

## A Handyman's Guide to Self-Preservation

by Leland Stone

I run a one-person handyman service in Southern California. My jobs are small and short — a few hours to a couple of days — but unfortunately they're not always clear-cut. Every job is different, which keeps it interesting for me but also makes it difficult to ensure that customers know what they're getting for their money. It's too easy for homeowners to stretch their notion of what a job should include, or fail to grasp that hidden conditions can change the scope — and therefore the price — of a job. And it's easy for me to waste tons of time running around looking at jobs that will never pan out — a pitfall every small jobber

is familiar with.

I'm in this to make a living, so to make sure my clients wind up happy *and* I get paid, I make a deliberate effort to clear up gray areas before doing any work. Since I don't have a lot of time to spend — there's no "design phase" for a job that entails replacing a rotted threshold and hanging a new screen door — I have to cut to the chase.

In this respect, my main tool is my contract, which I refer to as the job "proposal" when speaking with a customer. It includes all the necessary legal protections I need, plus the scope of work and the sales price, all on one

sheet of paper. Over time, I've learned which areas need to be spelled out to customers, and have modified the contract accordingly to preserve profits and keep everyone happy. Here are a few of the clauses that have helped me.

### Expiration Notice as Sales Tool

I adjust my prices according to seasonal market demand. In other words, if the market starts to dry up, I'll lower my bids to make some rain. But since I don't want those prices dogging me when business starts sizzling again, my proposals include written notice of a 10-day life span. Beyond that point, we start over.

The expiration date actually helps me clinch the sale; it implies that clients had better jump on my offer *now*, because that price won't last long. If the clients decide to go ahead with the project, I make every effort to schedule their job as soon as possible. This is important for handyman work, because once the trail goes cold, the job budget can change, and before you know it you're spending time looking at a whole different job.

### Material Deliveries

When I started repairing homes in 1985, I spent a lot of unpaid time shopping, loading, and delivering supplies to various jobs. I now give notice in my proposals that I charge a minimum \$75 per load for deliveries.

Suppliers often charge less for this service, so clients sometimes ask me for a shopping list and arrange their own delivery. I actually prefer this approach, since it means that I won't be funding their project. However, this only works if the customers agree to follow my materials list.

**DO NOT ACCEPT THE PROPOSAL ON THE REVERSE SIDE UNTIL YOU HAVE READ, UNDERSTOOD, AND AGREED TO THE FOLLOWING TERMS. THESE "CONTRACTOR'S TERMS" REFERRED TO ON YOUR PROPOSAL. THEY ARE PART OF THE PROPOSAL.**

Federal Law provides three business days for a HOMEOWNER to change your mind after signing a contract in your home. If you wish to cancel a proposal, do so by midnight of the third business day after signing AND notify Contractor in writing.

YOU, THE HOMEOWNER, CANNOT CANCEL A CONTRACT AFTER THE THREE DAY RESCINDMENT PERIOD EXPIRES -- DOING SO MAY RESULT IN MECHANIC'S LIEN BEING FILED AGAINST YOUR PROPERTY. Please see the accompanying "Owner's" form for details.

YOU, THE HOMEOWNER, are responsible for all valuables and breakables. Anything that is damaged by the work proposed must be secured. The CONTRACTOR IS NOT RESPONSIBLE for any damage occurring during performance of the proposed work. YOU, THE HOMEOWNER, are also responsible for keeping pets and children away from the work area.

Homeowner is responsible for providing access to the site where work is to be done. Access must be available at any time during the 8:00 a.m. to 5:00 p.m. weekdays. Contractor may file a proposal at CONTRACTOR'S sole discretion if work site is delayed or denied.

MATERIALS provided by HOMEOWNER are guaranteed in any way by Contractor. Homeowner provides materials for proposal. Homeowner is responsible for their performance. Homeowner must be provided in accordance with Contractor's schedule. Contractor will not accept at Contractor's sole discretion a proposal at Contractor's sole discretion if not provided, OR he may elect to charge a fee of \$60 per hour (non pro-rata).

YOU, the Homeowner, may require a project. If so, the cost of acquiring materials and/or deficiencies in the work excluded from this Proposal. Delivery of materials and/or deficiencies can be obtained from building department.

UNFORESEEN CIRCUMSTANCES may arise on any project. You, the Homeowner, are responsible for hidden damage and/or deficiencies limited to: impact, damage, dry rot, unsafe or inadequate installation, wear and decay, hazardous material.

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This Proposal is offered by Leland Stone (the "Contractor") to \_\_\_\_\_ (the "Owner"), and work is to be done at: \_\_\_\_\_  
 Today's date is 3 DEC 2003. This Proposal is valid only for ten (10) calendar days after today's date and may be withdrawn by Contractor at any time prior to its acceptance in writing by the Owner.

**This Proposal is for LABOR ONLY -- NOT MATERIALS.**  
 EVERYTHING not specifically listed in this Proposal is EXCLUDED from this Proposal.  
 Delivery of materials required for this project is the responsibility of the Owner. Contractor may provide delivery at a MINIMUM additional charge of \$75.00.  
Contractor does NOT remove any waste from the job upon completion of work.

1) Remove existing sink/faucet from tile counter in bathroom bath; <u>remove existing sink and faucet from vanity</u> <u>bring debris to Owner's garage containers.</u>	\$135-
2) Install new tile on vanity countertop. [Note: Top must be <u>removable and correctly sized for new edging piece,</u> <u>or an additional charge of \$150- applies.] Square</u> <u>SET TILES ONLY. I install new backsplash</u> <u>composed of pieces A, B, &amp; C shown in section, add</u> <u>edge piece, E. Grout done, then seal w/stone</u> <u>guard sealer after 1 week.</u>	320-
3) <u>OPTIONAL: Back-set tiles, add</u>	45-

**TO ACCEPT THIS PROPOSAL, SIGN HERE & GIVE A COPY TO CONTRACTOR:**

Owner's Signature \_\_\_\_\_ Date \_\_\_\_\_

This Proposal is subject to the accompanying document entitled "Contractor's Terms and Condition," which is incorporated herein by reference. By signing, Owner affirms that they have received a copy of the "Contractor's Terms and Conditions," as well as the "Notice Of Right To Cancel" and the "Notice To Owner."

## Debris Removal

I don't generate a lot of waste on most jobs — often just a toilet or some old cabinets. This makes renting a bin impractical, but the landfills in my area have steep minimum fees, and it takes an hour or more to get to them. Therefore, I include a clause requiring that clients take responsibility for waste removal. If the debris can be broken or cut apart for easier handling, I'll do that so it can be picked up along with the regular trash. If the client insists that I remove the waste, I simply list a separate charge for disposal.

## Site Prep

Because I work primarily in occupied homes, there's usually a lot of stuff that could get damaged. For example, hammering or cutting on one side of a wall can knock a picture off the other side. My proposal thus makes it the client's responsibility to remove any "at risk" items before I arrive.

Many jobs create dust, so I also advise clients to cover or move sensitive items — even though I routinely place tarps and hang dust barriers. And if there are kids, pets, or both in the house, I request that they be kept out of the work zone while I'm there.

## A Key to the Place

I'll flex my schedule to work with a client (making Sunday afternoons

available on occasion, for instance), but whatever the hours, I need to be able to get on the premises, obviously, to work. That's why my proposal includes a clause guaranteeing access to the site from 7 a.m. to 5 p.m. on weekdays.

Clients often just give me a spare key, though others will arrange for a friend or a family member to let me in (but the contact person must be an adult).

## Hidden Conditions

None of us can see through drywall, which is why no contract is complete without a clause addressing hidden defects. Mine points out that such defects can make an intended project unworkable and that should this issue arise, the problem — and the expense — will be the customer's, not mine, to resolve.

It's important to raise this at the outset, especially since certain repairs may be outside my abilities. If the hidden problem is one I can handle, I'll add a time-and-materials charge order to the job. If the client chooses not to proceed, I've reserved the right to cancel the remainder of the project and charge for my work to date.

In this case, I'm not liable for returning the property to its prior condition — the way it looked or functioned before I uncovered a hidden defect.

## Details, Details

A lot of the legalese is on the back of my proposal sheet. On the front, the largest section is the blank box where I describe the work to be performed, providing as much detail as I can. I specify the location of the work in the house — "in the utility room, behind the clothes washer;" "along the top of the dining room walls, adjacent to the ceiling" — and describe the repair itself: "Install a new pullout drawer, made of lacquered, Baltic birch plywood with rounded top edges and mounted on full-extension, ball-bearing slides."

I don't detail exact dimensions (other than to list per-foot charges for items like base- or crown-molding installations); instead, I describe approximate dimensions, as in, "Patch about 6 square feet of gypsum wallboard." If I feel it's necessary, I'll limit the approximation by writing something such as, "Remove damaged wood lattice, not to exceed 64 square feet."

Describing dimensions as approximations helps prevent haggling over payment for a task that a client might think should be prorated — but only when it's in his favor!

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*Leland Stone is a handyman in La Mirada, Calif.*

*Business continues on page 3*

# Keeping Tabs on Income

by Shawn McCadden

It may sound obvious, but it's important to know when payments will be coming in from customers — especially when cash is tight and being short means having to borrow money to meet overhead expenses. A simple spreadsheet is the perfect tool for this, as my remodeling company discovered a few years back, when we were looking for funds to implement a marketing plan and wanted to use available cash.

The information in the spreadsheet comes directly from our signed contracts, each of which includes a carefully planned schedule of payments based on start dates for the job's various phases (see *Business*, 7/04). For example, a payment might be due when we start framing or when drywall is ready to hang.


We enter the payment due dates and amounts due for all the jobs under con-

tract; we've already programmed the spreadsheet to show us the total amount of work sold on any given date, the total amount collected to date by project, and the amount we can expect to collect for all the work that is under contract.

**Advance warning.** I think of the payment schedule as the production schedule measured in dollars. If one month is heavy on payments and another is light, the work load for the crew may be out of balance and we can review the schedule and make adjustments. When the spreadsheet indicates payments are going to be light in a particular month, we know we may have trouble making payroll. Thanks to the advance notice, we can give our carpenters work we might otherwise have subbed.

If you set up a spreadsheet like this, one caution: Up-front deposits can

make a week or a month look a lot better than it actually is. While this will balance out over time, it's a good idea to keep an eye on deposits when sales are slow. In our spreadsheet, we highlight deposits in a different color.

We share the spreadsheet at weekly meetings; it emphasizes to the whole team that our goal is not just to complete the work, but to get paid for it. With the payment schedule in front of them, members of the production crew can anticipate the need for invoices and get them to clients early. This helps us collect money when it's due. 

*Shawn McCadden recently sold his remodeling company after 14 years in business. He is a franchise systems manager for DreamMaker Bath & Kitchen in Waco, Texas.*

Client Receivables Forecast					
	Project A	Project B	Project C	Project D	Totals
<b>Contract Total</b>	<b>\$90,000</b>	<b>\$60,000</b>	<b>\$75,000</b>	<b>\$150,000</b>	<b>\$375,000</b>
<b>Remaining Receivables as of 5-Mar</b>	<b>\$60,000</b>	<b>\$40,000</b>	<b>\$75,000</b>	<b>\$150,000</b>	<b>\$325,000</b>
6-Mar	\$20,000	\$5,000			\$25,000
13-Mar					\$0
20-Mar					\$0
27-Mar		\$20,000	\$10,000		\$30,000
<b>March Total</b>	<b>\$20,000</b>	<b>\$25,000</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$55,000</b>
3-Apr	\$20,000				\$20,000
10-Apr			\$10,000		\$10,000
17-Apr					\$0
24-Apr	\$20,000	\$10,000			\$30,000
1-May			\$10,000		\$10,000
<b>April Total</b>	<b>\$40,000</b>	<b>\$10,000</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$70,000</b>
8-May					\$0
15-May		\$5,000	\$20,000		\$25,000
22-May					\$0
29-May				\$50,000	\$50,000
<b>May Total</b>	<b>\$0</b>	<b>\$5,000</b>	<b>\$20,000</b>	<b>\$50,000</b>	<b>\$75,000</b>
<b>Total March through May</b>	<b>\$60,000</b>	<b>\$40,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$200,000</b>

This is a simplified version of the spreadsheet the author uses to track cash inflows, shortened to show a three-month period. On the actual spreadsheet, there is data from previous months and projected data for as many months into the future as the company has contracts. Note that deposit payments are highlighted because they inflate income for the weeks in which they are posted.