for a pool builder to hit rock as he’s digging your pool. There are several ways for a pool builder to handle this. Some pool



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builders may come to you asking for more money to compensate for their unpreparedness. Others may offer you a “rock clause” or insurance policy in advance, to “protect you from possible additional expense.” Yet another approach is to set up a “rock allowance.” If the time digging the pool exceeds the allowance, and heavy equipment has to be brought in, you’ll probably have to pay more money out of your pocket.

Ultimately, none of these approaches is “right” or “wrong.” The most important things are that the agreement related to “rock” or “water,” electrical work, etc., is spelled out clearly in the contract, and that you fully understand the agreement and are comfortable with it.

13. If the pool company advertises an actual price for a swimming pool in a newspaper, on a billboard, radio, etc., or quotes you a price over the phone, then ask them, “How do I know your price isn’t a ‘Bait & Switch?’”

There are dozens of factors that impact the cost of a pool. An ethical pool builder will never quote you a price without a yard survey and a specific design for your yard. Many contractors will give you an artificially low price to induce you to have a salesman come to your home. Any pool builder that uses this “bait and switch” technique should be avoided.

14. “Will you furnish lien waivers from vendors and subcontractors to prove they’ve been paid?”

This is critically important! The greatest nightmare for any

homeowner buying a pool is to pay 60% to 75% of the money for the pool and have the pool builder skip town when he’s only done 20% of the work. These shysters invariably leave the subcontractors unpaid, which means they’ll all come knocking on your door looking for payment.

A lien waiver is a receipt showing that funds have been paid to a supplier or subcontractor, and that they have no lien rights against your home. When your pool is complete, you should have lien waivers from all vendors and subcontractors to prove you don’t have to pay them again. A professional pool builder will provide you with lien waivers for all work and materials used for your pool—no questions asked.

15. “Why should I trust you to build my pool?”

If your pool builder has survived the first 14 questions, congratulations! You may have found a good solid pool builder to handle your project. But there’s still one more issue—how do you feel about them personally? There is no right or wrong answer to the above question, but it’s a great way to get a sense of the personal integrity of the person you’re dealing with. This question should let their true personality shine through. After all, you’re going to be working closely with this person for the next two to three months or more (depending on the size of the project). You’ll want to make sure it’s someone you feel good about, and can trust.

We hope this list of questions has helped you understand what to look for—and what to look out for—when it comes to choosing a pool builder. With these questions in hand, you should be able to get a sense of which pool builders can be trusted, and which pool builders are at risk of creating an unpleasant experience for you.

Choosing the right pool builder will help ensure that, after handing over thousands of your hard-earned dollars, you never those heart-breaking words: “I’m sorry, that number is no longer in service.”

Having a pool built should be a fun and exciting time for you and your family. At Bluewater Pools, we want you to know as much as you can about your pool purchase before you sign any contracts. We want you to be delighted with your pool—no matter who you buy it from.

If you ever have any questions about pool design, construction, or this report, please give us a call. We wish you many years of healthy fun and enjoyment in your new swimming pool.



**BLUEWATER
POOLS**

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