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CONSTRUCTION FORMS FOR CONTRACTORS

by Karen Mitchell & Craig Savage

Includes inside the back cover:

A CD-ROM with the forms in RTF, PDF and Excel formats to customize for your own use.

- Turn your estimate into a bid.
- Turn your bid into a contract.
- ConstructionContractWriter.com

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Acknowledgments

To the staff at Craftsman Book Company, for their diligence, for their hard work and determination to get this book done, and for being our interpreters. They made our written word understandable – what we turned in and what came out are very different. Most wouldn't have attempted to start what they somehow accomplished.

And to Nancy, for her participation and contribution.

The sample *Company Policy* on page 259 is based on one developed over many years by Jud Motsenbocker, of Indiana, for use in his own construction company. Mr. Motsenbocker was inducted into the NAHB Remodelers Council Hall of Fame, and has been twice named *Remodeler of the Year.* Now a nationally-recognized construction industry speaker, he gives seminars sharing what he's learned during his nearly half-century in the trade. The company policy is included in his seminars, and we are happy that he has permitted us to share a version of it with our readers as well.

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Library of Congress Cataloging-in-Publication Data

Mitchell, Karen, 1962-
Construction forms for contractors / by Karen Mitchell & Craig Savage.
p. cm.
Includes index.
ISBN 978-1-57218-222-6
1. Construction industry--Records and correspondence--Forms. 2. Business--Forms. 3. Form letters. I. Savage, Craig, 1947- II. Title.

HD9715.A2M48 2010
651'.29--dc22
2010022719

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3 Contracts

Cost Plus Fixed Fee Contract ..... CstPlusFix
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4 Client Forms

First Contact Sheet ..... FirsContac
Job Information Form ..... JobInfo
Acknowledgement of Proposal Acceptance ..... PropAccept
Neighborhood Notification Letter ..... Neighborhd
Bid Follow-up Letter ..... BidFolowUp
Losing Bid Feedback Form ..... LosingBid
Client Satisfaction Survey & Company Evaluation ..... ClientEval
Thank You Letter ..... ThankYou

5 Estimating Forms

Bid Submittal Log ..... BidSubLog
Quantity Sheet ..... QuantSheet
New Home Estimate..... NewHomeEst
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6 Job-Related Forms

Project Startup Checklist..... ProjStart
Safety Agreement ..... SafeAgree
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Jobsite Tool List..... JobTools
Vehicle Inspection Sheet..... VehInspect
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Field Change Report..... FieldChnge
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7 Human Resource Forms

Employment Application ..... EmpImntApp
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8 Liens

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Waiver of Lien on
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Introduction

"Paperwork never built anything."

"It's a waste of time!"

"The less, the better!"

That's how some contractors feel about keeping good records. If you agree and can't be convinced otherwise, there's not much we can do to help.

But the fact that you're reading this page means there's hope — a chance that you'll join the majority of experienced construction professionals who understand what it takes to run a construction contracting business.

Implementing Good Systems vs. Learning the Hard Way

Most of us learn by watching others. For example, apprentice carpenters learn to set a nail before driving it. But for many, it takes a good whack on the thumb to bring the lesson home. Painful mistakes can be the best teachers.

It's the same way with construction contracting. The most painful lesson can be the most instructive. Here's an example.

Every construction contractor has been asked to take a verbal change order. "Let's do it right. I don't care what it costs." Then when you've made the change, you may hear, "Who authorized that? Not me. And certainly not at *that* price!" Lesson learned: A simple form, used at the right time, can save thousands.

Here's another example. Have you had an audit by your worker's compensation carrier lately? A worker's comp audit can make any construction contractor a believer in good records. No certificates of coverage from subcontractors? No time cards from your employees? No problem. Every insurance carrier knows exactly how to handle that — and exactly how much to tack onto your next billing.

Do It the Easy Way

Avoid the extra pain and expense. Get organized. Find and use a good set of forms designed for your business. You could do that even without this book. But this manual has the most complete, most practical set of forms available for the company you're running:

1. *Good forms protect your company.* Many contractors have trouble getting paid for extra work. Follow the change order procedure we recommend and you'll have the legal right to collect for every change — no wiggle room.

2. *Good forms identify you as a business professional.* The forms on the disk in the back of this book can include your business name, address and company logo. Good forms put you in the league with heavy hitters who know the importance of making the best possible presentation. Estimates, proposals, change orders and invoices follow the same style — they're a matching set. A polished image is a competitive advantage. Clients understand that you have your act together. Most clients may never see your office, but all will see your business forms, and may judge the quality of your work by the quality of your paperwork. If you can't even come up with a professional-looking form, can you come up with a professional-looking room addition? They might not want to chance it.

3. *Good forms enforce office procedures*. They force you and your staff to list, schedule, record, deduct, add, and follow established procedures. This creates consistency and accountability. It reduces errors and oversights, extending your control over both employees and customer relationships. A good form can make things happen automatically. No direct supervision needed. No creativity required.

4. *Forms create a paper trail*. Good forms make it hard for others to shift blame or legal responsibility. The higher the value of work, the greater your work volume, the more important your records become.

5. *Good forms level the playing field*. Every contractor has seen "standard" contracts so one-sided that a builder could never make a dime. Don't get bullied into signing one of these biased agreements. Use the samples in this manual, and available software, to create your own "standard" contracts.

Maybe best of all, good forms don't take extra time. They *save* time. They simplify your workflow. No innovation required. Just fill in the blanks. When paperwork stops being a burden, you'll have more time for productive work — and will get paid sooner.

What You'll Find in This Book

Fan the pages of this book. You'll see 12 form categories:

1. Accounting
2. Change Orders
3. Contracts & Warranty
4. Client
5. Estimating
6. Field
7. Human Resources
8. Liens
9. Office
10. Bids & Proposals
11. Subcontractor
12. Timesheets

All of these forms are on the disk in the back of the book. Use any version of Microsoft Word or Microsoft Excel (1997 or newer) to personalize each form for your business. You can add or delete anything you want. Insert your company name and logo. Then save the modified form to your hard drive.

If you don't use a computer in your business, simply photocopy the blank ones printed here. Or photocopy one, customize it with your company details, then use that as your master. Make as many copies as you need.

But that's just the start. Each form comes with a detailed explanation on what the form is for, who fills it out, and step-by-step instructions on how to fill it out, provided by construction consultants who advise and organize thousands of small construction companies across the country. If you're an experienced business owner, you'll already know how to use the forms. But if you're new at construction office accounting — you can build a house from the ground up, but filling out office forms . . . that's something else — you'll find the instructions invaluable. In most cases, a sample filled-out form is shown with the explanation to demonstrate what goes where.

Not every form will work perfectly for your company. In some cases we offer several forms that serve the same general purpose. Read the description. Then decide which form works best for your purposes. Even better, adapt the form to meet your needs. Increase or reduce the space between lines, change row heights or column heads. We've created a generic form that will work, but you're free to customize it for your company and your own special needs.

Legalities

We're contractors and we know what works in a construction company. Karen Mitchell is also a C.P.A. and an accounting consultant to construction companies. But none of us is a lawyer, and certainly not a lawyer in your state. The forms in this book haven't been reviewed for legal content and may not comply with the laws in your state, which can change almost daily. The best source of legal advice is a licensed attorney in your community.

Installing the Forms

To write the forms to the hard drive of your computer, place the CD in the drive and follow the instructions on your screen. We recommend selecting the defaults. When installation is complete, you'll notice a new folder under Documents (or My Documents): *Craftsman*. Under Craftsman, you'll find the folder: *Construction Forms for Contractors*. In that folder, you'll find two folders: *Company Forms* and *Original Forms*. The *Company Forms* folder will be empty. We recommend using it to store forms customized with your company information. All of the original (unmodified) forms that appear in this book and on the CD are located in the *Original Forms* folder. The files in that folder can be reinstalled from the CD anytime. Reinstalling won't affect anything in your *Company Forms* folder.

If you prefer not to install, you can copy just the forms from the *Forms* folder on the CD. When you copy a file off the CD and write it to your hard drive, the file on your hard drive will retain the "read only" attribute. To change that:

1. Open Windows Explorer.
2. Right-click on the file name.
3. Click **Properties**.
4. Click to remove the check mark before Read-only and you'll be able to make any changes needed.

Blank PDFs

All the forms are included as PDFs (just print them and fill them out by hand), and as either Microsoft Word documents or Excel spreadsheets, or both.

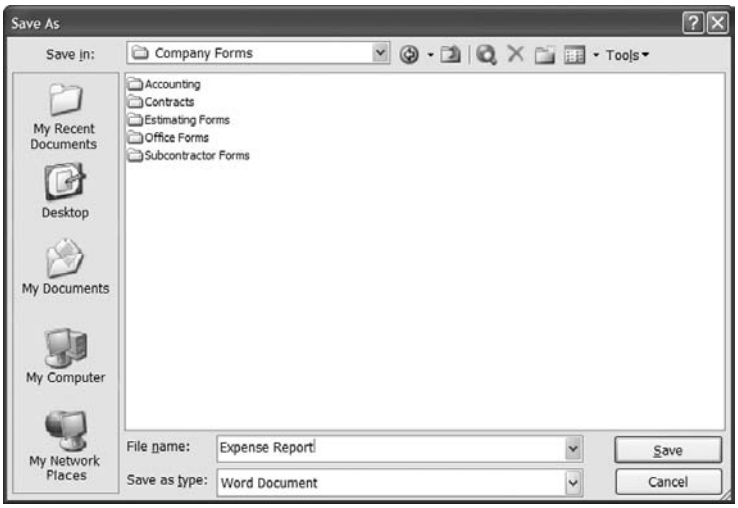

Figure 1
Give the form a descriptive file name that you'll easily recognize

Using the Word Processing Forms

Although the word processing forms (RTF files) provided on the CD can be accessed and used by a wide variety of word processing applications, they work best in MS Word 2002, 2003 and 2007. In testing the forms with those versions, they functioned exactly as we designed them. If you open the files in other applications, some formatting options, such as the "fill-in" fields, may not work as smoothly. This doesn't mean the forms are unusable to you, but that you may need to invest a little more time to fine-tune them.

To open a form and save a template in MS Word or any other word processing program able to read an RTF file:

1. Click the **Office** button (in Word 2007), or **File** (in Word 1997 to 2003). Click **Open**. Be sure the file type is "All Word Documents" (in Word 2007) or "Word Documents" (in Word 1997 to 2003). Navigate to the *Construction Forms for Contractors* folder and the *Original Forms* sub-folder. Double-click on the directory and/or file name you want to open.
2. Click the **Office** button, or **File**, then select **Save As**.
3. In the **Save in** dropdown box, navigate to the *Company Forms* folder and any sub-folder you've created (such as Office Forms). See Figure 1.
4. In the **File name:** box, enter a descriptive file name that you'll easily recognize later, for example, Expense Report.
5. Click **Save**.

6. Enter your company information in the boxes labeled Your Company Name, Your Address, Your City, State, Zip and Phone Number.

7. Add any text and graphics you want to appear in new forms based on this template. Delete anything you can do without. See page 13 to unlock the document before proceeding.

8. If you want, change the margins, page size, orientation, style, etc.

9. Click the **Office** button (or **File**) and then **Save**.

Time & Materials Contract

Quality Construction, Inc.
1 Main Street
Seaforce, CA 94545
855-555-1000 Fax: 855-555-1234
License # 123456?
Email: sales@qualityconstruction.com

Date: 12/05/10

CLIENT INFORMATION:

Name: Darrin Fox
Address: 1316 Washington
Seaforce, CA 94545
Telephone: 855-555-9090

Project Number: 09-237
Project Name: Foreword Suites
Project Address: 1292 Crestview
Seaforce, CA 94547

I. PARTIES

This contract dated the 5th day of October, 2010, is between Darrin Fox, Client, and Quality Construction, Inc., Contractor. In consideration of the mutual promises contained herein, Contractor agrees to perform the following work: Add a 4-car covered parking and storage structure to the property located at 1292 Crestview, Seaforce, CA 94547.

II. SCOPE OF WORK

Contractor will supply all the labor, materials, subcontractors and equipment to complete the work described below:

1. Excavate site
2. Pour slab
3. Construct covered parking and storage structure

The work does not include: final cleanup, painting, or landscaping. Client agrees to prep and paint structure, as well as to install landscaping, after project is complete and Contractor leaves the construction site. Client to perform all final cleanup.

III. CONTRACT DOCUMENTS

The Contract Documents consist of the following:

1. Architectural drawings by Fred Smith, Arch, dated 07/01/10
2. Specifications by Madison Mitchell, dated 09/10/10

An estimate is attached solely for the purpose of describing the categories of work. The pricing on the estimate shall have no bearing on the cost of work.

IV. CONTRACTOR'S DUTIES

Contractor accepts the relationship of trust and confidence established between his company and Client. He covenants with Client to furnish his skill and good judgment in furthering the interest of Client. He agrees to furnish supervision and handle business administration efficiently, and use his best efforts to furnish at all times an adequate supply of workers and materials, and to perform the work in the most expeditious and economical manner.

Using a Customized MS Word Form

1. Navigate to your *Company Forms* folder and the appropriate sub-folder. Locate the form you want to use and double-click on the file name.

2. Enter information in the form. Use the **Tab** key to move forward from field to field. To move backward, hold down the **Shift** key while pressing **Tab**.

3. When the form is exactly what you want, click **File** and **Save As**.

Caution: It's important to select **Save As**, not **Save**, and to give the file a new name. That writes the revised file to your hard drive under the new name and leaves the original file unchanged.

Getting and Staying Organized

Good organization doesn't start and end with a good set of forms. Consider keeping your forms organized as well. Here are a few tips.

Note the sub-folders in Figure 1. The forms in this book can be sorted into four broad categories: contracts, estimating forms, office forms and subcontractor forms. Those names make good folder titles in the *Company Forms* folder. And maybe you want to start a new folder for each new job or client name. For example, sub-folders under the *Construction Forms for Contractors* folder might be titled:

Current Projects
  Client A
  Client B
Closed Projects
  Client 1
  Client 2
Projects Out to Bid

Use Windows Explorer to create new sub-folders:

1. Right-click on the folder where the sub-folder will be located.
2. Click **New** and **Folder**.
3. Type the folder name.

Locking and Unlocking Your MS Word Forms

Once a template form has been customized just the way you want it, consider locking the form to prevent accidental changes. MS Word 2007 and 1997 to 2003 allows you to lock a document so it can't be changed without unlocking.

To lock a form in Word 2007:

1. From the Menu Bar, click **Review**, then click **Protect Document**.
2. In the "Restrict Formatting and Editing" dialog box, select the "Allow only this type of editing in the document" check box. Then from the dropdown box, select "Filling in forms."
3. Then click **Yes, Start Enforcing Protection**. Enter password (optional).
4. Click **OK**.

To lock a form in Word 1997 to 2003:

1. Navigate to the *Company Forms* folder and double-click on the form you want to change.
2. From the **View** menu, select **Toolbars**, then **Forms**.
3. From the Forms toolbar, click the **Protect Form** button (the padlock at the far right). See Figure 2.
4. Now the form can't be changed without unlocking. Even saving the form under a different file name doesn't unlock the form.

Figure 2
Use the padlock icon to lock and unlock a form

To *un*lock a form in Word 2007:

1. From the Menu Bar, click **Review**, then **Protect Document**.
2. At the bottom of the "Restrict Formatting and Editing" dialog box, click **Stop Protection**.

To *un*lock a form in Word 1997 to 2003:

1. From the **View** menu, select **Toolbars**, then **Forms**.
2. From the **Forms** menu, click the padlock button to release it.

Spreadsheet Forms

To open a form and save a template in MS Excel or any other spreadsheet program able to read an Excel file:

1. Click the **Office** button (in Excel 2007) or **File** (in Excel 1997 to 2003). Click **Open**. Be sure the file type is "All Excel Files" (in Excel 2007) or "All Microsoft Excel Files" (in Excel 1997 to 2003). Navigate to the *Construction Forms for Contractors* folder and the *Original Forms* sub-folder. Double-click on the file you want to open.
2. Click the **Office** button (in Excel 2007) or **File**, then select **Save As**.
3. In the **Save in**: dropdown box, navigate to the *Company Forms* folder and the sub-folder you prefer (such as *Office Forms*).
4. In the **File name**: box, enter a descriptive file name that you'll recognize later, for example, Profit and Loss.
5. Click **Save**.
6. Enter your company information in the boxes labeled Your Company Name, Your Address, Your City, State, Zip and Phone Number.
7. Add any other text and graphics you want to appear in new forms based on this template. Delete anything you can do without. See page 15 to unlock the document before proceeding.
8. If you want, change the margins, page size, orientation, style, etc.
9. Click the **Office** button (or **File**) and **Save**.

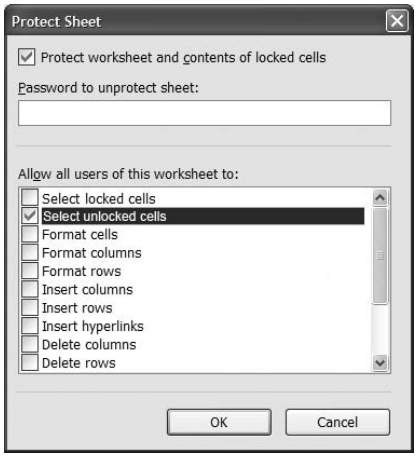

Figure 3
After modifying a form, protect it so it doesn't get inadvertently changed

Locking and Unlocking Your Excel Forms

To make changes to a form, you must first unlock the document:

1. Navigate to the *Company Forms* folder and the appropriate sub-folder. Locate the form you want to use and double-click on the file name to open it.

2. To unlock the document: In Excel 2007: From the Menu Bar, click **Review**, then click **Unprotect Sheet**. In Excel 1997 to 2003: From the **Tools** menu, click **Protection**, then click **Unprotect Sheet**.

3. The document is now ready for you to make changes.

4. After you've made the changes you want, consider locking or protecting the document before you save it so it can't be inadvertently changed.

   - To lock or protect the form in Excel 2007: From the Menu Bar, click **Review**. Click **Protect Sheet**. Enter password (optional), then click **OK**.

   - To lock or protect the form in Excel 1997 to 2003: From the **Tools** menu, click **Protection**. Then click **Protect Sheet**. The Protect Sheet window will appear. Make the selections as shown in Figure 3 and click **OK**.

5. When done, click **File** and **Save As**.

You may want to protect a formula or text in a specific cell rather than protecting the entire sheet. To lock or unlock a *cell*:

1. Right-click in the cell, then click **Format Cells** (in Excel 2007), or from the **Format** menu (in Excel 1997 to 2003), click **Cells**.

2. In the Format Cells window, click the **Protection** tab.

3. Select or deselect **Locked**. See Figure 4.

That's about all you need to know about opening, saving and modifying these construction forms and contracts. In the following sections we get down to business – putting these powerful forms to work in your office.

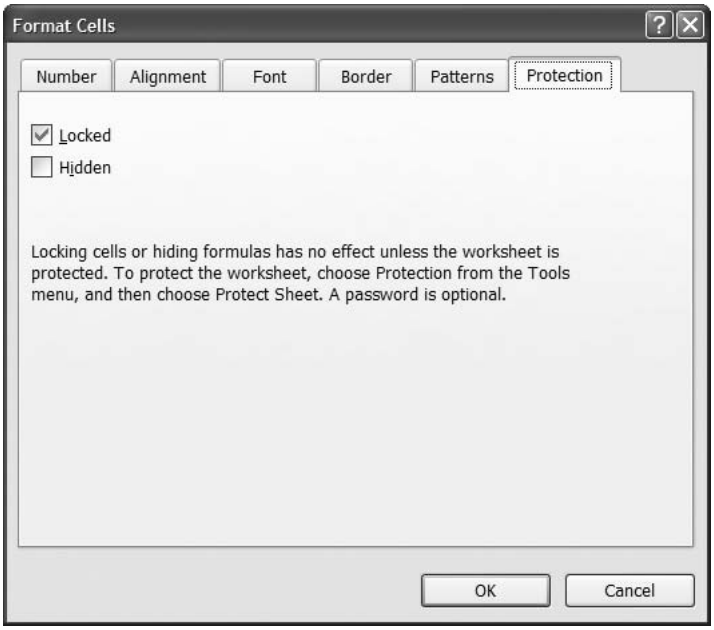

Figure 4
You can make specific cells accessible on a locked form by de-selecting **Locked**

Accounting Forms

1

Bookkeeping and accounting-related tasks for a construction company can be some of the most difficult and/or frustrating aspects of running a construction business. However, if you know what to expect, how to gather the information, and how to track it properly, you'll find yourself moving toward a smoothly-run operation.

The Forms

Expense Report, *19*
Some expenses incurred by company employees are reimbursable. Use this form to track these expenses.

Journal Entry Worksheet, *23*
On this form keep a manual audit trail of all journal entries posted into your accounting system, including the date of each posting.

Hourly Labor with Burden Rates, *26*
This form lets you see at a glance the true costs of labor by job classification.

Over/Under Billings Report, *31*
This report gives you the information you need to get monthly financial reports in balance. You'll be able to compare earned revenue to the associated costs during any given month. If a customer is invoiced for a job that isn't

yet complete, this report will take into account the revenue associated with the portion not yet completed. Earned revenue will be compared to the costs associated with that revenue.

Product Invoice, *35*
It's essential to keep track of items purchased for each job. If your company doesn't have a computerized accounting system, or if the system is inconvenient for this purpose, the *Product Invoice* will also help you get an invoice out quickly.

Profit & Loss Report (P&L), *38*
Are you making a profit or operating at a loss? Some accounting systems don't have a user-friendly P&L. This professional-looking *Profit & Loss Report* (P&L) is designed specifically for the construction industry and lets you see your company's net profit or loss instantly.

Time & Materials Log, *46*
This form lets field personnel submit information in a timely manner, while keeping tabs on costs.

Vendor IRS Letter & W-9 Form, *49*
The IRS requires that you have on file a completed W-9 form for every subcontractor. This letter informs the sub of this requirement, and is sent along with a W-9 for them to fill out and return.

Expense Report

File name on CD
ExpenseRpt

Expense reports are used by employers to track reimbursable expenses incurred by authorized employees. These forms should be comprehensive, organized for daily entries, and be easy to complete.

In the construction business, it's common for crews to travel long distances to jobsites. An expense report should be completed by employees when the company pays for their travel, food, and accommodations.

The employee should have a receipt for every expense he enters on this form. Remind your employees to fill out their expense reports as completely as possible, since expenses that aren't documented may not be reimbursed. Receipts also assist your accounting department when it processes the employee's reimbursement check.

Completing the Expense Report

On this form, the employee will list all expenses incurred on jobs away from home, including travel to and from the work site. Each employee completes the form on a daily basis, and submits it weekly to the job manager or supervisor, along with receipts and timesheets.

Using the Excel file on the CD-ROM when you tab from one column to the next, the numbers you enter will automatically convert to dollars and cents, in a running total. At the bottom of each column, the program auto-generates the total expense. As each amount is entered, the *Total Expense* line changes, giving the current expenditure. Now let's look at the form in detail.

Employee and Project Information

The employee enters his information, dates the report, and enters the project number and details.

Week Ending

In the *Week Ending* section, enter the last day of the work week. For example, if your employee works Monday through Sunday, he would submit an Expense Report the following Monday for that previous week.

Detail of Daily Expenses

It's advisable to enter any recurring expense items that are common to your business. For instance, in our sample form under *Detail of Daily Expenses*, we've entered Travel Mileage. Our particular employees spend a lot of time on the road. If your employee drives his own vehicle to the jobsite, he would enter the round-trip mileage and the rate per mile allowed.

Customizing the Form

This form is easily altered to meet your company's specific needs. On the next five lines of our sample, we grouped costs involving transportation. On the Excel file, to change the mileage cost from the preset 0.36, just click on it. The cell will be highlighted, and you can enter the amount your company pays. (Don't forget the decimal point if it's needed.) Then, in the Travel Mileage row above, enter the miles driven for each day. The Excel form automatically multiplies miles driven by the travel allowance, displays the cost in the row below, and includes it in the total at the bottom of the sheet.

After *Hotel*, you'll see headings for other expenses: Breakfast, Lunch, Dinner and Entertainment.

Misc and Other

There are two rows labeled *Misc* and *Other*. Those rows are for expenses that don't fit into any of the itemized categories. Receipts should be submitted to confirm any expense or purchase that's claimed on the form.

Total Expenses

At the end of the work week, the *Total Expenses* cell is automatically calculated. Keep a copy of each completed form for your company records. That's good organizational practice and has an extra perk: it'll prove invaluable at tax time, when you need to itemize expenses. Generally, any cash transaction of less than $20 doesn't require a receipt.

Entertainment Expenses Broken Out

In our item list, you'll see that *Entertainment* has an asterisk (*) after it. At the bottom of the form, the *Entertainment Expenses Broken Out* area is preceded by an asterisk. This area is for detailing client-related meals and entertainment expenses. Not only are receipts necessary; the *reason* for the meeting expense must be documented as well, in the section provided.

Expense Report

Quality Construction, Inc.

Date: 05/15/10

Employee Information

Name: Madison Mitchell
Address: 543 E. Greencreek Court
Bayshore, CA 94545

Project Number: 09-237
Project Name: Foxwood Suites
Project Address: 1262 Crestview, Seashore, CA
Week Ending: 05/12/10

Detail of Daily Expenses

Item	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Travel Mileage	35	35	36	20	45		
x (0.36)/Mi.	12.60	12.60	12.96	7.20	16.20	0.00	0.00
Gas, Oil, Lube							
Parking, Tolls	2.00	2.00	2.00	2.00	2.00		
Auto Rental							
Taxi, Bus, Limo							
Air, Railway							
Hotel							
Breakfast							
Lunch	15.00						
Dinner							
Laundry							
Phone							
Tips							
Entertainment *					76.50		
Misc.							
Other							
Daily Total	**$29.60**	**$14.60**	**$14.96**	**$9.20**	**$94.70**	**$0.00**	**$0.00**

SAMPLE

Total Expenses: **$163.06**

*Entertainment Expenses Broken Out

Date	Item	Who	Reason	# of People	Receipt	Amount
05/10/10	Dinner	Bud Builder	Reviewed new plans	3	Yes	76.50

Expense Report

Date: _____

Employee Information

Name: _____

Address: _____

_____

Project Number: _____

Project Name: _____

Project Address: _____

Week Ending: _____

Detail of Daily Expenses

Item	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Travel Mileage							
x (_____)/Mi.							
Gas, Oil, Lube							
Parking, Tolls							
Auto Rental							
Taxi, Bus, Limo							
Air, Railway							
Hotel							
Breakfast							
Lunch							
Dinner							
Laundry							
Phone							
Tips							
Entertainment *							
Misc.							
Other							
Daily Total							

Total Expenses: _____

*Entertainment Expenses Broken Out

Date	Item	Who	Reason	# of People	Receipt	Amount

Journal Entry Worksheet

File name on CD
JrnalEntry

The *Journal Entry Worksheet* is a multi-purpose form, originally created by accountants to give a list of journal entries to bookkeepers so they could keep track of what they need to post and how to post the entries each month.

It serves as a paper audit trail for journal entries or adjustments in your accounting system. Weeks, months, or even years later, you may need to know what a particular entry or adjustment was for, who posted it, and when. A journal entry might be entered to reallocate a transaction from one account to another. For example, if the phone bill was allocated to Utilities but was supposed to be allocated to Telephone, a debit would be entered to Telephone, and a credit to Utilities.

This worksheet would also be used for posting non-cash transactions like depreciation expense, prepaid expenses and other items such as monthly recurring automobile payments made electronically, and bad debt write off.

Keeping a *Journal Entry Worksheet* puts the information at your fingertips. Plus, in the inevitable occurrence of a computer crash or an accidental deletion, you have a hard copy to re-enter the data from.

Completing the Journal Entry Worksheet

The person preparing the journal entry should enter his name in the *Prepared By* field, and the date it was prepared. Typically, it would be the company bookkeeper or accountant. Enter the name of who posted the journal entry information into the accounting system and the date, in the *Posted By* and *Date Posted* fields.

Accounting Adjustment

Account # Column

In *Account #,* enter the number of the expense account. Account numbers can be determined by using your Chart of Accounts.

Account Name Column

In the *Account Name* column, enter the name or category associated with the account number. For example, auto expense, meals, and job-related costs.

Description Column

In the *Description* column, enter an explanation. In our example, it was for fuel, to buy lunch for the crew, and to purchase some hardware for the Cambridge job. The description should be complete enough that you'll know what the expenses were for if you're looking at it a year from now.

Debit and Credit Columns

Generally a debit is used when increasing a balance in an expense account (like meals or gas) and a credit would be used to show that cash was depleted (or used) to pay for that expense. It's important to remember that for every debit, you must have an equal credit. At the bottom of the form, total the credit and debit columns and make sure they match.

Journal Entry Worksheet

Quality Construction, Inc.

Prepared By: Nancy Jones **Date Prepared:** 05/15/10
Posted By: Sadie Woods **Date Posted:** 05/17/10

SAMPLE

Accounting Adjustment

Account #	Account Name	Description	Debit	Credit
1140	Petty cash	Cash spent between 05/01 and 05/15		145.00
6140	Auto expense	Fuel	45.00	
6550	Meals	Lunch for crew	50.00	
5110	Job-related costs	Hardware for Cambridge job	50.00	

Journal Entry Worksheet

Prepared By: _____ **Date Prepared:** _____

Posted By: _____ **Date Posted:** _____

Accounting Adjustment

Account #	Account Name	Description	Debit	Credit

Hourly Labor with Burden Rates

File name on CD
HrLbrBurdn

This form is usually prepared by the accounting or payroll department. It calculates and records the total hourly labor costs for each worker in any given wage rate classification. Enter the base hourly rate, fringe benefits, taxes and insurance to get an accurate hourly labor cost for each classification. Your labor burden includes all taxes and insurance that must be paid on the hourly wage. Many contractors find their labor burden is, on average, 35 percent of labor costs. In most cases, workers' compensation is the largest component of labor burden for field employees.

The Form

Now, let's look at the *Hourly Labor with Burden Rates* form. Estimators should use this data when computing their labor costs. Use a separate copy of this form for each wage rate classification. With the information gathered here, you can get a pretty good estimate of labor costs.

Complete a new form whenever there's a change in pay scale, taxes, insurance, or any other benefit. It's common practice to revise this form at the start of each year, when new payroll tax tables arrive.

General Information

The first section consists of four lines: *Classification, Date, Period From,* and *Through.*

Classification and Date

Only one job-type is entered under *Classification.* A single form is used for each wage rate. Enter the current date.

Period From and Through

The estimated duration of the job, in days, should be indicated on the *Period From* and *Through* lines. Enter the dates of the particular job; for instance, our example job began on 01/01/10 and will take a year, ending on 12/31/10.

Base Hourly Rate

Base Hourly Rate refers to the total gross hourly wage paid to the employee in this job classification, including the rate per hour and, if applicable, vacation and holiday pay.

- Hourly Rate
  In our example, we pay $20 an hour to our finish carpenter; that's his wage, or *Hourly Rate*. It's what we agreed to pay him, and what he sees on his paycheck before deductions.

- Vacation Pay
  Vacation Pay is figured as an hourly cost. If a 40-hour-a-week employee is paid $20 per hour and gets one week of paid vacation annually, here's how we figure his pay:

  40 hours × $20 = $800. If he works 40 hours a week, 52 weeks a year, that's 2,080 hours per year you're paying him for.

  Divide $800 by 2,080 to find his vacation pay, which in this example is 38.46 cents per hour. On the sample, we rounded that to 38 cents.

- Holiday Pay
  Calculating *Holiday Pay* is similar to figuring vacation pay. Suppose your employees get six paid holidays a year – New Year's Day, Presidents' Day, Memorial Day, Christmas, etc. That equals 48 hours of holiday pay.

  Multiplying by $20/hour, you get $960. Divide $960 by 2,080 hours per year, for a per hour cost of 46.15 cents (shown rounded to 46).

You don't calculate holiday or vacation pay on overtime or double time because you only pay those benefits for *regular* hours worked. Consequently, it isn't always a bad idea to have employees work overtime. The rate per hour may be higher, but the benefits generally stop at 40 hours per week.

Total Base Hourly Rate

In *Total Base Hourly Rate,* calculate the sum of the employee's hourly rate, hourly vacation and holiday pay. For our finish carpenter, that's $20.84.

Labor Burden

This section on the form contains everything that falls under the umbrella of *Labor Burden* – taxes, insurance, workers' comp, etc. The majority of these will be a percentage of gross wages; a few are dollar amounts.

Social Security, Medicare, and Federal Unemployment

You must enter the applicable percentages for each in order for the spreadsheet to calculate correctly. The year this book was written, and as you'll see in the sample, Social Security tax was 7.6 percent, Medicare 1.45, and FUTA 0.08. Most years they change a bit. You can find the current rates at www.irs.gov, or get them from your accountant.

State Unemployment, Other State Taxes, Workers' Compensation, and General Liability Insurance

The percentage for these taxes is dictated by each state. If you don't have the current rates, call your state government or insurance company to get them.

Medical Insurance and Other Benefits

If you pay for the employees' medical insurance, make pension fund contributions, etc. you'd figure them as either cost/hour or percentage/hour of the worker's wages. To calculate the hourly cost, total the amount paid per month for the employee (let's use $100 as an example), multiply by 12 (for 12 months), then divide by 2,080 hours. $100 × 12 divided by 2,080 comes to $.58 per hour. This is the amount per hour you'd enter into the box.

If you're one of the few who pay your employees' union dues, enter the amount you pay per hour. Add these benefits to the hourly rate to determine the *Total Labor Burden.*

Total Labor Burden and Total Hourly Labor Cost

Finally, *Total Base Hourly Rate* plus *Total Labor Burden* equals the *Total Hourly Labor Cost* for each wage rate category. The total calculates automatically.

The company's liability insurance carrier should be able to give a percentage rate per hour if it bases its liability insurance coverage on payroll. If the company pays towards its employees' medical insurance, multiply the amount paid per month by 12 for an annual rate, then divide by 2,080 to get the hourly rate.

As a Percentage of Wage

The labor burden as a percentage of the base labor rate can also be determined by dividing the total labor burden by the total base labor rate. For example, divide an $8.06 labor burden by a total base labor rate of $20.84 per hour. The labor burden for that classification is 40 percent. This rate is often used to confirm that the estimator has the correct hourly rate for labor when estimating labor costs for a project.

Hourly Labor with Burden Rates

Quality Construction, Inc.

Classification: Finish Carpenter **Date:** 05/15/10
Period From: 01/01/10 **Through:** 12/31/10

Base Hourly Rate	Straight Time	Overtime	DBL Time
Hourly Rate	$20.00	$30.00	$40.00
Vacation Pay	0.38		
Holiday Pay	0.46		
Total Base Hourly Rate:	**$20.84**	**$30.00**	**$40.00**

Labor Burden	%/$			
Social Security Tax	7.60%	1.58	2.28	3.04
Medicare Tax	1.50%	0.31	0.45	0.60
Federal Unemployment (FUTA)	0.80%	0.17	0.24	0.32
State Unemployment (SUI)	2.00%	0.42	0.60	0.80
Other State Taxes	0.10%	0.02	0.03	0.04
Workers' Compensation	21.00%	4.38	4.38	4.38
General Liability Insurance	3.00% /hr	0.60	0.90	1.20
Medical Insurance	$0.58 /hr	0.58	0.00	0.00
Other Benefits	$0.00 /hr	0.00	0.00	0.00
Union Dues				
Total Labor Burden:		**$8.06**	**$8.88**	**$10.38**

Total Hourly Labor Cost:	**$28.90**	**$38.88**	**$50.38**
As a Percentage of Wage:	**38.68%**	**29.60%**	**25.95%**

SAMPLE

Hourly Labor with Burden Rates

Classification: _____ **Date:** _____

Period From: _____ **Through:** _____

Base Hourly Rate	Straight Time	Overtime	DBL Time
Hourly Rate			
Vacation Pay			
Holiday Pay			
Total Base Hourly Rate:			

Labor Burden	%/$			
Social Security Tax				
Medicare Tax				
Federal Unemployment (FUTA)				
State Unemployment (SUI)				
Other State Taxes				
Workers' Compensation				
General Liability Insurance				
Medical Insurance				
Other Benefits				
Total Labor Burden:				

Total Hourly Labor Cost:			
As a Percentage of Wage:			

Over/Under Billings Report

File name on CD
OU_BilRprt

The *Over/Under Billings Report* is included on the CD as an Excel-based spreadsheet. It will automatically calculate how much you've over- or under-invoiced on each job, compared to the estimated costs and estimated revenue for the project. The report will help you calculate a journal entry to post into your accounting system to accurately record more or less income during any given month.

This process should be part of your end-of-the-month accounting routine. It's critical that the owner of the business be able to compare how much revenue the company has generated versus how much money it cost to generate that revenue. If you've over-invoiced a customer, the Profit & Loss Report will overstate income, which will give the false impression that the company has a higher-than-average gross profit margin or higher-than-average net profit.

The Form

As with all our forms, enter the pertinent company information where indicated. Typically, this spreadsheet is updated at the end of each month, after all job-related transactions for the month have been entered in the accounting system and the books are closed.

Date Ending

The *Date Ending* is the date that ends that particular accounting period. For example, if you've entered all transactions for the month of May, 2010, enter May 31, 2010, in the *Date Ending* field. It may take you a few days after the end of the month to enter all the costs into the system, but you'd still date it May 31.

Project

Under *Project*, enter the name or number and name of each project that's *in progress*. Any project that's completed — totally invoiced out and all vendor/subcontractor bills received — should be removed from this form. In our example, 09-101 is a job number and Foxwood Suites deck is the job name.

Contract Price

Here you enter the total contract price, or the price you expect to invoice the customer when the job is complete, including any change orders.

Estimated Cost

Estimated Cost is what you expect the job to cost *you*. This includes materials, labor, labor burden, subcontractors, equipment rental, and all job-related costs, including change orders.

Estimated Earnings

This is what you expect to earn on this project. The Excel spreadsheet automatically calculates it by subtracting the estimated costs from the contract price. Our company, Quality Construction, Inc., estimated the cost of the Foxwood Suites deck at $5,500, and a contract price of $10,000. The estimated $4,500 in earnings is generated automatically, and appears in this column.

Invoiced to Date

Invoiced to Date is the total amount billed to the customer as of a specific date. On the job for Foxwood Suites, we've invoiced $2,000. The date we've chosen to end this report is 05/31/10, the end of the month.

Total Costs to Date

Total Costs to Date includes all costs incurred up to the period closed.

Earnings to Date

Earnings to Date calculates automatically, when the required information is entered. This is how much you've earned on the project to date based on how much you have in costs as of the last day of the month or closed period. In the Foxwood Suites deck example, you see it's $818.18.

Over/Under Invoiced

The *Over/Under Invoiced* column shows the automatically-calculated amount you've over- or under-invoiced each job as of the last day of the month.

%

The last column (%) will automatically calculate. It divides the Total Costs to Date by the Estimated Cost, giving you the percentage complete. In our example, based on the amount in the Total Costs to Date column, job 09-101 is 18.18% complete. Once you've entered and paid all the bills for the job, you'll be 100% complete.

Totals

This line automatically totals each column where you've entered information.

Over/Under Billings

The total for *Over/Under Billings* is the amount the company over- or under-invoiced all jobs during the month. If *Over/Under Billings* is negative, a credit should be posted to the Over/Under Billings account (a liability account), and a debit to the Revenue account (an income account). A negative means the company has over-invoiced and revenue needs to be subtracted from income to get an accurate Profit and Loss for the month.

Revenue (Offset)

Revenue is the amount over- or under-invoiced to all jobs. A journal entry should be posted for any amount shown. The amount is the same as the Over/Under Billings with the opposite sign. If Over/Under is a negative, a credit is posted to the liability account for Over/Under Billings and a debit is posted to Revenue. The reverse is also true.

These two last rows are for the accountant or bookkeeper. They'll enter the two last rows as journal entries into their accounting system. These journal entries will revise the revenue to the correct amount. They back out revenue for over-invoiced customers and add revenue if they've been under-invoiced.

Over/Under Billings Report

Quality Construction, Inc. **Date Ending:** 05/31/10

Project	Contract Price	Estimated Cost	Estimated Earnings	Invoiced to Date	Total Costs to Date	Earnings to Date	Over/Under Invoiced	%
09-101 Foxwood Suites deck	10,000.00	5,500.00	4,500.00	2,000.00	1,000.00	818.18	-181.82	18.18%
09-235 Edgewood Manor	250,000.00	175,000.00	75,000.00	50,000.00	5,460.00	2,340.00	-42,200.00	3.12%
09-236 Taylor Remodel	125,000.00	65,000.00	60,000.00	10,000.00	1,000.00	923.08	-8,076.92	1.54%

SAMPLE

Over/Under Billings	**-50,458.74**
Revenue (Offset)	**50,458.74**

Over/Under Billings Report

Date Ending:

Project	Contract Price	Estimated Cost	Estimated Earnings	Invoiced to Date	Total Costs to Date	Earnings to Date	Over/Under Invoiced	%
Totals								

Over/Under Billings
Revenue (Offset)

Product Invoice

File name on CD
ProductInv

This form is used if you sell products to clients. It lets you keep track of items sold to each client and accounts for goods that have been ordered, but haven't yet been shipped, delivered, or picked up. On our sample, Product Invoice #1002, Quality Construction is selling the windows, not installing them. Thomas Thornburg is a carpenter for Carl & Carolyn Nash, and the windows were ordered by Thornburg for installation on the Nash project.

Using the Form

As with all our forms, enter company and client information. We recommend creating a *Product Invoice* number for each invoice created. That way, if a client calls you with a question, you can easily look up or identify the invoice by its number. Invoice numbers are solely for identification – they don't relate to a particular job. And you number sequentially – the next invoice gets the next number. If you issued invoice number 1000 earlier in the day, the next invoice you create would be 1001.

To: and *Ship To:*

Under *To*:, enter the name of the person or company that purchased the goods. This is where the invoice will be sent. Under *Ship To:* enter the address where the goods will be shipped, usually the jobsite address. If both invoice and goods go to the same address, just write in *Same*.

Order #, Date, Shipped Via

Order # refers to the client's purchase order number. *Date* is when the order was processed. *Shipped Via* indicates by what means a product will be transported. For instance, a commercial company, like UPS, or a company truck. This tells the person receiving the products how they'll be delivered.

F.O.B. Point, Terms, B/O

F.O.B. stands for "free on board," the origin of which dates back to the mid-18th century, when virtually all goods were transported by ship. Today, F.O.B. designates who pays the freight charges of the goods. The F.O.B. Point is the

place agreed upon for transmittal of those goods from seller to buyer. Title to the goods passes to the representative taking delivery at the specified location. In most cases, this will be the jobsite, where the materials will be installed.

Terms describes the manner of payment. On our sample invoice, *Net 30* means that payment is due within 30 days of the date of the invoice.

B/O, in the column after *Qty Ordered*, stands for Back Ordered. Enter the quantity of items ordered, and indicate how many of those items are back ordered. If, in our example, we ordered three Milgard windows and only two were in stock, we'd still show three ordered, and have a 1 written in the B/O column. The total cost shown would still be for all three windows.

Product Invoice

1002

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License #: 1234567
Email: sales@qualityconstruction.com

Invoice Date: 05/15/10
Salesperson: Nancy Jones

To:
Thomas Thornburg
1033 Carlotta Avenue
Bayshore, CA 94444

Ship To:
Carl & Carolyn Nash
145 Hill Road
Altamont, CA 94123

Order #	Date	Shipped Via	F.O.B. Point	Terms
9345	05/15/10	Company Truck	Jobsite	Net 30

Qty Ordered	B/O	Qty Shipped	Description	Unit Price	Total
3		3	Milgard 3 x 10 windows, brushed nickel	280.00	$840.00
1		1	Anderson French door, brushed nickel	1,250.00	$1,250.00
				Total	**$2,090.00**

SAMPLE

Product Invoice

Invoice Date:

Salesperson:

To:

Ship To:

Order #	Date	Shipped Via	F.O.B. Point	Terms

Qty Ordered	B/O	Qty Shipped	Description	Unit Price	Total
				Total	

Profit & Loss Report

File name on CD
ProfitLoss

Our *Profit & Loss Report,* also called an *Income Statement*, is designed for small- to medium-sized contracting companies. The Excel-based form on the CD calculates numbers automatically.

Contractors, like all business owners, need to know where they stand financially, at least at the end of every month. A properly-completed P&L gives an accurate picture of how the business performed over a specific period of time — usually a month or a year. Contractors should examine their P&L reports every month, after the books are closed, and then compare the monthly and annual P&L to those of previous periods.

Are you making a profit or operating at a loss? Essentially, the P&L lists all revenue earned, and the expenses incurred to earn that revenue. Profit is positive; loss is negative. You probably know this all too well. Since you're in business to make money, you want to see a positive at the end of the day (*and* this report).

Customize the *Profit & Loss Report* by adding or deleting categories. Some accountants suggest that you begin with an all-inclusive list. However, we've found that the bigger the list, the bigger the chance of misplacing information. So we've elected to begin with a smaller, more manageable list. Add or create categories as you need them.

Using the Form

After you've customized the categories listed on your Profit & Loss Report to fit your specific needs, they're ready to enter into the Excel spreadsheet. Following are instructions to complete the form.

Current Year

This year, Quality Construction, Inc., earned a total of $1,251,000, shown on the *Total Income* line, in the first column (headed *Current Year*). Looking down the next column, *%*, you can see that 77.94% of our income was from residential construction, and the rest was commercial. Now let's look at last year's numbers.

Prior Year

Although the income was relatively close in these two years, the proportion of residential to commercial last year was almost the opposite: The *Prior Year* information shows 38.34% was residential work, while 61.66% was commercial.

This is valuable information. Look further down and you'll see, in the $ Change column, that Total Job-Related Costs are up $33,075.46, while income is up only $25,000. That means Gross Profit this year compared to last is down $8,075.46. That isn't good. What that tells us is that commercial jobs last year were more profitable than the residential jobs we accepted this year. That could mean that there's presently more profit in commercial jobs than in residential. So that's where Quality Construction should focus their marketing efforts.

% and $ Change

To see the big picture for any company, this year should be compared with the last. In a nutshell, the final columns, named *%* and *$ Change,* will show that comparison.

Total Income

Total Income is the sum of all revenue categories. Make sure this accounts for every penny of construction-related income received in the time period covered by the statement. Income includes all money earned by the business in a specified time period. If the company does both commercial and residential work, use separate income categories for each.

Look at Quality Construction, Inc.'s *Total Income:* it was less last year, but the $ change column reflects a *negative* of $480,000 for this year in the commercial sector.

Job-Related Costs

Job-Related Costs include anything directly attributed to a specific project or job. Labor, labor burden, materials, subcontractor costs, equipment rental and other costs directly related to a job, like building permits, are job costs. When liability insurance and bonds are based on a particular job, they're also considered job costs. These costs are grouped into broad categories on our sample P&L.

Total Job-Related Costs

Total Job-Related Costs are the sum of all the job costs during a given time period. Totaling this year's costs on our sample form, you see that we spent more than last year, especially for equipment rental. But material costs remained consistent. This is confirmed by the dollar amounts and the % next to each category under the current and prior year columns. This year, 70.31% of all the income that was received was spent on job-related costs.

Gross Profit

Subtracting total job-related costs from income, *Gross Profit* is $371,385.00 this year.

Overhead Expenses

Overhead Expenses include all costs that can't be allocated to one particular job. Although completing this form may seem time-consuming, not only will it give you a picture of where money's being spent; it'll also help your tax preparer create your tax return. With an Excel-based *Profit & Loss Report*, a percent value is given to each category as information is entered. We chose to alphabetize the accounts in *Overhead Expenses*. Use whatever format best suits your company's needs.

Keep in mind that while too much detail makes it difficult to see the forest for the trees, too *little* makes it hard to see where the company is overspending. Our sample list is a good starting point. Modify it to suit the way you do business. Here are a few of the costs we've chosen for Quality Construction, Inc.

Advertising includes telephone book advertising, newspaper ads, printing, flyers, home shows, website, and the costs of any efforts used to promote the business.

Bank Service Charges include the monthly maintenance fees for your checking accounts.

Business License & Fees cover miscellaneous costs and charges that towns, cities, counties, and states require of a company, in order to do business in that location.

Car / Truck Expense includes gasoline or any other fuel, oil and repairs, license, registration and insurance.

Depreciation spreads the cost of equipment, vehicles, and buildings over the useful life of the item. For example, let's say you spend $4,500 on a new computer that you expect to use for four years. It's worth $500 at the end of four years. You've purchased $4,000 worth of "usefulness," which you'll use at a rate of $1,000 in each of the four years if you elect to use straight line appreciation. Tax law allows several ways to figure depreciation, so consult an accountant before choosing a method.

Dues and Subscriptions includes the cost of trade magazines and books (including this one), as well as membership in any professional organizations.

Meals and Entertainment must be well-documented. The IRS believes this deduction is often abused, so they'll take an especially careful look if the amount is more than might be expected. A meal with a client, employee, vendor, business partner, lawyer, accountant, etc., can be deducted, if a receipt is provided. Write on the receipt what business transpired. For example, "Lunch with accountant, reviewed tax strategy."

Office Supplies includes pens, paper, tape, computer paper, ink and toner – even the software needed to run the CD in the back of this book.

Payroll (office staff) includes labor costs paid to anyone (except officers) whose salary can't be charged to a particular job. Under some time & materials contracts, office time spent on a specific job can be earmarked and "cost" to that job. Wherever possible, apply wages to a specific job. This results in more accurate job-costing, which means more realistic bidding in the future.

Officers' Labor includes all wages or salary paid to officers of the corporation.

Payroll Taxes – Overhead includes all state, local and federal taxes that the company pays on overhead employees. An overhead employee is anyone who doesn't work in the field or on a job (those are Direct or Job-Related employees). For example, office staff, clerical workers and bookkeepers are overhead employees.

Payroll taxes that are paid by an employer include: Federal Unemployment Tax (FUTA), State Unemployment Tax (SUTA or SUI), Social Security, Medicare, and State Disability.

Professional Fees include legal and accounting expenses.

Rent covers both office and shop rent.

Telephone All office telephones (including cell phones used specifically for business) are considered part of the company's overhead expense.

Tools & Machinery includes small tools that aren't considered an asset and are "expensed" in the year they're purchased. A generally safe rule of thumb is that any tool under $500 can be expensed. More-expensive tools are considered fixed assets and need to be depreciated over a period of years.

Utilities include electricity, gas, and water for the office. Utilities at the jobsite should be costed to the job and included in the Other Job-Related Costs account under Job-Related Costs.

Total Expenses

Total Expenses are the sum of all overhead expenses.

On our sample P&L Report, our total expenses are $235,654.57. Officers' Labor ($117,000) and Rent ($15,360) are the two categories of expenses that make up almost half of the overhead expenses. Overhead expenses eat up 18.84% of our gross profit ($371,385.00), leaving us a net of 10.85% of our original total income. We'll subtract Total Expenses from Gross Profit to find the *Net Ordinary Income.*

Net Ordinary Income

Net Ordinary Income (or *Loss*) is the difference between the amount earned (revenue) and what is spent (expense). Remember to add any income from interest (we added $124.50) and of course, deduct corporate taxes, which in the case of Quality Construction total $2,043.00.

Quality Construction's net income is $133,811.93. Good recordkeeping practices and hard work can help make your totals positive (income) rather than negative (loss).

Profit & Loss Report

Quality Construction, Inc.

	Current Year	%	Prior Year	%	$ Change
Construction Income					
Residential	975,000.00	77.94%	470,000.00	38.34%	505,000.00
Commercial	276,000.00	22.06%	756,000.00	61.66%	-480,000.00
Total Income	**1,251,000.00**	**100.00%**	**1,226,000.00**	**100.00%**	**25,000.00**
Job-Related Costs					
Job Labor Cost					
Job Labor (Gross Wages)	249,500.00	19.94%	221,098.00	17.67%	28,402.00
Workers' Compensation Costs	49,050.00	3.92%	50,852.54	4.06%	-1,802.54
Direct Payroll Taxes	20,016.00	1.60%	17,650.00	1.41%	2,366.00
Materials	309,003.00	24.70%	306,500.00	24.50%	2,503.00
Subcontractor	245,098.00	24.70%	245,200.00	19.60%	-102.00
Equipment Rental	5,490.00	19.59%	3,450.00	0.28%	2,040.00
Other Job-Related Costs	1,458.00	0.44%	1,789.00	0.14%	-331.00
Total Job-Related Costs	**879,615.00**	**70.31%**	**846,539.54**	**67.67%**	**33,075.46**
Gross Profit	**371,385.00**	**29.69%**	**379,460.46**	**30.33%**	**-8,075.46**
Overhead Expenses					
Advertising	9,050.00	0.72%	7,900.00	0.63%	1,150.00
Bank Service Charges	154.00	0.01%	260.00	0.02%	-106.00
Business License & Fees	50.00	0.00%	160.00	0.01%	-110.00
Car/Truck Expense					
Gas	3,518.50	0.28%	890.71	0.07%	2,627.79
Repairs & Maintenance	3,692.22	0.30%	2,744.00	0.22%	948.22
Insurance-Auto	3,300.00	0.26%	2,500.00	0.20%	800.00
Cleaning/Janitorial	100.00	0.01%	204.94	0.02%	-104.94
Computer Supplies/Equipment	2,350.00	0.19%	1,662.02	0.13%	687.98
Contributions	1,200.00	0.10%	850.00	0.07%	350.00
Depreciation	1,100.00	0.09%	1,200.00	0.10%	-100.00
Dues and Subscriptions	2,500.00	0.20%	2,332.00	0.19%	168.00
Insurance					
Liability Insurance	3,050.00	0.24%	1,541.00	0.12%	1,509.00
Workers' Comp - Office	95.85	0.01%	96.55	0.01%	-0.70
Interest Expense					
Loan Interest	3,160.00	0.25%	3,685.00	0.29%	-525.00
Meals and Entertainment	2,907.80	0.23%	2,039.52	0.16%	868.28
Office Supplies	9,494.81	0.76%	10,576.00	0.85%	-1,081.19
Payroll Expenses (Office)					
Payroll (Office staff)	6,900.00	0.55%	6,900.00	0.55%	0.00
Officers' Labor	117,000.00	9.35%	41,375.00	3.31%	75,625.00
Payroll Taxes - Overhead	10,531.00	0.84%	4,103.00	0.33%	6,428.00
Professional Fees					
Accounting	4,050.00	0.32%	3,300.00	0.26%	750.00
Legal Fees	1,402.00	0.11%	1,677.00	0.13%	-275.00
Computer Consultants	2,000.00	0.16%	1,250.00	0.10%	750.00
Postage and Delivery	1,620.00	0.13%	390.00	0.03%	1,230.00
Rent	15,360.00	1.23%	14,400.00	1.15%	960.00
Telephone	12,756.30	1.02%	6,492.86	0.52%	6,263.44
Training and Conferences	9,900.00	0.79%	7,200.00	0.58%	2,700.00
Tools & Machinery (under $500)	6,562.09	0.52%	2,052.23	0.16%	4,509.86
Utilities	1,850.00	0.15%	1,284.50	0.10%	565.50
Total Expenses	**235,654.57**	**18.84%**	**129,066.33**	**10.32%**	**106,588.24**
Net Ordinary Income	**135,730.43**	**10.85%**	**250,394.13**	**20.02%**	**-114,663.70**
Other Income					
Interest Income	124.50	0.01%	130.00	0.01%	-5.50
Other Expenses					
Corporate Fed & State Taxes	2,043.00	0.16%	1,236.00	0.10%	807.00
Net Income	**133,811.93**	**10.70%**	**249,288.13**	**20.33%**	**-115,476.20**

SAMPLE

Profit & Loss Report

	Current Year	%	Prior Year	%	$ Change
Construction Income					
Residential					
Commercial					
Total Income					
Job-Related Costs					
Job Labor Cost					
Job Labor (Gross Wages)					
Workers' Compensation Costs					
Direct Payroll Taxes					
Materials					
Subcontractor					
Equipment Rental					
Other Job-Related Costs					
Total Job-Related Costs					
Gross Profit					
Overhead Expenses					
Advertising					
Bank Service Charges					
Business License & Fees					
Car/Truck Expense					
Gas					
Repairs & Maintenance					
Insurance-Auto					
Cleaning/Janitorial					
Computer Supplies/Equipment					
Contributions					
Depreciation					

	Current Year	%	Prior Year	%	$ Change
Dues and Subscriptions					
Insurance					
Liability Insurance					
Workers' Comp - Office					
Interest Expense					
Loan Interest					
Meals and Entertainment					
Office Supplies					
Payroll Expenses (Office)					
Payroll (Office staff)					
Officers' Labor					
Payroll Taxes - Overhead					
Professional Fees					
Accounting					
Legal Fees					
Computer Consultants					
Postage and Delivery					
Rent					
Telephone					
Training and Conferences					
Tools & Machinery (under $500)					
Utilities					
Total Expenses					
Net Ordinary Income					
Other Income					
Interest Income					
Other Expenses					
Corporate Fed & State Taxes					
Net Income					

Time & Materials Log

File name on CD
TM_Log

Use this form to keep track of labor, material, and equipment used on a project. A foreman or superintendent usually completes the form when a client is paying the contractor on a time and materials (T&M) basis rather than a fixed price. The form will also serve when the client on a T&M job wants a daily record of expenses incurred, or when the job requires some unusual type of work. When a subcontractor's work is deficient and needs to be corrected, this log records all the effort expended to make the corrections.

The form *doesn't* include prices, however. Pricing should be done in the office by the accounting department.

How to Use This Form

Complete the top of the form with the job name and address, and remember to include the project number or name in the space provided. In our sample form, we built planter boxes, with seating, around the perimeter of the deck.

Cost Breakdown

The *Cost Breakdown* section is divided into three parts; one for employee labor hours under *Labor,* and the others for *Material* and *Equipment*.

Labor has a column for names of workers, their trade and classification, as well as straight time and overtime columns to hold hours worked during the week.

Material* and *Equipment boxes are where you list the materials used and the quantities, and any equipment rented and for how many hours, days, or weeks (and any information about them).

Comments

The *Comments* section is a good place to note anything that doesn't seem to fit anywhere else on this log. For example, since this form will be given to the company bookkeeper to help prepare the client's invoice, you can add any comments to the bookkeeper here.

Signature / Date

The person who completes the log must sign it. Space is included on the form for two signatures in the event a second person has to approve it. If, down the road, there's a dispute between any of the parties, a signed log will serve as proof of what time and materials were expended.

Time & Materials Log

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

Date: 05/15/10

Client Information

Name:	Darrin Fox	**Project Number:**	09-101
Address:	1316 Washington	**Project Name:**	Foxwood Suites
	Bayshore, CA 94545	**Project Address:**	1262 Crestview, Seashore, CA
Telephone:	650-555-9000	**Work Performed:**	Built planter boxes & deck seating
		Week Ending:	05/12/10

Cost Breakdown

Labor

Name	Trade	Classification	Straight Time	Overtime
Tom Thornburg	Carpenter	Journeyman	40.00	5.00
Mike Morley	Carpenter	Foreman	30.00	

Material

Description	Quantity	Unit
Screws	1.00	Box
Redwood 2x6x10	40.00	Boards

Equipment

Description	Quantity	Unit
Compressor	6.00	Days

SAMPLE

Comments

Darrin Fox
Client Name

Darrin Fox
Signature

05/15/10
Date

Madison Mitchell
Contractor Name

Madison Mitchell
Signature

05/15/10
Date

Time & Materials Log

Date:

Client Information

Name:

Address:

Telephone:

Project Number:

Project Name:

Project Address:

Work Performed:

Week Ending:

Cost Breakdown

Labor

Name	Trade	Classification	Straight Time	Overtime

Material

Description	Quantity	Unit

Equipment

Description	Quantity	Unit

Comments

Client Name

Signature

Date

Contractor Name

Signature

Date

Vendor IRS Letter & W-9 Form

File name on CD
VendorIRS

The IRS requires that no later than January 31st you submit a completed 1099 Form for any subcontractor to whom you paid $600 or more during the prior calendar year. If the subcontractor is an incorporated business, a 1099 isn't required.

Since the dividing line between when a person or entity, such as a business, is a subcontractor and when it's an employee is sometimes murky, the IRS has provided guidelines, summarized here:

A subcontractor is a person or business employed to complete a specific scope of work, on a contractual or job-by-job basis. For example, a plumber who has his own plumbing business is a subcontractor.

To qualify as a subcontractor rather than an employee the person or entity must:

- Show proof that they are a business (business cards, letterhead and an ad in yellow pages).
- They must know how to accomplish the task at hand (they can't be told how to perform the task).
- They have to work for more than one contractor in a given year.

Anyone not meeting these criteria is considered an employee, and the IRS requires the contractor to pay payroll taxes on all payments made to that person or entity for labor.

To provide you the information you need for the 1099, every subcontractor must send you a completed W-9 Form.

W-9 Form

A *W-9 Form* is filled out whenever you contract with a new subcontractor or one of your existing subcontractors has a change of name or address. The sub should enter the appropriate information where indicated, and sign the form. He returns the signed form to you, and it's kept on file at the office. The IRS requires you keep it at least seven years in case of an audit.

You can download a W-9 from the IRS website at www.irs.gov. The W-9 information will help you determine if you're required to give the subcontractor a 1099 or not. For your convenience, we've included a sample W-9.

How to Use This Form

Send the Vendor IRS Letter along with the blank W-9 to explain to the subcontractor why you must have it and what information he must provide. Just tab around in the letter and fill in the subcontractor's name and address and where he should return the completed form.

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

05/15/10

Justin Jones
1 Clayton Road
Clayton, CA 94514
925-555-1000

SAMPLE

Dear Mr. Jones:

The Internal Revenue Service requires us to report certain payments made to others in the course of our business. In order to comply with this law, we ask that you complete the enclosed Form W-9, and fax it to Sadie Woods at 650-555-1002.

When filling out the required form, please clearly print your full legal name and/or business name in the spaces provided. If you are an individual or sole proprietor, your *Tax Identification Number* is your Social Security Number. Otherwise, your Tax Identification Number is your federally-assigned *Employer Identification Number*.

Be advised that you may be subject to certain penalties if you fail to furnish a Tax Identification Number, or if the number you provide is incorrect.

Please return the completed form as soon as possible. If you have any questions, you can contact us at the telephone number listed above.

Note: Payments will be withheld until this information is provided.

Sincerely,

Sadie Woods

Sadie Woods
Accounts Payable Manager

Enclosure

_____
_____
_____
_____
_____
_____

_____

_____
_____
_____
_____

Dear _____:

The Internal Revenue Service requires us to report certain payments made to others in the course of our business. In order to comply with this law, we ask that you complete the enclosed Form W-9, and fax it to:

_____ at _____.

When filling out the required form, please clearly print your full legal name and/or business name in the spaces provided. If you are an individual or sole proprietor, your *Tax Identification Number* is your Social Security Number. Otherwise, your Tax Identification Number is your federally-assigned *Employer Identification Number*.

Be advised that you may be subject to certain penalties if you fail to furnish a Tax Identification Number, or if the number you provide is incorrect.

Please return the completed form as soon as possible. If you have any questions, you can contact us at the telephone number listed above.

Note: Payments will be withheld until this information is provided.

Sincerely,

_____
_____
_____

Enclosure

Form **W-9**
(Rev. October 2007)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type
See **Specific Instructions** on page 2.

Name (as shown on your income tax return)

Business name, if different from above

Check appropriate box: ☐ Individual/Sole proprietor ☐ Corporation ☐ Partnership
☐ Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶
☐ Other (see instructions) ▶

☐ Exempt payee

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

SAMPLE

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number

or

Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here **Signature of U.S. person ▶** **Date ▶**

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

Change Order Forms

2

Most contracts allow the client to make changes to the original contract and scope of work, at the client's cost. From a contractor's standpoint, if a client wants to increase the size of the job, as long as he's willing to pay for it and to tolerate the delays it may cause, it can add significantly to the contractor's profit. Good change order forms are essential protection for the contractor's financial interest. They're a routine part of the construction business.

What *Is* a Change Order?

A *Change Order* is the term used to describe virtually *all* changes to an existing contract. Most change orders add to the work, the cost, and to the scheduled completion date. Some actually reduce the size of the job, and the cost, and some do neither, such as a change in paint color (providing the painting isn't already done).

Change orders are provided by contractors to confirm and legitimize a change requested by the client, and between contractors and subcontractors to order a change in the job. The language can be tailored to suit any business style, and details can be added as required.

Every change order is an addendum to the original signed contract. The architect, if there is one, usually initiates a change order. But anyone on the job could recognize that a change is necessary, and bring it to the attention of the project manager.

No change to the original contract should be accepted without a properly-executed change order, *even if there's no additional time or cost involved*. Your company may be accustomed to doing business with a handshake, but details of what was agreed upon may be remembered differently later. A signed document will prevent miscommunications and misunderstandings, and gives you the legal right to get paid. Otherwise, the client could deny authorizing any extra work, leaving you on the hook for it. This could easily have been prevented with one of the forms in this chapter.

What to Include in a Change Order

There are probably as many types of change orders as there are types of contracts. Whichever change order you select, it should cover at least these three things:

1. Modifications to original contract
2. Change to the contract price
3. Change to the project schedule

All changes should be described fully and clearly, and the form signed by the client or sub. Always enter the cost and anticipated schedule change (usually a delay).

Changes are labor-intensive and should cover not only the cost of the labor, materials and supervision, but the cost of any demo, new plans, modifications of existing plans, resubmissions, rescheduling, reappraisals, time spent negotiating and administering the change, any other overhead, and last but by no means least — a fair profit. You're entitled to a profit on all work, including work on change orders.

Change order forms also help the client see how much making changes will add to the cost of the project. Some clients want changes daily, and this can be a nuisance. But once they know that even a trivial change comes with a price and a delay, they're usually more content to stick with the contract as written. The sooner the client understands the change order rules, the sooner you'll develop an understanding and a good working relationship.

The Forms

Change Order, *56*

Document, track and certify with the client's or sub's signature all post-contract changes to a job. This form lists all changes made, the agreed-upon price of each, the time extension, and the running total.

Subcontractor Change Order, *60*

This form is solely for change orders between the contractor and the subcontractor. The client isn't involved, though he may be the one who originally requested the change.

Time & Materials Change Order, *64*

Because they don't require the precise estimating needed for a fixed-fee change order, a T&M change order will often do the job. The client or contractor (in the case of a subcontractor change order) simply reimburses for the material and labor costs, plus an agreed-upon markup.

Change Order Log, *67*

Keep track of the progress of all the change orders on all your jobs. See at a glance what change orders have been submitted, which ones have been approved, which declined, and when.

Change Order Transmittal, *70*

This is simply a cover sheet for a change order being sent from the contractor to the sub. Subs may be receiving change orders from a number of contractors and clients, and this letter helps him keep track.

Change Order

File name on CD
ChangeOrdr

This *Change Order* gives the original contract price of a project, and tracks the running total of changes and their costs. You can calculate an updated contract price based on the information provided here. If a change order is completed each time there's a revision to the original contract, you'll have an up-to-date running tabulation of job costs. Keeping tabs on changes makes it easier to provide the client with documentation of job cost increases. Even if the change has no effect on the cost and time frame of the job, you need to document the change.

How to Use This Form

Enter your company information in the top left area indicated, and date the form. Complete the first section, which includes the date of the change order, the name, address and phone number of the client, the project number and name, the original contract date and the change order number. Tracking the number and nature of change orders is also helpful if you're called on the carpet for any delays. Clients are frequently unaware of how many changes they've asked for, and are shocked when they see on paper how many changes they've actually made and what the extra cost and delays are. But as long as you can show a copy of every change order signed, you're in good shape.

Change Order Description

Be as specific as possible when describing the changes to be made. The client will read your description when he's signing the form, and if it's not what he intended, this is the time to get it straight.

On our sample form, we're including the construction of redwood planter boxes and deck seating, along with the source of the change: drawings from Fred Smith, AIA, dated 05/13/10.

Original Contract Amount

Enter the amount of the original contract, before any change orders.

Previous Change Order Amounts

Here, you'd enter the total cost of change orders already implemented, prior to this one. In our example, since this is Change Order #01, the amount of previous change orders is $0.

Current Contract Amount

This amount is the original contract price plus all change orders prior to this one. Since this is the first change order for project #09-101, our current contract amount is still the original amount.

This Change Order Amount (+/-)

By entering the anticipated cost (remember to include your overhead and markup), you protect yourself in the event of a dispute. Sometimes, when a client sees what his new idea will cost him, it loses its appeal. The change order in our example will add $2,000 to the original contract at Foxwood Suites. Some change orders, such as one that deletes a part of the job, will lower the cost.

New Contract Amount

This is the cost of the contract now, with the latest change order included.

Change to Contract Timeframe (+/-)

This is an estimate of the increase or decrease in the time the project will take after implementing the change order. Our sample change order adds nine days to the Foxwood Suites project.

New Completion Date

Finally, enter the date you now anticipate for completion of the project. Most change orders involve more work and will add time to the job. A change order usually means a delayed completion date, as well as increased cost. Change orders usually increase the size, and therefore the profit, of the job. But if you don't have a document, complete with the client's signature, approving the changes, you may have trouble collecting for them.

Signatures

Sign and date this form before you submit it to the client for his approval. Make two copies, one for you and one for the client. Forward both to your client. Request that one copy, co-signed, be returned to you for filing in the project folder. The other copy is for the client to keep for his own records.

Change Order

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

Date: 10/15/10

Client Information

Name:	Darrin Fox	**Project Number:**	09-101
Address:	1316 Washington Bayshore, CA 94545	**Project Name:**	Foxwood Suites
		Project Address:	1262 Crestview, Seashore, CA
Telephone:	650-555-9000	**Original Contract Date:**	01/14/10
Fax:	650-555-9001	**Change Order Number:**	01

SAMPLE

Change Order Description

Build redwood planter boxes and seating on deck, per drawings from Fred Smith, AIA, dated 05/13/10.

Original Contract Amount:	$45,000
Previous Change Order Amounts:	$0
Current Contract Amount:	$45,000
This Change Order Amount (+/-):	+ $2,000
New Contract Amount:	$47,000
Change to Contract Timeframe (+/-):	+ 9 days
New Completion Date:	07/10/10

We agree to furnish labor and materials in accordance with the above specifications at the price stated. The additional work to be performed under the same conditions as specified in the original contract, unless otherwise stipulated.

Darrin Fox **Client Name**	Quality Construction, Inc. **Company Name**
Darrin Fox **Signature**	Madison Mitchell **Contractor Name**
10/15/10 **Date**	*Madison Mitchell* **Signature**
	10/15/10 **Date**

Note: This change order becomes part of the original contract.

Change Order

Date:

Client Information

Name:

Address:

Telephone:

Fax:

Project Number:

Project Name:

Project Address:

Original Contract Date:

Change Order Number:

Change Order Description

Original Contract Amount:	
Previous Change Order Amounts:	
Current Contract Amount:	
This Change Order Amount (+/-):	
New Contract Amount:	
Change to Contract Timeframe (+/-):	
New Completion Date:	

We agree to furnish labor and materials in accordance with the above specifications at the price stated. The additional work to be performed under the same conditions as specified in the original contract, unless otherwise stipulated.

Client Name

Signature

Date

Company Name

Contractor Name

Signature

Date

Note: This change order becomes part of the original contract.

Subcontractor Change Order

File name on CD
SubChgOrder

The *Subcontractor Change Order* is similar to the *Change Order*, except for the headings and the signature lines: this change order is solely between the contractor and the subcontractor. The owner isn't involved in any way.

Any time a contractor gets a change order from the client, he contacts the sub who will do the work. They agree on a price for the change and the amount of time the change will add to (or subtract from) the present completion date. It's procedure for the sub to complete the subcontractor change order and submit it to the contractor, but in the real world, the contractor is often the one who completes the form and submits it to his sub.

The Form

A *Subcontractor Change Order* is usually completed, signed and submitted in duplicate, so both the contractor and the subcontractor have a signed copy. Whoever writes up the subcontractor change order describes the change in detail. He makes and signs two copies, and sends them to the other for signature, one of which is to be returned.

There could be several change orders with several subcontractors, on a large project. That means a big file for the general contractor to maintain.

In our example we have only one subcontractor change order — for Justin Jones. If more subs' change orders were involved, schedules would need to be synchronized to accommodate them. That's all the more reason for a general to keep up-to-date files on each project.

How to Use This Form

After completing the section for your company information, enter the following data: subcontractor name, original contract date, change order number, and project number and name.

Change Order Description

Detail the change as completely as possible. When available, refer to all relevant plans, addenda, specs and notes. In our sample, we rely on the architectural drawings dated 05/13/10, drawn up by Fred Smith, AIA.

Original Contract Amount

This amount never changes. It's the amount agreed upon by the contractor and the sub for the part of the job the sub was originally scheduled to do. Any applicable change orders will be added to this amount.

Previous Change Order Amounts

This is the sum of all change orders prior to this one. In our example, since this the first change order, the amount is $0.

Current Contract Amount

This is the original amount of the contract between the contractor and the sub, plus any change orders involving this sub *prior* to this one. In our sample, it's still the original contract amount, since this is our first change order.

This Change Order Amount (+/-)

This is the cost the sub will charge the contractor for the change order. To calculate what he'll charge the client, the contractor will add any other expenses the change incurs, and then his markup.

New Contract Amount

This is the new total — the subcontract amount plus this and all previous change orders.

Change to Contract Timeframe (+/-)

This is the sub's estimate of the amount of time this change will add to or, in some cases, subtract from his part of the job.

New Completion Date

This is the completion date after adjusting for this change. It's not necessarily the completion date of the entire project, as there may be other subs involved.

Only the contractor and subcontractor sign this form since it's an addendum to *their* contract, not the contractor's contract with the owner.

Subcontractor Change Order

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

Date: 05/15/10

Subcontractor:	Justin Jones, Jones Decks	**Project Number:**	09-101
Original Contract Date:	01/14/10	**Project Name:**	Foxwood Suites
Change Order Number:	01		

Change Order Description

Build redwood planter boxes and seating on deck, per drawings from Fred Smith, AIA, dated 05/13/10.

Original Contract Amount:	$23,000
Previous Change Order Amounts:	$0
Current Contract Amount:	$23,000
This Change Order Amount (+/-):	+ $1,300
New Contract Amount:	$24,300
Change to Contract Timeframe (+/-):	+ 9 days
New Completion Date:	07/10/10

SAMPLE

We agree to furnish labor and materials in accordance with the above specifications at the price stated. The additional work to be performed under the same conditions as specified in the original contract, unless otherwise stipulated.

Contractor
Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545

Madison Mitchell
Contractor Name

Madison Mitchell
Signature

05/15/10
Date

Subcontractor
Jones Decks
1 Clayton Road
Clayton, CA 94520

Justin Jones
Subcontractor Name

Justin Jones
Signature

05/15/10
Date

Subcontractor Change Order

Date:

Subcontractor:

Original Contract Date:

Change Order Number:

Project Number:

Project Name:

Change Order Description

Original Contract Amount:	
Previous Change Order Amounts:	
Current Contract Amount:	
This Change Order Amount (+/-):	
New Contract Amount:	
Change to Contract Timeframe (+/-):	
New Completion Date:	

We agree to furnish labor and materials in accordance with the above specifications at the price stated. The additional work to be performed under the same conditions as specified in the original contract, unless otherwise stipulated.

Contractor

Contractor Name

Signature

Date

Subcontractor

Subcontractor Name

Signature

Date

Time & Materials Change Order

File name on CD
TM_ChgOrdr

Change orders are often done on a time and materials (T&M) basis, even if the original contract is fixed-fee. It's faster and easier than calculating all the materials and their cost, estimating the labor, then adding overhead and profit. Many change orders are minor and don't warrant the detailed paperwork. A T&M change order fits the bill. In it, the client simply agrees to reimburse the contractor for the material and labor costs incurred, plus the contractor's markup.

How to Use the Form

Enter the client data (name, address, telephone, fax, project number, name and address, original contract date, and change order number).

Change Order Description

In the *Change Order Description* section, enter a specific and detailed description. This is important for a couple of reasons. Details not only differentiate this work from any other in the original contract — they also show why the work is worth the added cost. Remember to note, if applicable, time lost, retooling, added procurement efforts, and any extra charges a change of this type might generate.

Material Description

In *Material Description*, list the materials needed for this change, and enter their estimated cost on the *Total Estimated Material Cost* line. This cost should also include your markup, as you're entitled to markup on the materials, too.

Labor Description

In *Labor Description*, note the task, and the amount of labor you estimate will be involved. In our example, we estimate it'll take a carpenter four days. In *Total Estimated Hours*, enter the hours needed to implement the change, and include the *Rate* (rate per hour). This is what you'll be charging the client for

your carpenter's time, *not* the wage you're paying the carpenter. There are significant expenses involved in having an employee; plus, you need to make a profit. Calculate your total estimated labor cost, and enter it in the space provided.

The rest of the form is filled out the same as the previous change order forms.

Time & Materials Change Order

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

Date: 05/15/10

Client Information

Name:	Darrin Fox	**Project Number:**	09-101
Address:	1316 Washington	**Project Name:**	Foxwood Suites
	Bayshore, CA 94545	**Project Address:**	1262 Crestview, Seashore, CA
Telephone:	650-555-9000	**Original Contract Date:**	01/14/10
Fax:	650-555-9001	**Change Order Number:**	01

Change Order Description

Build redwood planter boxes and seating, per drawings from Fred Smith, AIA, dated 05/15/10.

Material Description

Redwood; miscellaneous hardware.

Total Estimated Material Cost: $400

Labor Description

Build planter boxes and seating: 1 person, 40 manhours.

Estimated Total Hours: 40
Rate: $40
Total Estimated Labor Cost: $1,600

SAMPLE

Original Contract Amount:	$45,000
Previous Change Order Amounts:	$0
Current Contract Amount:	$45,000
This Change Order Amount (+/-):	+ $2,000
New Contract Amount:	$47,000
Change to Contract Timeframe (+/-):	+ 9 days
New Completion Date:	07/10/10

Darrin Fox
Client Name

Darrin Fox
Signature

10/15/10
Date

Quality Construction, Inc.
Company Name

Madison Mitchell
Contractor Name

Madison Mitchell
Signature

10/15/10
Date

Note: This change order becomes part of the original contract.

Time & Materials Change Order

Date: _____

Client Information

Name: _____
Address: _____
_____
Telephone: _____
Fax: _____

Project Number: _____
Project Name: _____
Project Address: _____
Original Contract Date: _____
Change Order Number: _____

Change Order Description

Material Description

Total Estimated Material Cost: _____

Labor Description

Estimated Total Hours: _____
Rate: _____
Total Estimated Labor Cost: _____

Original Contract Amount:	
Previous Change Order Amounts:	
Current Contract Amount:	
This Change Order Amount (+/-):	
New Contract Amount:	
Change to Contract Timeframe (+/-):	
New Completion Date:	

Client Name

Signature

Date

Company Name

Contractor Name

Signature

Date

Note: This change order becomes part of the original contract.

Change Order Log

File name on CD
ChgOrdrLog

You'll be opening the door to chaos if your company doesn't have an organized way of tracking the submission, approval, and rejection of changes. When you have several jobs going, it's easy to believe you submitted a change order request when in fact it was for another job. Even worse is if you recall the wrong change order as being approved and go ahead with the work. This *Change Order Log* is designed to manage change orders. Use a separate log sheet for each project. Record change orders by number, and track the status of each change in the log.

How to Use This Form

First, enter the data about the specific job. Our sample form is a change order log for Project #09-101, Foxwood Suites. The first entry, for Change Order 01, is to add redwood planter boxes and seating to the deck, at an additional cost of $2,000 and a 9-day extension. The second entry, Change Order 02, is adding a hot tub for another $8,000 adding 12 more days to the contract schedule.

Change Order Details

Be sure to give *every* change order a number, even if you only anticipate one. Enter the number in the change order number column, then, under *Description*, identify the change. In our example, we have two entries: the planter boxes & seating and the hot tub. The prices you're charging the client for these change items are entered under *Amount*. The *Schedule Change (+/-)* column records the number of days to add or deduct, as the case may be, for each change listed. And in the last columns, a checkmark indicates the status at the time: *S* for Submitted, *A* for Approved and *R* for Rejected. In our example, both change orders have been submitted to the client and both are now approved. So there are checkmarks in the Submitted boxes from when the change orders were first sent to the client, and now in the Approved boxes because he signed and returned them. You can now proceed with the work.

Change Order Log

Quality Construction, Inc. **Date:** 05/15/10

Client Information

Name: Darrin Fox
Address: 1316 Washington
Bayshore, CA 94545
Telephone: 650-555-9000
Fax: 650-555-9001

Project Number: 09-101
Project Name: Foxwood Suites
Project Address: 1262 Crestview, Seashore, CA

Status: S = Submitted A = Approved R = Rejected

Change Order Number	Description	Amount	Schedule Change (+/-)	S	A	R
01	Build redwood planter boxes & seating	$2,000	+ 9 days	✓	✓	
02	Add hot tub	$8,000	+ 12 days	✓	✓	

SAMPLE

Change Order Log

Date: _____

Client Information

Name: _____

Address: _____

_____

Telephone: _____

Fax: _____

Project Number: _____

Project Name: _____

Project Address: _____

Status: S = Submitted A = Approved R = Rejected

Change Order Number	Description	Amount	Schedule Change (+/-)	S	A	R

Change Order Transmittal

File name on CD
ChgOrdTran

A *Change Order Transmittal* is a cover sheet for a change order being sent to a subcontractor. A cover sheet tells the recipient what he'll find attached, and the requested actions to complete the change order. For example, "Sign both copies and return them to this office."

How to Use This Form

Complete the top portion of the form with your company information, and date the letter. Address it to the subcontractor and provide the project number and name, as indicated on the form.

In the first line of the body of the letter, be sure to enter the change order *number*. A job can have many change orders during the process, so it's important to identify which one this is.

When you've completed the form, make a copy of the change order, then fax, send, or give both copies to the sub along with the transmittal letter. The sub needs to sign both change order copies and return them to you for your signature. You then sign both and return one copy to the sub. The other copy is for your company file.

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

June 6, 2010

Buck Moore
12 James Way
Seashore, CA 94547

Project Number: 09-237

Project Name: Foxwood Suites

SAMPLE

Dear Mr. Moore:

Enclosed please find two copies of Change Order #01 for the covered parking and storage structure referred to as Project Number 09-237, Foxwood Suites.

Please sign both copies and return them to this office. A countersigned copy will be forwarded to you upon receipt of your signed copies.

To expedite processing of the change order, please refer to Project Number 09-237 in any correspondence to Quality Construction, Inc. Thank you.

Sincerely,

Sarah Olsen

Sarah Olsen
Office Manager
Quality Construction, Inc.

Enclosures

_____
_____
_____
_____
_____
_____

_____

_____
_____
_____

Project Number: _____
Project Name: _____

Dear _____:

Enclosed please find two copies of Change Order #_____ for the _____
_____
referred to as Project Number _____, _____.

Please sign both copies and return them to this office. A countersigned copy will be forwarded to you upon receipt of your signed copies.

To expedite processing of the change order, please refer to Project Number _____ in any correspondence to _____. Thank you.

Sincerely,

_____
_____
_____

Enclosures

Contracts

3

Written agreements are essential for contractors. Each construction contract defines the rights and obligations of the contractor and client regarding a specific project. In some jurisdictions, still, a written proposal signed by both parties is all that's needed for a small construction job. Larger, more complex jobs, require detailed and technical contracts, that include clauses similar to the ones in the samples found in this chapter. But the rules are changing, and many states are now requiring extensive disclaimers, and even specify the size of the typeface that must be used. Read the section under Limitations, on page 75 for details and recommendations on how to proceed.

Contract Elements

For a contract to be enforceable, it has to have the following four elements:

1. Parties (contractor and client, or contractor and subcontractor)
2. An offer from contractor to client. This would be a bid or estimate that includes the scope of work. Ideally, this would be written. Although verbal contracts are still technically legal in many states, often only for very small jobs, they're not something we'd recommend. There's just too much room for misunderstanding.
3. Consideration of how each party intends to fulfill the contract
4. Acceptance, usually written, though verbal may be legal — just hard to prove if there's a dispute

Depending on the scope and scale of the project, the agreement can be satisfied with the contract document alone. In more extensive projects, the contract may be part of a package that includes addenda, drawings, technical considerations, and any special conditions that need to be addressed. When there are several pages to an agreement, the involved parties should initial the bottom of each page. This helps make sure no page gets substituted after the contract is signed, and that no important information was missed.

Why You Need a Written Contract

You may have been in the business for years, basing your contracts on nothing more than a handshake, but the good old days are giving way to stricter recordkeeping and detailed accounting.

As part of the growing trend, keeping close tabs on the company accounts begins with the initial written contract. The fewer areas left to interpretation, the fewer chances of becoming embroiled in a legal battle to secure your rightful compensation.

Other reasons why written contracts are recommended:

- Most obvious: the state where the work is to be done requires a written contract
- A written contract helps limit misunderstanding between the parties. It confirms that everyone's on the same page, talking about the same thing
- When signed by both parties, a written contract is invaluable in the event of litigation
- If the court rules in the contractor's favor in a lawsuit, there's a better chance he'll recoup a fair amount of the money in question if he has precise details about the project

A well-written contract explains in plain terms precisely what is expected of the parties involved. A good contract keeps the client informed of work sequence, as well as giving him confidence that the contractor handles legal aspects of his business as competently as he handles the actual construction.

Limitations

The contracts in this chapter come with a word of caution that will be obvious to just about every experienced construction contractor: Contracts are creatures of state law.

- A contract that's perfectly legal in one state may be totally void and unenforceable in another state
- A contract that's fully enforceable for one type of work in a particular state may subject you to fines and sanctions for a different type of work in the same state

In short, don't expect to do with a copy machine or a printer in a few seconds what a lawyer experienced in contract drafting might take hours, or even days, to complete.

If you need contracts designed to meet the specific requirements of your state and for the type of work you do, Craftsman Book Company has a software program that may be of interest. See http://ConstructionContractWriter.com.

The contracts you create from the templates in this chapter are *your* contracts. Neither the author nor Craftsman has any control over how you use these contracts. We can't accept responsibility for indirect, special, incidental or consequential damages, such as loss of business or loss of profits. Craftsman's liability is limited to the amount you paid for this manual. Some states don't allow a limitation on consequential damages, so your options may depend on where you live.

The contracts in this chapter can be adapted to a wide variety of construction projects. But the author of this manual has never met the people likely to be involved in the work, has never seen the jobsite or the plans, and has no appreciation for possible risks in your project. In short, the contracts in this chapter are not a substitute for judgment, analysis and careful consideration by someone who understands the project. That's always your job.

We recommend that you have a local attorney check the finished product before offering a contract for signature. Only counsel in your community can appreciate the legal environment under which a contract is drafted, negotiated, and executed. Getting professional review by an attorney will almost certainly be less expensive than asking the same attorney to prepare a contract from scratch.

The Contracts

Cost Plus Fixed Fee Contract, *77*
This contract allows the contractor to manage a project for a fixed fee over a specific time period, with project records available for your client to look over at any time.

Cost Plus Percentage Contract, *89*
Under this contract, the client agrees to reimburse the contractor his costs for the work, plus a percentage of those costs.

Time & Materials Contract, *95*
This agreement includes markup in the hourly labor rate as well as in the contractor's fee or Overhead and Profit sections.

Prime Construction Contract, *107*
This contract spells out the scope of work, project plans, and other construction documents.

Project Management Contract, *112*
The roles of both client and project manager are described in this contract.

Subcontract Agreement, *119*
With this document (between general and subcontractors), the subcontractor agrees to do his contracted portion of the work on a project.

Contract Transmittal Letter, *124*
This is a cover letter for contract documents sent to subcontractors. It also requests a copy of the sub's insurance policy.

Warranty, *127*
This document is a subcontractor's warranty to the client that the work completed meets specified requirements, and that installed mechanical features will perform satisfactorily for a stated period of time.

Cost Plus Fixed Fee Contract

File name on CD
CstPlusFix

The *Cost Plus Fixed Fee* contract allows the contractor to manage the construction of a project and be reimbursed for all costs, plus a fixed fee. The duration of the project is estimated in either the number of days (10 working days, for example), or from one specific date to another (starting January 23 and ending February 23). The contract also, in effect, establishes an "open book" policy: your business records are available to the client at any time over the course of the project.

Generally, parties favoring this particular contract have entered into previous business ventures together and know what to expect of each other. Since the client won't know in advance what the total cost of the project will be, he is trusting the contractor to do the best he can, at the best possible price. The contractor knows the client will uphold his end of the bargain by paying the price they negotiated for the work.

A contractor's project cost is based on the plans and specs available at the time the contract was signed. When the scope of a job increases, the contractor's fee increases. The client should understand that. Say, for example, you have a $60,000 contract for a job expected to take a year. Your fixed fee is $5,000 per month. If the job takes 14 months, the fee would increase proportionately to $70,000: $5,000 per month the job was over schedule.

The difference between a *Cost Plus Fixed Fee* contract and a *Cost Plus Percentage* contract (the next form discussed) lies in Section VII of the two forms, which describes how the fee for managing the project is figured.

A *Cost Plus Fixed Fee* contract, as its name suggests, shows a fixed fee agreed to by both parties; in the *Cost Plus Percentage* contract, the fee is a percentage of the contractor's costs. In both contracts, the client is invoiced for all costs.

How to Use This Form

This contract is quite detailed, so we'll look at it section by section. As with all of our forms, your company information should be entered at the top left.

The next information required is the client's name, address, and telephone number, as well as the project number, name, and address. Our client is Darrin Fox, and the project is #09-237, Foxwood Suites, in Seashore, California.

I. Parties

This section has spaces for entering the date the contract is signed, names of both client and contractor, a description of the work to be performed, and the property address.

In our sample contract, Quality Construction agrees to build a 4-car covered parking and storage structure at the Foxwood Suites project. We entered into this contract with Darrin Fox on October 5, 2010.

II. Scope of Work

Here you'll provide an overview of the work to be performed — what's *not* included as well as what *is*. This is very important. Without a clearly-defined scope-of-work summary, the client might assume that certain work — prep and painting the finished structure, for example — is included as part of the job contracted for, when you only agreed to build the structure. That's why a contract should always state specifically what is *outside* the agreement, as well as within it.

In the section, "*The work does not include…*" be specific. If the client decides he wants you to do something that isn't included in the contract, make the change using a change order form.

III. Contract Documents

List all drawings and specifications used as reference at the time the costs were estimated for the project. Be sure to include the date of the documents you specify since, by the time a job is completed, there could be several revisions. If anything (including costs) changes later, this section shows how the costs were determined, and which plans and specs were used.

We have architectural drawings dated July 1, 2010, and specs dated September 15, 2010, for the Foxwood Suites project.

IV. Contractor's Duties

This section contains standard information, found in most construction contracts. Basically, the contractor agrees to provide the best services, supervision, and product possible to the client.

V. Schedule and Timing

Enter the start date and anticipated end date for the project. In our example, we expect to begin on the covered parking and storage area on January 15, 2011, and finish on or before March 30, 2011.

VI. Costs to be Reimbursed

This section provides a payment schedule for the client to follow, including what payment is required within each specified time frame. We've agreed to invoice biweekly in our sample contract. We'll bill all the costs at two-week intervals. The contractor's fee is generally invoiced separately at a flat rate, usually paid monthly, on the last day of the month. Occasionally, a contractor will bill in advance for the current month.

Labor Costs

Here you'll enter the rate per hour you charge for labor. This isn't the worker's wage; it's what it costs *you* to employ the worker. An employer's burden can easily bring the cost of a $30/hour worker to over $40 (see the *Hourly Labor with Burden* form in Chapter 1). Labor burden includes:

- Payroll taxes [Social Security, Medicare, State Unemployment (SUI), Federal Unemployment (FUTA) and any local payroll taxes paid by the employer]
- Worker's compensation
- Sick, vacation, and holiday pay
- Medical insurance (the portion not paid by the employee)
- General liability insurance (tied to payroll)
- Union/other benefits

The remaining parts of section VI (Material and Equipment Costs, Subcontractor Costs, and Other Project-Related Costs) are straightforward, so we won't go into detail about them.

VII. Contractor's Fee

Our contract states that Darrin Fox, as the owner, will be invoiced for the costs of the project plus a fee set by a particular time period — $5,000 per month, in our example. We've entered that fixed amount, and stipulate how often invoices will be sent (bi-weekly, as shown in section VI).

VIII. Change Orders

Stress the significance of change orders to the client. In our sample contract, we state to Mr. Fox that all change orders will be documented and must be signed by both parties, in order to authorize the work to be performed. In other words, we're requiring approval and confirmation of that approval in writing, before any extra work is begun.

IX. Site Conditions

What if you encounter a problem that didn't show up initially, that must be dealt with before work can proceed? Who's going to pay for any extra work?

This section helps protect the contractor against those unforeseen circumstances. You never know what you'll run into until you begin a project. The work could become more time-consuming and expensive than originally anticipated. For example, let's say a footing was being dug, and the trencher unexpectedly ran into rock, 6 inches down. That's called a *hidden condition*. If you run into a problem like that, inform the client immediately. You'll need to come to an agreement about payment for the extra work before you continue.

X. Deposit Required

If you're in a state that allows deposits, it's a good idea to request one. Some states still prohibit collection of a deposit, but it can help enormously with cash flow between the time the job is begun and the first draw. Check with your local government to see if you're allowed to collect a deposit before you request one from a client.

Specify in the contract when an up-front deposit will be applied. In our sample contract, we applied the deposit of $10,000 to the first three invoices. This section can be modified if you want to invoice the client differently.

XI. Permits

There are two ways you can obtain building and other construction permits: Either ask the client to get them, or ask him for reimbursement for the cost of obtaining permits yourself. In our example, we've chosen to get the permits and have the client reimburse us for them.

XII. Subcontracts and Other Agreements

Here the client is given the opportunity to approve all choices you make for subcontractors. The client will also be informed of all subcontractor contract costs and agreements before work begins. Approval and consent must be received from the client before the contractor enters into any contracts with subs.

XIII. Accounting Records

One of the most important things to keep in mind with any contract is that the client has the right to ask for copies of timesheets, vendor bills, and subcontractor agreements. Your company's accounting records must be available to the client.

This *doesn't* mean volunteering every vendor bill or employee timesheet. The client should focus on job progress, not on your costs. You don't want to waste time defending the cost of each item used on the job.

XIV. Insurance

Here, the contractor agrees to carry worker's compensation and general liability insurance to protect the client from any claims relating to the project. Subcontractors employed by the general contractor must also provide proof of insurance.

XV. Signatures

Print and sign two copies of the contract. After both parties have signed both copies, one copy goes to the client, and the other one is for your company files.

At the bottom of each page of this and all multi-page contracts here are spaces for the initials of both contracting parties. Those initials prove that both received and read each page of the contract.

Cost Plus Fixed Fee Contract

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

Date: 10/05/10

CLIENT INFORMATION:

Name:	Darrin Fox	**Project Number:**	09-237
Address:	1316 Washington Bayshore, CA 94545	**Project Name:**	Foxwood Suites
		Project Address:	1262 Crestview Seashore, CA 94547
Telephone:	650-555-9000		

I. PARTIES

This contract dated the 5th day of October, 2010, is between Darrin Fox, Client, and Quality Construction, Inc., Contractor. In consideration of the mutual promises contained herein, Contractor agrees to perform the following work: Add a 4-car covered parking and storage structure to the property located at 1262 Crestview, Seashore, CA 94547.

II. SCOPE OF WORK

Contractor will supply all the labor, materials, subcontractors and equipment to complete the work described below:

1. Excavate site
2. Pour slab
3. Construct covered parking and storage structure

The work does not include: final cleanup, painting, or landscaping. Client agrees to prep and paint structure, as well as to install landscaping after project is complete and Contractor leaves the construction site. Client to perform all final cleanup.

SAMPLE

III. CONTRACT DOCUMENTS

The Contract Documents consist of the following:

1. Architectural drawings by Fred Smith, AIA, dated 07/01/10
2. Specifications by Madison Mitchell, dated 09/15/10

An estimate is attached solely for the purpose of describing the categories of work. The pricing on the estimate shall have no bearing on the cost of work.

IV. CONTRACTOR'S DUTIES

Contractor accepts the relationship of trust and confidence established between his company and Client. He covenants with Client to furnish his skill and good judgment in furthering the interest of Client. He agrees to furnish supervision and handle business administration efficiently, and use his best efforts to furnish at all times an adequate supply of workers and materials, and to perform the work in the most expeditious and economical manner.

V. SCHEDULE AND TIMING

The work to be performed under this contract shall commence on January 15, 2011. Contractor shall use his best efforts to complete said improvements on or before March 30, 2011.

Initials: DF Client MM Contractor

VI. COSTS TO BE REIMBURSED

Contractor shall, every two weeks during the course of work, deliver to Client a statement showing a summary of the costs incurred by his company in the execution of this contract for the preceding two-week period. Client shall review the statement and remit such amount within three business days of receipt. Client agrees to reimburse Contractor for all the costs outlined below. Such reimbursement shall be in addition to Contractor's fee as stated in paragraph VII, following.

1. Labor Costs: The hourly rate for workers employed by Contractor (in-house labor) to perform the construction work is established by the Rate Schedule below. Factored into the rate per hour are gross wages plus all applicable payroll taxes, medical insurance, retirement benefits, bonuses, etc.

WORKER	CLASSIFICATION	RATE
Juan Jerome	Apprentice Carpenter	35
Tom Thornburg	Journeyman Electrician	42
Michael Morley	Foreman	50

2. Material and Equipment Costs: Client will pay the costs of all materials and equipment used in construction, plus costs associated with materials delivery, pick up, ordering and handling. Any unused, excess materials shall be returned to the supplier for a credit. This credit will be issued to Client with the next billing by Contractor.

3. Subcontractor Costs: Client will pay Contractor for the costs of all Subcontractors used on the project.

4. Other Project-Related Costs: Client will pay Contractor for other project-related costs such as utilities fees, supplies consumed during the course of construction (i.e., saw blades, carpenter's pencils, chalk, etc), and costs for temporary items such as fencing and sanitation.

VII. CONTRACTOR'S FEE

SAMPLE

In consideration of the performance of the contract, Client agrees to pay Contractor, as compensation for his services, a Contractor's fee as follows:

All costs incurred over total length of the project plus a fixed fee of $5,000 per month for overhead and profit.

"All costs" shall mean costs necessarily and reasonably incurred in the performance of the work and actually paid by Contractor, including all costs incurred due to changes and extras not listed on the attached estimate.

VIII. CHANGE ORDERS

During the course of the project, Client may request Contractor to perform additional work. All change orders must be in writing and signed by Contractor and Client (or Client's Agent).

IX. SITE CONDITIONS

Client acknowledges that this contract is based on Contractor's observation of conditions of the workplace and structure. Hidden conditions, which could not have been ascertained in advance, and which are not in keeping with what would have reasonably been expected, will be an additional charge to the extent that those hidden conditions cause extra expense. Hidden conditions would include such things as buried rock, water damage, mold, termite damage, pre-existing code violations and other concealed conditions. If a hidden condition is discovered, Contractor will notify Client and attempt to reach an agreement for a change order to this contract that addresses the condition.

X. DEPOSIT REQUIRED

Client agrees to pay a $10,000 deposit upon obtaining permits or start of a job, whichever occurs first. The deposit will be applied to the first three (3) invoices in equal increments.

XI. PERMITS

Contractor shall procure the necessary permits for the work of improvement. Client shall pay the governmental fees and Contractor's charges for said permits.

XII. SUBCONTRACTS AND OTHER AGREEMENTS

All portions of the work that Contractor's employees cannot perform directly shall be performed under subcontracts. Unless Client has agreed in advance, all subcontracts shall be on a fixed-price basis. Contractor shall secure Client's consent before entering into any subcontracts.

XIII. ACCOUNTING RECORDS

Contractor shall keep full and detailed accounts as necessary for proper financial management under this agreement. Client shall be afforded access to all Contractor's records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda and similar data relating to this contract, and Contractor shall preserve all such records for a period of three years after the final payment.

XIV. INSURANCE

The Contractor agrees to maintain workers' compensation and liability insurance throughout the course of the work.

Contractor hereby agrees to hold Client harmless and to indemnify Client against any and all claims which may arise during the course of the work as a consequence of the negligent acts or deliberate omissions of Contractor, its agents, or employees.

XV. SIGNATURES

I have read and agree to the terms and conditions of this contract.

SAMPLE

Darrin Fox	Madison Mitchell, Quality Construction, Inc.
Client Name	**Contractor Name**
Darrin Fox	*Madison Mitchell*
Signature	**Signature**
10/05/10	10/05/10
Date	**Date**

Initials: *DF* Client *MM* Contractor

Cost Plus Fixed Fee Contract

_____

_____

_____

_____

_____

_____ **Date:** _____

CLIENT INFORMATION:

Name: _____

Address: _____

_____

Telephone: _____

Project Number: _____

Project Name: _____

Project Address: _____

_____

I. PARTIES

This contract dated the _____ day of _____, _____, is between _____, Client, and _____, Contractor. In consideration of the mutual promises contained herein, Contractor agrees to perform the following work:

_____

_____

_____

_____

II. SCOPE OF WORK

Contractor will supply all the labor, materials, subcontractors and equipment to complete the work described below:

1. _____
2. _____
3. _____

The work does not include:

_____

_____

_____

III. CONTRACT DOCUMENTS

The Contract Documents consist of the following:

1. _____, dated _____
2. _____, dated _____

An estimate is attached solely for the purpose of describing the categories of work. The pricing on the estimate shall have no bearing on the cost of work.

IV. CONTRACTOR'S DUTIES

Contractor accepts the relationship of trust and confidence established between his company and Client. He covenants with Client to furnish his skill and good judgment in furthering the interest of Client. He agrees to furnish supervision and handle business administration efficiently, and use his best efforts to furnish at all times an adequate supply of workers and materials, and to perform the work in the most expeditious and economical manner.

V. SCHEDULE AND TIMING

The work to be performed under this contract shall commence on _____. Contractor shall use his best efforts to complete said improvements on or before _____.

VI. COSTS TO BE REIMBURSED

Contractor shall, every two weeks during the course of work, deliver to Client a statement showing a summary of the costs incurred by his company in the execution of this contract for the preceding two-week period. Client shall review the statement and remit such amount within three business days of receipt. Client agrees to reimburse Contractor for all the costs outlined below. Such reimbursement shall be in addition to Contractor's fee as stated in paragraph VII, following.

1. Labor Costs: The hourly rate for workers employed by Contractor (in-house labor) to perform the construction work is established by the Rate Schedule below. Factored into the rate per hour are gross wages plus all applicable payroll taxes, medical insurance, retirement benefits, bonuses, etc.

WORKER	CLASSIFICATION	RATE
_____	_____	_____
_____	_____	_____
_____	_____	_____

2. Material and Equipment Costs: Client will pay the costs of all materials and equipment used in construction, plus costs associated with materials delivery, pick up, ordering and handling. Any unused, excess materials shall be returned to the supplier for a credit. This credit will be issued to Client with the next billing by Contractor.

3. Subcontractor Costs: Client will pay Contractor for the costs of all Subcontractors used on the project.

4. Other Project-Related Costs: Client will pay Contractor for other project-related costs such as utilities fees, supplies consumed during the course of construction (i.e., saw blades, carpenter's pencils, chalk, etc), and costs for temporary items such as fencing and sanitation.

VII. CONTRACTOR'S FEE

In consideration of the performance of the contract, Client agrees to pay Contractor, as compensation for his services, a Contractor's fee as follows:

All costs incurred over total length of the project plus _____ for overhead and profit.

"All costs" shall mean costs necessarily and reasonably incurred in the performance of the work and actually paid by Contractor, including all costs incurred due to changes and extras not listed on the attached estimate.

VIII. CHANGE ORDERS

During the course of the project, Client may request Contractor to perform additional work. All change orders must be in writing and signed by Contractor and Client (or Client's Agent).

IX. SITE CONDITIONS

Client acknowledges that this contract is based on Contractor's observation of conditions of the workplace and structure. Hidden conditions, which could not have been ascertained in advance, and which are not in keeping with what would have reasonably been expected, will be an additional charge to the extent that those hidden conditions cause extra expense. Hidden conditions would include such things as buried rock, water damage, mold, termite damage, pre-existing code violations and other concealed conditions. If a hidden condition is discovered, Contractor will notify Client and attempt to reach an agreement for a change order to this contract that addresses the condition.

X. DEPOSIT REQUIRED

Client agrees to pay a _____ deposit upon obtaining permits or start of a job, whichever occurs first.

The deposit will be applied to the first _____ invoices in equal increments.

XI. PERMITS

Contractor shall procure the necessary permits for the work of improvement. Client shall pay the governmental fees and Contractor's charges for said permits.

XII. SUBCONTRACTS AND OTHER AGREEMENTS

All portions of the work that Contractor's employees cannot perform directly shall be performed under subcontracts. Unless Client has agreed in advance, all subcontracts shall be on a fixed-price basis. Contractor shall secure Client's consent before entering into any subcontracts.

XIII. ACCOUNTING RECORDS

Contractor shall keep full and detailed accounts as necessary for proper financial management under this agreement. Client shall be afforded access to all Contractor's records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda and similar data relating to this contract, and Contractor shall preserve all such records for a period of three years after the final payment.

XIV. INSURANCE

The Contractor agrees to maintain workers' compensation and liability insurance throughout the course of the work.

Contractor hereby agrees to hold Client harmless and to indemnify Client against any and all claims which may arise during the course of the work as a consequence of the negligent acts or deliberate omissions of Contractor, its agents, or employees.

XV. SIGNATURES

I have read and agree to the terms and conditions of this contract.

Client Name	**Contractor Name**
Signature	**Signature**
Date	**Date**

Cost Plus Percentage Contract

File name on CD
CstPlusPct

This contract is recommended when multiple changes to the job are anticipated. Under this contract, the client agrees to reimburse the contractor for the direct cost of the work plus a percentage of all costs incurred, to cover overhead and profit. It guarantees the contractor a fair return, while allowing for various changes in the course of the job. A disadvantage to this contract for the client is that he has no guarantee of the final project cost. A disadvantage to the contractor is that he may have trouble getting the client, who doesn't understand the costs involved in running a contracting business, to accept the amount of markup the contractor must charge to stay in business.

Using the Contract

A *Cost Plus Percentage* contract is typically used on a project when plans or specifications are inadequate or for jobs that, for whatever reason, must be started before complete details and costs are available. Costs are almost always higher on jobs where the client wants design flexibility, a feature afforded by the *Cost Plus Percentage* contract.

Good communication between client and contractor is essential when working under a *Cost Plus Percentage* contract. We strongly recommend that you give the client summaries and an overview of the total construction costs on a weekly basis so he isn't shocked by the final project amount. Clients often underestimate the cost of construction. If you run up the client's debt without keeping him apprised, you might overextend his ability, or willingness, to pay. Then *you* have a problem, too. Keep accurate cost records. Any costs that can't be documented could come out of your company's profit.

The only difference between this *Cost Plus Percentage* contract and the *Cost Plus Fixed Fee* contract is in Section VII, *Contractor's Fee*. The *Cost Plus Percentage* contract states that the client will be invoiced for the costs of the project plus a *percentage* of those costs, to cover overhead and profit.

How to Use This Form

Since the Cost Plus Percentage form differs from the Cost Plus Fixed Fee form only in Section VII, *Contractor's Fee*, the instructions provided here for the Cost Plus Fixed Fee form on page 77 will apply, as will the sample form provided.

Section VII will differ in that instead of entering a dollar amount ($5,000 per month in our sample), you'd enter a percentage, such as 30%. So the line would read, "All costs incurred over total length of the project plus 30% of those costs to Contractor for overhead and profit."

For example, if the costs for a particular two-week period were $24,000, the contractor would charge for those costs, plus his 30 percent markup. So the amount to be added to the bi-weekly costs would be 30 percent of $24,000, or $7,200. The contract cost for the two-week period, then, would be $31,200. The client, Darrin Fox, will be invoiced bi-weekly (shown in section VI).

4. Other Project-Related Costs: Client will pay Contractor for other project-related costs such as utilities fees, supplies consumed during the course of construction (i.e., saw blades, carpenter's pencils, chalk, etc), and costs for temporary items such as fencing and sanitation.

SAMPLE

VII. CONTRACTOR'S FEE

In consideration of the performance of the contract, Client agrees to pay Contractor, as compensation for his services, a Contractor's fee as follows:

All costs incurred over total length of the project plus 30 percent of those costs to Contractor for overhead and profit.

"All costs" shall mean costs necessarily and reasonably incurred in the performance of the work and actually paid by Contractor, including all costs incurred due to changes and extras not listed on the attached estimate.

VIII. CHANGE ORDERS

During the course of the project, Client may request Contractor to perform additional work. All change orders must be

Cost Plus Percentage Contract

_____

_____

_____

_____

_____

_____ **Date:** _____

CLIENT INFORMATION:

Name: _____

Address: _____

_____

Telephone: _____

Project Number: _____

Project Name: _____

Project Address: _____

_____

I. PARTIES

This contract dated the _____ day of _____, _____, is between _____, Client, and _____, Contractor. In consideration of the mutual promises contained herein, Contractor agrees to perform the following work:

_____

_____

_____

_____

II. SCOPE OF WORK

Contractor will supply all the labor, materials, subcontractors and equipment to complete the work described below:

1. _____
2. _____
3. _____

The work does not include:

_____

_____

_____

III. CONTRACT DOCUMENTS

The Contract Documents consist of the following:

1. _____, dated _____
2. _____, dated _____

An estimate is attached solely for the purpose of describing the categories of work. The pricing on the estimate shall have no bearing on the cost of work.

IV. CONTRACTOR'S DUTIES

Contractor accepts the relationship of trust and confidence established between his company and Client. He covenants with Client to furnish his skill and good judgment in furthering the interest of Client. He agrees to furnish supervision and handle business administration efficiently, and use his best efforts to furnish at all times an adequate supply of workers and materials, and to perform the work in the most expeditious and economical manner.

V. SCHEDULE AND TIMING

The work to be performed under this contract shall commence on _____. Contractor shall use his best efforts to complete said improvements on or before _____.

VI. COSTS TO BE REIMBURSED

Contractor shall, every two weeks during the course of work, deliver to Client a statement showing a summary of the costs incurred by his company in the execution of this contract for the preceding two-week period. Client shall review the statement and remit such amount within three business days of receipt. Client agrees to reimburse Contractor for all the costs outlined below. Such reimbursement shall be in addition to Contractor's fee as stated in paragraph VII, following.

1. Labor Costs: The hourly rate for workers employed by Contractor (in-house labor) to perform the construction work is established by the Rate Schedule below. Factored into the rate per hour are gross wages plus all applicable payroll taxes, medical insurance, retirement benefits, bonuses, etc.

WORKER	CLASSIFICATION	RATE
_____	_____	_____
_____	_____	_____
_____	_____	_____

2. Material and Equipment Costs: Client will pay the costs of all materials and equipment used in construction, plus costs associated with materials delivery, pick up, ordering and handling. Any unused, excess materials shall be returned to the supplier for a credit. This credit will be issued to Client with the next billing by Contractor.

3. Subcontractor Costs: Client will pay Contractor for the costs of all Subcontractors used on the project.

4. Other Project-Related Costs: Client will pay Contractor for other project-related costs such as utilities fees, supplies consumed during the course of construction (i.e., saw blades, carpenter's pencils, chalk, etc), and costs for temporary items such as fencing and sanitation.

VII. CONTRACTOR'S FEE

In consideration of the performance of the contract, Client agrees to pay Contractor, as compensation for his services, a Contractor's fee as follows:

All costs incurred over total length of the project plus _____ percent of those costs for overhead and profit.

"All costs" shall mean costs necessarily and reasonably incurred in the performance of the work and actually paid by Contractor, including all costs incurred due to changes and extras not listed on the attached estimate.

VIII. CHANGE ORDERS

During the course of the project, Client may request Contractor to perform additional work. All change orders must be in writing and signed by Contractor and Client (or Client's Agent).

IX. SITE CONDITIONS

Client acknowledges that this contract is based on Contractor's observation of conditions of the workplace and structure. Hidden conditions, which could not have been ascertained in advance, and which are not in keeping with what would have reasonably been expected, will be an additional charge to the extent that those hidden conditions cause extra expense. Hidden conditions would include such things as buried rock, water damage, mold, termite damage, pre-existing code violations and other concealed conditions. If a hidden condition is discovered, Contractor will notify Client and attempt to reach an agreement for a change order to this contract that addresses the condition.

X. DEPOSIT REQUIRED

Client agrees to pay a _____ deposit upon obtaining permits or start of a job, whichever occurs first.

The deposit will be applied to the first _____ invoices in equal increments.

XI. PERMITS

Contractor shall procure the necessary permits for the work of improvement. Client shall pay the governmental fees and Contractor's charges for said permits.

XII. SUBCONTRACTS AND OTHER AGREEMENTS

All portions of the work that Contractor's employees cannot perform directly shall be performed under subcontracts. Unless Client has agreed in advance, all subcontracts shall be on a fixed-price basis. Contractor shall secure Client's consent before entering into any subcontracts.

XIII. ACCOUNTING RECORDS

Contractor shall keep full and detailed accounts as necessary for proper financial management under this agreement. Client shall be afforded access to all Contractor's records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda and similar data relating to this contract, and Contractor shall preserve all such records for a period of three years after the final payment.

XIV. INSURANCE

The Contractor agrees to maintain workers' compensation and liability insurance throughout the course of the work.

Contractor hereby agrees to hold Client harmless and to indemnify Client against any and all claims which may arise during the course of the work as a consequence of the negligent acts or deliberate omissions of Contractor, its agents, or employees.

XV. SIGNATURES

I have read and agree to the terms and conditions of this contract.

Client Name	**Contractor Name**
Signature	**Signature**
Date	**Date**

Time & Materials Contract

File name on CD
TM_Cntract

Often called a *T&M* contract, the *Time & Materials* contract looks a lot like a cost-plus contract. But *T&M* contracts include markup in the hourly labor rate as well as in the *Overhead and Profit* section, which is unique to this contract.

Most contractors hire and train their own crews. The work they perform is of their company standard, and managed and paid for by the company. You can't charge the client the employee's base pay. You have to charge his hourly rate, including labor burden and all other associated indirect labor costs, plus overhead.

Look at our sample T&M contract. Although we pay Juan Jerome an apprentice carpenter's wage of $21 per hour, we bill the client, Darrin Fox, $35 per hour. The difference in the cost is the labor burden and all associated costs for our apprentice carpenter, Juan. An employee costs you *at least* 35 percent more than what you pay him, especially if he's less experienced, and therefore less productive, and requires training.

The labor burden, as listed below, includes payroll taxes, worker's comp, medical, vacation and holiday pay, sick time, etc. But associated costs — such as retirement benefits, cell phone, the cost of the tools you provide, a uniform if you require one, the cost of your time spent hiring and training him, plus the cost of the company vehicle he drives and its insurance, fuel and maintenance — all add up and need to be included. The total is sometimes referred to as "fully-loaded costs."

On top of that is your overhead, which can easily average 20 to 25 percent if you include all the costs involved in running a business. So be sure to include enough to cover those costs in the hourly rate you charge the client. A company's goal isn't just to break even; it's to make money. Using a *Time & Materials* contract is common industry practice, but it needs to include sufficient markup to make a profit.

Some clients have a hard time seeing a high markup on paper. They aren't aware of all the costs involved in running a construction business, and think even a 45 percent markup is too high. They believe, as do some contractors just starting out, that a 10 percent markup for overhead and 10 percent for profit is adequate. But that doesn't *ever* cover the overhead bills for a construction company. Contractors who use that formula won't stay in business long.

For a thorough understanding of how to figure an appropriate markup for your business, order a copy of *Markup & Profit: A Contractor's Guide*. It's listed on the order form in the back of this book.

As long as you charge a labor rate that includes all your costs (your "fully-loaded costs"), you can include in the agreement a smaller markup for overhead and profit — one that will be acceptable to the client. If you don't include all your costs, you'll have to either cover them in your markup for overhead and profit, or do the work at little or no profit. It doesn't make any difference mathematically where you put the costs, just as long as you include them *somewhere*.

Using the Form

The first five sections of the T&M contract are similar to the cost-plus contracts. The exceptions to those are seen in Section VI, *Costs to be Reimbursed,* and Section VII, the introduction of *Overhead and Profit,* which doesn't appear in the other two contracts.

I. Parties

This section has spaces for entering the date the contract is signed, names of both client and contractor, a description of the work to be performed, and the property address.

In our sample contract, Quality Construction agrees to build a 4-car covered parking and storage structure at the Foxwood Suites project. We entered into this contract with Darrin Fox on October 5, 2010.

II. Scope of Work

Here you'll provide an overview of the work to be performed — what's *not* included as well as what *is*. This is very important. Without a clearly-defined scope-of-work summary, the client might assume that certain work — prep and painting the finished structure, for example — is included as part of the job contracted for, when you only agreed to build the structure. That's why a contract should always state specifically what is *outside* the agreement, as well as within it.

In the section, "*The work does not include…*" be specific. If the client decides he wants you to do something that isn't included in the contract, make the change using a change order form.

III. Contract Documents

List all drawings and specifications used as reference at the time the costs were estimated for the project. Be sure to include the date of the documents you specify since, by the time a job is completed, there could be several revisions. If anything (including costs) changes later, this section shows how the costs were determined, and which plans and specs were used.

We have architectural drawings dated July 1, 2010, and specs dated September 15, 2010, for the Foxwood Suites project.

IV. Contractor's Duties

This section contains standard information, found in most construction contracts. Basically, the contractor agrees to provide the best services, supervision, and product possible to the client.

V. Schedule and Timing

Enter the start date and anticipated end date for the project. In our example, we expect to begin on the covered parking and storage area on January 15, 2011, and finish on or before March 30, 2011.

VI. Costs to be Reimbursed

Paragraph 2 in Section VI stipulates that the client pays the costs of all materials and equipment used, plus a markup (in our example, 10 percent).

This section also provides a payment time line for the client. One of the most important things to enter here is the rate charged per hour for labor. Make sure you add the burden percentage and a markup amount. To help calculate what the rate per hour should be, see the *Hourly Labor with Burden* form in Chapter 1.

The direct labor burden includes:

- Payroll taxes [Social Security, Medicare, State Unemployment (SUI), Federal Unemployment (FUTA) and any local payroll taxes paid by the employer]
- Worker's compensation
- Sick, vacation, and holiday pay

- Medical and dental insurance (the portion not paid by the employee)
- General liability insurance (tied to payroll)
- Union/other benefits

On top of that, you have the associated costs listed earlier — retirement benefits, tools, cell phone, training, truck, etc. — that comprise your "fully-loaded costs."

The remaining two parts of section VI (Subcontractor Costs and Other Project-Related Costs) are straightforward, so I won't go into detail about them.

VII. Overhead and Profit

This contract assumes that you'll be invoicing the client for the costs of the project plus a percentage of those costs to cover overhead and profit.

VIII. Change Orders

Stress the significance of change orders to the client. In our sample contract, we state to Mr. Fox that all change orders will be documented and must be signed by both parties, in order to authorize the work to be performed. In other words, we're requiring approval and confirmation of that approval, in writing, before any extra work is begun.

IX. Site Conditions

What if you encounter a problem that didn't show up initially, that must be dealt with before work can proceed? Who's going to pay for any extra work?

This section helps protect the contractor against unforeseen circumstances. You never know what you'll run into until you begin a project. The work could become more time-consuming and/or more expensive than originally anticipated. For example, let's say a footing was being dug, and the trencher unexpectedly ran into rock, 6 inches down. That's called a *hidden condition*. If you encounter a problem like that, inform the client immediately. You'll need to come to an agreement about payment for the extra work before you continue.

X. Deposit Required

If you're in a state that allows deposits, it's a good idea to request one. Some states still prohibit collection of a deposit, but it can help enormously with cash flow, between the time the job is begun and the first draw. Check with your local government to see if you're allowed to collect a deposit before you request one from a client.

Specify in the contract when the up-front deposit will be applied. In our sample contract, we applied the deposit of $10,000 to the first three invoices. This section can be modified if you want to invoice the client differently.

XI. Permits

There are two ways you can obtain building and other construction permits: Either ask the client to get them or ask for reimbursement for the cost of obtaining permits yourself. In our example, we've chosen to get the permits and have the client reimburse us for them.

XII. Subcontracts and Other Agreements

Here the client is given the opportunity to approve all choices you make for subcontractors. The client will also be informed of all subcontractor contract costs and agreements before work begins. Approval and consent must be received from the client before the contractor enters into any contracts with subs.

XIII. Accounting Records

One of the most important things to keep in mind with any contract is that the client has the right to ask for copies of timesheets, vendor bills, and subcontractor agreements. Your company's accounting records must be available to the client.

This *doesn't* mean you should volunteer every vendor bill or employee timesheet. The client should focus on job progress, not on your costs. You don't want to have to spend time defending the costs of every item used on the job.

XIV. Insurance

Here, the contractor agrees to carry worker's compensation and general liability insurance to shield the client from any claims relating to the project. Subcontractors employed by the general contractor must also show proof of insurance.

XV. Signatures

Print and sign two copies of the contract. After both parties have signed both copies, the client keeps one copy, and the other one goes into your company files.

At the bottom of each page of this contract are spaces for the initials of both contracting parties. Those initials prove that both received and read each page of the contract.

Time & Materials Contract

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

Date: 10/05/10

CLIENT INFORMATION:

Name:	Darrin Fox	**Project Number:**	09-237
Address:	1316 Washington Bayshore, CA 94545	**Project Name:**	Foxwood Suites
		Project Address:	1262 Crestview Seashore, CA 94547
Telephone:	650-555-9000		

I. PARTIES

This contract dated the 5th day of October, 2010, is between Darrin Fox, Client, and Quality Construction, Inc., Contractor. In consideration of the mutual promises contained herein, Contractor agrees to perform the following work: Add a 4-car covered parking and storage structure to the property located at 1262 Crestview, Seashore, CA 94547.

II. SCOPE OF WORK

Contractor will supply all the labor, materials, subcontractors and equipment to complete the work described below:

1. Excavate site
2. Pour slab
3. Construct covered parking and storage structure

The work does not include: final cleanup, painting, or landscaping. Client agrees to prep and paint structure, as well as to install landscaping after project is complete and Contractor leaves the construction site. Client to perform all final cleanup.

SAMPLE

III. CONTRACT DOCUMENTS

The Contract Documents consist of the following:

1. Architectural drawings by Fred Smith, AIA, dated 07/01/10
2. Specifications by Madison Mitchell, dated 09/15/10

An estimate is attached solely for the purpose of describing the categories of work. The pricing on the estimate shall have no bearing on the cost of work.

IV. CONTRACTOR'S DUTIES

Contractor accepts the relationship of trust and confidence established between his company and Client. He covenants with Client to furnish his skill and good judgment in furthering the interest of Client. He agrees to furnish supervision and handle business administration efficiently, and use his best efforts to furnish at all times an adequate supply of workers and materials, and to perform the work in the most expeditious and economical manner.

V. SCHEDULE AND TIMING

The work to be performed under this contract shall commence on January 15, 2011. Contractor shall use his best efforts to complete said improvements on or before March 30, 2011.

Initials: DF Client MM Contractor

VI. COSTS TO BE REIMBURSED

Contractor shall, every two weeks during the course of work, deliver to Client a statement showing a summary of the costs incurred by his company in the execution of this contract for the preceding two-week period. Client shall review the statement and remit such amount within three business days of receipt. Client agrees to reimburse Contractor for all the costs outlined below. Such reimbursement shall be in addition to Contractor's fee as stated in paragraph VII, following.

1. Labor Costs: The hourly rate for workers employed by Contractor (in-house labor) to perform the construction work is established by the Rate Schedule below. Factored into the rate per hour are gross wages plus all applicable payroll taxes, medical insurance, retirement benefits, bonuses, etc.

WORKER	CLASSIFICATION	RATE
Juan Jerome	Apprentice Carpenter	35
Tom Thornburg	Journeyman Electrician	42
Michael Morley	Foreman	50

2. Material and Equipment Costs: Client will pay the costs of all materials and equipment used in construction, plus a markup of 10 percent plus costs associated with materials delivery, pick up, ordering and handling. Any unused, excess materials shall be returned to the supplier for a credit. This credit will be issued to Client with the next billing by Contractor.

3. Subcontractor Costs: Client will pay Contractor for the costs of all Subcontractors used on the project.

4. Other Project-Related Costs: Client will pay Contractor for other project-related costs such as utilities fees, supplies consumed during the course of construction (i.e., saw blades, carpenter's pencils, chalk, etc), and costs for temporary items such as fencing and sanitation, plus a markup of 10 percent.

VII. OVERHEAD AND PROFIT

In consideration of the performance of the contract, Client agrees to pay Contractor, as compensation for his services: a markup of 10 percent to cover the Contractor's overhead and 10 percent for profit.

"All costs" shall mean costs necessarily and reasonably incurred in the performance of the work and actually paid by Contractor, including all costs incurred due to changes and extras not listed on the attached estimate.

SAMPLE

VIII. CHANGE ORDERS

During the course of the project, Client may request Contractor to perform additional work. All change orders must be in writing and signed by Contractor and Client (or Client's Agent).

IX. SITE CONDITIONS

Client acknowledges that this contract is based on Contractor's observation of conditions of the workplace and structure. Hidden conditions, which could not have been ascertained in advance, and which are not in keeping with what would have reasonably been expected, will be an additional charge to the extent that those hidden conditions cause extra expense. Hidden conditions would include such things as buried rock, water damage, mold, termite damage, pre-existing code violations and other concealed conditions. If a hidden condition is discovered, Contractor will notify Client and attempt to reach an agreement for a change order to this contract that addresses the condition.

X. DEPOSIT REQUIRED

Client agrees to pay a $10,000 deposit upon obtaining permits or start of a job, whichever occurs first. The deposit will be applied to the first three (3) invoices in equal increments.

XI. PERMITS

Contractor shall procure the necessary permits for the work of improvement. Client shall pay the governmental fees and Contractor's charges for said permits.

XII. SUBCONTRACTS AND OTHER AGREEMENTS

All portions of the work that Contractor's employees cannot perform directly shall be performed under subcontracts. Unless Client has agreed in advance, all subcontracts shall be on a fixed-price basis. Contractor shall secure Client's consent before entering into any subcontracts.

XIII. ACCOUNTING RECORDS

Contractor shall keep full and detailed accounts as necessary for proper financial management under this agreement. Client shall be afforded access to all Contractor's records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda and similar data relating to this contract, and Contractor shall preserve all such records for a period of three years after the final payment.

XIV. INSURANCE

The Contractor agrees to maintain workers' compensation and liability insurance throughout the course of the work.

Contractor hereby agrees to hold Client harmless and to indemnify Client against any and all claims which may arise during the course of the work as a consequence of the negligent acts or deliberate omissions of Contractor, its agents, or employees.

SAMPLE

XV. SIGNATURES

I have read and agree to the terms and conditions of this contract.

Darrin Fox	Madison Mitchell, Quality Construction, Inc.
Client Name	**Contractor Name**
Darrin Fox	*Madison Mitchell*
Signature	**Signature**
10/05/10	10/05/10
Date	**Date**

Initials: *DF* Client *MM* Contractor

Time & Materials Contract

_____

_____

_____

_____

_____

_____ **Date:** _____

CLIENT INFORMATION:

Name: _____

Address: _____

_____

Telephone: _____

Project Number: _____

Project Name: _____

Project Address: _____

_____

I. PARTIES

This contract dated the _____ day of _____, _____, is between _____, Client, and _____, Contractor. In consideration of the mutual promises contained herein, Contractor agrees to perform the following work:

_____

_____

_____

_____

II. SCOPE OF WORK

Contractor will supply all the labor, materials, subcontractors and equipment to complete the work described below:

1. _____
2. _____
3. _____

The work does not include:

_____

_____

_____

III. CONTRACT DOCUMENTS

The Contract Documents consist of the following:

1. _____, dated _____
2. _____, dated _____

An estimate is attached solely for the purpose of describing the categories of work. The pricing on the estimate shall have no bearing on the cost of work.

IV. CONTRACTOR'S DUTIES

Contractor accepts the relationship of trust and confidence established between his company and Client. He covenants with Client to furnish his skill and good judgment in furthering the interest of Client. He agrees to furnish supervision and handle business administration efficiently, and use his best efforts to furnish at all times an adequate supply of workers and materials, and to perform the work in the most expeditious and economical manner.

V. SCHEDULE AND TIMING

The work to be performed under this contract shall commence on _____. Contractor shall use his best efforts to complete said improvements on or before _____.

VI. COSTS TO BE REIMBURSED

Contractor shall, every two weeks during the course of work, deliver to Client a statement showing a summary of the costs incurred by his company in the execution of this contract for the preceding two-week period. Client shall review the statement and remit such amount within three business days of receipt. Client agrees to reimburse Contractor for all the costs outlined below. Such reimbursement shall be in addition to Contractor's fee as stated in paragraph VII, following.

1. Labor Costs: The hourly rate for workers employed by Contractor (in-house labor) to perform the construction work is established by the Rate Schedule below. Factored into the rate per hour are gross wages plus all applicable payroll taxes, medical insurance, retirement benefits, bonuses, etc.

WORKER	CLASSIFICATION	RATE
_____	_____	_____
_____	_____	_____
_____	_____	_____

2. Material and Equipment Costs: Client will pay the costs of all materials and equipment used in construction, plus a markup of _____ plus costs associated with materials delivery, pick up, ordering and handling. Any unused, excess materials shall be returned to the supplier for a credit. This credit will be issued to Client with the next billing by Contractor.

3. Subcontractor Costs: Client will pay Contractor for the costs of all Subcontractors used on the project.
4. Other Project-Related Costs: Client will pay Contractor for other project-related costs such as utilities fees, supplies consumed during the course of construction (i.e., saw blades, carpenter's pencils, chalk, etc), and costs for temporary items such as fencing and sanitation, plus a markup of _____.

VII. OVERHEAD AND PROFIT

In consideration of the performance of the contract, Client agrees to pay Contractor, as compensation for his services:
_____.

"All costs" shall mean costs necessarily and reasonably incurred in the performance of the work and actually paid by Contractor, including all costs incurred due to changes and extras not listed on the attached estimate.

VIII. CHANGE ORDERS

During the course of the project, Client may request Contractor to perform additional work. All change orders must be in writing and signed by Contractor and Client (or Client's Agent).

IX. SITE CONDITIONS

Client acknowledges that this contract is based on Contractor's observation of conditions of the workplace and structure. Hidden conditions, which could not have been ascertained in advance, and which are not in keeping with what would have reasonably been expected, will be an additional charge to the extent that those hidden conditions cause extra expense. Hidden conditions would include such things as buried rock, water damage, mold, termite damage, pre-existing code violations and other concealed conditions. If a hidden condition is discovered, Contractor will notify Client and attempt to reach an agreement for a change order to this contract that addresses the condition.

X. DEPOSIT REQUIRED

Client agrees to pay a _____ deposit upon obtaining permits or start of a job, whichever occurs first.

The deposit will be applied to the first _____ invoices in equal increments.

XI. PERMITS

Contractor shall procure the necessary permits for the work of improvement. Client shall pay the governmental fees and Contractor's charges for said permits.

XII. SUBCONTRACTS AND OTHER AGREEMENTS

All portions of the work that Contractor's employees cannot perform directly shall be performed under subcontracts. Unless Client has agreed in advance, all subcontracts shall be on a fixed-price basis. Contractor shall secure Client's consent before entering into any subcontracts.

XIII. ACCOUNTING RECORDS

Contractor shall keep full and detailed accounts as necessary for proper financial management under this agreement. Client shall be afforded access to all Contractor's records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda and similar data relating to this contract, and Contractor shall preserve all such records for a period of three years after the final payment.

XIV. INSURANCE

The Contractor agrees to maintain workers' compensation and liability insurance throughout the course of the work.

Contractor hereby agrees to hold Client harmless and to indemnify Client against any and all claims which may arise during the course of the work as a consequence of the negligent acts or deliberate omissions of Contractor, its agents, or employees.

XV. SIGNATURES

I have read and agree to the terms and conditions of this contract.

Client Name	**Contractor Name**
Signature	**Signature**
Date	**Date**

Prime Construction Contract

File name on CD
PrimeConst

The purpose of most construction contracts is to define the rights and obligations of contractor and client. This *Prime Construction* contract is short and designed to clearly describe the scope of work, project plans, specs, and any other construction documents.

How to Use This Form

After entering your company information and the date, identify the parties to the contract. Then fill in the client information, the project number, and the name and address.

I. Description of Work

This section contains a job summary. In our sample, it's a 4-car parking and storage structure, at 1262 Crestview, in Seashore, CA. If the project is very small, a simple list of the job and materials to be used is adequate.

II. In Accordance with the Following Contract Documents

For a larger job like ours, where there are architectural drawings and specifications, use the next section, "*In accordance with the following contract documents*" to identify the documents that describe what the contractor will (and won't) be doing. Always indicate the date of the documents you're using as reference for construction. In the course of any project, specs can change several times, and sometimes the dates are the only way you can be sure you have the most current information.

Everything described in this section becomes part of the contractor's obligation. Double-check the plans and read *every* paragraph of the specs before signing this contract.

III. Payment Schedule

Any contractor with a computer should have no trouble invoicing a project weekly. That should ensure regular payments and help avoid the cash shortages that notoriously plague the contracting industry.

Our sample contract between Quality Construction, Inc., and Darrin Fox shows the total sum of the contract is $32,000. Each step of construction where money is required is noted in this section as a percentage (and its dollar amount) of the original contract. Upon completion, 100 percent of the funds will have been paid by Darrin Fox to Quality Construction through Seashore Bank & Trust.

Many lenders use a funding service to disburse construction money. Before releasing any progress payments, the service confirms that work in the particular phase is complete, labor releases are in order, and suppliers have been paid. These funding services work relatively well. If you choose to go this route, be sure to factor the service fee into cash flow projections.

Funds are to be dispersed by:

If a funding service is used, enter its name here (Seashore Bank & Trust, in our example).

Work shall commence on:

Insert the date construction is proposed to start and, on the next line, the number of working days the job is estimated to take. The term *working days* excludes holidays, weekends, weather days, or any delays out of your control. We anticipate a total of 45 working days to complete the Foxwood Suites structure. That could be as little as two calendar months or as much as three if you're building where weather is an issue.

IV. Signatures

Both client and contractor sign and date the form and each keeps a copy.

At the bottom of each page of this contract are spaces for the initials of both contracting parties. Those initials prove that both received and read each page of the contract.

Prime Construction Contract

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

Date: 10/15/10

THIS AGREEMENT IS BETWEEN QUALITY CONSTRUCTION, INC. (CONTRACTOR) AND DARRIN FOX (CLIENT).

CLIENT INFORMATION:

Name:	Darrin Fox	**Project Number:**	09-237
Address:	1316 Washington Bayshore, CA 94545	**Project Name:**	Foxwood Suites
		Project Address:	1262 Crestview Seashore, CA 94547
Telephone:	650-555-9000		

I. DESCRIPTION OF WORK

Construct 4-car covered parking and storage structure at 1262 Crestview, Seashore, CA.

II. IN ACCORDANCE WITH THE FOLLOWING CONTRACT DOCUMENTS

1. Architectural drawings by Fred Smith, AIA, dated 07/01/10
2. Specifications by Madison Mitchell, dated 09/15/10

SAMPLE

III. PAYMENT SCHEDULE

Owner agrees to pay the sum of: $32,000

Installments to be made as follows:

10% due upon signing of contract	$3,200
20% due upon start of foundation work	$6,400
30% due upon start of rough framing	$9,600
30% due upon start of electrical work	$9,600
10% due upon completion of punch list	$3,200

Funds are to be disbursed by: Seashore Bank & Trust

Work shall commence on: 01/20/11
Work shall be complete within 45 working days.

IV. SIGNATURES

I have read and agree to the terms and conditions of this contract.

Darrin Fox	Madison Mitchell, Quality Construction, Inc.
Client Name	**Contractor Name**
Darrin Fox	*Madison Mitchell*
Signature	**Signature**
10/05/10	10/05/10
Date	**Date**

Prime Construction Contract

_____
_____
_____
_____
_____
_____ **Date:** _____

THIS AGREEMENT IS BETWEEN _____ (CONTRACTOR) AND _____ (CLIENT).

CLIENT INFORMATION:

Name: _____
Address: _____
_____
Telephone: _____

Project Number: _____
Project Name: _____
Project Address: _____
_____

I. DESCRIPTION OF WORK

_____.

II. IN ACCORDANCE WITH THE FOLLOWING CONTRACT DOCUMENTS

1. _____, dated _____
2. _____, dated _____

III. PAYMENT SCHEDULE

Owner agrees to pay the sum of: $_____

Installments to be made as follows:

_____ $_____

_____ $_____

_____ $_____

_____ $_____

_____ $_____

Funds are to be disbursed by: _____

Work shall commence on: _____

Work shall be complete within ____ working days

IV. SIGNATURES

I have read and agree to the terms and conditions of this contract.

Client Name	**Contractor Name**
Signature	**Signature**
Date	**Date**

Project Management Contract

File name on CD
ProjctMgmt

Just about every construction project has one individual in charge, coordinating the various trades, to make sure no step is missed, and to make sure the work is done properly. This takes a considerable amount of expertise, as a homeowner trying to save money by being his own general contractor soon discovers.

To complete a project successfully, there must be good communication between client and project manager. We developed our *Project Management* contract to address the most common causes of conflict in this type of agreement.

The *Project Management* contract details the roles and responsibilities of both client and project manager. Payment is generally based on a percentage of the total cost of construction, often with incentives for finishing early and under budget. Such contracts also impose penalties for finishing after the project's estimated end date. Let this be a reminder to you: be realistic when estimating completion dates — you're in this work to make money, not give it back!

How to Use This Form

Enter the usual client and contractor information, then the project number, name and address. In our sample, Quality Construction, Inc. is our contracting company and Darrin Fox is the client, so this agreement is between them.

Description of Work

Enter the description of the project to be managed after the first sentence: "Project Manager agrees to supervise …" We'll use the covered parking and storage structure at 1262 Crestview as our sample project.

Project Manager's Roles and Responsibilities

The Project Manager's section lists job responsibilities, and is divided into two phases: Pre-Construction Phase and Construction Phase. These sections are comprehensive, and can be tailored to fit any job you take on.

Client's Roles and Responsibilities

The Client's duties may include many tasks traditionally performed by the general contractor. Again, this section can be modified to suit your project.

Fee Schedule

The Project Manager's fee is usually a percentage of the total cost (in our example contract between Quality Construction and Darrin Fox, it's 10 percent). Of course, the actual fee is negotiated between the parties.

Insert the amount of the initial retainer, and when it will be paid. Payment is broken down into installments corresponding to project duration. We've used 12 months in the sample contract. Customize this contract to fit your company's jobs.

In our sample contract, and on the blank versions provided, an incentive clause provides for a split, in our example, 50-50, of any unspent construction funds if the job comes in under budget. It also states that the final draw will be paid in full if the certificate of occupancy is issued by the date specified.

Conversely, a penalty of 10 percent of the final draw will be levied for every 15 days that the Certificate of Occupancy is delayed. Delays beyond the manager's control are excused.

If you don't want such penalties in your contracts, and you don't expect incentives either, simply delete these sections.

Signatures

As with all contracts and forms in this chapter, signatures are absolutely essential for a contract to be binding. And don't forget to date the document.

At the bottom of each page of this and all multi-page contracts here are spaces for the initials of both contracting parties. Those initials prove that both received and read each page of the contract.

Project Management Contract

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

Date: 10/15/10

THIS AGREEMENT IS BETWEEN QUALITY CONSTRUCTION, INC. (CONTRACTOR) AND DARRIN FOX (CLIENT).

CLIENT INFORMATION:

Name:	Darrin Fox	**Project Number:**	09-237
Address:	1316 Washington Bayshore, CA 94545	**Project Name:**	Foxwood Suites
		Project Address:	1262 Crestview Seashore, CA 94547
Telephone:	650-555-9000		

I. DESCRIPTION OF WORK

Project Manager agrees to supervise and see to completion, in an exceptional and comprehensive manner, the construction of the following work herein called the "Project": A 4-car covered parking and storage structure for Foxwood Suites, upon the real property located at 1262 Crestview, Seashore, CA.

II. PROJECT MANAGER'S ROLES AND RESPONSIBILITIES

SAMPLE

Pre-Construction Phase

1. Assist in finding a lender
2. Provide information for bidding subs
3. Coordinate the bidding process, securing a minimum of three proposals per each major craft
4. Provide comprehensive material takeoff for lumber and framing hardware
5. Check references of each subcontractor
6. Assemble presentation to lender
7. Provide a detailed cost breakdown sheet for lender
8. Develop a critical path time line
9. Act as Contractor of Record with lender
10. Obtain all necessary permits (general, grading, electrical, mechanical, etc.) and interface with building department representatives
11. Recommend the most qualified and reasonably-priced subcontractor (based on the bids submitted) to Client, for each phase of construction
12. Finalize contract documents with each sub, ensuring text and content are clear
13. Develop a list of contract addenda covering areas of payment disbursement, safety, workers' compensation, cleanup, and craft standards

Construction Phase

Project Manager's responsibility is to oversee daily Project progress. Project Manager will ensure that Project is constructed and completed in conformance with the plans and specifications, and that all laws, ordinances, rules, and regulations of the applicable governmental authorities are observed. Further, he agrees to:

1. Schedule subs and suppliers
2. Review workers' comp coverage of subs; require certificates of workers' comp from each of their insurance carriers
3. Ensure subs provide the highest level of craftsmanship possible
4. Ensure neighbors' property is respected
5. Represent Client in the field
6. Coordinate with any geologist and/or soils engineer
7. Coordinate with the excavation subs
8. Supervise day-to-day construction to ensure the Project is built as intended by Client and Designer, as per plans
9. Meet with Client regularly to review Project progress

Initials: DF Client MM Project Manager

10. Confirm accuracy of all material deliveries
11. Authorize payment of subs based on satisfactory review of their work
12. Provide on-site dispute resolution between subs
13. Coordinate all utility hookups
14. Initiate inspections and interface with Building Department
15. Ensure that all workers maintain the highest safety standards
16. Coordinate incidental day labor
17. Make sure the jobsite is cleaned on a regular basis (Client to provide manpower or funds for labor)
18. Track change orders
19. Obtain lien releases
20. Provide Client with any discounts Project Manager (as General Contractor) realizes, without adding markup
21. Coordinate with interior designer's installation

III. CLIENT'S ROLES AND RESPONSIBILITIES

1. Finalize negotiations with lender and secure construction loan
2. Provide a temporary construction field office for Project Manager upon commencement of rough grading (cost included in the construction loan)
3. Provide a jobsite phone upon commencement of rough grading (cost included in the construction loan)
4. Provide chain link fencing around Project area
5. Obtain and pay for the general Building Permit. All other permits are to be obtained and paid for by each respective subcontractor
6. Provide appropriate insurance (public liability, construction, fire, theft, etc.)
7. Sign contracts with each subcontractor upon recommendation of Project Manager
8. All construction expenses are to be borne by the Client. Project Manager will not be held liable for any unpaid bills
9. Run all changes to Project through Project Manager
10. Maintain petty cash account for incidental purchases – Project Manager will track these expenses
11. Accept liability for theft or destruction of building materials
12. File *Notice of Completion* within five (5) days of substantial completion of Project

SAMPLE

IV. FEE SCHEDULE

In consideration of services rendered, Client agrees to pay Project Manager a base fee of 10 percent of the cost of construction, based on the amount of the construction loan plus, as an incentive to bring the project in under budget, a final draw of 50 percent of any unused loan funds remaining when the *Notice of Completion* is filed by Client, and all construction budgeted for in the construction loan is completed.

This base fee will be computed based on the total hard construction costs approved in the construction loan, including permit, appliances, and fixtures. Any soft costs included in the construction loan, such as design and engineering, as well as interior design, are not to be considered in determining the base fee.

Base fee is to be broken down into installments as follows:

- Initial retainer of $2,500 to be paid by December 15, 2010, to cover the first month of pre-construction services.
- A monthly installment of 1/12th of the base fee, to be paid on the 1st of each following month for a term of up to three months.

The final draw is to be paid within 15 days of filing *Notice of Completion*, based on the following:

- As a mutually-beneficial incentive to finish the construction in a timely manner and to meet the completion goal stated above, Project Manager shall receive the full 50 percent final draw as stipulated above, if construction of the living space is sufficiently completed to receive a Certificate of Occupancy from the City by March 30, 2011, enabling Client to move in by April 15, 2011.
- If a Certificate of Occupancy is not granted by March 30, 2011, 10 percent shall be withheld from Project Manager's final draw for each increment of 15 calendar days beyond April 15, 2011.
- If progress is delayed for any reason beyond Project Manager's control, the time frame for computing final draw shall be adjusted by the length of the delay. Examples of such delays include: unseasonably rainy weather, earthquakes, fire, work stoppages, and unforeseen delays in securing city approvals.

Cost overruns (in any particular construction budget category or allowance) made by Client during construction that are a result of changes or upgrades not called out in the plans and specs will not be considered part of any remaining construction funds for purposes of determining the final draw.

Project Management Contract

_____
_____
_____
_____
_____
_____ **Date:** _____

THIS AGREEMENT IS BETWEEN _____ (CONTRACTOR) AND _____ (CLIENT).

CLIENT INFORMATION:

Name: _____
Address: _____
_____
Telephone: _____

Project Number: _____
Project Name: _____
Project Address: _____
_____

I. DESCRIPTION OF WORK

Project Manager agrees to supervise and see to completion, in an exceptional and comprehensive manner, the construction of the following work herein called the "Project":

_____
_____
_____

II. PROJECT MANAGER'S ROLES AND RESPONSIBILITIES

Pre-Construction Phase

1. Assist in finding a lender
2. Provide information for bidding subs
3. Coordinate the bidding process, securing a minimum of three proposals per each major craft
4. Provide comprehensive material takeoff for lumber and framing hardware
5. Check references of each subcontractor
6. Assemble presentation to lender
7. Provide a detailed cost breakdown sheet for lender
8. Develop a critical path time line
9. Act as Contractor of Record with lender
10. Obtain all necessary permits (general, grading, electrical, mechanical, etc.) and interface with building department representatives
11. Recommend the most qualified and reasonably-priced subcontractor (based on the bids submitted) to Client, for each phase of construction
12. Finalize contract documents with each sub, ensuring text and content are clear
13. Develop a list of contract addenda covering areas of payment disbursement, safety, workers' compensation, cleanup, and craft standards

Construction Phase

Project Manager's responsibility is to oversee daily Project progress. Project Manager will ensure that Project is constructed and completed in conformance with the plans and specifications, and that all laws, ordinances, rules, and regulations of the applicable governmental authorities are observed. Further, he agrees to:

1. Schedule subs and suppliers
2. Review workers' comp coverage of subs; require certificates of workers' comp from each of their insurance carriers
3. Ensure subs provide the highest level of craftsmanship possible
4. Ensure neighbors' property is respected
5. Represent Client in the field
6. Coordinate with any geologist and/or soils engineer
7. Coordinate with the excavation subs
8. Supervise day-to-day construction to ensure the Project is built as intended by Client and Designer, as per plans
9. Meet with Client regularly to review Project progress
10. Confirm accuracy of all material deliveries
11. Authorize payment of subs based on satisfactory review of their work
12. Provide on-site dispute resolution between subs
13. Coordinate all utility hookups
14. Initiate inspections and interface with Building Department
15. Ensure that all workers maintain the highest safety standards
16. Coordinate incidental day labor
17. Make sure the jobsite is cleaned on a regular basis (Client to provide manpower or funds for labor)
18. Track change orders
19. Obtain lien releases
20. Provide Client with any discounts Project Manager (as General Contractor) realizes, without adding markup
21. Coordinate with interior designer's installation

III. CLIENT'S ROLES AND RESPONSIBILITIES

1. Finalize negotiations with lender and secure construction loan
2. Provide a temporary construction field office for Project Manager upon commencement of rough grading (cost included in the construction loan)
3. Provide a jobsite phone upon commencement of rough grading (cost included in the construction loan)
4. Provide chain link fencing around Project area
5. Obtain and pay for the general Building Permit. All other permits are to be obtained and paid for by each respective subcontractor
6. Provide appropriate insurance (public liability, construction, fire, theft, etc.)
7. Sign contracts with each subcontractor upon recommendation of Project Manager
8. All construction expenses are to be borne by the Client. Project Manager will not be held liable for any unpaid bills
9. Run all changes to Project through Project Manager
10. Maintain petty cash account for incidental purchases – Project Manager will track these expenses
11. Accept liability for theft or destruction of building materials
12. File *Notice of Completion* within five (5) days of substantial completion of Project

IV. FEE SCHEDULE

In consideration of services rendered, Client agrees to pay Project Manager a base fee of

_____,

based on the amount of the construction loan plus, as an incentive to bring the project in under budget, a final draw of _____ of any unused loan funds remaining when the *Notice of Completion* is filed by Client, and all construction budgeted for in the construction loan is completed.

This base fee will be computed based on the total hard construction costs approved in the construction loan, including permit, appliances, and fixtures. Any soft costs included in the construction loan, such as design and engineering, as well as interior design, are not to be considered in determining the base fee.

Base fee is to be broken down into installments as follows:

- Initial retainer of $_____ to be paid by _____, to cover the first month of pre-construction services.
- A monthly installment of _____ of the base fee, to be paid on the _____ of each following month for a term of _____.

The final draw is to be paid within _____ days of filing *Notice of Completion*, based on the following:

- As a mutually-beneficial incentive to finish the construction in a timely manner and to meet the completion goal stated above, Project Manager shall receive the full _____ final draw as stipulated above, if construction of the living space is sufficiently completed to receive a Certificate of Occupancy from the City by _____, enabling Client to move in by _____.
- If a Certificate of Occupancy is not granted by _____, _____ shall be withheld from Project Manager's final draw for each increment of _____calendar days beyond _____.
- If progress is delayed for any reason beyond Project Manager's control, the time frame for computing final draw shall be adjusted by the length of the delay. Examples of such delays include: unseasonably rainy weather, earthquakes, fire, work stoppages, and unforeseen delays in securing city approvals.

Cost overruns (in any particular construction budget category or allowance) made by Client during construction that are a result of changes or upgrades not called out in the plans and specs, will not be considered part of any remaining construction funds for purposes of determining the final draw.

V. SIGNATURES

I have read and agree to the terms and conditions of this contract.

_____	_____
Client Name	**Company Name**
_____	_____
Signature	**Contractor/Project Manager**
_____	_____
Date	**Signature**
	_____
	Date

Subcontract Agreement

File name on CD
SubAgreemt

The *Subcontract Agreement* is actually a contract between two contractors, one of whom is acting as a subcontractor for the other. Every contractor who may perform as a general contractor and employ subs needs a comprehensive standard contract. The one provided here would be appropriate for use with small- to medium-sized jobs, as in our sample. A large or commercial job would require a much more detailed contract, that would handle retainage issues, more complex payment schedules, and so forth. If you need such a contract, check the order form in the back of this manual to learn more about *Construction Contract Writer*, software that allows you to create a contract for just about any project. It's as detailed as you need, and complies with the requirements of your state.

Since this agreement is only between the general (prime) contractor and a sub working under him, there's no direct contract between client and the sub. However, an addendum can be attached requiring approval by the client or his agent of the contractor's choice of subs.

In our *Subcontract Agreement*, the sub's signature signifies his agreement to perform work on a project in accordance with the contract documents.

All provisions in the Prime Construction contract, including change orders and warranty periods, extend to this subcontract. Any work that's unique to the job being subcontracted should be clearly noted in the agreement.

How to Use This Form

Either the sub or the general may prepare the contract. In our example, it's the general, so his information is at the top.

Then the subcontractor to the contract is identified, with his necessary information; then the usual details of the project — project number, name, and address.

I. Description of Work

In *Description of Work* to be performed, the project should be described in enough detail that there's absolutely no room for misunderstanding. Our example description is very precise about the colors of paint to be used:

Frazee Exterior 405 for the structure and *645* for the trim. You don't want to say "Light green." Being specific virtually eliminates the possibility of using the wrong materials, or using them in the wrong place.

II. In Accordance with the Following Contract Documents

This is where documents, specifications, and plans defining the work to be done are listed. Always include the dates of the documents, and the name of the person providing them. In our example, we have both architectural drawings and specs, both of which provide considerable information.

III. Payment Schedule

This is an especially important section. If you're the subcontractor on a job, be sure to consider your cash flow requirements before signing this agreement.

Work Start and End Dates

Work starting date is the day you anticipate work to begin. *Work shall be complete within ____ working days* is critical. Be sure to schedule enough time to complete the project. Don't worry about finishing ahead of time — construction seldom takes less time than expected! But you really don't want to incur a penalty for finishing late, so be conservative when you estimate the construction ending date.

The Signature Section

Both parties sign and date the form, and each keeps a copy.

At the bottom of each page of this and all multi-page contracts here are spaces for the initials of both contracting parties. Those initials prove that both received and read each page of the contract.

Subcontract Agreement

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

Date: 10/05/10

SUBCONTRACTOR INFORMATION:

Name: Buck Moore/Moore Paint
Address: 12 James Way
Bayshore, CA 94545
Telephone: 650-555-1069
License # 2345678
Email: buckmoore@aol.com

PROJECT INFORMATION:

Project Number: 09-237
Project Name: Foxwood Suites
Project Address: 1262 Crestview
Seashore, CA 94547

THIS AGREEMENT IS BETWEEN QUALITY CONSTRUCTION, INC. (CONTRACTOR) AND MOORE PAINT (SUBCONTRACTOR).

I. DESCRIPTION OF WORK

Paint exterior of covered parking and storage structure with two colors: Frazee Exterior 405 for the body of the structure, and Frazee Exterior 645 for the trim.

SAMPLE

II. IN ACCORDANCE WITH THE FOLLOWING CONTRACT DOCUMENTS

1. Architectural drawings by Fred Smith, AIA, dated 07/01/10
2. Specifications by Madison Mitchell, dated 09/15/10

III. PAYMENT SCHEDULE

Contractor agrees to pay Subcontractor the sum of: $1,200 for painting as described above.

Installments to be made as follows:

Due upon signing of contract	$200
Finish of interior painting	$500
Finish of exterior painting	$500

Work starting date: 02/15/11

Work shall be complete within 10 **working days.**

IV. SIGNATURES

I have read and agree to the terms and conditions of this contract.

Madison Mitchell, Quality Construction, Inc.	Buck Moore, Moore Paint
Contractor Name	**Subcontractor Name**
Madison Mitchell	*Buck Moore*
Signature	**Signature**
10/05/10	10/05/10
Date	**Date**

Subcontract Agreement

_____
_____
_____
_____
_____
_____ **Date:** _____

SUBCONTRACTOR INFORMATION:

Name: _____
Address: _____
_____
Telephone: _____
License # _____
Email: _____

PROJECT INFORMATION:

Project Number: _____
Project Name: _____
Project Address: _____
_____

THIS AGREEMENT IS BETWEEN _____ (CONTRACTOR) AND _____ (SUBCONTRACTOR).

I. DESCRIPTION OF WORK

_____
_____
_____

II. IN ACCORDANCE WITH THE FOLLOWING CONTRACT DOCUMENTS

1. _____, dated _____
2. _____, dated _____

III. PAYMENT SCHEDULE

Contractor agrees to pay Subcontractor the sum of: $_____.

Installments to be made as follows:

_____ $_____

_____ $_____

_____ $_____

Work starting date: _____

Work shall be complete within _____ working days.

IV. SIGNATURES

I have read and agree to the terms and conditions of this contract.

Contractor Name	**Subcontractor Name**
Signature	**Signature**
Date	**Date**

Contract Transmittal Letter

File name on CD
ContrTrans

The *Contract Transmittal* cover letter is included with project documents when they're sent to each subcontractor. It gives the project number and name for the sub to reference when submitting an invoice for payment. The letter also requests a copy of the sub's current certificate of insurance.

How to Use This Form

Complete the company information, list the project name and number, and make a duplicate of the contract. Send two copies to each subcontractor with a request that both copies be signed and returned. When you get them back, along with a copy of his insurance certification, sign both. Send one back to the sub, and keep the other for your company records.

The reason you don't initially send him copies you already signed is that you don't at that point have documentation that he has proper insurance.

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

10/05/10

Buck Moore
12 James Way
Bayshore, CA 94545

Project Number: 09-237
Project Name: Foxwood Suites

SAMPLE

Dear Mr. Moore:

Enclosed are two copies of our contract for the covered parking and storage structure referred to as Project #09-237, Foxwood Suites.

Please sign both copies, and send them to this office along with a copy of your insurance policy. A countersigned copy of the contract will be forwarded to you after we receive these documents.

To expedite administration of the contract, please refer to Project #09-237 in any written correspondence to Quality Construction, Inc.

Thank you.

Sincerely,

Sarah Olsen
Sarah Olsen
Office Manager
Quality Construction, Inc.

Enclosure

_____
_____
_____
_____
_____
_____

_____

_____
_____
_____

Project Number: _____

Project Name: _____

Dear _____:

Enclosed are two copies of our contract for _____ referred to as Project #_____, _____.

Please sign both copies, and send them to this office along with a copy of your insurance policy. A countersigned copy of the contract will be forwarded to you after we receive these documents.

To expedite administration of the contract, please refer to Project #_____ in any written correspondence to _____.

Thank you.

Sincerely,

_____
_____
_____

Enclosure

Warranty

File name on CD
Warranty

A general contractor shouldn't assume his subs guarantee every part of their work. Some might omit certain parts. It's a good idea to have in writing exactly what is and what isn't covered.

This *Warranty* is a signed form from the subcontractor or material supplier directly to the client confirming that he's provided quality work and/or product, and certifying that the work or product meets specified requirements and will perform satisfactorily for a stipulated period of time.

The *Warranty* also covers any cost associated with the repair of damage or displacement due to defective workmanship or materials.

If a drain line under the slab breaks, for example, the cost of fixing the drain line is peanuts compared to the cost of breaking up and replacing the slab.

This form can be modified to warranty everything installed and/or provided by the subcontractor. Your subs may be under the impression that product manufacturers are responsible for premature failures. Sometimes they are. For instance, if the water heater starts to leak six weeks after its installation, replacement shouldn't be at the subcontractor's expense. But the sub *can* be held responsible for a leak where pipes weren't tightened sufficiently, or a weld didn't hold.

How to Use This Form

Send a copy of the *Warranty* to each subcontractor. Include the client's name and address, the date, and the general contractor's name, as well as the project number, name, and address. The sub enters his company information in the top left portion, and dates the form.

Guarantee to Client

The subs should provide the required information about the materials they used and/or workmanship, then sign and return the forms to the general contractor on the project.

Each subcontractor enters the length and starting date of the warranty. Typically, work and materials are under warranty for one year. If the warranty period differs, get confirmation and the reason why there's a discrepancy (in writing) from the subcontractor before making your final payment to him.

To make sure the sub completes and returns the forms, the general contractor can warn that he needs to have the signed warranties in his possession before final payment can be made.

Warranty

Action Garage Door, Inc.
15 Jefferson Street
Bayshore, CA 94545
650-555-0987 Fax: 650-555-7890
License #2345678
Email: action@garagedoor.com

Date: 03/30/10

CLIENT INFORMATION:

Name:	Darrin Fox	**Contractor:**	Quality Construction, Inc.
Address:	1316 Washington Bayshore, CA 94545	**Project Number:**	09-237
		Project Name:	Foxwood Suites
Telephone:	650-555-9000	**Project Address:**	1262 Crestview Seashore, CA 94547

WE HEREBY GUARANTEE TO THE ABOVE-NAMED CLIENT:

- Genie 450XL garage door opener installed by Action Garage Door, Inc., at the project identified as #09-237, Foxwood Suites, for a period of 2 years, beginning on 03/20/10.
- We agree to repair or replace, to the satisfaction of the Client, any or all such work that may prove defective in workmanship or materials within that 2-year period. Damage due to ordinary wear and tear is not covered. Unusual abuse or neglect, and any other work which may be damaged or displaced in the course of that abuse, will void this warranty.

SAMPLE

Failure of Action Garage Door, Inc., to comply with these conditions within a reasonable time after notification in writing, will be just cause for Client to have the defects repaired at the expense of Action Garage Door, Inc., which will pay all costs and charges including reasonable attorney's fees, upon demand.

This warranty covers and includes any special terms or materials specified in the plans, specifications, and any other contract documents for this project.

Action Garage Door, Inc.
Company Name

Jerry Holbrook, Production Manager
Representative Name/Title

Jerry Holbrook
Signature

03/30/10
Date

Type of Business:	
X	Corporation
	Sole Proprietorship
	Partnership

Warranty

_____
_____
_____
_____
_____
_____ **Date:** _____

CLIENT INFORMATION:

Name: _____ **Contractor:** _____

Address: _____ **Project Number:** _____

_____ **Project Name:** _____

Telephone: _____ **Project Address:** _____

_____

WE HEREBY GUARANTEE TO THE ABOVE-NAMED CLIENT:

- _____ installed by _____, at the project identified as #_____, _____, for a period of ____ year(s), beginning on _____.
- We agree to repair or replace, to the satisfaction of the Client, any or all such work that may prove defective in workmanship or materials within that ____-year period. Damage due to ordinary wear and tear is not covered. Unusual abuse or neglect, and any other work which may be damaged or displaced in the course of that abuse, will void this warranty.

Failure of _____, to comply with these conditions within a reasonable time after notification in writing, will be just cause for Client to have the defects repaired at the expense of _____, which will pay all costs and charges including reasonable attorney's fees, upon demand.

This warranty covers and includes any special terms or materials specified in the plans, specifications, and any other contract documents for this project.

_____
Company Name

_____
Representative Name/Title

_____
Signature

_____
Date

Type of Business:	
	Corporation
	Sole Proprietorship
	Partnership

[Blank Page]

Client Forms

4

Staying in contact with the client before, during, and after the job is one of the most important things you can do to keep him happy. A happy client brings in referrals and referrals mean more business.

In this chapter we focus on forms that help you start, and keep, a professional dialog going with each client (or potential client) from the first time they contact you through the end of the project.

This chapter contains example letters and forms used to gather information about the potential customer and job, organize job information, acknowledge that you have received the signed proposal or contract, intro-duce yourself to the neighbors, follow up on bids submitted, and survey job satisfaction.

The Forms

First Contact Sheet, *133*
This form guides initial conversations with new or potential clients. It contains basic questions that help you evaluate the needs or objectives of a client when they first contact you.

Job Information Form, *138*
This form enables you to keep all the information for the job in one place. Architectural drawings and specs, schedule and site information, and other pertinent data can all be accessed from this one source.

Acknowledgement of Proposal Acceptance, *141*
This form provides confirmation to the client that you received the signed proposal. It also provides an outline of the next steps to be taken in preparation for the project to begin.

Neighborhood Notification Letter, *143*
Use this letter to open a positive line of communication with the neighbors, while informing them of the proposed construction.

Bid Follow-up Letter, *146*
When you present a bid, but aren't contacted about the results, send this letter to the prospective customer.

Losing Bid Feedback Form, *148*
In the event your company isn't awarded a contract, you need to determine the reason. This form provides a forum for the client to acknowledge which part of your proposal wasn't acceptable.

Client Satisfaction Survey & Company Evaluation, *151*
Use these forms to gather information from clients on your company's performance and, hopefully, their satisfaction with the work.

Thank You Letter, *155*
A thank you letter signifies the job's transition from "in process" to "complete." It accompanies your final invoice and thanks the client for his business. It also requests consideration for future jobs.

First Contact Sheet

File name on CD
FirsContac

There's an old saying, "You don't get a second chance to make a good first impression." It's important to train your office staff to answer the phone in a courteous, businesslike fashion, so when potential clients initially contact your office, they're given a positive impression of your company.

Keep a supply of *First Contact Sheets* near office telephones and at your receptionist's desk. When a potential client calls or comes into the office, your employee can simply ask the questions in the order listed. The data provided can be entered into the company's database later, to save for lead-tracking.

Most contractors get, on average, about one out of every four jobs they go after. You can improve your odds from the beginning by separating the serious prospects from people who are just curious, or dreaming, and who will just waste your time.

How to Use This Form

Client Information

Be as thorough as possible when recording the client and job data. You need contact information, but also, the address will let you know if it's way on the other side of town and your crews will be spending an hour in traffic each way. Knowing the type of work will allow you to decline right off, if, say, it's primarily plumbing work and you don't have a qualified plumber on staff.

The person speaking to the prospect and completing the form enters their name in Prepared by.

Project Information

Ask the prospect if he owns the site of the proposed project. In most cases they do, but there are occasions where a renter may be authorized by the property owner to have work done at his leased space, at his own expense. In that case, he'd answer "No" to owning the property. Be sure to ask more questions if he's not the owner. You don't want to illegally alter a property!

On the subject of financing, approach this tactfully. In a way, you're asking for the client's financial information. However, as a contractor, you need to feel secure that the money will be there when it's time for you to be paid. If you can't get a clear answer on this, be wary.

Understanding the client's budget and comparing it with the job he wants done gives you a good idea of how realistic his plans are and if you should invest the time in estimating and bidding the job. Many clients haven't the faintest idea what construction costs.

It's good business practice to ask about project financing. Don't think of it as prying. You're in the contracting business to make money, not to take chances. You have a right to know where the money's coming from.

The date the client would like to start the project may or may not fit into your project scheduling, so it's important to get this information. Many prospective clients assume you'll start work immediately after they give you the go-ahead.

Asking if an architect is designing the project is helpful from the outset. Architectural drawings are precise, and can sometimes work against the contractor. It could mean no "wiggle room" for you to suggest alternative materials or construction methods.

If the client is taking other bids, it helps to know how many. If it's several, you know they're bid shopping, and you can decide if you want to enter the competition to be lowest bidder.

Finally, it's important to track marketing efforts and referrals. Referrals not only bring in more business, they suggest your work has been exemplary. You may want to send a thank you note to the person who referred you, as Quality Construction will in the case of Julie Guthrie, who referred Darrin Fox.

Type of Project

Typical types of contracting jobs are listed in this section. By the time you're ready to bid on the project, you might not remember what you were asked to bid. The details of this particular project might not be fresh in your mind. Check as many boxes as you need to describe the job. The more information you give now, the easier it'll be to refresh your memory down the road.

Directions to Jobsite

Driving directions are included so you or a company representative can visit the work site. This is very important. Potential obstructions or problems could make you turn down the work right off the bat. Excessive rock, for example, or a site previously used for storage of hazardous materials, could be deal-breakers. It also helps to know the lay of the land and any possible obstacles to construction, such as trees or difficult site access.

Use a *Job Information* form (discussed next), to note irregularities or potential problems.

Bid Outcome

This last section is completed when the client makes a decision to accept a bid — hopefully yours.

When the contract is awarded, get this *First Contact Sheet* out of your files and enter the award information, whatever the outcome. If your company wasn't selected for the project, this information can help you successfully bid a future project.

First Contact Sheet

Quality Construction, Inc. **Date:** 10/05/10

Client Information:

Name: Darrin Fox
Address: 1316 Washington
Bayshore, CA 94545
Telephone: 650-555-9000

Project Address: 1262 Crestview
Seashore, CA 94547
Type of Work: Build parking & storage structure
Prepared by: Madison Mitchell

Project Information:

Does Client own the property?	[**X**] Yes [ ] No
How will project be financed?	Owner-financed
Client's budget:	$20,000 to $35,000
When is project planned to begin?	07/01/10
Does Client have an architect?	[**X**] Yes [ ] No
Is Client taking other bids?	[**X**] Yes [ ] No
If yes, how many?	3
How did Client hear about Quality Construction, Inc.?	Referral from Julie Guthrie

SAMPLE

Type of Project:

[ ] Addition	[ ] Kitchen	[ ] Roofing
[ ] Bath	[ ] New Home	[ ] Siding
[ ] Carport	[ ] Patio	[ ] Windows
[ ] Deck	[ ] Porch	[ ] Other (Describe)
[**X**] Garage	[ ] Renovation	_____

Directions to Jobsite:

From Bayshore, CA, take Pacific Coast Highway north 3.5 miles to Seashore, CA. Turn left at mile marker 18. Go 500 yards to 1262 Crestview.

Bid Outcome:

Date of Bid:	06/20/10
Bid Price:	$32,000
Acceptance Date:	07/05/10
Work Scheduled to Start:	07/15/10
Rejected. Awarded to:	_____

First Contact Sheet

_____ **Date:** _____

Client Information:

Name: _____ **Project Address:** _____

Address: _____ _____

_____ **Type of Work:** _____

Telephone: _____ **Prepared by:** _____

Project Information:

Does Client own the property? [ ] Yes [ ] No

How will project be financed? _____

Client's budget: $_____ to $_____

When is project planned to begin? _____

Does Client have an architect? [ ] Yes [ ] No

Is Client taking other bids? [ ] Yes [ ] No

If yes, how many? _____

How did Client hear about _____? _____

Type of Project:

[ ] Addition
[ ] Bath
[ ] Carport
[ ] Deck
[ ] Garage
[ ] Kitchen
[ ] New Home
[ ] Patio
[ ] Porch
[ ] Renovation
[ ] Roofing
[ ] Siding
[ ] Windows
[ ] Other (Describe)
_____

Directions to Jobsite:

_____

_____

Bid Outcome:

Date of Bid: _____

Bid Price: $_____

Acceptance Date: _____

Work Scheduled to Start**:** _____

Rejected. Awarded to: _____

Job Information Form

File name on CD
JobInfo

The *Job Information Form* is an outline that you can flesh out as the project progresses. Use the form to keep proposed construction project information together. Having everything in one place is a time-saver, especially when your mind is on several different facets of the project at once. This form guides the preliminary study of a project and, once work on the job begins, is helpful to the field supervisor.

How to Use This Form

Your company name is all you need at the top, since this form doesn't go out to a client. The form, with the client information section filled out, is given to the person estimating the project. The remainder of the form will be completed at the jobsite.

This form includes a list of points to investigate when visiting the site, and when studying the plans and specs. By following the list in its entirety, and in sequence, an estimator gets into the habit of being thorough. Most importantly, he'll generate a more accurate assessment of the site, resulting in a final estimate with few or no omissions.

Architect Information, Drawings, and Specifications

If an architect is involved in the project, enter his information here. Even if there's no architect, there are plans or drawings for every project, so indicate whether or not you have a complete set of drawings. Always enter the most recent revision date to confirm the plans in hand are the most current.

Schedule

Using information gathered from the prospective client on the *First Contact Sheet*, enter the anticipated start date, estimate the number of working days you expect the job to take, and then use a calendar to calculate the anticipated finish date. Since most clients count in calendar days, whereas contractors count the number of *working* days a job will take, there's an opportunity for a misunderstanding. Be clear which you'll put on the contract. And give yourself some leeway to account for surprises and weather.

Site Information

Using this list of on-site situations, you can gather information about the jobsite quickly and efficiently. Regardless of the scope of the project, always check for unusual conditions that could affect the project schedule or its cost.

Notes

Miscellaneous information can be listed under *Notes*. We've included the distance from the home office to the jobsite, and the distance from the site to the disposal area. In jobs involving significant demolition, the distance you have to truck the demolished material is very important.

Comments

In the *Comments* section, we further note that neighbor H. Hageman is willing to grant access via his property to the Foxwood Suites project site.

Job Information Form

Quality Construction, Inc. **Date:** 07/01/10

Client Information:

Name:	Darrin Fox	**Project Address:**	1262 Crestview
Address:	1316 Washington		Seashore, CA 94547
	Bayshore, CA 94545	**Type of Work:**	Covered parking & storage structure
Telephone:	650-555-9000	**Prepared by:**	Madison Mitchell

Architectural Information, Drawings, and Specifications:

Fred Smith, AIA
650-555-5055
Drawings: [X] Complete [ ] Incomplete
Latest Revision Date: 05/13/10

Schedule:

Estimated Start Date: 07/15/10
Estimated Duration: 44 working days
Estimated Finish Date: 09/23/10

Site Information:

Good access	[X] Yes	[ ] No	Available natural gas	[ ] Yes	[X] No
Available water	[X] Yes	[ ] No	High security risk	[ ] Yes	[X] No
On-site obstructions	[ ] Yes	[X] No	Available office facility	[ ] Yes	[X] No
Available power	[X] Yes	[ ] No	Demolition needed	[X] Yes	[ ] No
Poor soils	[ ] Yes	[X] No	Debris disposal	[X] Yes	[ ] No
Available telephone	[ ] Yes	[X] No			

Notes:
35 miles from QCI main office
12 miles from disposal area

Comments:
Neighbor to the north (H. Hageman) will grant access through his property, located at 1272 Crestview, to the Foxwood Suites project site at 1262 Crestview.

SAMPLE

Job Information Form

_____ **Date:** _____

Client Information:

Name: _____ **Project Address:** _____

Address: _____ _____

_____ **Type of Work:** _____

Telephone: _____ **Prepared by:** _____

Architectural Information, Drawings, and Specifications:

_____

_____

Drawings: [ ] Complete [ ] Incomplete

Latest Revision Date: _____

Schedule:

Estimated Start Date: _____

Estimated Duration: _____

Estimated Finish Date: _____

Site Information:

Good access	[ ] Yes	[ ] No	Available natural gas	[ ] Yes	[ ] No
Available water	[ ] Yes	[ ] No	High security risk	[ ] Yes	[ ] No
On-site obstructions	[ ] Yes	[ ] No	Available office facility	[ ] Yes	[ ] No
Available power	[ ] Yes	[ ] No	Demolition needed	[ ] Yes	[ ] No
Poor soils	[ ] Yes	[ ] No	Debris disposal	[ ] Yes	[ ] No
Available telephone	[ ] Yes	[ ] No			

Notes:

_____

_____

_____

Comments:

_____

_____

_____

Acknowledgement of Proposal Acceptance

File name on CD
PropAccept

Send the *Acknowledgement of Proposal Acceptance* letter as soon as you receive the proposal, signed by the client, indicating that he accepted your bid. This letter expresses appreciation that your company was selected to perform the work, and that you look forward to working with the client and completing the job to his full satisfaction.

This letter further states that the paperwork is being prepared, and that a company representative will contact him as soon as everything is finalized and you're ready to begin construction.

By sending this letter, you generate good will and give confidence that you'll handle the project in a professional and timely manner.

How to Use This Form

If you don't have letterhead, enter your company name and information at the top of the form. Address it to the client. In our sample, the client is Darrin Fox, whose address is in Bayshore, CA.

In the body of the letter, be sure to specify the project, in the event the client is one you've previously contracted with, or if the client has work being done by other contractors. This helps avoid confusion for you as well as the client.

Include the name of your company representative who will be contacting him to present the construction schedule.

Because this form contains only a small amount of text, we haven't provided a printed blank copy. If you're not using the digital file on the CD, use the wording on the sample as a guide to create a letter that suits your needs.

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

July 10, 2010

Darrin Fox
1316 Washington
Bayshore, CA 94545

SAMPLE

Dear Mr. Fox:

This letter is in reference to the construction proposal we sent you for the project known as Foxwood Suites. We've received your signed copy of that proposal, indicating your choice of Quality Construction, Inc., to construct a 4-car parking and storage structure at 1262 Crestview, Seashore, CA.

We appreciate your patronage and confidence in our company. The paperwork is being prepared for the Foxwood Suites project, and our job superintendent, Joe Smith, will be contacting you to schedule construction.

Quality Construction, Inc. is well-known and respected in the community. I am confident that our crew will complete the work in a timely manner, and to your satisfaction.

Thank you for selecting Quality Construction, Inc.

Sincerely,

Madison Mitchell

Madison Mitchell
Owner
Quality Construction, Inc.

Neighborhood Notification Letter

File name on CD
Neighborhd

When you're hired for any kind of construction project, it's good policy to inform the neighboring residents of the impending work. This simple gesture can neutralize any disturbance cause by noise, construction trucks, and dust at a work site. Most property owners appreciate acknowledgement of the inconvenience. A *Neighborhood Notification Letter* shows that you recognize the imposition about to be placed on them, and that you intend to keep the disturbance to a minimum.

How to Use this Form

At least a week before starting work, send the *Neighborhood Notification Letter* to every neighbor who might be impacted, and include your company's contact information. That way, if a neighbor encounters any difficulties caused by the construction, he can contact you instead of the police. And if there's something unusual going on at the site after hours, he can alert you immediately. Rapid response to complaints is extremely important, and can help move you up a notch in a neighbor's estimation. And happy neighbors are potential clients.

Keep the lines of communication open, even after construction is completed, in case they have questions about the work you did, or want to inquire about work they want done.

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

July 5, 2010

Harry Hageman
1272 Crestview
Seashore, CA 94547

SAMPLE

Dear Mr. Hageman:

Quality Construction, Inc. will be doing remodeling work in a residence in your neighborhood, at 1262 Crestview, beginning around July 15, 2010. This letter is to inform you that our trucks and equipment will be in the area for the duration of this project, estimated at 44 days. We apologize for any inconvenience this might cause.

Please contact us immediately if you have concerns about the project, or if there is any way we can help minimize the temporary impact our work may have on your lives. We appreciate calls about safety issues, and will respond at once in the event any resident witnesses suspicious activity at the site after hours. We may be reached 24 hours a day, at the number listed above.

Our company takes pride in its reputation in the Seashore area, both in remodeling and helping build a better community. If you need repairs, remodeling, or new construction in the future, we hope you'll call the professionals at Quality Construction, Inc.

Sincerely,

Madison Mitchell

Madison Mitchell
Owner
Quality Construction, Inc.

_____
_____
_____
_____
_____
_____

_____

_____
_____
_____

Dear _____:

_____ will be doing remodeling work in a residence in your neighborhood, at _____, beginning around _____. This letter is to inform you that our trucks and equipment will be in the area for the duration of this project, estimated at _____. We apologize for any inconvenience this might cause.

Please contact us immediately if you have concerns about the project, or if there is any way we can help minimize the temporary impact our work may have on your lives. We appreciate calls about safety issues, and will respond at once in the event any resident witnesses suspicious activity at the site after hours. We may be reached 24 hours a day, at the number listed above.

Our company takes pride in its reputation in the _____ area, both in remodeling and helping build a better community. If you need repairs, remodeling, or new construction in the future, we hope you'll call the professionals at _____ _____.

Sincerely,

_____
_____
_____

Bid Follow-up Letter

File name on CD
BidFolowUp

Most construction jobs are awarded to the qualified contractor who submits the lowest bid. In an ideal world, the client informs every bidder of the outcome, disclosing the winning bid and the name of the bidder. But in the real world, often the only one notified is the contract winner. The losers eventually guess the result, hopefully without making embarrassing inquiries of the prospective client.

If you find yourself in this position — a bidder who wasn't contacted about the contract award — send a *Bid Follow-up* letter. Following up with the potential client is reasonable business practice, and can be a subtle reminder to the client that those who didn't win the contract would like to be notified, too.

The letter is direct, and asks the client, his representative, architect, or general contractor to respond to the inquiry. Creating an accurate bid is hard work. All bidders deserve a response for their efforts, even if they didn't win.

How to Use This Form

Your company data goes at the top of this letter, including your fax and email information, to make the client's response a simple matter.

Be sure to identify the project as specifically as possible — the client may have several projects out for bid. Help the client by citing the prospective work site address and the day you submitted the bid, along with the description of the work to be done. In our example, Madison Mitchell is inquiring about the proposed Mac's Restaurant project, at 600 Main Street, in Bayshore, California.

By adding that your company has a number of projects in the works, and expressing a desire to include this one in your schedule suggests your work is in demand and that you consider scheduling important — in other words: We're busy, but will make a place in our schedule for you.

It could be that a final decision on the bid hasn't been made yet. In that case, this letter could remind the client of your professionalism and efficiency in following up, and maybe sway the decision in your favor.

Because this form contains only a small amount of text, we haven't provided a printed blank copy. If you're not using the file on the CD, use the wording on the sample as a guide to create a letter that suits your needs.

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

4/10/10

Landis Grant
CSI Development, Inc.
456 Capital Expressway
Bayshore, CA 94545

SAMPLE

Dear Mr. Grant:

On March 5, 2010, Quality Construction, Inc., submitted a bid on your project, Mac's Restaurant, located at 600 Main Street, Bayshore, CA.

This letter is to inquire if you have yet made a decision on our bid.

We are presently scheduling a number of new projects and would like to include your job among them. If there is anything you need to know regarding our bid or Quality Construction, Inc., or any item in the bid that needs clarifying, please call or email me.

I look forward to hearing from you.

Sincerely,

Madison Mitchell
Madison Mitchell
Owner
Quality Construction, Inc.

Losing Bid Feedback Form

File name on CD
LosingBid

The *Losing Bid Feedback Form* is used primarily in design-build businesses. It's sent to clients when your company submitted a design-bid package, and you didn't get the job.

The information gathered from this feedback form shows areas of perceived weakness. Once you have a good idea as to why your company isn't being chosen for projects, you can make the necessary changes and improve your chances the next time you make a presentation and bid.

In our sample form, Jim and Carolyn Millet say they changed their minds about proceeding with the project. Be careful when you get this type of response, though. If you get a majority of forms returned saying the clients changed their minds, you'd better re-think your proposals. People can have a hard time saying what they really think of your design; it's easier for them to say they just changed their mind.

How to Use This Form

Supply your company information at the top, the date, and the client's address. Enclose a self-addressed stamped envelope. Consider offering movie tickets or a coffeehouse gift certificate to the client when he returns the form to you. That greatly improves your chance of getting a response.

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

May 5, 2010

Jim & Carolyn Millet
1234 Broadway
Seashore, CA 94547

Dear Mr. and Mrs. Millet:

We at Quality Construction, Inc. thank you for the opportunity to bid on your project. Although our bid was not selected for this project, we'd greatly appreciate your feedback concerning the matter.

Our company goal is to exceed our customers' expectations. Your opinion is valuable to us, and will help improve our service to future clients. Please take a few minutes to answer the questions below and return this form in the enclosed envelope. Your comments will help us become the company you'll consider for future construction work.

SAMPLE

Thank you,

The staff at Quality Construction, Inc.

---

1) Was our representative knowledgeable? [**X**] Yes [ ] No

2) Were you satisfied with the conceptual design we presented? [**X**] Yes [ ] No
Comments: _____

3) Did our design presentation for your project meet your expectations? [**X**] Yes [ ] No
Comments: _____

4) Was our preliminary bid competitive on this particular project? [**X**] Yes [ ] No
Comments: _____

5) What could we have done differently in our proposal to gain you as a client?
Comments: _____

Other comments: *We've decided against going forward with this project. It isn't within our budget at this time*.

Thank you for your valuable input.

_____
_____
_____
_____
_____
_____

_____

_____
_____
_____

Dear _____:

We at _____ thank you for the opportunity to bid on your project. Although our bid was not selected for this project, we'd greatly appreciate your feedback concerning the matter.

Our company goal is to exceed our customers' expectations. Your opinion is valuable to us, and will help improve our service to future clients. Please take a few minutes to answer the questions below and return this form in the enclosed envelope. Your comments will help us become the company you'll consider for future construction work.

Thank you,

The staff at _____

---

1) Was our representative knowledgeable? [ ] Yes [ ] No
2) Were you satisfied with the conceptual design we presented? [ ] Yes [ ] No
   Comments: _____
3) Did our design presentation for your project meet your expectations? [ ] Yes [ ] No
   Comments: _____
4) Was our preliminary bid competitive on this particular project? [ ] Yes [ ] No
   Comments: _____
5) What could we have done differently in our proposal to gain you as a client?
   Comments: _____

Other comments: _____

Thank you for your valuable input.

Client Satisfaction Survey & Company Evaluation

File name on CD
ClientEval

A construction contractor's reputation in the community is his most valuable asset. Consequently, if a client isn't satisfied with the finished project, the contractor wants to be the first to know. Satisfied customers are the basis of a successful contracting business.

Identify Strengths and Weaknesses

This form expresses thanks to the client for his business. To show that you're concerned about the quality and reliability of your work, the survey provides a way for a client to rate his construction experience. The responses on the *Client Satisfaction Survey & Company Evaluation* can help you identify potential problem areas, and give you an idea of what clients think of your company.

This survey takes only a few minutes for the client to complete. You may wonder, "Why not just ask these questions in person?" Because you'll generally get more truthful responses on a form than in a face-to-face conversation.

Responses and Your Marketing Plan

Answers to several questions asked on the *Client Satisfaction Survey & Company Evaluation* can be used for future reference. For example, if the response to, "How did you find out about our company?" is overwhelmingly *Newspaper advertisement,* you know that's the media giving your company the best coverage. On the other hand, if no one responded that they'd seen the newspaper advertisements, and that's where you put all your marketing money, you'd be wise to move that money to a media that'll give you more exposure.

Responses Work in Your Favor

The responses to the *Client Satisfaction Survey & Company Evaluation* can be viewed as grades on your company's report card. If mostly positive results are received, use those responses in advertising: "90 percent of our clients rated our overall construction performance as excellent…" But be sure you can back up those numbers with data that confirms them.

Send a *Client Satisfaction Survey & Company Evaluation* every time you finish a job. As an incentive for the client to return a completed survey, some contractors send a free T-shirt or cap printed with the company logo when the form is returned. That's good for public relations, and provides an extra bonus: free advertising!

How to Use This Form

Enter your company data in the top section if that information isn't already printed there. Complete the sections for client and project information, including project number, name, and address, along with your site supervisor's name.

It's essential that you personalize the salutation. After all, you've taken the client's money, so you want him to know he's not just a number on a worksheet.

Be sure to send a self-addressed stamped envelope, so the client has the means to return the questionnaire. Include your fax and email information as well, in case the client prefers to respond via one of those means. By evaluating the responses monthly, you'll see where improvement is needed, as well as what you're doing right.

_____ **Date:** _____

_____

_____

_____

_____

_____

Client Information:

Name: _____

Address: _____

_____

Telephone: _____

Project Information:

Project Number: _____

Project Name: _____

Project Address: _____

Site Supervisor: _____

Dear _____:

Thank you for the opportunity to work on your project. We trust that you are satisfied with the quality of our work. Client comments are essential to help us maintain our high standards. Please take a few moments to complete this short survey. Any suggestions to help us improve our performance would be greatly appreciated.

Thank you.

---

1. How did you find out about our company?

_____

2. Were our crew and subcontractors respectful of your property? [ ] Yes [ ] No
   If no, please explain any difficulties you had:

_____

_____

3. How would you rate our company's overall construction performance?
   [ ] Excellent [ ] Satisfactory [ ] Unsatisfactory

4. How would you rate our administrative performance?
   [ ] Excellent [ ] Satisfactory [ ] Unsatisfactory

5. How would you rate our work?
   [ ] Excellent [ ] Satisfactory [ ] Unsatisfactory

6. How did we handle the job on a day-to-day basis?
   [ ] Excellent [ ] Satisfactory [ ] Unsatisfactory

7. How could we have improved your construction experience?

_____

_____

_____

8. Was the project:

Started on time?	[ ] Yes [ ] No
Completed on time?	[ ] Yes [ ] No
9. Was the finished project cleaned to your satisfaction?	[ ] Yes [ ] No
10. Did we fulfill our responsibilities?	[ ] Yes [ ] No
11. Are you satisfied with your completed project?	[ ] Yes [ ] No
12. Were problems dealt with to your satisfaction?	[ ] Yes [ ] No
13. Will you consider us for future projects?	[ ] Yes [ ] No
14. May we use you as a reference on future jobs?	[ ] Yes [ ] No

Other comments:

_____

_____

_____

_____

_____ _____

Signature **Date**

Thank you very much for your input. Please return this form in the addressed, stamped envelope enclosed, or fax it to us at _____.

If you have any other comments or have future plans that you'd like to discuss, feel free to contact us at _____.

Thank You Letter

File name on CD
ThankYou

Contractors' reputations have become tarnished over the last few decades. They're generally characterized (along with lawyers, politicians, and car salesmen) as people *least* likely to be trusted. The sooner you can find a way to separate yourself from contractors who give the industry a bad name, the better. Writing *Thank You* letters can help set your company apart from the pack.

How to Use This Form

Include a *Thank You* letter with the final invoice. Enter your company information at the top, the date, and client's address.

You want to be sure that your client is truly satisfied. Before you send this letter, use the *Final Project Punch List* (found in Chapter 6) to make sure you've completed all the important tasks related to the project. Don't send this note until the work is *really* finished.

Some contractors send an inexpensive but thoughtful gift with the letter. A thank you gift creates a feeling of good will at the end of the job. A T-shirt with your company logo, a bouquet of flowers, or a bottle of champagne are appropriate gifts, depending on the time and expense involved in the project.

After a month, follow up with the *Company Evaluation & Client Satisfaction Survey*. By then, any problems that may turn up after completion will have been revealed and hopefully fixed, and they, or people they know who have seen the finished product, may be interested in another project.

Because this form contains only a small amount of text, we haven't provided a printed blank copy. If you're not using the file on the CD, use the wording on the sample as a guide to create a letter that suits your needs.

Quality Construction, Inc.

1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

September 30, 2010

Darrin Fox
1316 Washington
Bayshore, CA 94545

SAMPLE

Dear Mr. Fox:

With the receipt of this invoice we complete our cycle of service to you on your project, the 4-car parking and storage structure at 1262 Crestview.

It has been a pleasure working with you. We hope you are fully satisfied with the timeliness and quality of work provided, and happy with the finished product. If you have any concerns or questions, just let us know and we'll respond immediately.

Once again, thank you for allowing us to work with you on this project. If you have any construction projects in the future, we hope you will consider Quality Construction, Inc.

Sincerely,

Madison Mitchell

Madison Mitchell
Owner
Quality Construction, Inc.

Estimating Forms

5

Estimating is one of the most important, possibly most time-consuming, tasks a contractor performs. An organized, efficient system for estimating keeps costs in check and helps your company maintain a good reputation with customers.

Having specific forms simplifies the estimating process, helps you collect information faster, and ensures that important bid items aren't omitted. They also save time, and help avoid costly mistakes. These forms provide a basis from which to start the estimating and bidding process.

The forms in this chapter can be used as checklists to help you remember items or tasks on a bid. If you're more comfortable estimating on a napkin or a notepad than you are using a laptop or PC, make a copy of the form you need and manually enter the information.

Types of Estimates

There are three basic types of estimates, or methods of estimating — *stick estimating*, *unit cost estimating*, and *assembly estimating*. Most estimators use whichever method best suits the particular job, the time frame, and the bidding environment. On some jobs, estimators use a combination of these methods.

Stick Estimating

In this method, design plans are used to prepare estimates for every item needed. For example, you could count the number of 2 x 6s used in the garage, or the number of drywall sheets needed. This method is generally used by subcontractors or specialty contractors (like electrical or plumbing), as well as some general contractors, until they develop a reliable cost database.

Unit Cost Estimating

In Unit Cost Estimating, a cost per unit is used. For example, a contractor building new homes might give an estimate to a prospective homebuyer of between $145 and $165 per square foot, depending on the finishes. When the contractor does a formal estimate, he'll ask subcontractors for bids, then he'll come up with a final cost per square foot.

Assembly Estimating

An assembly is a group of items that make up a unit. For example, an interior wall is an assembly composed of 2 x 4s, drywall, tape, texture, and paint. Generally, estimators using the assembly estimating method are experienced, and base these numbers on prior completed projects. They're able to estimate much faster than contractors using the other methods, quickly churning out accurate bids.

The two estimating forms printed here, *New Home Estimate* and *Remodel Estimate*, use a simple numbering system developed over the years and are quite widely used. You can use the categories and numbers we use, or create your own, based on what work your company does. As long as you use it consistently, it'll work just fine.

The Forms

Bid Submittal Log, *159*
Keep abreast of the bids coming in for each phase of construction with this form.

Quantity Sheet, *163*
An in-house form used to track materials ordered for each project.

New Home Estimate and **Remodel Estimate, *167***
Use the New Home Estimate form to estimate labor and materials for all the stages of building a new home, from the planning stage to final exterior finishes.

The Remodel Estimate form is specific to remodeling work. It covers only the areas you'd expect in a remodeling project — it's easier to use than a general construction form where you have to sort through numerous phases that don't apply to your type of work.

Material Schedule, *193*
Provides an easy-to-use listing of materials ordered for each project, including installation locations, quantities, and product specifics.

Bid Submittal Log

File name on CD
BidSubLog

The *Bid Submittal Log* collects information about bids requested and bids received on each of your projects. Essentially, the *Bid Submittal Log* lists the type of work contractors are bidding, the bidders' names, and the bid amount. There's also a column to keep track of plan modification numbers. Remember to update this log whenever you get a bid for each phase of the project. The estimator must be able to look at this form and quickly figure out who did the bidding and what the bid price was for each type of work.

Now we'll look at the form more closely.

How to Use This Form

Enter the project number, name, and address.

We'll go over the bid information to include in each column of this log. Generally speaking, job phases determine bid order. For example, you'd probably award a contract for framing before you look at bids to install appliances.

Modification Number (#)

Generally, bids are based on the most recent set of plans, and plans don't usually change that often. However, if you're getting bids on a job where there have been modifications to the plans, make sure you keep track of the plan modification number in the number field. It might not be important for the majority of the bids, but will be in certain circumstances. Let's say the change to the plans between modification # 1 and modification # 2 happens to be related to plumbing. One bidder has a price of $20,000, while the other's bid is $25,000. If they both have the same set of plans with the same modification number, you're comparing apples to apples. But, if these two bids referred to two different modification numbers, it would be comparing apples to oranges — you wouldn't know which bid was actually lower.

On our sample, ABC Plumbing was bidding on plan modification #2, whereas Mike's Plumbing and XYZ Plumbing are bidding on modification #3.

Type of Work/Bidder

You can use a broad category, such as *Plumbing*, or you can break it down to smaller parts, such as *Rough plumbing* and *Finish plumbing*.

In our sample log, we're getting bids for the Taylor kitchen remodel. So far, ABC Plumbing, Mike's Plumbing and XYZ Plumbing submitted bids for the plumbing work, but then ABC Plumbing withdrew. We also have one bid for the electrical, two for the cabinets, two for the flooring and one for insulation.

Comments

Any important notes should be added here. See the drastic difference between the two plumbing bids — XYZ's is almost double Mike's? That's because, as shown in the Comments column, XYZ's bid *includes* the fixtures and Mike's doesn't. It's important that you make notes like this so the estimator can see at a glance if bids are based differently. You can also use this column to keep track of the plans. If you're currently handing out blueprints and holding a deposit until you get them back — you can see at a glance who has returned the plans and who hasn't.

These days, blueprints aren't as common as they used to be — plans can be emailed, handed out on a CD or flash drive, or put on a website for downloading. In those instances, of course, you won't be getting any plans back.

Bid Due and Received

When you're at the starting point in a project and taking bids, you need a realistic due date for each phase out to bid. Give the bidders adequate time to determine competitive bids, but be sure to close the bids on the day you've stipulated. Any contractor who can't make a bid on schedule probably isn't going to be a good bet on a construction project, either. Those who haven't responded by the due date should be crossed off the list.

You'll see in our sample that we have the same bid due date for the three plumbing bids.

Bid Price

This is self-explanatory: the bid price represents the bid that was submitted. Just be sure to check the Comments column in case there's a difference in what's being bid on.

Bid Submittal Log

Quality Construction, Inc.

1 Main Street

Bayshore, CA 94545

650-555-1000 Fax: 650-555-1234

License # 1234567

Email: sales@qualityconstruction.com

Date: 10/23/10

Project Name and Address		Project Information	
Name:	Taylor Kitchen Remodel	**Project Number:**	09-240
Address:	1316 Washington Bayshore, CA 94545	**Sheet Number:**	01

Mod. #	Work	Bidder	Comments	Bid Due	Bid Received	Bid Price
2	Plumbing	ABC Plumbing	Decided not to bid	10/18/10	10/15/10	0
3	Plumbing	Mike's Plumbing	No fixtures included	10/18/10	10/05/10	1,400
3	Plumbing	XYZ Plumbing	Fixtures included	10/18/10	10/19/10	2,650
2	Electric	Bud's Electric		10/19/10	10/18/10	3,200
3	Cabinets	Art's Cabinets	Includes installation	10/20/10	10/18/10	13,000
3	Cabinets	Cabinets R Us	Includes installation	10/20/10	10/21/10	16,500
3	Flooring	Mark's Hardwood	Includes all materials	10/20/10	10/18/10	9,000
3	Flooring	Elegant Floors	Carpet included	10/20/10	10/18/10	16,500
2	Insulation	Insulation Plus		10/20/10	10/18/10	634

SAMPLE

Bid Submittal Log

Date:

Project Name and Address		Project Information	
Name:		Project Number:	
Address:		Sheet Number:	

Mod. #	Work	Bidder	Comments	Bid Due	Bid Received	Bid Price

Quantity Sheet

File name on CD
QuantSheet

Most of us have used the "napkin approach" to bidding and found out its drawbacks the hard way — there's no way you can remember how you arrived at the estimate. It was all on the napkin you used one day at lunch.

When you've finished a job, you need to know why your estimate was $5,000 too low. Or how you ordered double the amount of sheathing you needed. Or why you ran out of siding before you finished the north wall. To get the answers, you have to be able to review your calculations. If you don't have them any more, expect to make the same mistakes over and over. That's an expensive way to learn estimating.

Start to estimate in a more manageable way using the *Quantity Sheet*. It provides a permanent record that you'll refer to constantly, so make sure every calculation is entered. The *Quantity Sheet* can organize takeoffs, reduce math errors and duplications, and increase the reliability and accuracy of your estimate. The *Quantity Sheet* can be added to or modified to suit your estimating style and the size of your project.

Whether your estimator prefers *one piece at a time*, *stick-by-stick*, *unit price*, or *assembly* estimates, this sheet provides a good starting point. It's a convenient place for recording all materials needed, and for doing calculations when required. But no pricing takes place on the *Quantity Sheet*. That comes later, and will be explained in this chapter.

How to Use This Form

This is an in-house tally sheet, so you don't need all the company information at the top of the form. But you *do* need to identify the project number, project name, and address.

What's important is that you show all the calculations clearly so you know exactly *how* the total quantity for each was determined. You'll be able to make adjustments more easily, and be able to backtrack in case you made a math error.

Material Description

The *Material Description* column names the item being estimated. Be specific. Don't put just "lumber." Enter the quantities needed for each part of the project. For a small job like a room addition, you could have concrete, steel, lumber, and drywall all on one sheet. For larger jobs, you'd use a separate sheet for each division of the work. For example, one for excavation work, one for the footings, one for framing, and so on.

Unit and Location

The *Unit* column is for describing the unit used for the material: cubic yard (CY), square foot (sf), linear foot (lf), yard (Y), each (ea), etc. The *Location* column is to indicate where on the job that material will be installed. Our example is for a garage addition, so the location for both items listed are the garage. But if you were adding, say, a family room and a den, and the family room has two light fixtures and the den just one, in the first row you'd describe the light fixture, by name or code number, enter *Family* under Location and *2* under Quantity. Then in the next row, you'd again describe the fixture, or put ditto marks if it's the same as the ones in the family room, and enter *Den* under Location and *1* under Quantity. And your total would be *3*.

Dimensions

Some materials listed under Material Description will need corresponding dimensions that identify that material. The columns under *Dimensions* describe the coverage area: *W* for width, *L* for length, and *H* for height. In our sample *Quantity Sheet* below, the concrete slab has a width of 40 feet, a length of 25 feet, and is 4 inches thick, or high. This calculates to 333 cubic feet, or 12.34 cubic yards. So you'd order 13 yards of concrete. Having this written down when you're ordering materials is always a plus.

For larger projects, use a separate sheet for your materials, then use one row of the form to define each specific area. For a drywall take-off, use one line for each room. Follow these steps for each cost item in the project. It makes it easy to make changes and to catch and correct errors in your estimate, and greatly reduces the risk of over- or under-ordering.

Project Name: Foxwood Suites Garage Addition
Project Address: 1262 Crestview
Seashore, CA

SAMPLE

			Dimensions				
Material Description	**Unit**	**Location**	**W**	**L**	**H**	**Qty**	**Notes**
5 Sack Concrete Slab	CY	Garage	40	25	4	13	5 mil poly, wire mesh 6 x 6
2" x 4" x 8' stud, DFL 3 X Btr	Ea	Garage	4"	8'	2"	100	1 stud per LF

Quantity Sheet

Date: _____

Project Information

Project Number: _____

Project Name: _____

Project Address: _____

_____

Material Description	Unit	Location	Dimensions			Qty	Notes
			W	L	H		

Material Description	Unit	Location	Dimensions			Qty	Notes
			W	L	H		

New Home Estimate and Remodel Estimate

File names on CD
NewHomeEst
RemodelEst

Most contractors use some kind of list to help them remember vital components in their estimates. A list, updated as additional items are needed, helps reduce the chances of omitting something. It's one thing to make an error on the cost of a building material; price it a little too low and you should still have enough in your contingency to cover it. But if you simply *omit* an item from your estimate, then you're bidding it at zero dollars — supplying and installing it for free. Too many of those and your contingency will be absorbed.

Even a seasoned veteran in the contracting business can forget stages of construction, or a simple element: We know one estimator who forgot that it was a *three*-story building he was taking off, not a two. So he multiplied the first floor lumber quantity by two — a simple but very costly slip. The *New Home Estimate* and *Remodel Estimate* are lists to help you remember the items that need to be included. And since no such list can ever be complete — building is too complex, and there are too many variables to list everything — extra spaces are left for you to add items and categories particular to the jobs you handle and the way you estimate.

Few contractors go out of business because they don't know how to build. It's the office work — accounting, estimating, cost control — that brings them down. Having an easy means to create estimates that include all the job costs will go a long way to assuring you'll be successful at estimating.

How to Use the Forms

The *New Home Estimate* and *Remodel Estimate* provide unit-estimating formats for doing a quantity takeoff and estimate. They're "reminder lists" compiled by this author over the years. Add, delete or change categories and items as needed for the type of work you do.

The *New Home Estimate* presented here is specifically designed for the new home builder, building custom, contract, or on spec. It includes costs for items specific to new construction — ones you don't generally find in remodeling work, such as land costs, escrow fees on the land, closing costs, etc.

The *Remodel Estimate* is for remodeling work, so it doesn't include those elements. However, some items, such as architectural or engineering fees, that

you'd normally find only on new construction jobs, *can* apply to remodeling. If you're putting on an addition, or doing a major remodel on a high-end house, an architect or engineer could well be involved. In that case, just add the items.

The categories are numbered the same on both, so if you do remodeling *and* new construction, there won't be any confusion in allocating time spent by your crews.

On the CD in the back of this manual you'll find both forms, set up as Excel spreadsheets, to do the calculations across, giving you the total cost of each item, and down, giving you the job total.

Once you've made whatever changes to the estimate sheets are appropriate for your business, save the file as a template to use on future projects. You'll still have the original on the CD if you ever need to go back to it.

Column Information

Each construction section is preceded by a numeral, from 01 to 33 on the *Remodel Estimate* and to 34 on the *New Home Estimate*. Typical sequential activities and products are listed in their specific categories. Section 29, Land or Lot Costs, is on the *New Home Estimate* but has been left blank on the *Remodel*. Use the blank to add any category needed on your jobs but not included in the form.

Let's familiarize ourselves with categories and their reference sections in the *New Home Estimate* and the *Remodel Estimate*, beginning with column headings.

Task Description

The *Task Description* column names the item or task being estimated, and the category number.

Labor

Under the Labor heading, you'll find four columns: *Unit, Amt, Cost,* and *Total*.

1. *Unit* describes the unit you're working in. In most cases labor is measured in hours.
2. *Amt* is the total units of labor used, again, usually in hours.
3. *Cost* represents the cost-per-unit; for example, $50 per hour.
4. *Total* is the result of the *Amount* field multiplied by the *Cost* field, giving you the total labor cost for that item.

Materials

Under Materials, you'll see the same four columns: *Unit, Amt, Cost,* and *Total*.

1. Here, *Unit* describes the measurement you're working in. For example:
   - ea = each
   - sf = square feet
   - lf = linear feet
   - cy = cubic yard
   - bf = board feet
2. *Amt* is the total number of units of material used; as in 6 doors, or 200 square feet.
3. *Cost* represents the cost-per-unit; for example, $90 each, or $4 per square foot.
4. *Total* is the result of the *Amount* field multiplied by the *Cost* field, giving you the total material cost for that item.

Subcontractor Amount and Other Costs

If you subbed out a job or used a middleman to purchase material, identify the subcontractor or vendor here, along with the costs incurred.

Task Total

The *Task Total* field adds the *Total Labor, Total Materials, Subcontractor Amount* and *Other Costs* fields in each line, for the total cost of that task or item.

Estimate Summary Sheet

When you first load the *New Home Estimate* or *Remodel Estimate* spreadsheet, you'll see two tabs at the bottom left of your screen. The first says "New Home Estimate," (or "Remodel Estimate") and the second "Estimate Summary Sheet." When you click on the second tab, you'll find a summary sheet showing each section or phase of the job, along with their subtotaled costs. These fill in automatically as you enter data into the estimate spreadsheet.

Subtotal

Towards the bottom of the *Estimate Summary Sheet* you'll find the *Subtotal* row, then spaces below where you add your various percentages for *Contingency, Overhead,* and *Profit*.

Contingency

Contingency is intended as a safeguard to cover unforeseen expenses. Surprises abound in construction, and they almost always add to the cost. Contingency will also help cover costs of an estimating mistake or an omission. Enter the percentage you find appropriate for contingency on new construction. In our example *Remodel Estimate*, we've added 15%. On a new home estimate, we'd use a lower contingency, as there are more surprises in remodeling than there are in new home building.

Some contractors prefer to add contingency as a dollar amount, rather than as a percentage of the total cost. In that case, you'd enter the amount in the last row of the spreadsheet, and leave the line for contingency on the Estimate Summary Sheet blank. It will be totaled as just another item on the job.

Overhead

On the *Overhead* line, enter the percentage you calculate for your overhead. The spreadsheet will add it to the prior subtotal.

Profit

On the *Profit* line, the percentage you add will be calculated based on *all* your costs, including contingency and overhead. You're entitled to make a profit on all your costs.

Total Estimate

The final line, *Total Estimate*, sums up all the costs on the spreadsheet, including the added percentages for Contingency, Overhead, and Profit.

Remodel Estimate

Job Name: Taylor Kitchen Remodel
Estimated by: John Smith
Date of Estimate: 11/01/11

TASK DESCRIPTION	Labor Unit	Labor Amt.	Labor Cost	Labor Total	Materials Unit	Materials Amt.	Materials Cost	Materials Total	Subcontract Amount	Other Costs	TASK TOTAL
01 PLANS, PERMITS & FEES										**750.00**	**750.00**
Fees											
Fee - City license											
Permits										***750.00***	***750.00***
Permit - Building										750.00	750.00
Permit - Demolition											
Permit - Electric											
Permit - Miscellaneous											
02 SITEWORK				**300.00**				**1,600.00**			**1,900.00**
Temporary On Site				***300.00***				***1,600.00***			***1,900.00***
Dumpster delivery					ea	1.00	200.00	200.00			200.00
Dumpster					ea	6.00	200.00	1,200.00			1,200.00
Rental equipment											
Job toilet											
Temp. miscellaneous											
Dust protection	hr	10.00	30.00	300.00	all	1.00	200.00	200.00			500.00
10 EXTERIOR TRIM				**540.00**				**300.00**			**840.00**
Windows	hr	4.00	30.00	120.00							120.00
Doors	hr	5.00	30.00	150.00							150.00
Fascia	hr	3.00	30.00	90.00							90.00
Soffit	hr	6.00	30.00	180.00							180.00
Misc.					ea	1.00	300.00	300.00			300.00
11 SIDING									**800.00**		**800.00**
Lumber wood siding									800.00		800.00
Wood siding labor to install											
Tarpaper											
Flashing											
Shingles											
Plywood											
Wall lattice											
12 DOORS				**120.00**				**360.00**			**480.00**
Doors				***120.00***				***360.00***			***480.00***
Garage door											
Garage door opener											
Access doors											
Entry doors and frames	hr	4.00	30.00	120.00	ea	1.00	360.00	360.00			480.00
27 SUPERVISION				**3,600.00**							**3,600.00**
Project Supervision	hr	120.00	30.00	3,600.00							3,600.00
28 MOISTURE PROTECTION										**1,400.00**	**1,400.00**
Caulking & sealants											
Insulation/air infiltration											
Hot mop (tub & shower base)											
Roof accessories											
Roofing										1,000.00	1,000.00
Roofing metal fabrication											
Rain gutters										200.00	200.00
Sheet metal standard											
Skylights											
Waterproofing										100.00	100.00
Weatherstripping										100.00	100.00

SAMPLE

TASK DESCRIPTION	Labor Unit	Labor Amt.	Labor Cost	Labor Total	Materials Unit	Materials Amt.	Materials Cost	Materials Total	Subcontract Amount	Other Costs	TASK TOTAL
30 FINANCE COSTS											
Bank loan interest											
31 FURNISHINGS										**4,000.00**	**4,000.00**
Appliances - allowance										4,000.00	4,000.00
Drapery & curtain hardware											
Furnishings miscellaneous											
32 SPECIAL CONSTRUCTION											
Pool or spa											
Sauna & equipment											
Wine storage room											
33 SALES COSTS											
Sales Commission											
TOTALS				**11,720.00**				**6,799.00**	**40,400.00**	**6,150.00**	**65,069.00**

SAMPLE

Estimate Summary

Job Name: Taylor Kitchen Remodel
Estimated by: John Smith
Date of Estimate: 11/1/2011

ESTIMATE SUMMARY	Labor	Materials	Subcontract	Other	Total
01 PLANS, PERMITS & FEES				750.00	750.00
02 SITEWORK	300.00	1,600.00			1,900.00
03 EXCAVATION			1,200.00		1,200.00
04 CONCRETE			1,600.00		1,600.00
05 MASONRY					
06 FLOOR FRAMING					
07 WALL FRAMING	900.00	500.00			1,400.00
08 ROOF FRAMING	1,200.00	1,350.00			2,550.00
09 ROOF FLASHING					
10 EXTERIOR TRIM	540.00	300.00			840.00
11 SIDING			800.00		800.00
12 DOORS	120.00	360.00			480.00
13 WINDOWS	360.00	1,280.00			1,640.00
14 PLUMBING			2,000.00		2,000.00
15 HVAC			1,400.00		1,400.00
16 ELECTRICAL			3,200.00		3,200.00
17 INSULATION	300.00	334.00			634.00
18 INTERIOR WALLS	2,400.00	1,075.00			3,475.00
19 CEILING & COVERING					
20 MILLWORK & TRIM					
21 CABINETS & VANITIES			20,000.00		20,000.00
22 SPECIALTIES					
23 FLOORING			7,000.00		7,000.00
24 PAINTING			3,200.00		3,200.00
25 CLEANUP	2,000.00				2,000.00
26 PAVING, DECKS & FENCES					
27 SUPERVISION	3,600.00				3,600.00
28 MOISTURE PROTECTION				1,400.00	1,400.00
29					
30 FINANCE COSTS					
31 FURNISHINGS				4,000.00	4,000.00
32 SPECIAL CONSTRUCTION					
33 SALES COSTS					
Subtotal	11,720.00	6,799.00	40,400.00	6,150.00	65,069.00
Contingency	15 %				9,760.35
Subtotal plus Contingency					74,829.35
Overhead	30 %				22,448.81
Subtotal, Contingency & Overhead					97,278.16
Profit	29 %				28,210.66
Total					**125,488.82**

SAMPLE

New Home Estimate

Job Name: _____

Estimated by: _____

Date of Estimate: _____

TASK DESCRIPTION	Labor				Materials				Subcontract Amount	Other Costs	TASK TOTAL
	Unit	Amt.	Cost	Total	Unit	Amt.	Cost	Total			
01 PLANS, PERMITS & FEES											
Building Plans											
Architectural fees											
Engineering fees											
Survey work											
Permits											
Permit - Building											
Permit - Demolition											
Permit - Electric											
Permit - Miscellaneous											
Fees											
Fee - City license											
Fee - Plan check											
Fee - School district											
Fee - Sewer assessment											
Fee - Environmental health											
Fee - Parking											
Fee - Utilities - tie in											
Fee - Miscellaneous											
02 SITEWORK											
Temporary On Site											
Dumpster											
Phone/fax line											
Rental equipment											
Job toilet											
Dust protection											
Progress photos											
Protection, finishes											
Protection, pedestrian (walk with cover)											
Protection, weather											
Temp. miscellaneous											

TASK DESCRIPTION	Labor				Materials				Subcontract Amount	Other Costs	TASK TOTAL
	Unit	Amt.	Cost	Total	Unit	Amt.	Cost	Total			
Contractor's Insurance											
Builder's risk (fire & theft)											
Performance bond											
Utilities to Building											
Relocate/remove power pole											
Cable TV service											
Electrical service											
Gas service											
Telephone service											
Water service											
General Conditions											
Engineering consultants											
General contractor consulting											
Bid procedure											
Blueprints & specifications											
Perishable supplies billable to job											
General cond. miscellaneous											
As-built drawings											
Operation & maintenance manuals											
Product warranties packages											
Miscellaneous Sitework											
Soils engineering & inspections											
Civil engineering & survey											
Walls/trash area/planter/etc.											
Drainage systems											
Soil poisoning or treatment											
Other											
03 EXCAVATION											
Excavation											
Concrete coring											
Cut & break & remove concrete											
Demolition, major											
Tree removal											
Asbestos removal											
Shoring costs											

TASK DESCRIPTION	Labor				Materials				Subcontract Amount	Other Costs	TASK TOTAL
	Unit	Amt.	Cost	Total	Unit	Amt.	Cost	Total			
Grading											
Backfill & compact											
Backhoe trench											
Footing soils, remove											
Erosion control and drainage											
Grading, rough											
Grading, finish											
04 CONCRETE											
Footings											
Onsite (swale/curb/sidewalk/etc.)											
Foundation (footings and slab)											
Concrete patch work											
05 MASONRY											
Fencing or planters											
Retaining walls											
Glass block											
Masonry special finishes											
Sandblasting											
Stonework											
Veneers											
Masonry miscellaneous											
06 FLOOR FRAMING											
Mudsills											
Holdowns											
Subfloor											
07 WALL FRAMING											
Wood Framing											
Carpentry rough & light hardware											
Light framing hardware											
Lumber rough											
Lumber list (Send out for builder's list)											
Handrails											
Interior stairs											
Metal											
Metal framing											
Metal, ornamental (handrails/railings/etc.)											
Structural steel											

TASK DESCRIPTION	Labor				Materials				Subcontract Amount	Other Costs	TASK TOTAL
	Unit	Amt.	Cost	Total	Unit	Amt.	Cost	Total			
08 ROOF FRAMING											
Lumber glu-lam beams											
Skylight framing											
Roof ply											
Roof rafters											
Lumber truss or joist											
Soffit framing											
09 ROOF FLASHING											
Roof flashing											
10 EXTERIOR TRIM											
Windows											
Doors											
Fascia											
Soffit											
11 SIDING											
Lumber wood siding											
Wood siding labor to install											
Tarpaper											
Flashing											
Shingles											
Plywood											
Wall lattice											
12 DOORS											
Doors											
Garage door											
Garage door openers											
Access doors											
Entry doors and frames											
Fire doors and frames (1, 2 hour)											
French doors and frames											
Metal doors and frames											
Specialty doors and frames											
Wood doors and frames											

TASK DESCRIPTION	Labor				Materials				Subcontract Amount	Other Costs	TASK TOTAL
	Unit	Amt.	Cost	Total	Unit	Amt.	Cost	Total			
Glass											
Glass bath enclosure											
Glass screen walls											
Glass special application											
Mirror											
Stained/beveled glass/etched											
Hardware											
Finish (knobs, latches, closers, locks)											
Installation of hardware (labor)											
13 WINDOWS											
Windows											
Window glazing											
Windows, aluminum											
Windows, wood											
Windows & French doors, install											
Hardware											
Finish (knobs, latches, closers)											
Installation of hardware (labor)											
14 PLUMBING											
General plumbing											
Fixture trim											
Fixtures jacuzzi tub											
Fixtures plumbing											
Fixtures tub/shower (fiberglass)											
Plumbing shop drawings											
Cesspool/septic tank/pump											
Sump pump/sewer injector											
Wall heaters											
Solar system											
15 HVAC											
Heating & air conditioning											
Furnace/AC system											
Ducts for all ventilating fans											
Registers, grilles & diffusers											
Exhaust fan system											
Fire Equipment											
Fire sprinkler system											
Alarm special application											

TASK DESCRIPTION	Labor				Materials				Subcontract Amount	Other Costs	TASK TOTAL
	Unit	Amt.	Cost	Total	Unit	Amt.	Cost	Total			
16 ELECTRICAL											
Electric general											
Exhaust fans (bath/kitchen/laundry)											
Lamps & bulbs											
Low voltage - alarm, burglar											
Low voltage - cable TV prewire											
Low voltage - communications											
Low voltage - emergency lights											
Low voltage - music system											
Low voltage - telephone prewire											
Low voltage - TV antenna											
Exterior lighting											
Smoke detectors											
Doorbell											
17 INSULATION											
Rigid											
Walls R11											
Roof R38											
Floor R19											
Spray-on											
Title 24											
Per bid from Insulation Plus											
18 INTERIOR WALLS											
Carpentry finish											
Fireplace mantel											
Special railings											
Wood base & casing (material)											
Special fabrications											
Lumber finish											
Drywall - hang, tape & texture											
Drywall - special finish											
Storage shelving											
19 CEILING & COVERING											
Ceiling moldings											
Acoustical ceilings											
Acoustical treatments											
20 MILLWORK & TRIM											
Cabinets, millwork											
Architectural millwork											

TASK DESCRIPTION	Labor				Materials				Subcontract Amount	Other Costs	TASK TOTAL
	Unit	Amt.	Cost	Total	Unit	Amt.	Cost	Total			
21 CABINETS & VANITIES											
Cabinets											
Medicine cabinets											
Top/simulated marble											
Countertops - granite slab											
Top/unilav (top w/molded sink complete)											
Plastic laminates											
Hardware											
Installation											
22 SPECIALTIES											
Chutes (laundry, trash, etc.)											
Fireplace masonry											
Fireplace prefab metal											
Louvers & vents											
Luminous ceilings (wood frame)											
Pest control											
Postal facilities											
Screens											
Security grilles											
Stair construction (wood, metal, hidden)											
Attic access stair											
Shutters exterior											
Wardrobe & closet specialties											
Toilet and bath accessories											
Central vacuum											
23 FLOORING											
Floor preparation (subfloor, float, other)											
Carpet and pads											
Vinyl base											
Vinyl flooring											
Wood flooring											
Tile											
24 PAINTING											
Paint - exterior only											
Paint - interior & exterior											
Paint - interior only											
Paint - special finishes											
Painting gates/fence/bollards/other											
Paperhanging											

TASK DESCRIPTION	Labor				Materials				Subcontract Amount	Other Costs	TASK TOTAL
	Unit	Amt.	Cost	Total	Unit	Amt.	Cost	Total			
25 CLEANUP											
Dump runs											
Site cleanup											
Cleanup final subcontract											
26 PAVING, DECKS & FENCES											
Decking											
Elastomeric, Mer-kote, Dexotex, other											
Hot mop											
Wood decking											
Fences & Gates											
Fence (chain link, wood, glass)											
Gates (chain link, wood, glass)											
Wrought iron or metal											
Equipment miscellaneous											
27 SUPERVISION											
Project supervision											
28 MOISTURE PROTECTION											
Caulking & sealants											
Insulation/air infiltration											
Hot mop (tub & shower base)											
Roof accessories											
Roofing											
Roofing metal fabrication											
Rain gutters											
Sheet metal standard											
Skylights											
Waterproofing											
Weatherstripping											
29 LAND OR LOT COSTS											
Purchase price of land/lot											
Escrow closing costs on land purchase											
Land interest costs											
Land misc. loan fees											
** Land already owned by client **											

TASK DESCRIPTION	Labor				Materials				Subcontract Amount	Other Costs	TASK TOTAL
	Unit	Amt.	Cost	Total	Unit	Amt.	Cost	Total			
30 FINANCE COSTS											
Escrow closing fees on construction loan											
Title Insurance											
Construction loan interest											
Construction loan misc. fees											
31 FURNISHINGS											
Blinds, shades & shutters interior											
Drapery & curtain hardware											
Furnishings, miscellaneous											
32 SPECIAL CONSTRUCTION											
Pool or spa											
Sauna & equipment											
Wine storage room											
33 SALES COSTS											
Sales commission											
Escrow closing costs											
34 HOLDING COSTS											
HOA fees											
Real estate taxes											
Utilities (water, sewage, trash, gas, etc)											
TOTALS											

Estimate Summary

Job Name: _____

Estimated by: _____

Date of Estimate: _____

ESTIMATE SUMMARY	Labor	Materials	Subcontract	Other	Total
01 PLANS, PERMITS & FEES					
02 SITEWORK					
03 EXCAVATION					
04 CONCRETE					
05 MASONRY					
06 FLOOR FRAMING					
07 WALL FRAMING					
08 ROOF FRAMING					
09 ROOF FLASHING					
10 EXTERIOR TRIM					
11 SIDING					
12 DOORS					
13 WINDOWS					
14 PLUMBING					
15 HVAC					
16 ELECTRICAL					
17 INSULATION					
18 INTERIOR WALLS					
19 CEILING & COVERING					
20 MILLWORK & TRIM					
21 CABINETS & VANITIES					
22 SPECIALTIES					
23 FLOORING					
24 PAINTING					
25 CLEANUP					
26 PAVING, DECKS & FENCES					
27 SUPERVISION					
28 MOISTURE PROTECTION					
29 LAND OR LOT COSTS					
30 FINANCE COSTS					
31 FURNISHINGS					
32 SPECIAL CONSTRUCTION					
33 SALES COSTS					
34 HOLDING COSTS					
Subtotal					
Contingency		%			
Subtotal plus Contingency					
Overhead		%			
Subtotal, Contingency & Overhead					
Profit		%			
Total					

Remodel Estimate

Job Name: _____

Estimated by: _____

Date of Estimate: _____

TASK DESCRIPTION	Labor				Materials				Subcontract Amount	Other Costs	TASK TOTAL
	Unit	Amt.	Cost	Total	Unit	Amt.	Cost	Total			
01 PLANS, PERMITS & FEES											
Fees											
Fee - City license											
Fee - Plan check											
Fee - School district											
Fee - Sewer assessment											
Fee - Environmental health											
Fee - Parking											
Fee - Utilities - tie in											
Fee - Miscellaneous											
Permits											
Permit - Building											
Permit - Demolition											
Permit - Electric											
Permit - Miscellaneous											
02 SITEWORK											
Temporary On Site											
Dumpster delivery											
Dumpster											
Rental equipment											
Job toilet											
Temp. miscellaneous											
Dust protection											
Progress photos											
Protection, finishes											
Protection, pedestrian (walk w/cover)											
Protection, weather											
Contractor's Insurance											
Builder's risk (fire & theft)											
Performance bond											

TASK DESCRIPTION	Labor				Materials				Subcontract Amount	Other Costs	TASK TOTAL
	Unit	Amt.	Cost	Total	Unit	Amt.	Cost	Total			
Utilities to Building											
Relocate/remove power pole											
Cable TV service											
Electrical service											
Gas service											
Telephone service											
Water service											
General Conditions											
Engineering consultants											
Bid procedure											
Blueprints & specifications											
Perishable supplies billable to job											
General cond. miscellaneous											
As-built drawings											
Operation & maintenance manuals											
Product warranties packages											
Miscellaneous Sitework											
Soils engineering & inspections											
Civil engineering & survey											
Walls/trash area/planters/etc.											
Drainage systems											
Soil poisoning or treatment											
Other											
03 EXCAVATION											
Excavation											
Concrete coring											
Cut & break & remove concrete											
Demolition, major											
Tree removal											
Asbestos removal											
Shoring costs											
Grading											
Backfill & compact											
Backhoe trench											
Grading rough											
Grading finish											

TASK DESCRIPTION	Labor				Materials				Subcontract Amount	Other Costs	TASK TOTAL
	Unit	Amt.	Cost	Total	Unit	Amt.	Cost	Total			
04 CONCRETE											
Footings											
Onsite (swale/curb/sidewalk/etc)											
Foundation (footings and slab)											
Concrete patch work											
05 MASONRY											
Fencing or planters											
Retaining walls											
Glass block											
Masonry special finishes											
Sandblasting											
Stonework											
Veneers											
Masonry miscellaneous											
06 FLOOR FRAMING											
Mudsills											
Holdowns											
Subfloor											
07 WALL FRAMING											
Wood Framing											
Carpentry rough & light hardware											
Light framing hardware											
Lumber rough											
Lumber list (send out for builder's list)											
Handrails											
Interior stairs											
Metal											
Metal framing											
Metal ornamental (handrails/railings/etc.)											
Structural steel											
08 ROOF FRAMING											
Lumber glu-lam beams											
Skylight framing											
Roof ply											
Roof rafters											
Lumber truss or joist											
Soffit framing											

TASK DESCRIPTION	Labor				Materials				Subcontract Amount	Other Costs	TASK TOTAL
	Unit	Amt.	Cost	Total	Unit	Amt.	Cost	Total			
09 ROOF FLASHING											
Roof flashing											
10 EXTERIOR TRIM											
Windows											
Doors											
Fascia											
Soffit											
Misc.											
11 SIDING											
Lumber wood siding											
Wood siding labor to install											
Tarpaper											
Flashing											
Shingles											
Plywood											
Wall lattice											
12 DOORS											
Doors											
Garage door											
Garage door opener											
Access doors											
Entry doors and frames											
Fire doors and frames (1, 2 hour)											
French doors and frames											
Metal doors and frames											
Specialty doors and frames											
Wood doors and frames											
Glass											
Glass bath enclosure											
Glass screen walls											
Glass special application											
Mirror											
Stained/beveled glass/etched											
Wardrobe (mirror, vinyl, other)											

TASK DESCRIPTION	Labor				Materials				Subcontract Amount	Other Costs	TASK TOTAL
	Unit	Amt.	Cost	Total	Unit	Amt.	Cost	Total			
Hardware											
Finish (knobs, latches, closers, locks)											
Installation of hardware (labor)											
Medicine cabinets											
13 WINDOWS											
Windows											
Window glazing											
Windows vinyl											
Windows & French doors install											
Windows wood											
Hardware											
Finish (knobs, latches, closers)											
Installation of hardware (labor)											
14 PLUMBING											
Rough plumbing											
Fixture trim											
Fixtures jacuzzi tub											
Fixtures plumbing											
Fixtures tub/shower (fiberglass)											
Plumb. shop drawings											
Cesspool/septic tank/pump											
Sump pump/sewer injector											
Wall heaters											
Solar system											
15 HVAC											
Heating and air conditioning											
Furnace/AC System											
Ducts for all ventilating fans											
Registers grilles & diffusers											
Exhaust fan system											
Fire Equipment											
Fire sprinkler system											
Alarm special application											

TASK DESCRIPTION	Labor				Materials				Subcontract Amount	Other Costs	TASK TOTAL
	Unit	Amt.	Cost	Total	Unit	Amt.	Cost	Total			
16 ELECTRICAL											
Electrical rough-in and finish											
Exhaust fans (bath/kitchen/laundry)											
Lamps & bulbs											
Low voltage - alarm burglar											
Low voltage - cable TV prewire											
Low voltage - communications											
Low voltage - emergency lights											
Low voltage - music system											
Low voltage - telephone prewire											
Low voltage - TV antenna											
Parking lot lighting											
Smoke detectors											
Doorbell											
17 INSULATION											
Rigid											
Walls R11											
Roof R38											
Floor R19											
Spray-on											
Title 24											
18 INTERIOR WALLS											
Carpentry finish											
Fireplace mantel											
Special railings											
Wood base & casing (material)											
Plaster special fabrications											
Lumber finish											
Drywall - hang, tape & texture											
Drywall - special finish											
Storage shelving											
19 CEILING & COVERING											
Ceiling moldings											
Acoustical ceilings											
Acoustical treatments											
20 MILLWORK & TRIM											
Cabinets millwork											
Architectural millwork											

TASK DESCRIPTION	Labor				Materials				Subcontract Amount	Other Costs	TASK TOTAL
	Unit	Amt.	Cost	Total	Unit	Amt.	Cost	Total			
21 CABINETS & VANITIES											
Cabinets											
Medicine cabinets											
Granite counter tops											
Top/corian											
Top/unilav (top w/molded sink complete)											
Plastic laminates											
Hardware											
Installation											
22 SPECIALTIES											
Chutes (laundry, trash, etc.)											
Fireplace masonry											
Fireplace prefab metal											
Louvers & vents											
Luminous ceilings (wood frame)											
Pest control											
Postal facilities											
Screens											
Security grilles											
Stairs construction (wood, metal, hidden)											
Attic access stair											
Shutters exterior											
Wardrobe & closet specialties											
Toilet and bath accessories											
Central vacuum											
23 FLOORING											
Floor preparation (subfloor, float, other)											
Carpet and pads											
Vinyl base											
Vinyl flooring											
Wood flooring											
Tile											
24 PAINTING											
Paint - exterior only											
Paint - interior & exterior											
Paint - interior only											
Paint - special finishes											
Painting gates/fence/bollards/other											
Paperhanging											

TASK DESCRIPTION	Labor				Materials				Subcontract Amount	Other Costs	TASK TOTAL
	Unit	Amt.	Cost	Total	Unit	Amt.	Cost	Total			
25 CLEANUP											
Dump runs											
Site cleanup											
Cleanup final subcontract											
26 PAVING, DECKS & FENCES											
Decking											
Elastomeric, Mer-kote, Dexotex, other											
Hot mop											
Wood decking											
Gates & Fences											
Fence (chain link, wood, glass)											
Gates (chain link, wood, glass)											
Wrought iron or metal											
Equipment miscellaneous											
27 SUPERVISION											
Project Supervision											
28 MOISTURE PROTECTION											
Caulking & sealants											
Insulation/air infiltration											
Hot mop (tub & shower base)											
Roof accessories											
Roofing											
Roofing metal fabrication											
Rain gutters											
Sheet metal standard											
Skylights											
Waterproofing											
Weatherstripping											
29											
30 FINANCE COSTS											
Bank loan interest											

TASK DESCRIPTION	Labor				Materials				Subcontract Amount	Other Costs	TASK TOTAL
	Unit	Amt.	Cost	Total	Unit	Amt.	Cost	Total			
31 FURNISHINGS											
Appliances - allowance											
Drapery & curtain hardware											
Furnishings miscellaneous											
32 SPECIAL CONSTRUCTION											
Pool or spa											
Sauna & equipment											
Wine storage room											
33 SALES COSTS											
Sales Commission											
TOTALS											

Estimate Summary

Job Name: _____

Estimated by: _____

Date of Estimate: _____

ESTIMATE SUMMARY	Labor	Materials	Subcontract	Other	Total
01 PLANS, PERMITS & FEES					
02 SITEWORK					
03 EXCAVATION					
04 CONCRETE					
05 MASONRY					
06 FLOOR FRAMING					
07 WALL FRAMING					
08 ROOF FRAMING					
09 ROOF FLASHING					
10 EXTERIOR TRIM					
11 SIDING					
12 DOORS					
13 WINDOWS					
14 PLUMBING					
15 HVAC					
16 ELECTRICAL					
17 INSULATION					
18 INTERIOR WALLS					
19 CEILING & COVERING					
20 MILLWORK & TRIM					
21 CABINETS & VANITIES					
22 SPECIALTIES					
23 FLOORING					
24 PAINTING					
25 CLEANUP					
26 PAVING, DECKS & FENCES					
27 SUPERVISION					
28 MOISTURE PROTECTION					
29					
30 FINANCE COSTS					
31 FURNISHINGS					
32 SPECIAL CONSTRUCTION					
33 SALES COSTS					
Subtotal					
Contingency		%			
Subtotal plus Contingency					
Overhead		%			
Subtotal, Contingency & Overhead					
Profit		%			
Total					

Material Schedule

File name on CD
MatlSched

The *Material Schedule* is a very versatile form — you can customize it for a number of uses, including:

- A shopping list for purchasing materials: windows, doors, casings, baseboard, etc.
- A material list for each room or phase of a project: framing or finish materials, for example
- An estimate for costing raw materials for a smaller-sized project
- A list given to a supplier to get a bid price on the materials

How to Use This Form

Enter your company information on the top left. Even though this form is primarily an in-house form, it could be given to a material rep for bid prices, so in that case, contact information is necessary. Date the form and enter the project number and name.

The best way to describe the form is by demonstrating it with a hypothetical job. We'll use Edgewood Manor, project number 09-235. We're going to list and describe the windows we'll be ordering.

Schedule Information

Since this *Material Schedule* can be used for a variety of products, we'd check the box next to *Window Schedule*, since that's what we're listing on this particular form.

Column Information

Each column will provide a detail of the material you're using. The first three columns, Description, Location and Quantity, will always apply.

In our example, the first column describes the windows by size. You may want to use item codes instead. The Location column tells in which room the windows will be installed, such as the Dining room or Master bath, and the Quantity column gives the number of each.

Label the remaining columns with whatever identification pertains to that particular material. We're ordering varying quantities of five different-sized windows. Two windows in this column have the same dimensions, but the type of window is different. The two that go in the breakfast nook are horizontal slide, and the three for the master bedroom are double-hung. So we label the fourth column *Type*, where you'd show if it's a fixed, double-hung, or right- or left-hand window, etc. It's important to identify your materials precisely, or you'll have unwanted surpluses on your hands. In our *Material Schedule* example, we further identify the windows by Glass, Finish, and Efficiency. Enter whatever headings will help you estimate and order the correct size, type, and quantity of products the job requires.

Material Schedule

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

[X] **Window Schedule**
[ ] **Door Schedule**
[ ] **Appliance Schedule**
[ ] **Other**

Date: 12/10/10
Project Number: 09-235
Project Name: Edgewood Manor

Item Description	Location	Quantity	Type	Glass	Finish	Efficiency
5'0" x 3'0" Anderson	Dining Room	3	Vertical slide	Glazed	Satin anodized	Low E
3'0" x 4'0" Anderson	Kitchen	1	Garden	Clear	Satin anodized	Low E
4'0" x 4'0" Anderson	Breakfast nook	2	Horizontal slide	Clear	Satin anodized	Low E
5'0" x 5'0" Anderson	Living Room	2	Picture	Insulating	Satin anodized	Double glazed
3'0" x 3'0" Anderson	Master bath	1	Fixed	Obscure	Satin anodized	Triple glazed
4'0" x 4'0" Anderson	Master bedroom	3	Double-hung	Insulating	Satin anodized	Triple glazed

SAMPLE

Material Schedule

[ ] Window Schedule

[ ] Door Schedule

[ ] Appliance Schedule

[ ] Other

Date:

Project Number:

Project Name:

Item Description	Location	Quantity				

[Blank Page]

Job-Related Forms

6

It's vital that news of progress and events out at the jobsites is relayed to the office easily and quickly. Jobsite problems, if they're not dealt with as soon as they appear, usually get worse. There has to be an organized system in place for the transmittal of information — you can't just hope that one of your supervisors or foremen will think to mention it. Nor can you risk them assuming you already know about it from someone else. The forms in this chapter provide a means for gathering information and for conveying it between field and office simply and efficiently.

Field personnel should complete these forms as quickly as possible and get them back to the office, where solutions can be figured out and then implemented at the jobsite.

The Forms

Project Startup Checklist, *200*
Use this form to list what tasks need to be addressed in getting the project underway, from preliminary site inspection to the start of construction. It also shows who's responsible for each task.

Safety Agreement, *203*
In signing, the employee confirms that he has the contact numbers for emergencies, has been shown the location of safety equipment and knows how to use it.

Jobsite Safety Checklist, *205*
This is a reminder list covering all areas of safety precautions, from personal protection such as hard hats, to scaffolding and jobsite clutter. It includes room for notes and suggestions regarding safety.

Jobsite Tool List, *208*
Lets you keep track of your small tools on each jobsite so they can be found when needed, and reduces their tendency to walk off the job.

Vehicle Inspection Sheet, *211*
Your company vehicles are a major investment, and any downtime can cause costly delays. This form will keep you apprised of any maintenance needs so repairs can be made before there's a breakdown.

Weekly Equipment Usage Log, *216*
Do you have equipment that may be spending more time sitting than in use? If so, renting when you need it may be a better option than paying the owning and operating costs. Have your crews use this log to record downtime, as well as use of your equipment, so you can make the most of your equipment and your equipment budget.

Field Change Report, *219*
Almost all jobs require changes in the field — some trivial and some large enough to result in a change order. But a report should be made of all changes, large and small. This form makes it quick and easy, and serves as a reminder list of what information needs to be included.

Memorandum of Delay, *223*
Use this form to advise the client, architect or bank that completion of the project will be delayed by a certain period, and to briefly explain the cause. Weather, material shortages, work stoppages — any of these can cause an unavoidable delay. The parties involved need to know so they can make the necessary adjustments to their own schedule.

Potential Backcharge Notice, *226*
If, after a project is completed, a sub's work is found to be deficient or incomplete, use this notice to inform him that, unless he returns and remedies the situation, a *backcharge* will be levied against him for the cost of someone else coming to fix it.

Delay Notice, *229*
Even the best-planned projects run into snags, some avoidable, some not. Use this notice to formally advise a subcontractor that he's responsible for a delay and needs to take measures to get back on schedule.

Field Problem Report, 232
Few jobs go off glitch-free. When a problem comes along, you need to know all the details so you can make sure it's dealt with. This form provides a detailed account, identifies who is responsible for dealing with it, and serves as a formal record in case it should progress into a bigger issue.

Project Closeout Checklist, *235*
When a project's finally finished, everybody heads out the door, often forgetting a few minor items not quite completed, or fully cleaned up. This form is a checklist of all the final details in tying up a job, and assigns specific employees to each task to assure that nothing is forgotten.

Project Closeout Letter, *238*
When the project is near completion, the general contractor has to make sure any war-ranties on a sub's work, or maintenance manuals for any appliances or devices installed by subs, are provided to the client. Use this letter to request these items from the project subcontractors, with a reminder that final payment is contingent on their receipt.

Final Project Punch List, *240*
Provide this form to the client when the job is substantially complete. This is his opportunity to list all the problems he finds with the work so fixes can be made.

Accident Report, *242*
Every employer must address accidents that happen on the job, even ones that seem too trivial to bother with. So it's important to fill out this report on *every* accident. The *Accident Report* is quick and simple to use, and covers all the information normally needed.

Project Startup Checklist

File name on CD
ProjStart

After a contract for construction is signed by both contractor and client, the *Project Startup Checklist* supplies the details needed to get the job underway. It also enables you to assign job responsibilities to specific personnel before the project actually begins.

As with all the forms in this book, adapt the form to fit your business by adding or deleting subjects to suit your needs. You may need different headings on one job than on another. For example, if your company doesn't use an estimator or project manager on a particular job, delete those headings. When you're satisfied with your entries, use the form as a template to streamline every project startup. Then you need only add specifics for each of those jobs to customize the checklist further.

How to Use This Form

Since this is an in-house form, you only need the company's name at the top. Enter the date, complete the section for the client, and provide project data.

In our sample form, we've headed the columns Estimator, Project Manager, Supervisor, and Foreman. Most construction companies have employee positions similar to the ones to whom we've assigned tasks. If you combine any of these jobs in your company, modify the employee headings accordingly. For example, if your project manager also does the estimating, combine those positions in one column, or simply use one of the two titles.

Put an "x" in each column to show which employee — estimator, project manager, supervisor or foreman — is responsible for the tasks listed.

Project Startup Checklist

Quality Construction, Inc.

SAMPLE

Date: 04/10/10

Client Information		Project Information	
Name:	Darrin Fox	**Project Number:**	09-237
Address:	1316 Washington Bayshore, CA 94545	**Project Name:**	Foxwood Suites
		Project Address:	1262 Crestview Seashore, CA
Telephone:	650-555-9000		

		Estimator	Project Manager	Supervisor	Foreman
1.	Submit the new job information sheet		X		

Project Startup Checklist

Date: _____

Client Information		Project Information	
Name:		Project Number:	
Address:		Project Name:	
		Project Address:	
Telephone:			

1.	Submit the new job information sheet				
2.	Outline project organization				
3.	Assign duties to key staff members				
4.	Review the prime contract				
5.	Define the scope of work				
6.	Introduce project to the staff				
7.	Prepare the contract control sheet				
8.	Define procurement authority				
9.	Establish a project work and cost code system				
10.	Enter budget approval into project file				
11.	Ensure all participating departments can support the new project workload				
12.	Review safety & insurance requirements				
13.	Prepare project and procurement schedules				
14.	Determine anticipated cash flow				
15.	Set up office and jobsite project files				
16.	Publish the project meeting schedule				
17.	Hold a pre-construction conference with parties involved				
18.	Establish lines of communication among project participants				

19.	Resolve drawing and specification questions				
20.	Designate the field crew				
21.	Reserve appropriate materials, tools and equipment from the company inventory				
22.	Survey and photograph existing conditions prior to start of work. Verify condition of adjacent off-site property				
23.	Verify physical boundaries of project				
24.	Determine site logistics				
25.	Prepare jobsite accident prevention program				
26.	Post the accident prevention program at the jobsite along with required safety posters & emergency phone numbers				
27.	Arrange for temporary facilities				
28.	Review required quality control procedures, including tests and inspections				
29.	Review jobsite security				
30.	Install project construction signs				
31.	Obtain building permits				
32.					
33.					
34.					
35.					
36.					
37.					
38.					
39.					
40.					

Notes:

Safety Agreement

File name on CD
SafeAgree

Various government agencies are authorized to perform spot inspections of any jobsite. The main concern of these agencies is safety on the job. All employees should be briefed on basic safety issues, not because the jobsite might be visited by an inspector, but for their own welfare.

Each jobsite is different, so at every new jobsite, workers need to be shown the location of all safety equipment, and trained on how to use it. This includes fire extinguishers, first aid kits, and any other safety items. They need to know what to do if someone's hurt on the job, the location of the nearest hospital, and emergency phone numbers.

Schedule a safety meeting before starting each project, and distribute a copy of the *Safety Agreement* to each worker. Many insurance companies require monthly safety meetings, where employees can share concerns about the workplace environment and make suggestions about how it could be improved.

The *Jobsite Accident Prevention Program* is a handout supplied by some insurance carriers. It gives rules and suggestions for keeping the jobsite safe. Each employee signs on the *Safety Agreement* that he received and understood the handout.

How to Use This Form

Since this is an in-house form, only the company name is needed at the top. Each employee gets a form, so enter the date, the employee's name and license number, and the project number and name. Distribute these to the employees. They should review the list of conditions and safety-related issues, then sign, date and return the form to you.

These forms document that each worker knows and understands your company safety standards, the location of onsite safety equipment, and how to use it. Make a copy of each signed and dated agreement. Send the original to your main office and keep a copy in the jobsite office file.

If an inspector visiting the site asks if a particular employee was informed of safety requirements, the copy of the signed agreement shows that the information was distributed and acknowledged. If there's ever a serious injury accident and an inquiry, you're very likely to be asked for this documentation.

Safety Agreement

_____ **Date:** _____

Employee: _____ **Project Number:** _____

License Number: _____ **Project Name:** _____

____ I have been shown the location of the first aid kit, emergency telephone numbers, and fire extinguishers.

____ I have received instruction in the use of the fire extinguishers, safety goggles, hard hat and other equipment particular to my trade.

____ I have received a copy of the Jobsite Accident Prevention Program. I have read and understand it, and will comply with all provisions.

____ If injured, I will report the injury to either the superintendent or the foreman.

____ I will report any unsafe conditions to the superintendent or the foreman.

____ _____

Notes:

_____

_____

_____

_____
Name

_____
Signature

_____
Date

Jobsite Safety Checklist

File name on CD
JobSafety

Use the *Jobsite Safety Checklist* periodically to check that safety regulations are being observed on the job. Typically, the site superintendent performs the check, usually at one-week intervals, then completes and submits the checklist to the main office.

How to Use This Form

The *Jobsite Safety Checklist* identifies 35 key safety requirements. As with all our forms, add or delete items to fit the type of work your company does. As the job superintendent works through the list, when he finds a requirement in compliance, he checks it off in the Yes box. When he finds one in violation, he checks the No box and in the Notes column enters the location of the violation and any other details. If an item on the checklist doesn't apply, he enters N/A in the Notes column.

In our sample checklist, the superintendent found only one violation — the carpenter left a saw at the top of the stairwell while he went to get something. And that was when the superintendent was making the rounds. It's an easy slip, but potentially hazardous. If a worker had tripped on it and fallen down the stairs, it could have been serious. It's good that the superintendent found it and not an OSHA inspector.

Jobsite Safety Checklist

Quality Construction, Inc. **Date:** 02/10/10

Project Information

Project Number: 09-237
Project Name: Foxwood Suites
Inspected by: Randy Thomas

SAMPLE

	Yes	No	Notes
Personal Protection:			
1. Where there is possible danger of head injury from impact, falling or flying objects, or electrical shock and burns, protective helmets are required.	X		
2. To reduce noise levels, ear protective devices shall be provided and used.			N/A
3. Eye and face protection against chemical, environmental, and radiological hazards or mechanical irritants must be provided.	X		
Site Safety:			
4. Passages and stairways must be clear of hazards; protection against those hazards must be installed.		X	Tools left in stairway
5. Sidewalks shall be free of construction materials and debris. In some			

Jobsite Safety Checklist

Date: _____

Project Information

Project Number: _____

Project Name: _____

Inspected by: _____

	Yes	No	Notes
Personal Protection:			
1. Where there is possible danger of head injury from impact, falling or flying objects, or electrical shock and burns, protective helmets are required.			
2. To reduce noise levels, ear protective devices shall be provided and used.			
3. Eye and face protection against chemical, environmental, and radiological hazards or mechanical irritants must be provided.			
Site Safety:			
4. Passages and stairways must be clear of hazards; protection against those hazards must be installed.			
5. Sidewalks shall be free of construction materials and debris. In some cases, that requires protection provided by sidewalk sheds or canopies, or both.			
6. Toilet facilities must be provided and maintained.			
7. Adequate illumination must be provided in work areas and stairways.			
General:			
8. A jobsite accident prevention program should be posted in a prominent location in the workplace.			
9. OSHA notice informing employees of their rights and responsibilities must be posted in a prominent location.			
10. Employee injury logs must be kept current.			
11. Fire extinguishers are provided and maintained.			
12. First aid kits are provided.			
13. Emergency telephone numbers are posted.			
14. Warning signs are posted in hazardous work areas.			
Floor and Wall Openings:			
15. Every open-sided floor 4 feet or more above the floor or ground level is guarded by a standard railing on all open sides except where there is entrance to a ramp, stairway, or fixed ladder.			
16. Every floor hole into which a person can accidentally walk shall be guarded by either railings or a floor covering, with no more than 1 inch open on any side.			

	Yes	No	Notes
Scaffolding:			
17. Railings are provided when a platform is 7½ feet or more from floor or ground level.			
18. Scaffolding is set plumb with adequate foundation-bearing plates.			
19. Scaffolds are guyed or tied to structure.			
20. Platform planks are secured together to prevent material and tools from falling through any gaps.			
21. Each platform is installed so that no space between the platform and the uprights is more than 1 inch wide. Platform planks extend over end supports by at least 6 inches.			
Ladders:			
22. Ladders are in good condition.			
23. Ladders of proper height are used.			
24. Access ladders extend a minimum of 3 feet beyond floor or roof, and are secured to prevent slipping.			
Machinery and Tool Safety:			
25. Saw blade guards are in place and operating properly.			
26. Pulley belts and wheels are enclosed with guards.			
27. Cut-off saws have automatic blade returns.			
Welding:			
28. Valve protection caps are in place whenever cylinders are not in use.			
29. Cylinders are secured upright when in use.			
30. Cylinder valves are closed when not in use.			
31. Proper eye protection is worn by welders.			
Electrical:			
32. Receptacles and attachment plugs are not interchanged.			
33. Cords are free of exposed wiring.			
34. Cords are out of vehicular paths.			
35. Male plug ends are unmodified.			

Other:

This is a partial checklist.

Refer to the US Department of Labor's Occupational Safety & Health Administration (OSHA) for a complete list of regulations.

Jobsite Tool List

File name on CD
JobTools

Although experienced craftsmen have their own tools, there's often a need for the contractor to provide certain tools specific to a particular task, or to a worker who simply doesn't have all he needs. And since small tools are prone to walking off the job, it's important to keep track of them. Sure, losing a hammer or a chisel isn't going to bankrupt you, but without any tracking of your tools, you may soon find you're spending more on tool replacement than you care to.

One way to keep tools from disappearing is to have a complete list of company-supplied tools at both the office and the jobsite. Use the *Jobsite Tool List* to catalog company tools being used on each project. Include on the form any identifying features the tools may have, such as their serial numbers.

To make double-sure your tools stay put, spray-paint the tool handles a bright color, like orange or purple. In the event a shovel or chisel inadvertently leaves the site with a worker, it's more likely to be brought back if it's painted neon orange.

How to Use This Form

This is an in-house form, so it needs only your company's name at the top, and the date. The site superintendent will enter his name next to *Completed by* and fill in the project number, name, and address where the tools are being used. Our sample project is #09-237, Foxwood Suites, in Seashore, CA. The site superintendent completes this report each payroll period or, if the tools will be changing hands more often, each day.

Tool Name

Be specific when naming tools, especially if you have several of the same type; chisels, for example. We have six tools on our list, and each is described as thoroughly as possible.

Identifier

Under *Identifier*, we add more detail about each tool, including serial numbers and if they're painted.

Condition

Under *Condition,* rate each tool good, fair, or poor. Information here can give you a heads-up when a tool has outlived its usefulness. Ideally, no tool will be in the "poor" category; it should be replaced before declining to poor condition, for both safety and efficiency.

Location

Finding tools at a work site can cause you some aggravation, no matter if you're working on a small or a large project. You rarely have extra time to search for an item. You need to be able to pinpoint where tools are at every jobsite. In our sample, several of the tools are kept in the jobsite toolbox, a handy place to keep company-owned tools. The two concrete chisels have been assigned to Juan and Tom.

Any time tools change hands or locations, make sure the party responsible for their transfer indicates the change on the list, or fills out a new one. That will help put an end to problems you may have with runaway tools.

At the end of the job (or any other timeframe you've chosen), return the *Jobsite Tool List* to the main office. It'll be checked there against the master tool list. Tools are a big investment — worth the time it takes to keep them accounted for.

Jobsite Tool List

Quality Construction, Inc.

SAMPLE

Date: 02/15/10
Completed by: Mark Mitchell

Project Information

Project Number: 09-237
Project Name: Foxwood Suites
Project Address: 1262 Crestview Seashore, CA

	Tool Name	Identifier	Condition			Location
			Good	Fair	Poor	
1.	Demolition jack hammer	85678904-0	X			Jobsite Toolbox
2.	1½" hammer drill	3243564	X			Jobsite Toolbox
3.	Shovel pick	Painted purple		X		Jobsite Toolbox
4.	Square point shovel	Painted purple	X			Jobsite Toolbox
5.	Bon-Tool concrete chisel	Painted purple	X			Juan
6.	Dasco Pro concrete chisel	Painted purple		X		Tom

Jobsite Tool List

Date:

Completed by:

Project Information

Project Number:

Project Address:

Project Name:

	Tool Name	Identifier	Condition			Location
			Good	Fair	Poor	

Vehicle Inspection Sheet

File name on CD
VehInspect

Construction equipment may be the biggest investment a contractor makes. That's why it makes sense to keep tabs on every vehicle the company owns, and to keep them properly maintained to minimize downtime and repair costs. Encourage your employees to report any vehicular malfunctions immediately so minor problems can be fixed before they become major ones.

How to Use This Form

Each company-owned vehicle has its own *Vehicle Inspection Sheet.* Keep the original in the main office file and a copy of it in the car or truck glove box. If the driver notices a problem, he should enter it on the form in the vehicle. Whoever is responsible for maintaining that particular company vehicle will complete and submit the form monthly to your main office. The information will then be copied onto the original report kept in the office files.

Since this is an in-house form, only your company's name is needed at the top. Date the form.

Vehicle Information

Provide the make, model, license number or VIN, and mileage of the vehicle.

The next part of this inspection sheet is divided into sections for each area of the vehicle you need to keep tabs on: Body, Mechanical, Electrical, and Safety. There's also space for other items and additional comments. The sections and items listed on our sample are meant to be the framework for the inspection sheet you'll make up, specific to the vehicle.

You can always add to this list for an older vehicle, or enter fewer items if the vehicle is new, and has a clean repair history.

Body

Under *Body,* you'd track chips or scratches in the paint that should be touched up before rust sets in, chips in the windshield, a tailgate that's dinged and doesn't stay shut, a muffler that's getting noisy, etc. Construction trucks

have a tough life. While you don't expect them to be showroom smart, a truck that looks like you can't be bothered to take care of it gives a bad impression to would-be clients. If you can't take care of your own property, will you take care of theirs if they trust you with it?

Electrical

Keep tabs on the battery and recharging system, lights, wipers, horn, AC, etc.

Engine and Drive Train

Here you'll note if there are any problems with the engine or transmission. If it's running rough or seems to have less power, if the transmission is slipping, or the rear end clunks when you shift into reverse — better have it checked before disaster strikes. This is a good place to keep track of oil and air filter changes. These get dirty fast on a construction site, and should be inspected regularly.

Safety

Tires on a truck that goes to construction sites seem to attract nails, and get cut up on rocks. They should be inspected regularly. Check the brakes, seat belts, backup lights and all other safety-related equipment. Accidents happen all too easily on a construction site — you don't want to invite more by sloppy caretaking of your vehicles.

The next three columns are where the person doing the inspection rates each of the items on the list. Wherever possible, if anything is in the *Marginal* column, get it fixed before it reaches the *Repair* column or you have a breakdown that wastes a half-day for a worker.

Use the *Remarks* column to further identify any entries or action taken. Note any service done on the vehicle, including the date. A reminder of the date when service needs to be scheduled can also be entered here, to keep your company fleet up and running.

Documents and Keys

Make sure you have the documents you need for the vehicle: registration, proof of insurance, accident instructions, etc. These are usually kept in the glove box, but somehow often aren't there when you need them. Too many

other items get thrown in there, and pulled out, and papers just vanish. A regular check to make sure they're all still there, and haven't expired, is well worth the couple of seconds it takes. So is a place for a spare key.

Our sample form reminds the driver to check for all these, and to mark down if any are missing. This, along with the *Additional Comments* section, gives you a chance to add anything that didn't quite fit into any of the categories listed.

Finally, the name, title, and signature of the person completing the *Vehicle Inspection Sheet*, and the date, are needed before returning it to the main office.

Vehicle Inspection Sheet

Quality Construction, Inc. **Date:** 5/15/10

Vehicle Information

Vehicle Make/Model: 2008 Ford F250

License Number or VIN: 1A3BXT

Mileage: 78,090

Body	Good	Marginal	Repair	Remarks
Bed	X			
Bumpers		X		Rear bumper loose on left side due to bent bracket
Door locks	X			
Fenders	X			
Glass		X		Chip from rock on passenger side of windshield
Paint	X			
Shocks	X			
Tailgate	X			

Electrical	Good	Marginal	Repair	Remarks
Backup lights		X		Left light cover cracked
Battery	X			

SAMPLE

Documents and Keys	Yes	No
Log up-to-date?	[X]	[ ]
Spare keys in glove box?	[X]	[ ]
Accident instructions in glove box?	[X]	[ ]
Registration in glove box?	[X]	[ ]
Proof of insurance in glove box?	[X]	[ ]
	[ ]	[ ]

Additional comments:
Glove box door fell open twice, but maybe it just wasn't shut tight. Seems OK now.

Juan Valdez
Name

Juan Valdez
Signature

Lead Carpenter
Title

05/15/10
Date

Page 2 of 2

Vehicle Inspection Sheet

Date: _____

Vehicle Information

Vehicle Make/Model: _____

License Number or VIN: _____

Mileage: _____

Body	Good	Marginal	Repair	Remarks
Bed				
Bumpers				
Door locks				
Fenders				
Glass				
Paint				
Shocks				
Tailgate				

Electrical	Good	Marginal	Repair	Remarks
Backup lights				
Battery				
Brake lights				
Dashboard gauges				
Headlights				
Tail lights				
Turn signals				

Engine & Drive Train	Good	Marginal	Repair	Remarks
Clutch				
Performance				
Shifting				
Starting				

Safety	Good	Marginal	Repair	Remarks
Brakes				
Flashlight/flares				
Horn				
Seat belts				
Security system				
Shocks				
Steering				
Tires				
Wipers				

Documents and Keys	Yes	No	Documents and Keys	Yes	No
Log up-to-date?	[ ]	[ ]	Registration in glove box?	[ ]	[ ]
Spare keys in glove box?	[ ]	[ ]	Proof of insurance in glove box?	[ ]	[ ]
Accident instructions in glove box?	[ ]	[ ]	_____	[ ]	[ ]

Additional comments:

_____

_____

_____

_____

Name _____ **Signature** _____

Title _____ **Date** _____

Weekly Equipment Usage Log

File name on CD
WkEquipUse

The *Weekly Equipment Usage Log* records the amount of time equipment spends at a jobsite, and on which phase or task of the job.

In addition, the log alerts a contractor to the down-time of each piece of equipment. Purchasing and maintaining machinery is expensive. It should be in use enough of the time to justify its cost. If the log shows too much idle time, you may want to re-evaluate the equipment's use — maybe you should sell it and rent one when you need it.

The field supervisor should fill out the log daily for each piece of equipment, and submit it to the office at week's end.

How to Use This Form

This is an in-house form, so it doesn't need all the company information at the top.

General Equipment Information

Here, the piece of equipment is identified, with the year, make, model number — or use the equipment ID# used in the office to track the piece of equipment. Contractors who own several pieces of equipment generally give each an ID number, such as the date of purchase, to keep track of them. If it's a vehicle licensed for the road, include the license number.

Completing the Form

Identify each project by job number and name. Most companies assign a numeric code to each task to facilitate job cost tracking and estimating — enter this code under *Task*. Under *Description,* briefly describe the particular work the equipment was being used for, such as setting trusses. It helps to know this, as often the task could be done by another piece of equipment you own. You may be keeping two machines when just one would suffice. Reviewing the form with this in mind could make a big difference to your bottom line. Owning and maintaining equipment is expensive. Don't keep more than you have to.

Under the appropriate days of the week, enter the hours the piece of equipment spent on each jobsite. Using this, your bookkeeper can charge the proper cost to each job.

Notice in our sample, on the 3rd line under *Job Number/Name,* we've listed 8 hours of idle time on Friday. By noting the idle time on our sample log, the bottom line, *Daily Total,* shows exactly how the Gehl Forklift was used for an entire 40-hour work week.

Weekly Equipment Usage Log

Quality Construction, Inc.

SAMPLE

General Equipment Information

Description: 2007 Gehl Forklift
Equipment ID#: 0609
Week Ending: 05/15/10
Entered By: Rachel Olsen

Job Number/Name	Task	Description	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
09-238 Taylor	0606	Roof framing	8.00	8.00					
09-235 Edgewood	0615	Set trusses			8.00	8.00			
Idle Time							8.00		
Daily Total			8.00	8.00	8.00	8.00	8.00		

Weekly Equipment Usage Log

General Equipment Information

Description: _____ **Week Ending:** _____

Equipment ID#: _____ **Entered By:** _____

Job Number/Name	Task	Description	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Daily Total									

Field Change Report

File name on CD
FieldChnge

Plan changes are common in construction projects, regardless of the scale of the work. If the project is large — with exacting specifications and contractual obligations — or small, always log every change requested and/or made in the field. The *Field Change Report* makes this easy.

Some changes are small and you may think they need no paperwork. No matter how small, *always* make the change in writing. It's better to fill out a *Field Change Report* and not need it than have the reverse happen. Don't be tempted to take the easy way out, or you'll only be hurting yourself. In many cases, a *Field Change Report* results in a change order.

How to Use This Form

Ideally, this form should be completed by the lead carpenter, site supervisor, or site engineer. They're in the best position to see what the proposed change would involve and its impact on the rest of the job.

Company information is entered at the top of the form, and the date.

General Information

The *General Information* area is for the usual project specifics: project number, name, and start date. But it also needs to give the precise location on the plans and specs of where the change is to be made. On a large or complicated project, it's a real timesaver to know with pinpoint accuracy where on the plans you can find specific details. In our example, the problem we encountered is a junction box that's the wrong size for that particular use.

Description of Change

In the *Description of Change* section, enter as much detail as possible about the problem and its solution, if resolved. The next question is whether this is a "general" or "isolated" problem. As you can see on our sample, this is an isolated one — there's just one such junction box and once it's replaced, the problem's over. If they wanted to change all the outlet boxes to a different type, then it would be a general problem.

If you suspect the details you give may not be accurate representations of the situation, attach an "as-built" sketch to clarify the field change, and check the *Yes* box to indicate that sketches are attached. On our sample report, the issue is simple, so no sketches are needed.

Be sure to identify the affected contractor or contractors. The benefit to completing this section is twofold: it helps keep your project rolling, while providing a record of the change for future reference.

Cost/Schedule Impact

You may need to alter the amount of time the affected contractor(s) need to be on the job, or have the date they begin work pushed back or moved forward, depending on the change requested. Enter the pertinent information in this section. Input from the site supervisor or foreman is valuable in determining changes in the project timeframe. In our example, it's not going to take a whole day to replace the junction box, but it *will* slow down other work on the job while it's being done. Putting in a one-day delay gives you some leeway in case some other related issue crops up.

The rest of the *Cost/Schedule Impact* section is completed in the office by the estimator, scheduler, or project manager, especially when a cost change is involved.

Signatures

The Jobsite Supervisor signs and dates the change report. The client signs it where indicated, a copy of the report is made, and is given to the client for his files. The original goes to your accounting office, and is put into the project's file.

Field Change Report

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

Date: 10/15/10

General Information

Project Number:	09-245	**Specs Section:**	10
Project Name:	Carriere Kitchen Remodel	**Page Number:**	05
Start Date:	09/30/10	**Drawing Number:**	10
		Sketch Number:	03
		Detail Number:	10
		Revision Number:	02

SAMPLE

Description of Change

Detailed description of problem:	Need new junction box in order to get electrical approval	
Proposed solution:	Replace junction box in cabinet under sink	
Is this problem general or isolated?	[ ] General	[X] Isolated
Are sketches attached to this report?	[ ] Yes	[X] No
Affected contractor(s):	ABC Electrical	

Cost/Schedule Impact

Cost of this Change (+/-):	+	$250
Change to Contract Timeframe (+/-):	+	1 day
New Completion Date:	10/31/10	

Mike Morley
Jobsite Supervisor

Mike Morley
Signature

10/15/10
Date

Nancy Carriere
Client Name

Nancy Carriere
Signature

10/16/10
Date

Field Change Report

Date: _____

General Information

Project Number:		**Specs Section:**	
Project Name:		**Page Number:**	
Start Date:		**Drawing Number:**	
		Sketch Number:	
		Detail Number:	
		Revision Number:	

Description of Change

Detailed description of problem:		
Proposed solution:		
Is this problem general or isolated?	[ ] General	[ ] Isolated
Are sketches attached to this report?	[ ] Yes	[ ] No
Affected contractor(s):		

Cost/Schedule Impact

Cost of this Change (+/-):
Change to Contract Timeframe (+/-):
New Completion Date:

Jobsite Supervisor	**Client Name**
Signature	**Signature**
Date	**Date**

Memorandum of Delay

File name on CD
MemoDelay

Most contracts don't allow time extensions unless notice is given within a time period specified in the contract. Use this *Memorandum of Delay* to give notice to clients, architects, and banks that work is behind schedule on your part of the project, and you need additional time to finish. Nobody's happy when this occurs, but it's an unavoidable part of construction. Weather, work stoppages, material supply problems, environmental concerns, government actions — all can bring about a delay and there isn't much anyone can do to stop it. The form alerts all concerned of the delay, states the cause, and estimates how much extra time you'll need. Some projects require strict schedule compliance, so in those cases, you may need to create a *Change Order* (discussed in Chapter 2).

How to Use This Form

The *Memorandum of Delay* is straightforward. Enter your company information and the date. Enter client and project information, as shown in our example. Remember to include the original contract date.

In the next section, enter the dates on which the delay or delays occurred, as well as the total number of working days involved. In our example, two days were lost due to rain.

Note the reason for the delay by checking the box that applies. There's an extra space for a reason other than those listed. Enter details in the *Notes* area. On our sample, we checked the *Weather* box as the reason for the delay, and explained in the *Notes* section that heavy rain stopped work.

Sign and date the form and send a copy of it to the client. Keep the original in the office accounting department, in the project file.

Memorandum of Delay

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

Date: 05/03/10

Client Information		Project Information	
Name:	Darrin Fox	**Project Number:**	09-237
Address:	1316 Washington Bayshore, CA 94545	**Project Name:**	Foxwood Suites
		Orig. Contract Date:	02/05/10
Telephone:	650-555-9000		

Due to circumstances beyond our control, a delay of 2 working days has occurred in the project schedule.

Date(s) of delay: 04/29/10 and 04/30/10

X Weather

___ Extra work

___ Governmental actions

___ Lack of requested information

___ Incomplete drawings & specifications

___

Notes:
Heavy rain stopped work for 2 full days.

SAMPLE

Quality Construction, Inc. Madison Mitchell, Owner
Company/Representative

Madison Mitchell
Signature

05/03/10
Date

Memorandum of Delay

Date: _____

Client Information		Project Information	
Name:		Project Number:	
Address:		Project Name:	
		Orig. Contract Date:	
Telephone:			

Date(s) of delay: _____

___ Weather

___ Extra work

___ Governmental actions

___ Lack of requested information

___ Incomplete drawings & specifications

___ _____

Notes: _____

_____
Company/Representative

_____
Signature

_____
Date

Potential Backcharge Notice

File name on CD
BkchrgNote

A backcharge can be levied on any subcontractor whose work is found to be deficient or incomplete after he's finished and has left the job. The *Potential Backcharge Notice* is sent to the contractor advising him of the problem and giving him the opportunity to correct it. It specifies the date by which the work must be corrected to avoid the backcharge.

Usually, when a subcontractor gets a backcharge notice from a general contractor, he's quick to make amends. It's cheaper to fix a problem yourself than to pay a backcharge for someone else to fix it. Plus, your reputation is at stake. If the general ends up having to fix your mess, word will soon get around.

How to Use This Form

After entering your company information and the date at the top, complete the first section with the subcontractor and project information. Be sure to include the date you originally contracted with the sub.

The first section of this notice describes the type of deficiency that needs to be corrected — defective work, incomplete work, etc. On our sample, if Quality Construction has to correct Arturo's defective work with its own money and crew, or hire another sub, Arturo will be backcharged. That is, unless he agrees to fix the problem himself.

In the next section on our sample, we cite the article of the contract that specifies the sub's responsibilities, the date the deficiency needs to be corrected by, and what the backcharge will be if it's not fixed by that date.

Use the Notes section to describe the problem. Be specific. If Arturo doesn't know what he's supposed to fix, unless it's very obvious, like a cabinet door missing or a pile of trash in the corner, he's not going to fix it. If necessary, attach photos or documentation illustrating the situation.

Sign and date the form, and make a copy for your files. Send the notice to the subcontractor via certified mail, return receipt requested.

Potential Backcharge Notice

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

Date: 05/15/11

Subcontractor Information		Project Information	
Name:	Arturo's Cabinets	**Project Number:**	09-238
Telephone:	650-555-5511	**Project Name:**	Taylor Kitchen Remodel
Fax:	650-555-5111	**Orig. Contract Date:**	04/12/11

SAMPLE

It's apparent that Quality Construction, Inc. will incur additional expense due to the following:

X Correcting defective work
___ Finishing incomplete work
___ Repairing damage to finished surfaces
___ Debris removal and cleanup

X Please refer to Article II of the Contract.
X Please complete the work noted below, in accordance with our signed Contract, by 05/21/11 to avoid backcharges.
X Estimated backcharge cost: $500
___

Notes:

Three of the lower cabinet doors will not close properly, possibly due to incorrect placement of the hinges, or cabinets out-of-square. Shelf inside upper cabinet at left of cooktop is unstable. All the drawers bind slightly, possibly from faulty or incorrectly-placed runners.

Madison Mitchell, Owner, Quality Construction, Inc.
Representative's Name and Company

Madison Mitchell
Signature

05/15/11
Date

Potential Backcharge Notice

_____

_____

_____

_____

_____

_____ **Date:** _____

Subcontractor Information		**Project Information**	
Name:	_____	**Project Number:**	_____
Telephone:	_____	**Project Name:**	_____
Fax:	_____	**Orig. Contract Date:**	_____

It's apparent that _____ will incur additional expense due to the following:

___ Correcting defective work

___ Finishing incomplete work

___ Repairing damage to finished surfaces

___ Debris removal and cleanup

___ _____

___ Please refer to Article _____ of the Contract.

___ Please complete the work noted below, in accordance with our signed Contract, by _____ to avoid backcharges.

___ Estimated backcharge cost: $ _____

___ _____

Notes: _____

_____

_____

_____

_____

Representative's Name and Company

_____

Signature

_____

Date

Delay Notice

File name on CD
DelayNote

The *Delay Notice* officially informs a subcontractor or supplier that project completion is being delayed by something he's done or failed to do. The form gives him a chance to correct the situation before you take other measures, such as holding him liable for damages, or hiring a substitute contractor or supplier.

Sending a *Delay Notice* may seem cold and unfriendly. Not in the least. By the time you send this, your lead carpenter or the foreman will have brought the issue to his attention several times. You're simply following up by formally putting him on notice, and telling him the consequences he may face.

How to Use This Form

Enter your company information and the date at the top of the form. Complete the next section, which identifies the subcontractor or supplier causing the delay. Be sure to enter the project information, as well as the original date of the contract with the sub or supplier.

In the body of our sample form, we inform the deck contractor, Justin Jones of Jones Deck Builders, that he's disrupting the project schedule by being late in completing his part of the job. Checkboxes on the form indicate suggested courses of action to remedy the situation. In our sample, we recommend that Mr. Jones put additional crew members on the job in order to finish by the agreed-upon completion date.

Since this *Delay Notice* might become the basis for legal action, it's important to document damages you'd claim as a result of the delay. Use the *Notes* area for this, and restate the sub's or supplier's responsibilities, and that the project is being affected by his delay.

The *Delay Notice* must be signed by the company's owner or his designated representative. Then fax it, and also send a copy, by certified mail, to the sub or supplier.

Finally, put the a copy of the *Delay Notice* in the job folder.

Delay Notice

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

Date: 07/11/10

Subcontractor/Supplier Information		Project Information	
Name:	Justin Jones/Jones Decks	**Project Number:**	09-237
Address:	1 Clayton Road Clayton, CA 94520	**Project Name:**	Foxwood Suites
		Orig. Contract Date:	06/20/10
Telephone:	650-666-1111		
Fax:	888-666-1112		

SAMPLE

You are causing a delay to the above project. We request that you do whatever is necessary to get back on schedule, including but not limited to:

___ Overtime Work

X Adding Workers

___ Better Organization of Efforts

___ Using More Experienced Personnel

___ Supplying Needed Tools and Materials

___

Notes:
You were scheduled to complete work on the deck by July 13. As of today, work is still largely unfinished, and unless steps are taken, it will delay the paint contractor, who is scheduled to begin another job in one week. You may be liable for liquidated damages of $1,000 per day if you don't finish the project by the completion date on our Subcontract Agreement of June 20, 2010. Please contact Madison Mitchell at Quality Construction immediately to discuss prompt completion, or we may be forced to hire another contractor to finish your work.

Madison Mitchell, Owner, Quality Construction, Inc.
Contractor Name

Madison Mitchell
Signature

Delay Notice

_____
_____
_____
_____
_____
_____

Date: _____

Subcontractor/Supplier Information		**Project Information**	
Name:	_____	**Project Number:**	_____
Address:	_____	**Project Name:**	_____
	_____	**Orig. Contract Date:**	_____
Telephone:	_____		
Fax:	_____		

You are causing a delay to the above project. We request that you do whatever is necessary to get back on schedule, including but not limited to:

___ Overtime Work

___ Adding Workers

___ Better Organization of Efforts

___ Using More Experienced Personnel

___ Supplying Needed Tools and Materials

___ _____

Notes:

_____
_____
_____
_____

_____
Contractor Name

_____
Signature

Field Problem Report

File name on CD
FieldProb

All businesses have to deal with daily problems, and construction companies are certainly no exception. Use the *Field Problem Report* to communicate issues from the field to the office, and to create a written record of those issues. Put a copy in the job file for future reference.

Usually, when a problem comes up, the foreman immediately calls the concerned party, such as the sub or the supplier, and action is taken to deal with it. By the time it's formally written up, everyone's aware. But sending those involved a written copy of the report documents the situation. If there's a dispute later, you're not relying on memory or point of view to prove your case. Plus, if the problem turns out to be bigger than it seemed and ends up in court, a signed document written at the time carries significant weight. That's why the report includes all the details — the project name and number, the weather (for outdoor projects where the weather could be a factor), who's on the job — details that could become important — that you won't think to write down if you're just using a notepad.

How to Use This Form

Enter your company name, and date the form. If the problem lies with one of your subs, as in our sample, list the sub's name and contact information. Enter the project number, name and address.

The Problem

Explain the problem in detail. If some background information will make it more clear, provide that too. In our sample, we've explained what color cabinets the client wanted, what color was delivered, what steps have so far been taken — in this case, stopping installation — and what needs to be done to set it right. The report makes it clear that Arturo is the one who has to get the problem resolved.

If, a month down the road, Arturo submits an additional bill for the change, you'll be glad you have this record.

It's a good idea to have the client sign the form too. It lets them know that you're dealing with it, but it's also getting their signature, agreeing that you've correctly stated the problem.

Field Problem Report

Quality Construction, Inc.

Date: 02/10/11

Contractor Information		Project Information	
Name:	Arturo's Cabinets	**Project Number:**	09-238
Telephone:	650-555-9000	**Project Name:**	Taylor Kitchen Remodel
		Project Address:	2332 Alderhil Dr. Bayshore, CA 94545

Present at the site:

Bill Greene, Arturo's Cabinets

Weather (if a factor):

SAMPLE

The following problem was noted:

Customer claims that the cabinets are the wrong color stain. She asked for dark cherry, but the cabinets delivered appear to be maple. Installation has been delayed until Arturo or his representative comes to the work site and resolves the issue with the customer.

Mike Morley, Jobsite Supervisor	Nancy Taylor
Contractor Name	**Client Name**
Mike Morley	*Nancy Taylor*
Signature	**Signature**
02/10/11	02/10/11
Date	**Date**

Field Problem Report

Date: _____

Contractor Information		Project Information	
Name:		Project Number:	
Telephone:		Project Name:	
		Project Address:	

Present at the site:	Weather (if a factor):

The following problem was noted:

Contractor Name	Client Name
Signature	Signature
Date	Date

Project Closeout Checklist

File name on CD
ProjClsList

The end of a project for the contractor is the beginning of the client's transition into the new structure. So it's important that project closeout be handled with care, to make that transition as smooth as possible. The impression he's left with is what he'll remember most — and relate most often to friends and associates.

The *Project Closeout Checklist* will help you remember all the little details needed to finalize a project. It's also a good resource to identify who's responsible for final tasks.

How to Use This Form

Enter your company name, and date the form. This is an in-house checklist, so no other company information is necessary.

Client and Project Information

Enter the client's name, address, and phone number; then the project number, name, and address.

Final Tasks

Assign the responsibilities to specific employees, so that each task needed to close out the project will be accomplished. Task responsibility is indicated by an X in the column under the person's job title. Initials entered in the *Initials* column indicate the task is complete.

Notice that some tasks we've listed on our sample can be performed by more than one representative. By requiring initials, the responsible party is identified, in the event there's any question about the completion of that closeout task. These won't *always* be the same four people that we include on our sample — estimator, project manager, supervisor and foreman. Those are the positions at Quality Construction, Inc. Add or change the headings to whatever applies in your company.

Obviously, no list can identify every closeout item for every type of construction job. As with all our forms, the *Project Closeout Checklist* can be modified by adding your own items. Remove or change any of the tasks, and add any extras in the blank rows at the bottom of the list.

Project Closeout Checklist

Quality Construction, Inc. **Date:** 07/10/10

Client Information		Project Information	
Name:	Darrin Fox	**Project Number:**	09-237
Address:	1316 Washington Bayshore, CA 94545	**Project Name:**	Foxwood Suites
		Project Address:	1262 Crestview Seashore, CA
Telephone:	650-555-9000		

Responsibility for final tasks lies with the representatives indicated below.

Final Tasks	Estimator	Project Manager	Supervisor	Foreman	Initials
1. Coordinate final utility and service connections				X	BO
2. Complete checklists for client approval		X		X	CJ BO
3. Arrange for final inspection		X	X		CJ RR
4. File Notice of Completion		X			CJ
5. Thoroughly clean jobsite		X		X	CJ BO
6. Conduct final walk-through with client and contractors		X	X	X	CJ RR BO
7. Process final payment from client or lender	X				MM
8. Assist in systems start-up		X	X		
9. Obtain warranties and lien releases from subcontractors			X		
10. Provide owner's manual, project literature and warranties		X			
11. Procure as-built drawings			X		
12. Obtain maintenance/operating instructions for client		X	X		
13. Initiate appropriate preventive maintenance program			X		
14. Show client equipment operation and any maintenance				X	
15. Provide warehouse parts and materials as required			X	X	
16. Publish final project meeting schedule	X				
17. Dispose of excess materials				X	
18. Remove temporary facilities, tools and equipment			X		
19. Transfer/obtain sign-off for keys		X	X		
20. Obtain letter of recommendation from client		X			
21. Follow up with client 30 days after completion of job			X		
22.					
23.					
24.					
25.					

SAMPLE

Project Closeout Checklist

Date: _____

Client Information		Project Information	
Name:		Project Number:	
Address:		Project Name:	
		Project Address:	
Telephone:			

Responsibility for final tasks lies with the representatives indicated below.

Final Tasks					Initials
1. Coordinate final utility and service connections					
2. Complete checklists for client approval					
3. Arrange for final inspection					
4. File Notice of Completion					
5. Thoroughly clean jobsite					
6. Conduct final walk-through with client and contractors					
7. Process final payment from client or lender					
8. Assist in systems start-up					
9. Obtain warranties and lien releases from subcontractors					
10. Provide owner's manual, project literature and warranties					
11. Procure as-built drawings					
12. Obtain maintenance/operating instructions for client					
13. Initiate appropriate preventive maintenance program					
14. Show client equipment operation and any maintenance					
15. Provide warehouse parts and materials as required					
16. Publish final project meeting schedule					
17. Dispose of excess materials					
18. Remove temporary facilities, tools and equipment					
19. Transfer/obtain sign-off for keys					
20. Obtain letter of recommendation from client					
21. Follow up with client 30 days after completion of job					
22.					
23.					
24.					
25.					

Project Closeout Letter

File name on CD
ProjClsLetr

The *Project Closeout Letter* requests warranties, shop drawings, and maintenance manuals from each subcontractor. It's sent to them by the general contractor when a project is nearing completion.

How to Use This Form

Enter your company name, contractor's license number, etc. and then address one letter to each sub at his business address, referring to the project by number, name, and description of the work completed.

In our sample letter, Sarah Olsen, office manager of Quality Construction, lets Justin Jones know that, in order to close out the job, he needs to provide the items she's checked. In this case, he needs to sign and return the warranty form she's enclosed, along with the maintenance manuals.

By stating that final payment won't happen *until* the requested documents have been received, the letter usually brings about a speedy response.

Mail this letter, along with any documents needing a signature, such as the warranty, to subcontractors when their work on the project is completed. A sample Warranty is provided in Chapter 3.

4-car covered parking & storage structure

Dear Mr. Jones:

In order to close out this contract and facilitate final payment to you, we request that the following be completed and returned to our office:

_X_ Warranty

_X_ Maintenance manuals

___Shop drawings

___Review and sign the enclosed warranty form

SAMPLE

Please submit as soon as possible. If you have any questions, contact us at the phone number or email address listed above.

Note: Final payment will be withheld until this information is received.

Sincerely,

Sarah Olsen

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

Re: Project # _____ , _____

_____

Dear _____ :

In order to close out this contract and facilitate final payment to you, we request that the following be completed and returned to our office:

___ Warranty

___ Maintenance manuals

___ Shop drawings

___ Review and sign the enclosed warranty form

Please submit as soon as possible. If you have any questions, contact us at the phone number or email address listed above.

Note: Final payment will be withheld until this information is received.

Sincerely,

_____

_____

_____

Enclosure

Final Project Punch List

File name on CD
FinalPunch

Wrapping up loose ends at the completion of a construction job can get awkward, especially if the client is picky, or if your crew or subs got a little careless at the end. The *Final Project Punch List* gives the client a place to list items that need to be fixed or finished, and to note any faulty or unsatisfactory work.

It's important to stress that, other than justified warranty work, this is his *final* opportunity — that he can't report more things at a later date.

How to Use This Form

The general contractor or project manager fills out the top, including his name as the person making the list. Client details and the project information also go here in case there are a number of jobs for this client, or at this location.

Any repairs needed, deficiencies, omissions, or problems are detailed in the *Description* column. After the walk-through is completed and items noted, the project manager makes a copy of this list and gives it to the client. The original goes back to the main contracting office, for further review.

The items on this form become part of the final "pickup" list to be addressed prior to project completion. The superintendent, project manager, foreman, or a "pickup man" is assigned to make the changes. As each task is completed, the project manager enters the date in the *Date Completed* column, and the client is notified of completion.

When all the changes are inspected and accepted, the client enters his initials in the *Client's Approval* column, to indicate satisfaction with the work done.

Final Project Punch List

Completed by: _____ **Date:** _____

Client Information		**Project Information**	
Name:		**Project Number:**	
Address:		**Project Name:**	
		Project Address:	
Telephone:			

Item #	Description	Date Completed	Client's Approval (Initials)

Accident Report

File name on CD
Accident

Every employer has the legal obligation to provide and maintain a safe workplace. The best approach to limiting workplace accidents and injuries is to prevent them from happening in the first place. However, accidents happen when you least expect them, and you need a plan in place for when they do.

Taking risks is part of owning a business. To remain competitive, you have to take some risk, but *never* in the area of workplace safety. You can't compromise your employees' safety, for any reason.

Accidents cost you money, whether it's in the form of a medical bill, time lost due to the worker's injury, or an increase in insurance rates. Those are expenses that few can afford, especially small business owners.

Using the *Jobsite Safety Checklist,* discussed earlier in this chapter, will help you reduce the risk of potential hazards before they take a toll on your business. But if an accident *does* happen, this *Accident Report* form will help you gather the legal and insurance information normally required.

How to Use This Form

When an accident occurs, the employee's supervisor or a company representative should complete the *Accident Report* and submit a copy of it to the main office within 24 hours. Most importantly, the information entered on the report must be as comprehensive as possible.

General Information

Complete the section about the injured party — name and address, phone numbers, date of birth, Social Security number, etc. Provide his trade, e.g. carpenter, his work status — full-, part-time, or a contract employee, and how long he's been working for the company.

The more details given about the accident, the better. Don't think that if the injury is minor, it's not worth taking the time to note every detail. When it comes to what seems like the most-trivial of injuries, if it happened on the job, you'll be surprised at how big and complex it can get.

- Date and Time of Injury
  Enter the date and the time of day the injury occurred. Be as exact as possible. It can matter if it was at the beginning of the day or after a full day's work.

- Type of Injury
  Was it a cut, a puncture wound, a concussion, etc?

- Part(s) Injured
  Name the body part. State if it was a left or a right.

- Location Where Injury Occurred
  Identify the job site.

- Work Time Lost?
  If time was lost from work due to the injury, enter the amount of time lost.

- Was Professional Treatment Sought?
  If professional medical care was involved, state where and by whom.

- Treatment
  State what treatment was given. In our example, Juan got three stitches.

What Caused the Injury?

It's important to state what condition or event led to the injury. A majority of accidents could have been prevented, and in the event of a serious injury, OSHA may ask what steps have been taken to ensure it doesn't happen again. For example, our sample *Accident Report* states that the foundation crew, who were on-site before the carpenters, left metal debris on the slab. Juan Jerome cut his thumb on a sharp edge when he picked it up to remove it.

Name and Address of Witnesses

Ideally, you want to speak to anyone who saw the accident. Juan's injury was witnessed by another Quality Construction employee, site supervisor Mike Morley.

Explain Corrective Action Taken

What was done to make sure this doesn't happen again? Every injury is a learning experience, and an opportunity to make jobsites safer for your workers. After the accident in our sample, Mike Morley cautioned all the subs that they must leave the work site broom-clean to avoid further injuries of this sort.

Person Completing the Form and the Injured Party

Finally, the signatures of both the company representative (usually the person who completed this form) and the injured worker are needed. Put the completed form in the job folder.

By following the *Accident Report*'s sequence line by line, information can be recorded in short order. You'll find that your safety list gets longer, the longer you're in business. Go over site safety rules each time you begin a project, and remind your workers to be aware of their personal safety, and mindful of others' safety, too.

Accident Report

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

Date: 01/20/10

General Information

Name of Injured:	Juan Jerome	**Date of Injury:**	01/20/10
Home Address:	110 Tan Oak Drive	**Time of Injury:**	1:30 PM
City, State, Zip:	Bayshore, CA 94545	**Type of Injury:**	Cut
Home Phone #:	650-555-1212	**Part(s) Injured:**	Left thumb
Cell Phone #:	650-444-0101	**Location Where Injury Occurred:**	Foxwood Suites Project
Date of Birth:	02/09/85	**Work Time Lost?**	3 hours
Sex (M/F):	M	**Was Professional Treatment Sought?**	Yes
SS#:	987-65-4321	**Medical Facility:**	Intermediate Care Clinic
Job Title:	Carpenter	**Address:**	2 Abbey Road, Seashore, CA
Status:	Full-time	**Name of Attending Physician:**	Bernard Marcus, MD
Employed How Long?	1 year	**Treatment:**	Received 3 stitches

SAMPLE

Describe What Happened to Cause the Injury

A piece of metal was left on the slab by the foundation contractors. Juan picked it up and cut his left thumb on a jagged edge.

Name and Address of Witness(es)

Mike Morley, Foreman, Quality Construction, Inc.

Explain Corrective Action Taken

Work area has been thoroughly cleared and crews and subs have been advised of the injury and warned that it is their responsibility to leave the site free of debris.

Person Completing Form	**Person Injured**
Mike Morley	Juan Jerome
Name	**Name**
Mike Morley	*Juan Jerome*
Signature	**Signature**

Accident Report

Date: _____

General Information

Name of Injured	Date of Injury
Home Address	Time of Injury
City, State, Zip	Type of Injury
Home Phone #	Part(s) Injured
Cell Phone #	Location Where Injury Occurred
Date of Birth	Work Time Lost?
Sex (M/F)	Was Professional Treatment Sought?
SS#	Medical Facility
Job Title	Address
Status	Name of Attending Physician
Employed How Long?	Treatment

Describe What Happened to Cause the Injury

Name and Address of Witness(es)

Explain Corrective Action Taken

Person Completing Form

Name

Signature

Person Injured

Name

Signature

Human Resource Forms 7

It's time-consuming and expensive to interview, hire, and train good employees (and even more expensive to hire the wrong ones). Considering the time and money you'll invest in their training, when you get a good one, you want to keep him or her with the company as long as possible. This chapter contains a variety of employee-related forms to help you find, keep and make the most out of the people who can make or break your company.

The Forms

Employment Application, *249*
This form offers a preliminary look at potential employees. Reviewing these will help you decide who to call in for an interview. Then, combined with the results of the interview, you should have the details you need to make your final selection.

Employee Data Sheet, *252*
Use this form to gather information that you need to have in the employee's file. It's important to include up-to-date emergency contacts and medical information. Update the fom every time the employee advises you of a change of address, contact phone numbers, or a medical condition.

Driving Record Verification, *255*
You don't need any accidents with your company vehicles. Use this form to help keep an employee with a bad driving record from getting behind the wheel of a company vehicle, and sending your insurance premiums skyrocketing.

Company Policy, *257*

It's important that all employees know what you expect of them, and what the rules are. The sample form provided has been tested, used and improved upon over many years, and is a good base from which to develop your own company policy. Change it to suit your business and management style.

Employee Evaluation, *261*

Feedback is important. This evaluation form is a valuable means of communicating to each employee how well he's doing and what, if anything, can be improved. It should always be accompanied by a face-to-face meeting.

Employment Application

File name on CD
EmplmntApp

All job applicants need to complete an *Employment Application*. While the form can be brief, it's important to gather enough information so you can filter out those applicants who clearly don't fit the bill — you can't interview everyone who applies.

The form, besides providing information for payroll if the person is hired, also gives clues beyond what is stated, as to other qualities or deficiencies the applicant may have. For example:

- If the person is careless in filling out the application, or doesn't provide full information, you could have a problem getting other forms — like timecards, job reports, etc. — completed, too.
- Someone who hurries through and misses portions of the form is probably not detail-oriented and may miss job tasks you assign to him.
- If the applicant is evasive when completing questions like, "Have you ever been arrested?" or "Do you have any physical limitations?" you should wonder if there's something he prefers you not know.

How to Use This Form

Enter your company name in the space at the top. Since this is an in-house form, no other company information is necessary. Date the form and give it to the job-seeker to complete. Another option, especially helpful if you don't keep your office manned all day, is to email applicants the blank form (included on the CD in the back), which they can fill out on their computer and email back.

General Information

Name, address, and telephone number are requested in this section, as well as the applicant's contractor's license number, and a contact name and telephone number for contact in an emergency.

Education

The information provided here helps you evaluate the applicant's abilities. Ideally, you're looking for someone with at least a high school diploma or the equivalent.

If you choose to have the person come in for an interview, you can get more information at that time, and determine more precisely the level of skill he'll bring to the position.

Additional Information

Some questions in this section of the *Employment Application* are also found on the *Employee Data Sheet*, discussed later in this chapter. You may want to cross-reference the information on the forms to ensure they're consistent, especially regarding medications and physical limitations.

References

One of the most important parts of this form is the area for references. If you haven't been scrupulous in the past, start checking references now. The input from a previous employer could save you from the expensive mistake of hiring the wrong person. It takes only a few minutes to make a phone call or two, and you may get information that could affect the future, or reputation, of your company.

Signature

When the applicant is finished with this form, he'll sign and date it.

If he's later hired, the information you gather here can be forwarded to payroll. Keep this application with the other employees' applications in your personnel file.

Employment Application

Date: _____

General Information:

Name: _____

Address: _____

_____

Telephone: _____

Contractor's License #: _____

Emergency Contact: _____ **Telephone:** _____

Education:

Years of school completed: _____

Additional Information:

Do you have a fear of heights? _____

Are you claustrophobic? _____

Do you have a fear of electricity? _____

Do you have your own transportation? _____

Year, make, model. _____

Do you have any physical limitations? _____

Please provide details. _____

Illness/medication that may affect your employment? _____

Type of work desired: _____

Do you have your own tools? _____

Amount of previous experience? _____

Have you ever been arrested? _____

If yes, please provide details _____

List Three References:

Company Name	Contact	Telephone	Fax

_____

Signature

_____

Date

Employee Data Sheet

File name on CD
EmployData

When you hire a new employee, have them immediately fill out the *Employee Data Sheet.* It asks for information beyond what you may ask on a job application, but which you should have on file when the person becomes an employee. After he's filled it out, conduct what you could call an Employee Welcome meeting, in which you or someone on your staff review the data sheet with the new employee to make sure everything is correct.

Once he's an employee, it's important you have *all* the facts. If there are any negatives, which perhaps weren't asked for or were skirted around on the application, he at this point should feel comfortable giving you the whole story. You hope he will become a trusted employee, and this is a good time to establish that trust. If an issue concerns you, or if something doesn't jive with what he put on the application, you can now simply ask. Explain that this is primarily for reference in case of an emergency.

How to Use This Form

The *Employee Data Sheet* is an in-house form, so you only need your company name and the date at the top.

Interviewed by

The person conducting this interview puts his name at the top. If problems with this employee should arise, it may be helpful to know who spoke with him and what was discussed. In our example, Madison Mitchell conducted the welcome interview with Tom Thornburg, who was hired as a carpenter.

General Information

Name, Address, and Telephone number are required here, as well as Occupation, Contractor's License #, date of birth (DOB), and Social Security #.

Emergency Contact

This information on the *Employee Data Sheet* must be kept up-to-date, for obvious reasons. Periodically review the form with your employee. Be sure to keep primary and alternate contact information current.

Emergency Medical Information

The employee should list any and all medical conditions, not just those that could limit his ability to perform his job, but any that could be crucial in an emergency. If there's an accident or sudden illness on the job, the superintendent or foreman will need to inform the medical personnel of any issues, such as diabetes, epilepsy, or allergies, such as to bee stings. If he has any physical limitations, the superintendent or foreman should be informed of those before the employee begins work.

File the original data sheet in the employee's personnel folder, and a copy in an easily-accessible file in the main office so that, in an emergency, you can get to the information as quickly as possible. On remote projects, the superintendent or foreman should place a copy of each employee's data sheet in the work site office.

Employee Data Sheet

Quality Construction, Inc. **Date:** 05/10/10

Interviewed by: Madison Mitchell **Start Date:** 05/15/10

General Information:

Name:	Tom Thornburg	**Occupation:**	Carpenter
Address:	1333 Carlotta Avenue	**Contractor's License #:**	246990
	Bayshore, CA 94545	**DOB:**	6/28/1981
Telephone:	415-555-4117	**Social Security #:**	222-55-5555

SAMPLE

Emergency Contact:

Primary Contact:	Julie Thornburg	**Alternate Contact:**	John Thornburg
Relationship:	Mother	**Relationship:**	Father
Telephone:	415-555-5690	**Telephone:**	415-555-9090
Address:	23 Clay Court	**Address:**	549 Cordova Blvd.
	Bayshore, CA 94545		Bayshore, CA 94545

Emergency Medical Information:

Allergic to penicillin.

Employee Data Sheet

Date: _____

Interviewed by: _____ Start Date: _____

General Information:

Name: _____ Occupation: _____

Address: _____ Contractor's License #: _____

_____ DOB: _____

Telephone: _____ Social Security #: _____

Emergency Contact:

Primary Contact: _____ Alternate Contact: _____

Relationship: _____ Relationship: _____

Telephone: _____ Telephone: _____

Address: _____ Address: _____

_____ _____

Emergency Medical Information:

_____

_____

_____

_____

_____

_____

Driving Record Verification

File name on CD
DrivRcdVer

Every employee who might be driving a company car or truck must fill out a *Driving Record Verification.* Your company's insurance carrier will probably require a list of those authorized to drive a company vehicle. Anyone with a poor record is likely to be excluded from the policy.

The data will also give you a heads-up on any workers who should, as much as possible, be kept out of the driver's seat of your company's vehicles.

How to Use This Form

Since this is an in-house form, you only need your company name at the top.

General Information

Here the employee enters his Name and Address, Telephone, DOB, Driver's License #, including the state of issue and Expiration date. He must also have proof of auto insurance. In most states, that consists of an ID card with the policy number and the insurance company's emergency contact numbers. If an employee can't show that an insurance company is willing to insure him, there may be a reason. You may not want to insure him either.

Questionnaire

There are only four questions in this section, but a "Yes" to any of them could be cause for concern. However, if he puts down a "Yes" for an accident within the past three years, and has proof that he wasn't at fault, you shouldn't hold it against him. In most accidents, only one of the parties was at fault.

Signature

In signing and dating this form, the employee certifies that all the answers provided are accurate, and gives you permission to verify his driving record. Be sure you do. Put a copy of the *Driving Record Verification* in the employee's personnel file.

Driving Record Verification

_____

General Information:

Name:	_____	**DOB:**	_____
Address:	_____	**Driver's License #:**	_____
	_____	**Expiration:**	_____
Telephone:	_____	**Current Ins. Company:**	_____
		Policy #:	_____

Questionnaire:

1. Has your driver's license ever been suspended or revoked? [ ] Yes [ ] No
   If yes, please explain:
   _____
   _____
   _____
2. Have you ever been cited for driving under the influence of drugs or alcohol? [ ] Yes [ ] No
   If yes, please explain:
   _____
   _____
   _____
3. Have you received any moving violations within the past 3 years? [ ] Yes [ ] No
   If yes, please explain:
   _____
   _____
   _____
4. Have you been involved in any accidents within the past 3 years? [ ] Yes [ ] No
   If yes, please explain:
   _____
   _____
   _____

I certify that the above information is correct.
You are authorized to verify my driving record with the Department of Motor Vehicles.

_____ _____

Signature **Date**

Company Policy

File name on CD
CompPolicy

Company policies evolve over time, generally added to as unfortunate events, one by one, bring to light what would have been good to already have had in there. The sample *Company Policy* provided here is short but comprehensive, and is based on one from an Indiana construction company that put 40 years of improvements into it. A copy of the *Company Policy* should be given to each worker when he begins employment. It outlines what you expect from employees, as well as what they can expect from you. Customize the *Company Policy* to reflect your philosophy and expectations; and inevitably, add to it as circumstances require.

In this instance, we have not provided a printed copy with blanks for the user to fill in with their own policy preferences. There are so many elements that are up to the company management, the type of business, and the laws in your state, that it wouldn't be practical — there would be more blank spaces than words. If you're not using the digital copy provided on the CD in the back of the book, simply create your own, using the sample that follows as a guide.

How to Use This Form

In our *Company Policy*, we start with topics of interest to employees: *Compensation* and *Work Hours*.

Compensation

This section gives an outline of the normal work week, overtime pay, and any other pay-related situations, including raises and advances.

Work Hours

This is a common section in any company's policy, and includes hours of work, number and length of breaks, and what are paid breaks.

Dress Code

Basically, here's where you set parameters for appropriate work attire. You may say it doesn't matter what your workers wear, just as long as they get the job done. But if someone comes to work wearing something you consider

outrageous, and you don't have the rules spelled out in your company policy, you could have trouble enforcing what you consider appropriate attire. Discrimination lawsuits filed by disgruntled employees *do* happen.

Benefits

The first three sections will get the worker through the first week or so. But he'll soon be wondering about company benefits — vacation, sick time and holidays. It's good to cover how these will be affected in the event of layoffs.

Customize each section to describe your company's compensation package.

Safety

This section includes the regulations employees must follow in order to remain accident-free on the work site. A good source for information to post at all construction sites can be found at `www.osha.gov`.

Injuries

In the event there *is* an injury to a worker on the job, it must be reported to the main office, as well as to the company doctor. If an injury is severe and needs immediate attention, the employee is taken to the nearest hospital, at the address specified in this section of the *Company Policy.*

Cellular Telephone Policy

Most companies supply a phone to communicate with employees during work hours.

If your company supplies phones to your staff, remember to set clear rules as to who pays the bill. The employee is welcome to use it for personal calls — it's a benefit he'll appreciate — and you'll cover the cost up to a certain, *clearly-specified* amount. But you don't want to find yourself paying for his nightly chats with his girlfriend on the opposite coast. And since cell phones are easily misplaced or damaged, it's also important to specify who's responsible for upkeep or loss.

Quality Construction, Inc.
Company Policy

Compensation:
Employees are paid by the hour, and paychecks issued weekly. The work week begins on Thursday at 7 a.m. and ends on Wednesday at 5 p.m. Work beyond 40 hours in any week (excluding vacation, holiday, and sick hours) is paid at 1½ times the regular hourly wage. (By law, vacation, sick, and holiday hours are not considered regular hours worked.) Conventions, training, etc. will be paid at the regular hourly rate. Raises are based on job proficiency and company profit. All debts due the company will be deducted from weekly pay unless other arrangements are made.

Work Hours:
The number of hours worked per week will be based on the amount and type of work available. No employee may work more than six hours without a 30-minute (unpaid) meal break, in addition to a 15-minute (paid) break in any four-hour period. Any variation must be approved in advance by management.

SAMPLE

Dress Code:
All employees are to dress appropriately for their positions. Clothes should be neat and clean, without any holes or inappropriate messages. Shirts must be worn during working hours, and short shorts or short skirts are not allowed. Any variation must be approved in advance by management.

Benefits:
Full-time employees will become eligible for benefits after six months of full-time employment. All sick pay and vacation pay will be calculated from the first day of employment. If an employee is temporarily laid off, and then rehired, seniority will continue, but sick pay and holiday pay will not be paid for the lay-off period.

Vacation Pay:
Full-time employees will be paid one 40-hour week vacation after each anniversary date. Two 40-hour weeks will be paid after the third anniversary. Three 40-hour weeks of vacation will be paid after the tenth anniversary. All employees with multiple-week vacation time must take at least one week off per year. Options for the remaining weeks are:

a) Employee may be paid for remaining vacation time without taking the time off. This will be paid on the same pay date as the employee's anniversary date.
b) Employee may delay taking vacation for up to eight months following his anniversary date, but may take no more than two weeks off consecutively, unless previously approved by management.
c) All of the above must be approved by management at least 60 days prior to anniversary date.

Sick Pay:
A total of 40 hours is available to full-time employees for sick pay each year. Any time off will be considered sick pay and automatically paid in no less than four-hour increments. No more than eight hours a week can be taken without a doctor's note. At the end of one year from the anniversary date, employee will be reimbursed for any sick pay not previously paid. Other than emergency situations, the main office should be notified of sickness at least one hour before starting time.

Holiday Pay:
Full-time employees will receive six paid holidays per year. To receive holiday pay, you must work either the normal workday before or the normal workday after the holiday. These six holidays are: New Year's Day, Memorial Day, 4th of July, Labor Day, Thanksgiving Day, and Christmas. When a holiday falls on a Saturday, it will be taken Friday; if on a Sunday, the holiday will be Monday.

SAMPLE

Time Off:
Any time off taken should be approved by management at least two days in advance. Notify management of vacation at least 30 days in advance.

Safety:
All OSHA regulations are to be followed, as posted at the work site. Attendance at safety meetings is required. All construction employees must wear safety shoes, and will be given hard hats and safety glasses to wear at the jobsite.

Injuries:
All injuries must be reported to the main office. The company doctor is Mary Davis, MD, located at 2 Main Street, Bayshore, CA 94545, telephone 650-555-1123. Anyone needing immediate medical treatment should be taken to the hospital.

Cellular Telephone Policy:
Any employees who are issued cellular phones are required to carry them every day they report for work. The company will pay expenses up to $50 per month. However, each employee is responsible for keeping the phone in working order. If the phone isn't working properly or is lost, it must be reported to the Production or Office Manager immediately. The cost of repair (unless the cell phone is damaged due to mishandling) will be paid by the company. The cost of recovering or replacing a lost cell phone will be deducted from the employee's next pay check.

Employee Evaluation

File name on CD
EmployEval

Anyone interested in staying at a company for the long haul will try to improve, especially when promotions, raises, and profit-sharing are based on productivity. It's essential that you evaluate every employee's performance on a regular basis.

Give a blank copy of the *Employee Evaluation* to every worker when hired, so there's no question about your company's expectations. The department lead, site superintendent, or immediate supervisor of each employee is best qualified to judge performance, so the responsibility of evaluation rests on their shoulders.

Evaluations should be scheduled at regular intervals: every six months, for example. Let your employees know when they'll be evaluated. This will encourage them to set goals of their own, based on the company policies.

Some supervisors like to fill out the evaluation ahead of time, and then have the meeting with the employee to discuss it. Others fill it out during the meeting, and discuss each topic with the employee as they go through the form.

How to Use this Form

Your company name should be entered at the top of the evaluation. Since this is an in-house form, no other information is needed, except the date. Then enter the employee data in the *General Information* section, including his *Start Date* with the company. The person who conducts the evaluation enters his or her name.

Instructions and Rating Numbers

The section headed *Rating Numbers* gives numbered descriptions for employee evaluation. Scores range from 1 to 5 for each of the four categories listed in the next section, *Rating and Narrative*. Exceptional performance is a 5, while unsatisfactory work rates a 1.

Rating and Narrative

In this section, we've provided evaluation criteria for Quality Construction, Inc. employees:

- Quality of work
- Quantity of work
- Attitude/relationships with others
- Initiative & self-reliance

Through years of experience, we've determined that precise rating of an individual isn't possible using a number alone. Consequently, we've added a *Narrative* space to allow for detailed evaluation of the categories.

In our example evaluation, we're rating a relatively new employee, Thomas Thornburg. He's been with the company for just six months, and is still learning his carpentry job.

The 4 rating we gave him under *Quality of work* is directly related to the time he's been on the job and how well he's progressed. Producing work that exceeds requirements is quite impressive, considering he's new on the job.

Thornburg's *Quantity of work* is a little less remarkable, with a 3 rating. He's doing excellent work, but not as fast as a carpenter who's been doing that work for many years. Still, it's better that he do the work more slowly than he do poor-quality work quickly. The narrative is encouraging: Madison Mitchell expects the quantity to increase as he gets more practice.

The rating given for *Attitude/relationships with others* also shows that Thomas Thornburg excels in interpersonal relationships, and is easy to work with.

Finally, under *Initiative & self-reliance,* a 3 rating comes with a narrative that Madison expects Thornburg to improve in this area when he gains more experience.

You'll find extra space at the bottom of the ratings section to add other categories. Job knowledge, leadership, attendance, and dependability are just a few of the possible subjects you could add.

We've also provided space for general comments. Here you can identify any extenuating circumstances that might explain any not-so-good ratings, or add a few words of encouragement. Your primary goal here is to promote good performance, not to condemn and discourage.

Employee Signature

The employee is given a copy to keep, and signs the original to acknowledge that he's read it and had a meeting with the evaluator to discuss it. His signature *isn't* saying that he agrees with what's in it. Why do you need it signed? Most states have laws to protect employees from unfair treatment on the job, including unfair dismissal. In the event that things don't go well with this employee and you need to discipline or terminate him, you may need proof that you gave him sufficient warning, as well as the opportunity to improve his performance.

After the meeting, the original form goes into the employee's personnel folder.

Employee Evaluation

Quality Construction, Inc. **Date:** 06/15/10

General Information:

Employee:	Thomas Thornburg	**Start Date:**	12/15/10
Job Title:	Carpenter	**Last Review:**	N/A
		Evaluated By:	Madison Mitchell

Instructions:

Fill in the rating that best fits the employee's overall performance in relation to the category listed. The rating may be accompanied by a narrative.

Rating and Numbers:

1 Unsatisfactory performance
2 Meets minimum requirements
3 Average; expected level
4 Consistently exceeds requirements
5 Exceptional performance

SAMPLE

Rating and Narrative:

Quality of work:	4	The quality of your work is excellent.
Quantity of work:	3	Work quantity should increase as you learn more about your job.
Attitude/relationships with others:	4	You have a great attitude and are friendly and easy to work with.
Initiative & self-reliance:	3	You'll get better at initiating plans for future projects, with experience.

Comments:
In your first 6 months you've shown a pride in your work and willingness to learn. We anticipate an increase in your ratings as you become more familiar with the job.

I have read and understand the information provided above, and have received a copy of it.

Thomas Thornberg 06/20/10
Signature **Date**

Employee Evaluation

_____ **Date:** _____

General Information:

Employee: _____ **Start Date:** _____

Job Title: _____ **Last Review:** _____

Evaluated By: _____

Instructions:

Fill in the rating that best fits the employee's overall performance in relation to the category listed. The rating may be accompanied by a narrative.

Rating and Numbers:

1 Unsatisfactory performance
2 Meets minimum requirements
3 Average; expected level
4 Consistently exceeds requirements
5 Exceptional performance

Rating and Narrative:

Quality of work: ___ _____

_____

Quantity of work: ___ _____

_____

Attitude/relationships with others: ___ _____

_____

Initiative & self-reliance: ___ _____

_____

_____

_____

_____

_____

Comments:

_____

_____

_____

I have read and understand the information provided above, and have received a copy of it.

_____ _____

Signature **Date**

Liens

8

All states give lien rights to builders. A construction contractor, subcontractor, tradesman or material supplier who isn't paid for work completed or material supplied can record a mechanic's lien on the property being improved. This lien becomes a security like a mortgage, once perfected under state law. But two important principles apply. First, contractors, tradesmen and suppliers must follow state law precisely to avoid loss of their lien rights. Second, owners can protect themselves by getting a waiver of lien in exchange for payment.

Once recorded, a lien follows the property if the property is sold, and will survive bankruptcy of the property owner. Liens aren't filed automatically. You don't have a lien just because you did work on a project or provided materials.

The difficulty with lien laws, and a good reason construction law books prefer to skirt the topic, is that construction liens (called *mechanic's liens* in some states) are created by state law. To preserve lien rights, you have to be in perfect compliance with every minute detail in the law of your state. The many steps in the process have to be followed in exactly the right sequence, with all the right forms delivered to all the right people within the prescribed times. Wording has to be exactly as required, and every piece of information has to be provided *exactly* as the law prescribes.

The samples and explanations provided here are consistent with current California law at the time of this writing. Since lien laws are so state-specific, they won't work in most other states. They're provided here with the intent of helping you understand the *lien process*, not to provide details of the lien law

in your state. Get the current requirements from your state contractor's licensing board. Or get the advice of an attorney in your area. Otherwise, you could *think* you have a lien and can encumber the property to make sure you get paid — and then discover that your lien is invalid.

There are several websites that provide up-to-date rules specific to your state. One, that seems complete and is modestly priced, is www.lienlawonline.com.

With very few exceptions, there are no mechanic's liens on public property (federal, state or municipal). Instead, the federal Miller Act (40 USC 270) and state equivalents (little Miller acts) require payment bonds for protection of subcontractors and suppliers.

The Forms

Preliminary Notice of Lien, *267*
This is the first step in the process that notifies both the general contractor and the client (and the lender if there is one) that a sub is beginning work, and has the right, if he isn't paid, to place a lien on the property.

Waiver of Lien on Material or Labor, *271*
This document, when signed, is the sub's or material supplier's legal agreement that he no longer has the right to put a lien on the property — he's waiving that right. In most cases, this won't happen until he's been paid in full.

Nonresponsibility Notice, *274*
This form, once properly notarized and posted, in most areas legally releases the person submitting it from any liability for nonpayment of fees to a contractor.

Conditional Waiver and Release of Lien upon Final Payment, *279*
Use this form when a job isn't quite finished, but the sub needs a partial or progress payment. The form states that the general contractor is solely responsible for paying the subcontractors.

Unconditional Waiver and Release of Lien upon Final Payment, *282*
Use this form when the job is substantially complete and the sub has been paid in full. This releases the client from financial responsibility. The form states that the general contractor is solely responsible for paying the subcontractors.

Preliminary Notice of Lien

File name on CD
PreNtcLien

In most states, if you're a subcontractor or supplier who doesn't directly have a contract with a property owner, in order to preserve your rights to claim against the property or funds for the work, you must serve a preliminary notice. This will allow you to file a mechanic's lien, stop notice, or payment bond claim in the event that you don't get paid.

The *Preliminary Notice* can be used by contractors, material and equipment suppliers, architects, or engineers. It notifies the client, the general contractor (and the project lender, if there is one) that a subcontractor's work has begun, and gives notice that a claim, in the form of a mechanic's lien, stop notice or payment bond claim, may be filed against the property if payment isn't made in full by a specified date. Usually, the preliminary notice must be sent within a specified period after materials are furnished or labor performed — in the majority of states it's 20 days.

According to one state's civil code (California Civil Code §3097 (c) (1), in this example), the notice must give "…a general description of the labor, service, equipment, or materials furnished, or to be furnished, and an estimate of the total price thereof." Most states have similar requirements.

How to Use This Form

Enter the company information required. The first section is for client and project data, including the project name, number, and description. The client in our sample notice is Darrin Fox, and the project in question is a 4-car covered parking and storage structure on his Foxwood Suites property.

The bolded sentence you see directly below the client and project section is quite important. It notes the civil code sections that provide the legal basis for a contractor to get paid.

The following text specifies the scope of the contractor's agreement, and states the date work began and other necessary data, including the agreed-upon cost. In this case, Moore Paint is furnishing materials, supplies, and equipment, as well as labor.

Enter a date in the line, *"Dated this __ day of _____."* in order to comply with the law regarding preliminary notices. Complete the lines for Name, Title, and Address, then sign where indicated.

Notice to Property Owner

Next is another bolded area, *Notice to Property Owner.* This is an especially-important paragraph for the client to read and understand. It spells out in plain terms that a mechanic's lien can be filed against the property owner, *even if he's paid the contractor in full.* There have been cases where the owner paid the contractor, but the contractor didn't pay his subs, or the materials supplier. In that case, the subcontractor or materials supplier listed in this *Preliminary Notice* can file a lien against the property. It further states how the owner can protect himself from such a lien, and the steps he has to take toward that end.

Finally, the client initials and dates the form, confirming that he read the *Preliminary Notice* and understands what mechanic's liens are and how they can affect him.

Preliminary Notice of Lien

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

Date: 02/28/11

Client Information:

Name: Darrin Fox
Address: 1316 Washington
Bayshore, CA 94545
Telephone: 650-555-9000

Project Information:

Project Number: 09-237
Project Name: Foxwood Suites
Work to be Performed: Paint 4-car parking & storage structure

Notice is hereby given, pursuant to Sections 14 and 21 of the California Civil Code, as follows:

The undersigned, Moore Paint, has, at the request of Quality Construction, Inc., furnished or will furnish materials, supplies, or equipment for use on property located at 1262 Crestview, County of Contra Costa, and/or will provide labor at this location. Aforesaid materials, supplies, and equipment were furnished and/or labor was provided starting on 02/15/11 at an approximate cost of $2,200. This preliminary notice is in compliance with the laws of the state of California, sent within twenty (20) days after initially furnishing materials and/or providing labor.

Dated this 28th day of February, 2011.

Buck Moore, President, Moore Paint
Supplier Name
1 Crescent Way
Seashore, CA 94545

Buck Moore
Signature

SAMPLE

Notice to Property Owner:
If remittance is not made in full for labor, services, equipment, or materials furnished or to be furnished, a mechanic's lien may be filed against the property at 1262 Crestview, leading to the loss, through court foreclosure proceedings, of all or part of your property whether or not you have paid your contractor in full. You may protect yourself against a mechanic's lien by:

(1) Requiring your contractor to furnish client with a signed release by any person or firm entitled to serve this notice, before client makes any payment.
(2) Using any other method or device which is appropriate under the circumstances.

I have read and understand this information regarding mechanic's liens.

D F
Initials

03/05/10
Date

Preliminary Notice of Lien

_____
_____
_____
_____
_____
_____ **Date:** _____

Client Information:

Name: _____
Address: _____
_____
Telephone: _____

Project Information:

Project Number: _____
Project Name: _____
Work to be Performed: _____
_____

Notice is hereby given, pursuant to Section(s) _____
of the _____ **Civil Code, as follows:**

The undersigned, _____, has, at the request of _____, furnished or will furnish materials, supplies, or equipment for use on property located at _____ _____, County of _____, and/or will provide labor at this location. Aforesaid materials, supplies, and equipment were furnished and/or labor was provided starting on _____ at an approximate cost of $_____. This preliminary notice is in compliance with the laws of the state of _____, sent within _____ (_____) days after initially furnishing materials and/or providing labor.

Dated this _____ day of _____, _____.

_____
Supplier Name

_____
_____

_____
Signature

Notice to Property Owner:
If remittance is not made in full for labor, services, equipment, or materials furnished or to be furnished, a mechanic's lien may be filed against the property at _____, leading to the loss, through court foreclosure proceedings, of all or part of your property whether or not you have paid your contractor in full. You may protect yourself against a mechanic's lien by:

(1) Requiring your contractor to furnish client with a signed release by any person or firm entitled to serve this notice, before client makes any payment.
(2) Using any other method or device which is appropriate under the circumstances.

I have read and understand this information regarding mechanic's liens.

_____
Initials

_____
Date

Waiver of Lien on Material or Labor

File name on CD
WavLien_ML

The *Waiver of Lien* is a legal document in which a subcontractor or materials supplier confirms he has been paid in full for labor or materials supplied for a specific project, and is therefore waiving his lien rights. A *Waiver of Lien* is normally signed only when the part of the project this subcontractor or materials supplier is involved in is 100 percent complete and paid for.

Although lien laws differ from state to state, our *Waiver of Lien* is general enough to be easily adapted to meet the current regulations in your state. Your contractor's license board should be able to provide you with the rules.

When to Use the Form

The *Waiver of Lien* is usually prepared by the client or contractor to present to the subcontractor or materials supplier along with full remittance for the services or materials provided. The subcontractor or supplier signs the waiver, confirming that he received the payment and is therefore releasing any and all liens he may have placed on the property, and waiving his right to place any further liens. If you send payment by mail, be sure you include this form and a reminder that it needs to be signed and sent back to you immediately.

It's imperative that these notices are signed and returned to your accounting department, so keep track of every *Waiver of Lien* sent so you can follow up if someone takes your money and doesn't sign and return the release.

How to Use this Form

The top portion of the *Waiver of Lien* is completed with your company information. Next, enter the subcontractor's name and address, and the project information. Include the project number and name, and identify the work performed.

The body of the *Waiver of Lien* contains information necessary to constitute a legal lien. Notice the degree of detail obtained through state resources. In our sample's first paragraph, the address of the property, lot number and section, township — every possible description of the project's location is detailed here.

Lien Waiver Details

The second paragraph explains that the subcontractor has received payment and waives any and all rights to lien. In our case, Jerome T. Smith has received the sum of $5,000, and other good and valuable considerations. (This last phrase is a legal standard which may come into play when payment includes something of worth besides money, such as Jerome Smith gets one year's free use of part of the storage area he builds.) By signing the form, he's giving up his right to a lien against the property.

Signature and Witness

This form requires a witness's signature as well as the subcontractor's or supplier's. This helps make sure it really was signed by the right person. In our example, Jerome Smith was at Quality's office to get his payment, and signed the release there, witnessed by Quality's office manager. Some states require a Notary Public's seal and signature. Research your state's requirements and make any changes to the form that are necessary.

Waiver of Lien on Material or Labor

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

Date: 10/15/11

Subcontractor Information:

Name: Jerome T. Smith
Address: 10 Pacific Way
Seashore, CA 94545

Project Information:

Project Number: 09-237
Project Name: Foxwood Suites
Client Name: Darrin Fox
Work to be Performed: General labor for 4-car parking & storage structure

SAMPLE

State of: California
County of: Contra Costa

To Whom It May Concern:

Jerome T. Smith has been employed by Quality Construction, Inc. to furnish General Labor for the structure at 1262 Crestview, also known as Lot Number 10, Section 5, Township 34, Range N/A, City of Seashore, County of Contra Costa, State of California.

The undersigned, Jerome T. Smith, has acknowledged receipt of the sum of $5,000 and other good and valuable considerations. He hereby waives and releases any and all liens, or right to lien on aforesaid building and premises under the statutes of the state of California regarding mechanic's liens on labor or materials, or both, furnished or to be furnished, by the undersigned for General Labor at the building or premises at 1262 Crestview.

Dated this 20th day of October, 2011.

Jerome T. Smith	Sarah Olsen, Office Mgr, Quality Construction, Inc.
Subcontractor Name	**Witness Name**
Jerome T. Smith	*Sarah Olsen*
Signature	**Signature**

Waiver of Lien on Material or Labor

_____
_____
_____
_____
_____
_____ **Date:** _____

Subcontractor Information:

Name: _____
Address: _____
_____

State of: _____
County of: _____

Project Information:

Project Number: _____
Project Name: _____
Client Name: _____
Work to be Performed: _____

To Whom It May Concern:

_____ has been employed by _____ to furnish _____ for the structure at _____, also known as Lot Number _____, Section _____, Township _____, Range _____, City of _____, County of _____, State of _____.

The undersigned, _____, has acknowledged receipt of the sum of $_____ and other good and valuable considerations. He hereby waives and releases any and all liens, or right to lien on aforesaid building and premises under the statutes of the state of _____ regarding mechanic's liens on labor or materials, or both, furnished or to be furnished, by the undersigned for _____ at the building or premises at _____.

Dated this _____ day of _____, _____.

Subcontractor Name	**Witness Name**
Signature	**Signature**

Nonresponsibility Notice

File name on CD
NonRespble

Here's the scenario for this form: You own a commercial complex — in our example, a shopping center — which you rent out to various small businesses. One tenant wants to make some alterations in his part of the complex to better suit the type of business he conducts. This is fine with you. But what if he doesn't pay the contractor he hires to make the alterations? The contractor's going to put a lien on your building and your only way to get him to release the lien may be to pay the bill for the alterations. The tenant will probably be gone by this time. This *Nonresponsibility Notice* will help prevent that from happening. It specifically releases you from liability for any nonpayment of fees and/or damages to the contractor.

Most states recognize nonresponsibility notices. Check with the local contractors' board or with an attorney in your area to make sure that our form meets the current legal requirements of your state.

When to Use This Form

The *Nonresponsibility Notice* should be completed by the property owner as soon as he's made aware that tenant improvements are initiated. Most states give you 10 days to post a copy at the jobsite.

How to Use This Form

Enter the information at the top of the form: property name, address, and telephone number. Date the form. In our sample, Crossroads Shopping Center, LLC, is the development where tenant improvements are being made.

You can see in the first paragraph that the tenant improvement site is described as completely as possible, with the lot, and block number. The lessee, Sunset Optical, is named, along with its business address, 350-D Market Street.

By specifying the day on which he was notified, or acquired knowledge of, the construction, Ingram Graham, the owner of the property, shows that he's in compliance with the California law that requires the notice be posted within

10 days of having knowledge of construction. Why does the requirement include “acquired knowledge of” instead of just “notified of”? Ideally, a landlord would be consulted by his tenant before he gets any alterations made. But sometimes this doesn’t happen, especially when the work is minor. The tenant may not think it necessary to involve the property owner.

The next paragraph contains the disclaimer stating that the property owner is not in any way responsible for any part of the construction. Liability is shifted completely to the tenant initiating the construction; in this case, Sunset Optical. If the contractor was depending on his right to place a lien on the property to assure payment, he needs to make a new plan.

Signing and Notarizing

After entering the date the form was completed, the property owner prints his name and address, then signs where indicated. In this case, and in compliance with California law, a Notary Public confirms the signer’s identity, witnesses the signing, and completes and stamps the notice. It’s common practice to require a Notary’s seal on legal documents.

After submitting the document to the County Recorder, the property owner then posts a copy of it in a prominent place at the jobsite.

Crossroads Shopping Center, LLC

100 Main Street
Bayshore, CA 94545
650-555-2222

Date: 02/15/11

To Whom It May Concern:

Notice is hereby given that the undersigned, Ingram Graham, owns Crossroads Shopping Center, LLC, the premises located at 350 Market Street, County of Contra Costa, State of California, more particularly described as follows: Lots 10-15, Block 10 Crossroads.

The name of the Lessee of the premises is Sunset Optical, 350-D Market Street. The undersigned obtained knowledge that construction or repairs were being made on the property specified, on the 15th day of February, 2011. Notice was posted in compliance with the laws of the State of California within ten (10) days of acquiring such knowledge, and a copy of same has been filed in the Office of the County Recorder where the aforesaid property is located.

The undersigned disclaims liability or responsibility, either express or implied, for any work, including the furnishing of materials or the performance of labor that has been done, is being done, or will be done, on the above-described premises.

Dated this 15th day of February, 2011.

Ingram Graham
Property Owner Name
100 Main Street
Bayshore, CA 94545

SAMPLE

Ingram Graham
Signature

State of California
County of Contra Costa

On this 15th day of February, in the year 2011, before me, John J. Doe, Notary Public, personally appeared Ingram Graham known to me (or proved to me on the basis of satisfactory evidence) to be the person that executed this instrument on behalf of the Crossroads Shopping Center, LLC.

John J. Doe
Signature
Notary Public, State of California

_____
_____
_____
_____

Date: _____

To Whom It May Concern:

Notice is hereby given that the undersigned, _____, owns _____, the premises located at _____, County of _____, State of _____, more particularly described as follows: Lot(s) _____, Block _____.

The name of the Lessee of the premises is _____, _____. The undersigned obtained knowledge that construction or repairs were being made on the property specified, on the _____ day of _____, _____. Notice was posted in compliance with the laws of the State of _____ within _____ (_____) days of acquiring such knowledge, and a copy of same has been filed in the Office of the County Recorder where the aforesaid property is located.

The undersigned disclaims liability or responsibility, either express or implied, for any work, including the furnishing of materials or the performance of labor that has been done, is being done, or will be done, on the above-described premises.

Dated this _____ day of _____, _____.

_____
Property Owner Name

_____
_____

_____
Signature

State of _____

County of _____

On this _____ day of _____, in the year _____, before me, _____, Notary Public, personally appeared _____ known to me (or proved to me on the basis of satisfactory evidence) to be the person that executed this instrument on behalf of the _____.

_____

Signature

Notary Public, State of _____

Conditional Waiver and Release of Lien upon Final Payment

File name on CD
CondLnRel

Use this conditional waiver when, while the work is still in process, the subcontractor requests a partial payment. In signing the form he is *conditionally* giving up his right to a mechanic's lien, stop notice, or bond claim *before full payment is made*. The conditional part is that the lien waiver doesn't go into effect unless and until the check is paid by the bank. This prevents someone from getting a sub to release his right to a lien, and then canceling or bouncing the check. Before using the *Conditional Waiver and Release*, check to see if conditional waivers are legal in your state, and that this is an approved, enforceable document in your state.

Who Completes the Form

Normally, the *Conditional Waiver and Release* is completed by the contractor and given to a subcontractor, along with the partial payment. If there are any disputed claims, enter those where indicated, and note the cost of extra work or change orders not covered by the waiver, or work not being paid for at the time of this release. The sub then signs and returns the form to the contractor.

How to Use This Form

The contractor is responsible for completing and distributing this release to the subs or suppliers. Put the construction company's data at the top. Date the form, and enter the subcontractor data and project information where indicated.

The first paragraph in the body of the form is where you'll enter payment and lien release information. You can see in our example that $500 is being withheld by Quality Construction to use as a final payment, when Moore Paint's part of the job is substantially complete.

Making the final $500 progress payment indicates that all expenses have been paid, and the lien release has been signed. That effectively releases the subcontractor — Buck Moore — of any right to lien the property.

Name, Signature, and Date

Be sure you've thoroughly evaluated the project, and feel comfortable that it's substantially complete, before you remit the final progress payment to the

subcontractor. Enter the sub's name and/or company name. Make a copy of the form and send both copies to the sub. He'll sign and date the forms, keep one to put in his files and return one to the contractor. The date he signed the form is also the date the lien waiver goes into effect.

In our example, Quality Construction has Buck Moore's signature, indicating that Moore Paint received final payment, and he accepts release of his right to lien the property on Crestview. The lien waiver goes into effect on 03/18/11, the date it was signed.

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

Date: 03/15/11

Subcontractor Information:

Name: Buck Moore
Address: 12 James Way
Bayshore, CA 94545
Telephone: 650-555-1069

Project Information:

Project Number: 09-237
Project Name: Foxwood Suites
Project Address: 1262 Crestview
Seashore, CA 94547

SAMPLE

Conditional Waiver and Release of Lien upon Final Payment:

The sum of $1,500 is payable by Quality Construction, Inc. to Moore Paint. Receipt of this final payment is confirmed through signing this release. At that time, this document effectively releases any mechanic's lien, stop notice, or any bond right the undersigned has on the Foxwood Suites 4-car covered parking & storage structure, located at 1262 Crestview, Seashore, CA, 94547.

This release includes final payment to the undersigned for all labor, services, equipment or material furnished on the job, with exception of $500 withheld for the final progress payment, to be paid when work is substantially complete.

Before any recipient of this document relies on it, the party should verify evidence of payment to the undersigned. I/We certify that all labor and/or laborers have been paid in full to the below referred date.

Buck Moore, President, Moore Paint
Subcontractor Name

Buck Moore
Signature

03/18/11
Date

_____
_____
_____
_____
_____
_____ **Date:** _____

Subcontractor Information:

Name: _____
Address: _____
_____
Telephone: _____

Project Information:

Project Number: _____
Project Name: _____
Project Address: _____
_____

Conditional Waiver and Release of Lien upon Final Payment:

The sum of $_____ is payable by _____ to _____. Receipt of this final payment is confirmed through signing this release. At that time, this document effectively releases any mechanic's lien, stop notice, or any bond right the undersigned has on the _____ _____, located at _____ _____.

This release includes final payment to the undersigned for all labor, services, equipment or material furnished on the job, with exception of $_____ withheld for the final progress payment, to be paid when work is substantially complete.

Before any recipient of this document relies on it, the party should verify evidence of payment to the undersigned. I/We certify that all labor and/or laborers have been paid in full to the below referred date.

_____
Subcontractor Name

_____
Signature

_____
Date

Unconditional Waiver and Release of Lien upon Final Payment

File name on CD
UncndLnRel

This form is commonly used to release "any mechanic's lien, stop notice, or bond rights" prior to final payment. Before using it, be sure that our *Unconditional Waiver and Release* is an approved, enforceable document in your state.

Use this unconditional waiver when the job is substantially complete and the subcontractor has been paid in full for all labor, services, equipment or material.

Who Completes the Form

Normally, the *Unconditional Waiver and Release* is completed by the contractor and given to the subcontractor, along with payment. The body of the form provides space to enter "disputed" claims. For example, you'd note the cost of extra work or change orders not covered by the waiver, or work not being paid for at the time of the release.

How to Use this Form

The contractor's construction company name and other information should be entered at the top of the form. In our example, it's Quality Construction, Inc. Enter the date.

In the first section, provide the subcontractor's information and the project data.

The first paragraph in the body of the form has blank spaces for entering lien release information. On our sample form, there's an unresolved claim for extra work, in the amount of $1,200. However, that amount is not included in this release, as stated in the last line of the paragraph.

Dated

The date entered here is also the date the lien waiver goes into effect. Both contractor and subcontractor should thoroughly evaluate the project and agree that it's substantially complete before the final progress payment changes hands.

Notice to Persons Signing this Waiver

This section is extremely important for the subcontractor signing the release. In no uncertain terms, it states that signing this release takes away any right you have of negotiating payment, *even if you have not yet been paid.* So don't sign until you read everything on the form.

Signature

Buck Moore's signature indicates that Moore Paint received final payment and accepts release of any right to lien the Foxwood Suites property.

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

Date: 03/15/11

SAMPLE

Subcontractor Information:

Name: Buck Moore
Address: 12 James Way
Bayshore, CA 94545
Telephone: 650-555-1069

Project Information:

Project Number: 09-237
Project Name: Foxwood Suites
Project Address: 1262 Crestview
Seashore, CA 94547

Unconditional Waiver and Release of Lien upon Final Payment:

Labor, services, equipment and material were furnished to Darrin Fox for the Foxwood Suites 4-car covered parking & storage structure located at 1262 Crestview, Seashore, CA, 94547. This form hereby waives and releases any right to mechanic's lien, stop notice, or any right against a labor and material bond on the project, with the exception of an unresolved claim for extra work in the amount of $1,200. Signature on this release certifies that all labor and/or laborers have been paid in full as of the date below, with the exception of the unresolved claim.

Dated this 15th day of March, 2011.

Notice to persons signing this waiver: This document unconditionally waives rights to further negotiation of payment for this project, and indicates that you agree to relinquish those rights. This document is enforceable upon signing, even if you have not yet been paid.

Buck Moore, President, Moore Paint
Subcontractor Name

Buck Moore
Signature

Date

_____
_____
_____
_____
_____
_____ **Date:** _____

Subcontractor Information:

Name: _____

Address: _____

_____

Telephone: _____

Project Information:

Project Number: _____

Project Name: _____

Project Address: _____

_____

Unconditional Waiver and Release of Lien upon Final Payment:

Labor, services, equipment and material were furnished to _____ for the_____ located at _____, _____, _____, _____. This form hereby waives and releases any right to mechanic's lien, stop notice, or any right against a labor and material bond on the project, with the exception of an unresolved claim for extra work in the amount of $_____. Signature on this release certifies that all labor and/or laborers have been paid in full as of the date below, with the exception of the unresolved claim.

Dated this _____ day of _____, _____.

Notice to persons signing this waiver: This document unconditionally waives rights to further negotiation of payment for this project, and indicates that you agree to relinquish those rights. This document is enforceable upon signing, even if you have not yet been paid.

_____

Subcontractor Name

_____

Signature

_____

Date

Office Forms

9

In this chapter you'll find forms that help you and your office staff keep data organized and communication flowing from the office to the field, and the field to the office. When you have multiple jobs going, without a tracking mechanism to keep it all straight, something important is going to fall through the cracks.

The Forms

Master Tool List, *287*
Keeps tabs on each of the tools the company owns — at which jobsite it's currently being used, and, if it's a toolbox item such as a hammer, in whose toolbox. Also keeps track of the condition of each tool, so you can replace it before it breaks and causes a delay.

Field Directory, *290*
This is a complete list with the contact information of all the contractors, materials suppliers, service providers, government officials, etc. involved in the job. When you need to get in touch with any of them, you won't waste time hunting for contact information.

Memorandum, *294*
This form is used to communicate reminders, notifications, and acknowledgements. It helps provide a paper trail of what documents or information went where, to whom, and when.

Jobsite Emergency Telephone Directory, *296*
This has the phone numbers and addresses of agencies or services that may need to be contacted during the course of a job, especially emergency services such as the fire department, ambulance and utility companies. Clip to it a map with directions to the nearest emergency room.

Fax Cover Sheet, *298*
This will help make sure the fax you send gets to the right person, and that all the pages of any document it accompanies arrived. It also lets the recipient know what action you want taken, such as review and approve, or sign and return.

Transmittal Form, *300*
This form helps ensure that any document you send, such as a contract or change order, by whatever means you send it, is handled as needed. It's also evidence that you sent a document.

Master Tool List

File name on CD
MasterTool

Tools are expensive, and have a way of wandering from job to job, and eventually just wander away. The *Master Tool List* is an inventory of *all* tools the company owns. Tools get taken to various jobsites, and which ones went where is recorded on the *Jobsite Tool List* in Chapter 6. The *Master Tool List* is kept at the main office, so that when jobs are completed, the jobsite tool lists (*and* the tools) are returned and matched against the master. Any discrepancies are noted, as well as damage or everyday wear and tear that could make the tool less safe or efficient on the next project.

How to Use This Form

This is an in-house form, so your company name, the name of the person completing the list, and the date are all that's required at the top.

General Information

These columns are for describing and identifying the tools.

Number

Some companies use numbers to identify company property, especially if they have several similar tools. For example, 10 Makita cordless screwdrivers would be numbered 1 through 10, both on their handles and on the tool list.

Other companies use the number column to itemize tools. If 10 tools went to a site, 10 are expected to come back. That's a simple way to account for tools in a hurry, but it leaves open the danger of a table saw leaving and a screwdriver coming back — there'll still be the same number of tools returning. We recommend a more specific approach, especially since tools can be hard to replace. "Losing" a table saw at your project site isn't just expensive, it's inconvenient. You can't just grab another table saw out of a toolbox when the one you need on the job goes missing.

Tool

Identify the tool by manufacturer, size, and any other description that sets it apart from the other tools.

Serial# / Marking

This column is important. Many tools have serial numbers. By recording them, you have the information your insurance company needs in the event of loss or theft. But in addition to the serial numbers, most companies rely on bright colors on their tools to deter workers from confusing them with their own property. Everyone on the job knows that any tool with a bright purple handle generally doesn't go home with him.

Condition

Under *Condition,* there are *Good, Fair,* and *Poor* columns. Information here can give you a heads-up in the event a tool has outlived its usefulness. Ideally, no tool should fall into the "poor" category; it should be replaced before getting to that state, for both safety and efficiency. Also, if the tool is lost and you're putting in a claim for it, the insurer will want to know the condition of the tool. Being able to produce ongoing records of the condition of all your tools will be a big help if the insurer questions your claim.

Site Location

Enter the jobsite, truck, toolbox, shed, or the person in possession of the tool. In our example, the first four tools are at job 09-237, the next two are in workers' toolboxes and go with the worker, and the last two are at job 09-235. This way, you know where to find the tools at all times, as well as when you need to transfer them to a new job.

Master Tool List

Quality Construction, Inc.

Completed by: Mike Morley
Date: 02/10/10

General Information			Condition			Site Location
Number	**Tool**	**Serial #/Marking**	**Good**	**Fair**	**Poor**	
8	Makita ½" cordless drill	85678904-0	X			09-237
3	Milwaukee 3/8" drill	3243564	X			09-237
3	Makita 3/8" corded drill	45690838-1		X		09-237
5	Stanley chisel	Painted purple	X	X		09-237
9	22" Stanley hammer	Painted purple	X			Juan's toolbox
6	Stanley framing hammer	Painted purple		X		Tom's toolbox
2	SawStop table saw	90-987240	X			09-235
1	De Walt ½" drill	344490870HB9	X			09-235

SAMPLE

Master Tool List

Completed by: _____

Date: _____

General Information			Condition			Site Location
Number	Tool	Serial #/Marking	Good	Fair	Poor	

Field Directory

File name on CD
FieldDirct

A *Field Directory* is one of the most indispensible forms at a jobsite. It gives the names and contact information of all the contractors, suppliers, service providers, government officials — anyone involved in the job.

If the list is lengthy, slip each page into a clear plastic sleeve, and put them in the front of the job folder or binder. Keep the directory readily accessible at the jobsite.

How to Use This Form

Since this is an in-house form, only your company name and the date need to be entered at the top. Provide client and project information in the first section. The body of our sample form has four divisions: Specialty Contractors, Utilities & Services, Architect/Engineer, and Material Suppliers. Add to these as circumstances on your job require.

Specialty Contractors

This section is for information about the subcontractors who will be doing work on the job — the trade, the name of the company, the name of your contact there and the numbers where you can get in touch with them. Having their cell number is always helpful; otherwise, all you can do is leave a message and hope they come back to the office or call in soon.

Utilities & Services

You have to deal with the utility companies on all new construction jobs, and on many remodels — it's hard to work without power and water. You may also need to get involved with the city government; permits, inspections, and the like, and possibly private agencies such as security providers. Having the contact information easily at hand for each agency, including the name of the person you're dealing with, and his cell number, can save the day.

Architect/Engineer

The designer of the project, usually an architect, is the correct person to interpret his own work. If there's an architect involved with your project, he's the one to contact if you have any design questions. An engineer may also be on staff to clarify structural issues.

Material Suppliers

A list of suppliers, their business addresses, and names and telephone numbers of representatives to contact make it easier to call for extra materials when you don't have time to drop everything and run over to the lumberyard for more wood.

Field Directory

Quality Construction, Inc.

Date: 02/10/10

Client Information		Project Information	
Name:	Darrin Fox	**Project Number:**	09-237
Address:	1310 Washington	**Project Name:**	Foxwood Suites
	Bayshore, CA 94545	**Project Address:**	1262 Crestview
Telephone:	650-555-9000		Seashore, CA 94547

SAMPLE

Specialty Contractors	Company / Contact	Telephone / Cell	Fax
Carpentry	Jones Decks		
	Justin Jones	925-432-1234 / 925-555-2000	925-555-1100
Drywall	ABC Drywall		
	Alan Chapman	925-555-1212 / 925-555-6203	925-555-1212
	Buck Moore	650-555-0980	650-555-0980

Utilities & Services	Company / Contact	Telephone / Cell	Fax
Gas Company	Bayshore Gas Company		
	Bob Brandt	650-555-1230	650-555-1222
Electric Company	Bayshore Electric Company		
	Edward O'Donnell	650-555-4123 / 650-555-7412	650-555-4122
Water Company	California Water District		
	William Rivers	650-555-3910	650-555-4900
Telephone Company	Sunstate Telephone Company		
	Graham Bell	650-555-2220	650-555-1100

Architect/Engineer	Contact	Telephone / Cell	Fax
Smith Architecture	Fred Smith, AIA	415-222-1240 / 415-222-6990	415-222-1245

Material Suppliers	Contact	Telephone / Cell	Fax
BMC Lumber			
12 Hillview Road	Bill Collins	650-555-4444	650-555-4444
Home Depot			
Hwy 48 at Hill Street	Hank Evans	650-555-6600	650-555-6601
Cole Hardware			
1 Scenic Highway	Nathan Cole	650-555-8888 / 650-555-8523	650-555-8889

Field Directory

Date: _____

Client Information		Project Information	
Name:		Project Number:	
Address:		Project Name:	
		Project Address:	
Telephone:			

Specialty Contractors	Company / Contact	Telephone / Cell	Fax

Utilities & Services	Company / Contact	Telephone / Cell	Fax

Architect/Engineer	Contact	Telephone / Cell	Fax

Material Suppliers	Contact	Telephone / Cell	Fax

Memorandum

File name on CD
Memo

This used to be a popular form back when we had to transfer information via an interoffice memo. Now, almost every construction business uses email to communicate with one another inside the office as well as with others outside the office.

We've included this form because there are construction businesses that aren't computerized and that manage just fine doing business the old way.

But the form has its use for all businesses — as a paper trail. It provides a physical document that can accompany important paperwork; it can serve as evidence that you notified someone of something. (It's good to be able to pull a copy out of the file.) And if you need to remind someone of something they're supposed to do or provide, handing them a printed form carries more weight than an email buried in the middle of 30 pieces of junk mail.

How to Use This Form

If the memo is being used only within the company, just add your company name. If used to communicate with customers, subs, or suppliers, include your full address, phone, fax, etc. Clearly indicating who the memo's from, who it's to, and what it concerns is a big help in keeping communication quick, simple and clear.

Memo

State your message clearly and simply. If there's something the recipient is to do, say so. Often, the memo is just a reminder or an acknowledgement of receipt.

Memorandum

Date:

To:	From:	
	Subject:	
	Reply?	
	Job #/Name:	

Memo:

Jobsite Emergency Telephone Directory

File name on CD
JobEmergPh

For safety purposes, we consider this to be one of the essential forms that should be created at the beginning of each job.

This form should be filled out in the office and posted in plain view at each jobsite. In addition, the job foreman, superintendent and/or lead carpenter should have a copy.

How to Use This Form

This is an in-house form, so only your company name and the date need to be entered at the top, along with the project name. Including the project name is essential if you have jobs in different parts of town. Each project may need a different set of emergency addresses and phone numbers. You don't want an injured or sick worker driven across town to a hospital or emergency care center when there's one just down the street from the jobsite.

Since some workers may not be familiar with the area, clip on a map and written directions to the nearest hospital or emergency center. Do a web search on a site like www.Mapquest.com to print a map from the jobsite to the nearest hospital.

Jobsite Emergency Telephone Directory

Quality Construction, Inc.

Date: 02/10/10
Project Name: Foxwood Suites Deck

SAMPLE

All key personnel should have this information, and a copy should be posted in the field office, with a map and directions to the nearest hospital attached.

		Day	Night
General Contractor	Quality Construction, Inc.	650-555-1000	650-555-1000
Construction Manager	Mike Morley	650-555-2201	650-555-1000
Superintendent	None		
Fire Department	Bay County Fire	650-555-9000	650-555-9100
Ambulance	Quick Ambulance	650-555-9631	650-555-9631
Hospital	St. Mary's Hospital	650-555-9900	650-555-9900

Jobsite Emergency Telephone Directory

Date: _____

Project Name: _____

All key personnel should have this information, and a copy should be posted in the field office, with a map and directions to the nearest hospital attached.

		Day	Night
General Contractor			
Construction Manager			
Superintendent			
Fire Department			
Ambulance			
Hospital			
Police Department			
Gas Company			
Electric Company			
Water Company			
Telephone Company			
Underground Services			

Fax Cover Sheet

File name on CD
FaxCover

Second to the computer, the fax machine is one of the most useful tools in the office. You can use it to transmit purchase orders, invoices, change orders, bids, requests for proposal, details, shop drawings, sketches, and more.

How to Use This Form

Fill in your company name and details at the top of the form and save the file as a template on your computer. Then just load it, save a copy, fill in the blanks, type your message, print it and fax it. Many computers are set up to send forms directly to the recipient's fax machine. If it's a document that needs a signature, the person can then sign it and fax it back.

It's also useful to print some hard copies of the *Fax Cover Sheet* to leave by the fax machine for immediate use.

Every time you fax a document, fill out and send a copy of the fax cover sheet with it. Fill in the blanks at the top and write your message below. It tells the recipient who the fax is for, who it's from, why it's being sent, and what action is needed. If you work in a large company, it's helpful to include your job title along with your signature so the recipient knows who he's dealing with — the office manager, the estimator, a job foreman, etc.

Remember to fill in the *# of Pages (including cover sheet)* space. This lets the recipient verify that all pages were received.

Fax Cover Sheet

Date:

To		From	
Name:		**Name:**	
Fax:		**Job:**	
# of Pages (including cover sheet):		**Regarding:**	

Message:

Name

Signature

Transmittal Form

File name on CD
TransmitFm

How often have you sent some paperwork to another business, expecting it to be dealt with and returned, only to find, when you finally called to follow up, that they'd just put it aside because they didn't know that you needed it back? The *Transmittal Form* should help here. It works much like the *Fax Cover Sheet*. It lets you easily and efficiently deliver a document, such as a change order confirmation, with a clear message of what it is and what you need done. Use it to accompany any number of documents in and out of the office — information about materials, contracts, requests for bids, awards of contract, prints, plans, shop drawings, samples, change orders, to name a few. It will also help document receipt and approvals.

How to Use This Form

Specify who the document is going to, the project number and name, and the subject of transmittal. In our example, it's Change Order #03 for the Foxwood Suites job.

Instructions

Check whichever box or boxes apply. In our example, Darrin Fox is asked to approve and return the change order.

Memorandum

Use this section to clearly explain what needs to be done. The Memorandum section can be used alone or in conjunction with the Instructions checkboxes.

Reply

If the recipient needs to let you know something about the document, he'll put it here. Perhaps the change order isn't correct — he wants brushed nickel fixtures, not chrome. In our example, Darrin Fox is affirming that Quality correctly has the change he wanted.

To save time, create a blank transmittal form for each job and keep an electronic copy in each job folder on your computer. Or you can type in the job information and keep a few copies in the job folder.

Transmittal Form

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

Date: 05/09/10

To:	Darrin Fox	**From:**	Sarah Olsen
	1262 Crestview	**Project Number:**	09-237
	Seashore, CA 94547	**Project Name:**	Foxwood Suites
Fax:	650-555-9001	**Subject:**	Change Order #03

SAMPLE

Instructions

	Review and recommend		Shop drawings attached	X	Approve
	Follow up and report	X	Return		For your information

Memorandum

Mr. Fox,

Please review, sign, and return the attached change order. We will arrange for the material to be delivered when your signed authorization is received.

If you have any questions, feel free to call me at 650-555-1000.

Sarah Olsen

Sarah Olsen
Office Manager
Quality Construction, Inc.

Reply

Change order is correct. Thank you for your promptness.

Darrin Fox

Signature

Transmittal Form

Date:

To:		**From:**	
		Project Number:	
		Project Name:	
Fax:		**Subject:**	

Instructions

	Review and recommend		Shop drawings attached		Approve
	Follow up and report		Return		For your information

Memorandum

Reply

Signature

Bids & Proposals

10

In this section you'll find forms used to communicate pricing to potential customers. If you're asked to price a small, simple job, where a detailed estimate is unnecessary, you can save a great deal of time by preparing a written proposal. Proposals are designed to quickly get a bid for a small job into the hands of a potential customer. Larger, more complex jobs will typically include an estimate and a detailed contract that meets the current requirements of your state (see Chapter 3 — Contracts).

The Forms

Bid Comparison Sheet, *304*
With this form you have one sheet that details all the subcontractor bids for a particular part of a project. Since subs often include and exclude different items on their bids, or offer alternatives, having them all listed on one sheet makes it easy to compare apples to apples.

Project Proposal, *308*
This is a simple, concise proposal form that can serve as a preliminary to a proper contract, or in some jurisdictions and on some jobs, when signed by both parties, as the contract itself. Enter the essential details of the job, the price, and the payment structure.

Time & Materials Proposal, *313*
Where T & M agreements are appropriate, this form provides both parties with the details they need — work description, labor rates, material markups, O & P, and payment schedule — to come to an agreement.

Bid Comparison Sheet

File name on CD
BidCompare

When gathering bid information from specialty contractors, an estimator wants bid prices broken down into itemized costs. He looks at the breakdown to see exactly what each bidder is offering to do, and for how much. This way, he can determine which bid is the best deal for the money.

The *Bid Comparison Sheet* is invaluable when considering bids from several subs. It's set up to show itemized costs when the bid includes alternates, substitutions and exclusions. It also comes in handy when specialty contractors call in bids, and will apply to most specialties, from tile to flooring to electrical to painting.

When bids include alternatives, substitutions, and exclusions, it makes them difficult to compare. And some contractors deliberately offer work slightly different from the work requested to *prevent* you from being able to compare apples to apples. They, understandably, don't want to compete in who can survive on the lowest profit, so they offer something different — presumably better — so you'll choose them.

But when you list on one form the details of all the bids for a particular portion of the job, you can see and easily compare what each bid includes and excludes, what alternatives are being offered, and the price. You see at a glance just *what* you're getting for the price.

How to Use This Form

At the top, identify the project and the item being bid. In our example, we're taking bids for the painting on the Brown Remodel, *Project Number* 09-230. The *Bid Due Date* is important so you know when you should cut off taking bids.

The form has sections to allow up to five bidders. Add more lines if you have more than five. The first two lines of each section are for the contractor's name, contact numbers, the date of the bid, and the bid price.

The next line down, *Bid Includes,* shows what's included: *Tax* on the materials, *Jobsite Delivery* and *Installation* of the material. On a small job such as our painting example, tax and delivery aren't significant and won't play a

meaningful role. And installation is obviously included; no painter delivers the cans of paint and then leaves. But if the job were for windows or an AC system, tax, delivery and installation would be prime factors.

The next two lines, *Work Includes* and *Work Excludes* give even more alternatives to consider when choosing a bid. The more a contractor includes in his bid, as long as his price isn't disproportionately higher, the more attractive it is.

Alternate items are just that; where, in our example, Lee says he can supply the paint, at an extra cost. On a windows job, it might be triple-glazed windows instead of double; on a plumbing job, medium- instead of premium-quality fixtures. Alternates can be an increase or a decrease in the cost of the job.

Alternate Price gives the total bid price, with the alternate items included.

Let's look at our example for a small painting job: We have five bids, ranging in price from $1,100 to $1,850. This is an easy choice, right? Why pay Lou's Painting $1,850 when Lee's Painting will do it for $1,100? This is where the details come into play. Let's look closer.

The low bidder, Lee's Painting, turns out not the low bidder after all. His bid doesn't include the paint! He has that as an alternate, at an extra $250. This does make some sense — it allows the client to choose his own brand and quality of paint, at whatever price he's willing to pay. But the others include it as part of the job, though only Lou's specifies premium quality paint. Once you add to Lee's bid the alternate cost of the paint, Lee's now in the middle.

Moore Paint's bid didn't get into specifics. It just says materials, labor and cleanup. He's the lowest bidder (after you add the paint cost to Lee's), but is he the best deal?

Lou's Painting specifies prep work and two coats of primer, in addition to a finish coat of premium-quality paint. But he's also $400 higher than the next bidder. If the job includes a significant amount of new lumber, two coats of primer, along with the premium-quality paint, may be worth the $400 more. If it doesn't, someone else will get the job done just fine and leave you more profit in the job.

Capital Painting, the second-best price, gives even less detail than Moore — just material and labor. They don't even mention cleanup! Unless you've used them before and know they do a good job, or they have a good reputation, you're better off passing on this bid. Why risk it? (This is one reason it's so important contractors specify on their bid *everything* that's included.) Of course, you do have the option of asking them to fax you their bid with the details broken out.

Fred's Painting includes caulking where needed. None of the others did. There are always areas that need caulk — where the lumber joint wasn't quite perfect, where it may have a split where it was nailed, etc. So this is a big point in Fred's favor.

So, assuming you don't have any other features to consider, such as reputation, Fred's Painting is probably your best bet, even if he isn't the lowest bidder.

Bid Comparison Sheet

Quality Construction, Inc.

Type of Bid:	Painting	**Bid Due Date:**	10/10/10
Project Number:	09-230	**Project Manager:**	Bob Clark
Project Name:	Brown Remodel	**Telephone:**	650-444-1111

Bid #1:			
Contractor Name:	Moore Paint	**Bid Date:**	10/05/10
Telephone/Email:	650-555-1069	**Bid Price:**	$1,200
Bid Includes:	**Tax** X	**Jobsite Delivery** X	**Installation** X
Work Includes:	Materials, labor & cleanup		
Work Excludes:			
Alternate:		**Alternate Price:**	

Bid #2:			
Contractor Name:	Lou's Painting, Inc.	**Bid Date:**	09/30/10
Telephone/Email:	415-444-6666	**Bid Price:**	$1,850
Bid Includes:	**Tax** X	**Jobsite Delivery** X	**Installation** X
Work Includes:	Materials, all prep, 2 coats primer, Dunn-Edwards Superior finish coat, cleanup		
Work Excludes:			
Alternate:		**Alternate Price:**	

Bid #3:			
Contractor Name:	Capital Painting	**Bid Date:**	10/10/10
Telephone/Email:	capital@paint.com	**Bid Price:**	$1,300
Bid Includes:	**Tax** X	**Jobsite Delivery** X	**Installation** X
Work Includes:	Materials & labor		
Work Excludes:			
Alternate:		**Alternate Price:**	

Bid #4:			
Contractor Name:	Fred's Painting	**Bid Date:**	10/03/10
Telephone/Email:	Fax: 415-777-1111	**Bid Price:**	$1,450
Bid Includes:	**Tax** X	**Jobsite Delivery** X	**Installation** X
Work Includes:	Materials & labor: prep, caulk where needed, prime & paint, cleanup		
Work Excludes:			
Alternate:		**Alternate Price:**	

Bid #5:			
Contractor Name:	Lee's Painting	**Bid Date:**	10/02/10
Telephone/Email:	650-223-2444	**Bid Price:**	$1,100
Bid Includes:	**Tax** X	**Jobsite Delivery** X	**Installation** X
Work Includes:	Labor, cleanup & supplies		
Work Excludes:	Paint		
Alternate:	Include paint	**Alternate Price:**	$1,350

SAMPLE

Bid Comparison Sheet

Type of Bid:		**Bid Due Date:**	
Project Number:		**Project Manager:**	
Project Name:		**Telephone:**	

Bid #1:			
Contractor Name:		**Bid Date:**	
Telephone/Email:		**Bid Price:**	
Bid Includes:	**Tax [ ]**	**Jobsite Delivery [ ]**	**Installation [ ]**
Work Includes:			
Work Excludes:			
Alternate:		**Alternate Price:**	

Bid #2:			
Contractor Name:		**Bid Date:**	
Telephone/Email:		**Bid Price:**	
Bid Includes:	**Tax [ ]**	**Jobsite Delivery [ ]**	**Installation [ ]**
Work Includes:			
Work Excludes:			
Alternate:		**Alternate Price:**	

Bid #3:			
Contractor Name:		**Bid Date:**	
Telephone/Email:		**Bid Price:**	
Bid Includes:	**Tax [ ]**	**Jobsite Delivery [ ]**	**Installation [ ]**
Work Includes:			
Work Excludes:			
Alternate:		**Alternate Price:**	

Bid #4:			
Contractor Name:		**Bid Date:**	
Telephone/Email:		**Bid Price:**	
Bid Includes:	**Tax [ ]**	**Jobsite Delivery [ ]**	**Installation [ ]**
Work Includes:			
Work Excludes:			
Alternate:		**Alternate Price:**	

Bid #5:			
Contractor Name:		**Bid Date:**	
Telephone/Email:		**Bid Price:**	
Bid Includes:	**Tax [ ]**	**Jobsite Delivery [ ]**	**Installation [ ]**
Work Includes:			
Work Excludes:			
Alternate:		**Alternate Price:**	

Project Proposal

File name on CD
ProjecProp

The *Project Proposal* lets you create a professional-looking bid quickly and easily, requiring little time to complete. And in some cases it can double as the contract itself. Once you have the client's signature and the date at the bottom, it may be enough to get the project moving forward. No additional contract may be necessary. Of course, each state has its own rules, especially on residential work, where numerous disclosures may be required. In many states, there's no such thing as a short residential contract that's also legal. For commercial work, or for very small residential jobs, this signed proposal may be fine. Check with an attorney in your jurisdiction before you consider using this proposal as a legal contract. Or go to www.construction-contract.net to download some free contracts that are legal in your state, or to try out some contract-writing software that's kept current with each state's laws.

How to Use This Form

Enter your company information at the top left of the form, if you aren't using letterhead, and date the form.

Client and Project Information

In the next section, provide client and project information, including a project number if there is one, and the project name and address.

Proposal Information

First, it's very important to specify the date of your proposal and *the date the proposal expires*. Certainly give the client a reasonable amount of time to consider and respond to your proposal. But your proposal is based on current prices and your current workload. You need to limit how long you'll stand by that price. You don't want the client to accept it six months later, when prices have skyrocketed and you're booked up for months. Having a Proposal Expires date also serves to spur the client to make a decision. He knows that if he dithers too long, he won't get the job at that price, and may even have to go through the hassle of finding another contractor.

Next, estimate when you can schedule the project to begin. Just about everyone wants their project started soon, so if you can show you're ready to start, the client is more likely to sign. Also estimate when, if you start on that date, you're confident it will be completed. Be realistic. It's better to predict three months and be finished in two than to promise two and be a month late.

Description of Work

As with any proposal or contract, be specific when you describe the job. Misunderstandings rarely benefit the contractor. In *This proposal does not include*, reiterate what you *aren't* including in the bid. In our example, Quality Construction is building a parking and storage structure, but will *not* be painting it. That's a job phase that the client will have to arrange himself, and you don't want him saying, when you put in for the final payment, "But you haven't done the painting yet."

In Accordance with the Following Contract Documents

Identify any documents used to work up your proposal, and list the dates of those documents. Drawings and specs can undergo numerous changes and, without dates, you'd be hard pressed to pinpoint which version of a document was used.

Payment Schedule

Here's where you submit the total bid price of the work, and the incremental payments you require. Provide the name of the lender who'll disburse the funds to you, as well as the expected start date for the project and the number of work days you anticipate the job to take. In our example, work at the Foxwood Suites project should take some 120 work days — about six calendar months.

Signatures

The contractor signs to affirm that he will perform according to the contract. As long as the client signs and returns it before the expiration date, you have what in some states is a legal document that will allow you to begin work. In other states it's a go-ahead to prepare a complete contract that meets your state's requirements.

Project Proposal

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

Date: 09/02/10

Client Information		Project Information	
Name:	Darrin Fox	**Project Number:**	09-237
Address:	1316 Washington	**Project Name:**	Foxwood Suites
	Bayshore, CA 94545	**Project Address:**	1262 Crestview
Telephone:	650-555-9000		Seashore, CA

Proposal Information			
Proposal Date:	09/02/10	**Estimated Start Date:**	09/10/10
Proposal Expires:	10/02/10	**Estimated End Date:**	03/10/11

Description of Work

Build a 4-car parking & storage structure at 1262 Crestview, Seashore, CA.

This proposal does not include: Any priming or painting.

In Accordance with the Following Contract Documents

Architectural drawings by Fred Smith, AIA, dated 07/01/10
Specifications by Madison Mitchell, dated 08/15/10

SAMPLE

Payment Schedule

All material and labor to be furnished in accordance with above specifications for the sum of: $32,000.00

Installments to be made as follows:

10% due upon signing of contract	$3,200.00
20% due upon start of foundation	$6,400.00
30% due upon start of rough framing	$9,600.00
30% due upon start of electrical work	$9,600.00
10% due upon completion of punch list	$3,200.00

Funds will be disbursed by: Seashore Bank & Trust
Work shall commence on or about: 09/10/10
Work shall be completed within 120 **working days.**

Contractor will perform the work described above, according to the specifications described, for the price and under the conditions stated herein.

Madison Mitchell, Owner, Quality Construction, Inc.
Contractor Name

Madison Mitchell
Signature

10/02/10
Date

I accept the terms of this proposal, including its cost, specifications, and conditions. I authorize the work described above, and will make payments according to the payment schedule detailed here.

Darrin Fox
Client Name

Darrin Fox
Signature

10/02/10
Date

Project Proposal

Date: _____

Client Information

Name: _____

Address: _____

_____

Telephone: _____

Project Information

Project Number: _____

Project Name: _____

Project Address: _____

_____

Proposal Information

Proposal Date:		Estimated Start Date:	
Proposal Expires:		Estimated End Date:	

Description of Work

This proposal does not include: _____

In Accordance with the Following Contract Documents

Payment Schedule

All material and labor to be furnished in accordance with above specifications for the sum of: _____

Installments to be made as follows:

_____ _____

_____ _____

_____ _____

_____ _____

_____ _____

Funds will be disbursed by: _____

Work shall commence on or about: _____

Work shall be completed within _____ **working days.**

Contractor will perform the work described above, according to the specifications described, for the price and under the conditions stated herein.

I accept the terms of this proposal, including its cost, specifications, and conditions. I authorize the work described above, and will make payments according to the payment schedule detailed here.

Contractor Name	**Client Name**
Signature	**Signature**
Date	**Date**

Time & Materials Proposal

File name on CD
TM_Prop

T & M agreements can work well, but some states disallow them for residential jobs. Between contractors, there shouldn't be a problem. If you're in a state where they're still legal for home improvement work, they're a handy way to make sure all your costs are covered, and that your risk is virtually eliminated. And the client gets a good deal because you don't have to include a contingency allowance. For small jobs this proposal will work fine. Don't use it for large or complex jobs, however. As the dollar amount or the number of elements in a job goes up, so does the opportunity for disagreement over hours and dollars spent. For bigger jobs, use an estimate form from Chapter 5 and view the contracts in Chapter 3.

You don't want to start a job, even a small job, without the agreement in writing. Usually, such agreements are first made verbally. This proposal form ensures the owner and the client are on the same page. It helps establish a proper business relationship, and once signed by both parties, will be taken seriously — you've agreed to do the work as specified; the client has agreed to pay for the work as specified. Should there be a dispute and a court has to settle it, your chance of prevailing is slim if you don't have a signed agreement.

How to Use This Form

If you aren't using letterhead, enter your company information at the top left, and date the form.

Client and Project Information

In the next section, provide client and project information, including a project number if there is one, and the project name and address.

Description of Work

As with any proposal or contract, be specific when describing the job. In our example, Log & Timber Framers is acting as a subcontractor for Quality Construction, submitting a T & M proposal to supply and install the beams on a custom home.

In *This proposal does not include*, it states the work is restricted to the beams. In proposals by one contractor to another, this isn't usually necessary — contractors are generally clear about who does what in construction. But it's included in the form in case you're using it for a homeowner, where miscommunication and incorrect assumptions are much more likely.

Payment & Payment Schedule

Here's where you list what you're charging for the labor provided and your various markups. Also, specify when you require payments to be made.

Acceptance

The contractor making the proposal signs to affirm that he will perform according to the agreement. When the client or the general signs and returns it, you have what in most states is a legal document that will allow you to begin work.

Time & Materials Proposal

Log & Timber Framers

2 Main Street
Bayshore, CA 94545
650-555-1212 Fax: 650-555-1234
License # 7050301
Email: LandT@LTFramers.com

Date: 06/28/11

Client Information

Name:	Madison Mitchell
Company:	Quality Construction, Inc.
Address:	1 Main Street Bayshore, CA 94545
Telephone:	650-555-1000

Project Information

Project Number:	09-237
Project Name:	Patterson Custom Home
Project Address:	16 Ocean Avenue Bayshore, CA 94545

Description of Work

Following is a description of the work proposed on the abovementioned project, the Patterson custom home **at** 16 Ocean Avenue, Bayshore.
All labor and materials necessary to install pre-notched mortise & tenon beams, using Timberlinx attachments.

This proposal does not include: Any work not directly related to the installation of said beams.

Payment & Payment Schedule

We propose to perform the above work on an hourly basis plus expenses, as outlined below:

1. **Labor:** All time spent by personnel shall be compensated at the following rates:

Category	Rate
Carpenter	$60.00
Carpenter's Apprentice	$45.00
Laborer	$30.00

2. **Materials:** All materials furnished for work on this project shall be reimbursed at cost plus 5% markup.
3. **Overhead & Profit:** Weekly invoices shall include 20% overhead and 20% profit.
4. **Invoices:** All invoices are due upon receipt. Any invoices not paid within 10 days will incur a late charge of 2% per month.

SAMPLE

Acceptance

Contractor will perform the work described above, according to the specifications and conditions described.

Chad Higbee, Log & Timber Framers
Subcontractor Name

Chad Higbee
Signature

06/28/11
Date

Prices, specifications, and conditions listed are satisfactory and hereby accepted.

I authorize Log & Timber Framers **to perform the work described above. Payment will be made as specified.**

Madison Mitchell, Quality Construction, Inc.
Contractor Name

Madison Mitchell
Signature

06/28/11
Date

Time & Materials Proposal

_____
_____
_____
_____
_____
_____ **Date:** _____

Client Information

Name: _____
Company: _____
Address: _____
_____
Telephone: _____

Project Information

Project Number: _____
Project Name: _____
Project Address: _____
_____

Description of Work

Following is a description of the work proposed on the abovementioned project, _____
_____ **at** _____
Job Description: _____
_____
This proposal does not include: _____
_____

Payment & Payment Schedule

We propose to perform the above work on an hourly basis, plus expenses, as oulined below:

1. **Labor:** All time spent by personnel shall be compensated at the following rates:

Category	Rate
_____	_____
_____	_____
_____	_____

2. **Materials:** All materials furnished for work on this project shall be reimbursed at cost plus _____ % markup.
3. **Overhead & Profit:** Weekly invoices shall include _____ % overhead and _____ % profit.
4. **Invoices:** All invoices are due upon receipt. Any invoices not paid within _____ days will incur a late charge of _____ % per month.

Acceptance

Contractor will perform the work described above, according to the specifications and conditions described.

Prices, specifications, and conditions listed are satisfactory and hereby accepted.

I authorize _____

to perform the work described above. Payment will be made as specified.

Subcontractor Name	**Contractor Name**
Signature	**Signature**
Date	**Date**

[Blank Page]

Subcontractor Forms 11

A subcontractor is an individual or a business that performs part or all of the obligations of another's contract. A general or prime contractor will hire a sub (also called a *specialty contractor*) to perform a specific task, such as the electrical work, as a part of the overall project. A business that specializes in just one area of work will have highly-skilled workers and the proper equipment for that specific trade. They'll do the work better and faster than workers who don't specialize, and will also be better able to estimate their costs. The general contractor will get a firm bid price from each sub he uses and will include those costs as part of his bid to his customer. This also reduces the amount of risk for the general, as each sub's price is at his own risk.

But as with your own employees, there's paperwork involved — documents to complete and transmit, communications to be made, requirements to be followed. You're ultimately liable for any problems. Use the forms in this chapter to streamline your dealings with subcontractors and suppliers, and to make sure you have all the information you need.

The Forms

Subcontractor Policy, *321*

When you take on a new sub, or start a sub on a new job, it helps everyone if they're given a clear understanding of the rules you expect them to follow. The best way to do this is with a written policy statement, like the sample provided here.

Subcontractor/Supplier Questionnaire, *326*
Use this form to make sure all subs or suppliers are licensed and properly insured, and to obtain all the details of their business, including contact numbers, that you need to have on file.

Subcontractor Insurance & W-9 Log, *329*
On this form you gather all the liability insurance and tax details from each of your subs. When you need it for the various audits, it's all in one place. It also lets you see at a glance if any information is missing.

Reminder Notice, *331*
When a sub or supplier fails to send or return a document or item, you can try to get hold of him by phone, or sit down and write him a letter. Or you can just check off the boxes on this simple *Reminder Notice* and send it over to him.

Rejection Letter, *334*
If a sub has made the effort to submit a bid, it's both polite and good business to send a response, even if you didn't award him the job. This letter is short, to the point, and appropriate in most circumstances.

Subcontractor Policy

File name on CD
SubPolicy

The *Subcontractor Policy* welcomes a new subcontractor to your company and lets him know he's now an integral part of your team. It then sets expectations of the subcontractors. Even though a sub isn't an employee of your company, to the customer, he is, and he represents you. Poor performance or behavior by a sub or one of his workers makes you look bad. So it's important that every sub is briefed on proper conduct.

Most subs are also contractors and their crews know as well as yours how to behave on a job. But by providing a written policy statement in advance, with your rules clearly stated, there's less room for misunderstanding. And having the sub sign an agreement that he and his workers will abide by the rules and policies, gives it added weight. If ever there's a problem, no one can say they didn't know they weren't supposed to do that.

How to Use This Form

The form, as printed here, is job-specific. It has a *Subcontractor Information* box, to write the name of the sub and the details of the project, including a brief description of the work. But some contractors require a prospective sub to sign this policy statement before even being added to the list — before there's any job lined up. If this is how you prefer it, using the file on the CD, simply select the box and hit Delete. Then each sub signs just once and he's on your team.

It's highly unlikely *our* policy statement is going to have exactly what will work for *you* and your company. Add, delete or modify the paragraphs to suit. Use our form as a template, and as a reminder list for items you may want to include.

Once the policy is signed, make a copy and give it to the sub for his files — and to show his workers, and put the original in your subcontractor binder or file.

Subcontractor Policy

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

Subcontractor Information:

Name:	Buck Moore, Moore Paint	**Project Number:**	09-237
Address:	12 James Way Seashore, CA 94547	**Project Name:**	Foxwood Suites
		Project Address:	1262 Crestview Seashore, CA
Telephone:	650-555-1069		
License #:	2345678		

Work Description: Build a 4-car covered parking & storage structure

We welcome your association with Quality Construction, Inc. and look forward to a pleasant and profitable business relationship with your company. As a subcontractor for Quality Construction, Inc. you have become a part of our team. We look to you to help our jobs run smoothly.

Please read this policy statement carefully, and sign and return one copy to us. Your signature indicates that you understand and will abide by the policies described.

1. EXPECTATIONS: All personnel at a Quality Construction, Inc. jobsite represent the company, and should support it and speak well of it. As our subcontractor, you are an integral part of our marketing program. Your job behavior should be a reflection of our company policy. Both our businesses stand to gain or lose by the image we present to the client.

   Workers sent to the jobsite shall report to the on-site supervisor. They should be clean and neat in appearance, wearing appropriate attire. Language and actions while on the job should be respectful. No loud radios or smoking are allowed on the client's property, either inside or outside the structure.

SAMPLE

14. TAX REQUIREMENTS: Before any payment can be made to you, we must have on file a completed W-9 for your organization, showing your status (sole proprietor, partnership, or corporation), and your TIN (Employer Identification or Social Security Number).

15. PAYMENT SCHEDULE: Unless other arrangements have been made, invoices will be paid on the 10th of each month following your invoice date, provided payment has been received from the client. Otherwise, payment will be made when we receive payment from the client. Invoices must include purchase order and job number.

    Materials charged to Quality Construction, Inc. must be documented and include purchase order and job number, with invoice copies sent to the main office. Failure to comply will delay payment.

    Note: It is not our policy to make "upon signing" payments. Please tie your draws to rough-in and final, including any required inspections (e.g. upon plumbing rough-in and inspection). Final draw should include both final inspection and client approval.

I have read and agree to abide by the terms and conditions in this policy statement.

Buck Moore, Moore Paint	Madison Mitchell, Quality Construction, Inc.
Subcontractor Name	**Contractor Name**
Buck Moore	*Madison Mitchell*
Signature	**Signature**
10/05/10	10/05/10
Date	**Date**

Subcontractor Policy

_____

_____

_____

_____

_____

_____

Subcontractor Information:

Name: _____

Address: _____

_____

Telephone: _____

License #: _____

Project Number: _____

Project Name: _____

Project Address: _____

_____

Work Description: _____

We welcome your association with _____ and look forward to a pleasant and profitable business relationship with your company.

As a subcontractor for _____ you have become a part of our team. We look to you to help our jobs run smoothly.

Please read this policy statement carefully, and sign and return one copy to us. Your signature indicates that you understand and will abide by the policies described.

1. EXPECTATIONS: All personnel at a _____ jobsite represent the company, and should support it and speak well of it. As our subcontractor, you are an integral part of our marketing program. Your job behavior should be a reflection of our company policy. Both our businesses stand to gain or lose by the image we present to the client.

   Workers sent to the jobsite shall report to the on-site supervisor. They should be clean and neat in appearance, wearing appropriate attire. Language and actions while on the job should be respectful. No loud radios or smoking are allowed on the client's property, either inside or outside the structure.

2. CLIENT RELATIONS: Be courteous to the client, but defer problems or comments to the on-site supervisor. No prices should be quoted directly to the client. Refer them to the on-site supervisor.

3. JOBSITE REQUIREMENTS: Employees are to use designated toilets, telephones, and storage areas. Do not use any of the client's tools or equipment. Protection of the client's property is our highest priority. Mechanics must dust-protect work areas before starting work. Floors must be protected on all jobs. Any damage to a client's property caused by your workers will be charged to you. Ensure that your workers secure the client's property when leaving the jobsite. If you need clarification on any of these matters, contact the production manager.

4. CLEANUP: All work areas must be left broom-clean at the end of each workday. Dispose of sweepings in designated trash containers. Don't use the client's. Unless prior arrangements have been made, any other trash must be hauled away daily.

5. PROBLEMS: If, at any point during a job, you encounter a problem not addressed in our project plans, or if you find a code violation or technical problem, even if it's not directly related to your part of the job, please notify the on-site supervisor promptly.

   After hours, call _____ directly, at _____.

6. REFERRALS: Over the course of our work relationship, we may refer appropriate work to you, and look to you to supply us with leads as well.

   If any of our clients requests extras outside the contract, or expresses interest in you performing other work for them within one year of your work for us on that job, our original contract with the client stipulates that you, as our subcontractor, must obtain our written permission to work directly with our client. This requirement extends to passers-by, neighbors, or any referrals by our client. Any subcontractor who takes such a job without obtaining permission shall be in direct violation of this Agreement.

7. BIDS: No bid should be submitted without first visiting the jobsite. Any on-site problems caused by conditions that a job walk would have revealed are your problem and your responsibility.

8. CHANGES: All changes must be approved in writing by the on-site supervisor or our main office. If a change needs to be made immediately in order for work to proceed, you may do so following verbal approval from an authorized company representative. But you must follow up with a written change order as soon as possible.

9. MATERIALS: Acceptance and unloading of your construction materials, their storage and protection, insurance, and any material or equipment loss is your responsibility and at your risk. All materials must be protected from dust, using the appropriate cover materials. Items you remove from the job for safekeeping are your responsibility to store and protect.

10. JOB SCHEDULE: Maintaining work schedules is a top priority. If you anticipate a delay on your end, or if you find that other contracting work has to be done before you can proceed with your portion of the job, notify the on-site supervisor immediately. He'll attempt to solve the problem at hand, possibly with some schedule reshuffling, and may be able to take steps to help prevent future such delays.

11. JOB SAFETY/OSHA: As a licensed subcontractor, you must comply with federal, state, and local safety rules and regulations.

    _____ is responsible for monitoring safety on the jobsite. This is in addition to any safety program you are required to implement as a subcontractor.

    A. All subcontractors shall comply with the established Job Safety Program, and help prevent hazardous conditions that could result in injury.

    B. Each subcontractor shall furnish and maintain safety equipment for his employees.

    C. _____'s compliance manager will meet with each subcontractor to review the company Job Safety Program, and to enlist cooperation and compliance with said program.

12. WARRANTY: You must fully guarantee all labor and materials for one year after substantial completion. Manufacturers' warranties that exceed this one-year period are to be given to the client. Any other defects (material or labor) will be settled on a per-job basis.

13. LICENSE AND INSURANCE: We must have copies of your contractor's license, current worker's compensation policy, certificate of general liability insurance, and auto/truck insurance in our file before you begin work and before we can issue any payments to you. Otherwise, we are required to withhold worker's compensation. In addition, if we don't have proof of your general liability insurance, we will deduct a percentage from any payments to include you under the blanket insurance policy we carry.

    If you use an Independent Contractor's Affidavit of Exemption, it must be in effect prior to your beginning work, and a copy must be in our file.

14. TAX REQUIREMENTS: Before any payment can be made to you, we must have on file a completed W-9 for your organization, showing your status (sole proprietor, partnership, or corporation), and your TIN (Employer Identification or Social Security Number).

15. PAYMENT SCHEDULE: Unless other arrangements have been made, invoices will be paid on the _____ of each month following your invoice date, provided payment has been received from the client. Otherwise, payment will be made when we receive payment from the client. Invoices must include purchase order and job number.

    Materials charged to _____ must be documented and include purchase order and job number, with invoice copies sent to the main office. Failure to comply will delay payment.

    Note: It is not our policy to make "upon signing" payments. Please tie your draws to rough-in and final, including any required inspections (e.g. upon plumbing rough-in and inspection). Final draw should include both final inspection and client approval.

I have read and agree to abide by the terms and conditions in this policy statement.

Subcontractor Name	**Contractor Name**
Signature	**Signature**
Date	**Date**

Subcontractor/Supplier Questionnaire

File name on CD
SubSupQues

As the general contractor, you put your trust and reputation in the hands of subs and suppliers. If they don't perform as well, your job won't get done correctly and on time. Before doing business with a sub, you need to know they're properly licensed, insured, they have worker's comp, their business ownership structure and, especially in the case of government work, if they may qualify for certain government benefits. A completed *Subcontractor/Supplier Questionnaire* gives you the information necessary to make an informed selection, and lets you see instantly if a sub doesn't meet the requirements and should be taken off your list.

This questionnaire has space for telephone numbers (office, fax and cell) and an email address. The contractor's license number and insurance policy numbers (worker's compensation and liability) require an expiration date as well. Go to your Contractors State License Board website and enter the license number given on the form. You'll be able to see if the information provided on the form is correct. (You can get there by clicking www.Craftsman-Book.com, then scroll down to the bottom left of the page, click on Craftsman Websites, then Contractors-License.org.)

How to Use This Form

Fill out your company name and details and give or send a copy to each potential subcontractor and supplier. Ask them to complete it and return it to you.

When you get the form back, make sure all the fields have been filled in, and remember that they have to provide you with a current worker's comp and general liability certificate for your files.

The *Type of Business* section identifies the type of work the contractor does, such as plumbing or painting, or the type of material the supplier deals in, such as plumbing supplies.

Type of Organization is needed primarily for accounting purposes. Different or additional forms, such as worker's comp and general liability certificates, may be needed for different business structures.

In the event you're working on a government job, the form asks about small business ownership and minority status in the *Business Status* section. There are benefits available to you if you choose a sub or supplier that qualifies as a small business, or if it's minority owned.

When you select a subcontractor or supplier, transfer the information from this questionnaire to the appropriate logs, including the *Field Directory* and the *Jobsite Emergency Telephone Directory.*

Subcontractor/Supplier Questionnaire

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com **Date:** 05/10/10

Subcontractor/Supplier Information

Name:	Buck Moore, Moore Paint	**License # & Exp. Date:**	234567, 01/03/2012
Address:	12 James Way	**Workers' Comp. # & Exp. Date:**	9988776, 02/23/2013
	Seashore, CA 94547	**Liability Ins. Co. & Policy #:**	Surety #2007934
Telephone:	650-555-1069	**Email:**	buck@moorepaint.net
Fax:	650-555-1245	**Cell:**	650-555-0980

Type of Business

Contractor Type: Painting Contractor
Supplier:

Type of Organization

___ **Individual/Sole Proprietorship**	**Name:**	
___ **Limited Partnership**	**Name of Managing Partner:**	
___ **General Partnership**	**Names of Partners:**	
___ **Joint Venture**	**Names of Participants:**	
X **Corporation**	**Officers' Names:**	Buck Moore, President; Susan Moore, VP

Business Status

1. Do you legally qualify as a small business? **Yes** X **No** ___
As qualified by: The State of California
2. Is your organization female-owned? **Yes** ___ **No** X
3. Is your organization minority-owned? **Yes** ___ **No** X
If minority-owned, indicate status:

___ **African-American** ___ **Alaskan Native** ___ **Asian** ___ **Hispanic**
___ **Native American** ___ **Pacific Islander** ___ **Other** _____

SAMPLE

Subcontractor/Supplier Questionnaire

_____

_____

_____

_____

_____

_____ Date: _____

Subcontractor/Supplier Information

Name: _____ License # & Exp. Date: _____

Address: _____ Workers' Comp. # & Exp. Date: _____

_____ Liability Ins. Co. & Policy #: _____

Telephone: _____ Email: _____

Fax: _____ Cell: _____

Type of Business

Contractor Type: _____

Supplier: _____

Type of Organization

___ Individual/Sole Proprietorship Name: _____

_____

___ Limited Partnership Name of Managing Partner: _____

___ General Partnership Names of Partners: _____

___ Joint Venture Names of Participants: _____

___ Corporation Officers' Names: _____

Business Status

1. Do you legally qualify as a small business? Yes ___ No ___

As qualified by: _____

2. Is your organization female-owned? Yes ___ No ___

3. Is your organization minority-owned? Yes ___ No ___

If minority-owned, indicate status:

___ African-American ___ Alaskan Native ___ Asian ___ Hispanic

___ Native American ___ Pacific Islander ___ Other _____

Subcontractor Insurance & W-9 Log

File name on CD
SubInsurW9

Throughout the year you'll need the various insurance companies and policy numbers of your subs — the certificate numbers, their tax numbers, and more. When you need these numbers, such as for your annual Worker's Comp and General Liability audits, you don't want to discover that they're missing. This log provides you with an organized, complete listing of the insurance and liability coverage of each of your subs, and the tax information from their W-9s. If any sub's information is missing, you can see that at a glance and can follow up to make sure you'll have it when you need it.

How to Use This Form

Any time you add a new sub to your list, add him to this form. Enter the information for each subcontractor as you receive copies of their Worker's Comp, General Liability and W-9 forms/certificates. The form tracks which of your subs have responded and which haven't.

You'll notice we've put the expiration dates for Worker's Comp and for General Liability at the top. This is the most-common issue — they have insurance but forgot to renew it. Or it was in force when they started the job, but it lapsed in the meantime.

Subcontractor Insurance & W-9 Log

Quality Construction, Inc. **Date:** 10/01/10

SAMPLE

Enter worker's comp and general liability insurance expiration dates, certificate or policy numbers, and insurance carrier information. Check W-9 box when forms are received, and enter the Fed and State tax I.D. numbers.

Subcontractor	Worker's Compensation	General Liability	W-9
Moore Paint, Inc.	**Expires:** 2/15/11	**Expires:** 1/15/11	**[X] W-9 Received**
	Certificate # WDF12908	**Policy #** 123488FD	**Fed ID#** 94-111111
	Ins. Carrier: State Fund	**Ins. Carrier:** Hammet Ins.	**State ID#** 345-1349
Justin Jones Jones Carpentry	**Expires:** 3/9/11	**Expires:** 5/15/11	**[X] W-9 Received**
	Certificate # Sole Prop Exempt.	**Policy #** 435095TF	**Fed ID#** 555-11-1111

Subcontractor Insurance & W-9 Log

Date: _____

Enter worker's comp and general liability insurance expiration dates, certificate or policy numbers, and insurance carrier information. Check W-9 box when forms are received, and enter the Fed and State tax I.D. numbers.

Subcontractor	Worker's Compensation	General Liability	W-9
	Expires:	Expires:	[ ] W-9 Received
	Certificate #	Policy #	Fed ID #
	Ins. Carrier:	Ins. Carrier:	State ID #
	Expires:	Expires:	[ ] W-9 Received
	Certificate #	Policy #	Fed ID #
	Ins. Carrier:	Ins. Carrier:	State ID #
	Expires:	Expires:	[ ] W-9 Received
	Certificate #	Policy #	Fed ID #
	Ins. Carrier:	Ins. Carrier:	State ID #
	Expires:	Expires:	[ ] W-9 Received
	Certificate #	Policy #	Fed ID #
	Ins. Carrier:	Ins. Carrier:	State ID #
	Expires:	Expires:	[ ] W-9 Received
	Certificate #	Policy #	Fed ID #
	Ins. Carrier:	Ins. Carrier:	State ID #
	Expires:	Expires:	[ ] W-9 Received
	Certificate #	Policy #	Fed ID #
	Ins. Carrier:	Ins. Carrier:	State ID #
	Expires:	Expires:	[ ] W-9 Received
	Certificate #	Policy #	Fed ID #
	Ins. Carrier:	Ins. Carrier:	State ID#
	Expires:	Expires:	[ ] W-9 Received
	Certificate #	Policy #	Fed ID #
	Ins. Carrier:	Ins. Carrier:	State ID #

Reminder Notice

File name on CD
RemindNote

Just like your company, other companies you deal with — subcontractors and suppliers — have many irons in the fire and won't always be on top of every detail for every job. Use the *Reminder Notice* to nudge a forgetful sub or supplier into providing the documents, samples, drawings or other information you need from him before he can start his portion of the job.

This form lists some items commonly forgotten at the beginning of a job — certificates of insurance, color/texture samples — sometimes they even forget to send back the contract! You can also use this form as a follow-up to previous requests for such items.

The *Reminder Notice* also serves as evidence that you gave notice of an omission, so keep a copy of it in the job file.

How to Use This Form

Your company information should be at the top, and the date the form was sent. Enter the sub or supplier name, address, and telephone number, and the project number, name and address.

Then just check the appropriate box. If none of the boxes apply, check *Other* and write in the *Comments* section what is needed. As with all the forms in this manual, change the form to include the items commonly requested in your area of business.

Use the *Comments* section to make any clarifications. Refer to any other document, contract, drawings, or specs, etc. that will explain or support your request.

In *Note:* enter the scheduled start date. Then he'll know what his time frame is to provide you with the requested items. Identify to whom the material should be sent — usually your main office.

Keep a copy of the reminder in your file, and if you want proof of receipt, send the *Reminder Notice* by registered mail, or "Return receipt requested." If you fax or email it, follow up with a phone call, and write on your copy when you called and who confirmed receipt.

Reminder Notice

Quality Construction, Inc.
1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

Date: 10/02/10

Subcontractor/Supplier Information		Project Information	
Name:	Buck Moore, Moore Paint	**Project Number:**	09-237
Address:	12 James Way	**Project Name:**	Foxwood Suites
	Seashore, CA 94547	**Project Address:**	1262 Crestview
Telephone:	650-555-1069		Seashore, CA

SAMPLE

The following items must be received before we can schedule your work on this project:

[X]	Certificate of Insurance	[ ]	Drawings, Shop	[X]	Samples
[ ]	Colors/Texture	[ ]	Materials List	[ ]	Sub Schedule
[X]	Contract	[ ]	Minority Compliance Form	[ ]	Submittals
[ ]	Cost Breakdown	[ ]	Product Literature	[ ]	Warranty
[ ]	Drawings, As-built	[ ]	Purchase Order	[ ]	Other

Comments: The certificate of worker's comp insurance you submitted expired on 10/01/10. Please send a copy of your renewed certificate.

Note: The item(s) noted must be received before you can commence work on 10/17/10**.**
Please submit the requested information to Sarah Olsen**, at the above address.**

Thank you.

Sarah Olsen

Office Manager
Quality Construction, Inc.

Reminder Notice

_____
_____
_____
_____
_____
_____ **Date:** _____

Subcontractor/Supplier Information		Project Information	
Name:	_____	**Project Number:**	_____
Address:	_____	**Project Name:**	_____
	_____	**Project Address:**	_____
Telephone:	_____		_____

The following items must be received before we can schedule your work on this project:

[ ]	Certificate of Insurance	[ ]	Drawings, Shop	[ ]	Samples
[ ]	Colors/Texture	[ ]	Materials List	[ ]	Sub Schedule
[ ]	Contract	[ ]	Minority Compliance Form	[ ]	Submittals
[ ]	Cost Breakdown	[ ]	Product Literature	[ ]	Warranty
[ ]	Drawings, As-built	[ ]	Purchase Order	[ ]	Other

Comments:

_____
_____
_____

Note: The item(s) noted must be received before you can commence work on _____.

Please submit the requested information to _____, at the above address.

Thank you,

_____
_____
_____

Rejection Letter

File name on CD
RejectLtr

If a specialty contractor has taken the time to respond to a bid, it's both considerate and good business to acknowledge his effort, even if you're not going to award him the job. You'll be issuing bids in the future, and though his wasn't the best bid this time, next time it may be.

Make it a practice to respond to all bidders. Don't leave them won-dering if they got the job, or make them have to contact you to ask. (There's a form for this in Chapter 4.)

The *Rejection Letter* provided here is intentionally non-specific, so it'll apply to all bids. It'll take just a few seconds to identify the project and to address it.

The letter is straightforward and professional. There's no need to apologize or criticize. Just make it clear that the bid was awarded elsewhere.

In the contracting business, you'll reject more bids than you accept. Get used to the idea that you have to say no to some contractors. A generic letter like this one is appropriate to send any contractor.

How to Use This Form

Enter your company information at the top, and date the form.

Enter the contractor's name, along with his mailing address. Be sure to provide the number and name of the project involved. The contractor likely has multiple jobs out to bid, maybe even with your company, so this information is important.

Because this form contains only a small amount of text, we haven't provided a printed blank copy. If you're not using the file on the CD, just use the wording on the sample as a guide to create a letter that suits your needs.

Quality Construction, Inc.

1 Main Street
Bayshore, CA 94545
650-555-1000 Fax: 650-555-1234
License # 1234567
Email: sales@qualityconstruction.com

April 10, 2010

Michael Stone, Stone Construction
4774 E. Brunswick Drive
Bayshore, CA 94545

SAMPLE

Project Number: 09-245
Project Name: Tenant Improvements

Dear Mr. Stone,

After careful consideration and evaluation of bids for the above-referenced project, we have awarded the contract to another bidder. We appreciate the interest you have shown and will look forward to the possibility of working with you in the future.

Thank you for your participation in the bidding process.

Sincerely,

Madison Mitchell

Madison Mitchell
Owner, Quality Construction, Inc.

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Timesheets

12

Construction industry employees typically choose their profession because they like to work outdoors and don't like paperwork. We kept that in mind as we were creating the forms in this chapter. The timesheets are easy to fill out and understand, and don't take much time to complete. However, each form gathers the information you need to track time spent on each task and job.

Estimating accurately is one of the most important aspects of a profitable, successful construction business. In order to accurately estimate labor costs you need to know how much time it takes to complete a task and phase of a project. The only way to do that is to track actual costs on every job. That's never easy. Recording actual job costs will probably be one of your greatest challenges — but the timesheet provided here is an ideal starting point. Use it, and the other time management forms in this section, to keep tabs on your jobs, your workers, and to bring your estimates closer to your actual costs.

The Forms

Time Management Worksheet, *339*

Most of us overestimate the amount of work we'll get done in a day, and the result is either the tasks planned for the later part of the day don't get done, or you put in too many hours to get the work done. Use this handy sheet to create a realistic schedule for the day.

Timesheet Category List, *342*

In order to keep track of time spent on each job and by each worker, you need a simple system for categorizing each phase of construction and each task within that phase. This category list will enable your workers to correctly fill out a timesheet. Adopt the numbering on the list printed here, adapt the copy on the CD to fit your needs, or simply create your own list, using ours as a guide.

Weekly Timesheet, *344*

Keep a weekly timesheet for each employee to keep track of the total hours put in each week, and to keep you apprised of exactly what tasks are being done, on what projects, and how long each task is taking. At the end of a project, add the hours from all the timesheets to get the total labor expended on that project, and compare it with your estimate. You'll have a better basis for your labor estimates on future jobs.

Timesheet Detail, *347*

This form serves some of the same purposes as the Weekly Timesheet, but it records the worker's exact hours each day — the time he came in, the time he took lunch, moved on to the next jobsite, and so on. You need to keep tabs on people on your payroll, as well as the time spent on each project. This form helps you do that, and also provides tracking in case there's any disagreement over hours.

Time Management Worksheet

File name on CD
TimeManage

Every business owner knows how a day can just get away from you. You expect to get a whole bunch of work done, but at the end of the day, you're wondering what happened. The *Time Management Worksheet* will help you focus your efforts and schedule your time, so what has to get done, gets done. It's flexible, so you can use it to schedule appointments, as a to-do list, and to set daily goals. Provide it also to your employees, especially your office staff. They need to manage their time as well as you. Keep it in a folder on your hard drive, or print copies to put in a three-ring binder. Use it as a log of your business and leisure activity, available for future reference.

How to Use This Form

This is an in-house form, so your company name, your name, and the date are all that's required at the top.

At the top of the form, circle the appropriate day. On the digital file, check the box.

In the left-hand columns, record appointments scheduled throughout the day, from 6:00 AM until 7:00 PM, divided into half-hour segments.

On the right, identify what you have to do and estimate how long you expect it to take. If you add up the hours in the last column and find the total is well into the double digits, it's time to either get realistic about what you can expect to do, or to increase your efficiency on each task so you can meet your goals for the day. Your schedule shouldn't be what you *wish* you could do; it should be what you *will* do.

At the bottom, *Goals for the day* lets you summarize what you plan to accomplish. It helps you look past the small daily details to remind you of the larger goals.

Time Management Worksheet

Quality Construction, Inc.

Filed by: Madison Mitchell
Date: 01/12/11

Monday Tuesday Wednesday Thursday Friday Saturday Sunday

Time	Appointments	Action Record	Time
6:00			
7:00	Office	Work up estimate for Gavin project	2
8:00			
9:00	09-237 Foxwood Suites parking & storage	Jobsite	1.5
10:00			
	Office	Code bills for Project #09-237	1.5
11:00			
NOON	Lunch: Darrin Fox	Review project progress	2
		Discuss future jobs	
1:00			
2:00	09-235 Edgewood Manor	Jobsite	1
3:00	Office	Meet with Joe & Kelly Taylor	1
		Review job process	
4:00	Office	Catch up on paperwork	1
5:00	Gawen Field	Kristin's soccer game	2
6:00			
7:00			

SAMPLE

Goals for the day:

Visit project sites
Complete Gavin estimate
Meet with project clients
Code vendor bills with job #s & phases for A/P entry

Time Management Worksheet

Filed by: _____

Date: _____

Monday Tuesday Wednesday Thursday Friday Saturday Sunday

Time	Appointments	Action Record	Time
6:00			
7:00			
8:00			
9:00			
10:00			
11:00			
NOON			
1:00			
2:00			
3:00			
4:00			
5:00			
6:00			
7:00			

Goals for the day: _____ _____

_____ _____

_____ _____

Timesheet Category List

File name on CD
TimeCateg

The *Timesheet Category List* provided in this chapter has the same estimate phase list as the *Remodel Estimate* in Chapter 5. It's critical to have a coding system for timesheets that correlates with your estimating so that you can track estimated costs to actual job costs.

Each phase of construction on the remodel estimate corresponds to each timesheet category header, i.e., 02 Sitework. The list should be handed out with the timesheet so employees can code their labor into the appropriate job phase and task. This form makes it easy for each employee to enter his labor hours into the right category of work performed each day. If a field employee is putting up plastic sheeting to protect areas from dust, he only has to find *Dust protection* on the Category List to see that the time he spent should be coded to 02 Sitework. He'd then enter *Dust protection* in the Description column on the timesheet.

The list printed here includes many of the tasks construction companies handle. But it's only a guide. Which tasks, and the number of tasks you enter under each phase of construction, will depend on your business. Use the file on the CD and delete the tasks your employees *don't* perform; leave or add the ones they do. Be sure each task you add is under the correct category, and that it corresponds with your estimate phases.

How to Use This Form

Show employees how to use the *Timesheet Category List* to identify each task they perform — make sure they understand what each section includes. Remind them that each task performed, such as digging postholes (03 Excavation) or hanging drywall (18 Interior Walls), must be assigned a code from the Category List and they must enter that code on the timesheet.

When the timesheets come back into the office, it's a simple process to enter the timesheet codes into your computerized job costing system and compare the actual hours with your estimated hours. If the hours are significantly off, there's either a problem with your estimating or a problem at your jobsite. Whichever it is, you need to know.

Timesheet Category List

01 PLANS, PERMITS & FEES
- Pickup permit

02 SITEWORK
- Dust protection
- Mobilize/transporation
- Temp. utilities
- Project scheduling
- Temp. fence & gates
- Weather protection

03 EXCAVATION
- Demo
- Rough grade
- Piers or postholes
- Drainage/footings
- Backfill
- Haulage

04 CONCRETE
- Forming walls
- Forming slab
- Form misc.
- Tying rebar
- Pouring
- Stripping forms
- Rebolt exist. foundation

05 MASONRY
- Retaining walls
- Glass block
- Sandblasting
- Stonework
- Planter masonry

06 FLOOR FRAMING
- Mudsills
- Hold-downs
- Subfloor

07 WALL FRAMING
- Carpentry, rough
- Straps
- Shearwall ply
- Stair framing
- Scaffolding

08 ROOF FRAMING
- Skylight framing
- Roof ply
- Roof rafters
- Trusses
- Soffit framing
- Beams

09 ROOF FLASHING
- Roof flashing

10 EXTERIOR TRIM
- Windows
- Doors
- Fascia
- Soffit

11 SIDING
- Tarpaper
- Flashing
- Wood (specify)
- Shingles
- Plywood
- Wall lattice

12 DOORS
- Prehung
- Set
- Weatherstrip
- Locks
- Make door
- Bathroom glass doors

13 WINDOWS
- Set
- Flashing
- Hardware

14 PLUMBING
- Prep.
- Rough
- Finish

15 HVAC
- Ducts
- Flues
- Furnace
- Hood

16 ELECTRICAL
- Prep.
- Rough
- Finish

17 INSULATION
- Rigid
- Walls R11
- Roof R38
- Floor R19
- Title 24

18 INTERIOR WALLS
- Finish carpentry
- Fireplace mantel
- Railings
- Base & casing
- Drywall
- Storage shelving
- Interior stairs

19 CEILING & COVERING
- Ceiling moldings

20 MILLWORK & TRIM
- Cabinet millwork
- Architectural millwork

21 CABINETS & VANITIES
- Top
- Hardware
- Kicks
- Installation
- Finishing

22 SPECIALTIES
- Fireplace
- Louvers & vents
- Screens
- Stair construction
- Attic access stair

23 FLOORING
- Underlayment
- Patching
- Flooring & pads

24 PAINTING
- Caulking & prep.
- Painting

25 CLEANUP
- Dump runs
- Site cleanup

26 PAVING, DECKS & FENCES
- Fences
- Decking
- Benches & railing
- Trellis

27 SUPERVISION

28 MOISTURE PROTECTION
- Caulking & sealants
- Gutters

Weekly Timesheet

File name on CD
WeeklyTime

The *Weekly Timesheet* was designed for use in conjunction with the *Timesheet Category List* and for quick data entry into *QuickBooks* accounting software. This timesheet is very easy to use, and is one of the most popular forms we provide.

Regardless of who fills out the timesheet — the lead carpenter, a supervisor, or the employee himself — the employee should sign at the bottom to verify that it correctly shows the hours he worked.

How to Use This Form

This is an in-house form, so the company name is all that's needed at the top.

General Information

Before giving this timesheet to the employee, enter the employee's name and his classification, such as laborer or apprentice, then the dates the pay period begins and ends. The person filling out the form puts his name in the *Completed By* space, and at the end of the pay period, when the timesheet is submitted for review and for payment, the *Approved By* section gets filled in.

Project Information

The main body of the form is where information needs to be precise. In *Project #/Name,* enter the job number and name. This is important: even if your workers remain at the same job for each task, the job number and name must be entered for each task. The reason is that every task is assigned a different number, based on the timesheet categories. The worker needs to identify each task by number in the *Task #* column, and to provide a brief description.

In the columns under days of the week, enter the amount of time spent on each task. At the end of the work week, total the hours worked each day.

In our sample *Weekly Timesheet,* Juan Jerome filled out his own timesheet, signed that the hours shown were correct, and submitted it to Madison Mitchell for approval and payment.

Weekly Timesheet

Quality Construction, Inc.

General Information

Employee Name:	Juan Jerome	**Beginning:**	10/02/11
Classification:	Laborer	**Ending:**	10/09/11
Completed By:	Juan Jerome	**Supervisor:**	Mike Morley

Project Information

Project #/Name	Task #	Description	MON	TUE	WED	THU	FRI	SAT	SUN
09-237 Foxwood	01	Pick up permits	12.00						
09-237 Foxwood	02	Mobilize site	4.00						
09-237 Foxwood	02	Temporary utilities		4.00	1.00				
09-237 Foxwood	02	Demo		3.00					
09-237 Foxwood	02	Drainage/footings			4.00				
09-237 Foxwood	04	Concrete work			4.00	8.00			
09-236 Taylor	06	Floor framing					7.00		
09-235 Edgewood	25	Site clean-up					1.00		
Total Hours			16.00	7.00	9.00	8.00	8.00		

SAMPLE

Juan Jerome
Employee Name

Juan Jerome
Signature

10/12/11
Date

Madison Mitchell
Approved By

Madison Mitchell
Signature

10/14/11
Date

Weekly Timesheet

General Information

Employee Name: _____ **Beginning:** _____

Classification: _____ **Ending:** _____

Completed By: _____ **Supervisor:** _____

Project Information

Project #/Name	Task #	Description	MON	TUE	WED	THU	FRI	SAT	SUN
Total Hours									

Employee Name

Signature

Date

Approved By

Signature

Date

Timesheet Detail

File name on CD
TimeDetail

The *Timesheet Detail* tracks when an employee starts work each day, on what project he's working, his lunch break and his ending time. This timesheet is designed for companies that focus on a certain type of work and don't need to break it down by job phase or category. For example, specialty contractors like plumbers, electricians, and painters simply need to track the time spent on each job. They know what the worker was doing.

We've included a space for the worker's classification — laborer, apprentice, journeyman.

How to Use This Form

Fill in the name of the worker in the *Employee Name* field. There's a set of *In* and *Out* and *Total Hours* columns for each day of the work week. Record the number and name of the job each employee worked on, the time he started work, when he took off for lunch, and when he finished for the day. That'll give you the total hours spent by each employee on each job. You need this so you can judge if your labor estimate for the job was accurate — and to make sure that if a worker was on a job for 20 hours during the week, there's 20 hours worth of work done.

The foreman should send the sheet to the payroll clerk, who then runs totals across each row for each employee.

Timesheet Detail

Quality Construction, Inc.

Date: 10/12/11

Employee Name: Juan Jerome
Classification: Laborer
Approved By: Madison Mitchell

Beginning: 10/3/2011
Ending: 10/9/2011
Sheet Number: 01

Job #/Name		In	Out	Total MON	In	Out	Total TUE	In	Out	Total WED	In	Out	Total THU	In	Out	Total FRI	Weekly Total
09-237	AM	8:00	12:00	8.00	9:00	12:00	7.00	8:00	12:00	9.00	8:00	12:00	8.00				32.00
Foxwood	PM	1:00	5:00		1:00	5:00		1:00	6:00		1:00	5:00					
09-235	AM													8:00	9:00	1.00	1.00
Edgewood	PM																
09-236	AM													10:00	12:00	7.00	7.00
Taylor	PM													1:00	6:00		
	AM																0.00
	PM																
	AM																0.00
	PM																
	AM																0.00
	PM																
	AM																0.00
	PM																
	AM																0.00
	PM																
	AM																0.00
	PM																
Total				8.00			7.00			9.00			8.00			8.00	40.00

SAMPLE

Timesheet Detail

Date: _____

Employee Name: _____ **Beginning:** _____

Classification: _____ **Ending:** _____

Approved By: _____ **Sheet Number:** _____

Job #/Name		In	Out	Total MON	In	Out	Total TUE	In	Out	Total WED	In	Out	Total THU	In	Out	Total FRI	Weekly Total
	AM																
	PM																
	AM																
	PM																
	AM																
	PM																
	AM																
	PM																
	AM																
	PM																
	AM																
	PM																
	AM																
	PM																
	AM																
	PM																
	AM																
	PM																
Total																	

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Practical References for Builders

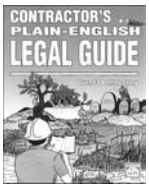
Building Code Compliance for Contractors & Inspectors

An answer book for both contractors and building inspectors, this manual explains what it takes to pass inspections under the 2009 *International Residential Code*. It includes a code checklist for every trade, covering some of the most common reasons why inspectors reject residential work — footings, foundations, slabs, framing, sheathing, plumbing, electrical, HVAC, energy conservation and final inspection. The requirement for each item on the checklist is explained, and the code section cited so you can look it up or show it to the inspector. Knowing in advance what the inspector wants to see gives you an (almost unfair) advantage. To pass inspection, do your own pre-inspection before the inspector arrives. If your work requires getting permits and passing inspections, put this manual to work on your next job. If you're considering a career in code enforcement, this can be your guidebook. **8½ x 11, 232 pages, $32.50**

National Repair & Remodeling Estimator

The complete pricing guide for dwelling reconstruction costs. Reliable, specific data you can apply on every repair and remodeling job. Up-to-date material costs and labor figures based on thousands of jobs across the country. Provides recommended crew sizes; average production rates; exact material, equipment, and labor costs; a total unit cost and a total price including overhead and profit. Separate listings for high- and low-volume builders, so prices shown are specific for any size business. Estimating tips specific to repair and remodeling work to make your bids complete, realistic, and profitable. Includes a CD-ROM with an electronic version of the book with *National Estimator*, a stand-alone *Windows*™ estimating program, plus an interactive multimedia video that shows how to use the disk to compile construction cost estimates.
496 pages, 8½ x 11, $63.50. Revised annually

Contractor's Plain-English Legal Guide



For today's contractors, legal problems are like snakes in the swamp — you might not see them, but you know they're there. This book tells you where the snakes are hiding and directs you to the safe path. With the directions in this easy-to-read handbook you're less likely to need a $200-an-hour lawyer. Includes simple directions for starting your business, writing contracts that cover just about any eventuality, collecting what's owed you, filing liens, protecting yourself from unethical subcontractors, and more. For about the price of 15 minutes in a lawyer's office, you'll have a guide that will make many of those visits unnecessary. Includes a CD-ROM with blank copies of all the forms and contracts in the book. **272 pages, 8½ x 11, $49.50**

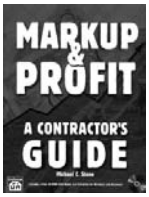
CD Estimator

If your computer has *Windows*™ and a CD-ROM drive, CD Estimator puts at your fingertips over 150,000 construction costs for new construction, remodeling, renovation & insurance repair, home improvement, framing & finish carpentry, electrical, concrete & masonry, painting, earthwork & heavy equipment and plumbing & HVAC. Monthly cost updates are available at no charge on the Internet. You'll also have the *National Estimator* program — a stand-alone estimating program for *Windows*™ that *Remodeling* magazine called a "computer wiz," and *Job Cost Wizard*, a program that lets you export your estimates to *QuickBooks Pro* for actual job costing. A 60-minute interactive video teaches you how to use this CD-ROM to estimate construction costs. And to top it off, to help you create professional-looking estimates, the disk includes over 40 construction estimating and bidding forms in a format that's perfect for nearly any *Windows*™ word processing or spreadsheet program.
CD Estimator is $98.50

How to Succeed With Your Own Construction Business

Everything you need to start your own construction business: setting up the paperwork, finding the work, advertising, using contracts, dealing with lenders, estimating, scheduling, finding and keeping good employees, keeping the books, and coping with success. If you're considering starting your own construction business, all the knowledge, tips, and blank forms you need are here. **336 pages, 8½ x 11, $28.50**

Markup & Profit: A Contractor's Guide



In order to succeed in a construction business, you have to be able to price your jobs to cover all labor, material and overhead expenses, and make a decent profit. The problem is knowing what markup to use. You don't want to lose jobs because you charge too much, and you don't want to work for free because you've charged too little. If you know how to calculate markup, you can apply it to your job costs to find the right sales price for your work. This book gives you tried and tested formulas, with step-by-step instructions and easy-to-follow examples, so you can easily figure the markup that's right for your business. Includes a CD-ROM with forms and checklists for your use. **320 pages, 8½ x 11, $32.50**

Contractor's Guide to *QuickBooks Pro* 2010

This user-friendly manual walks you through *QuickBooks Pro*'s detailed setup procedure and explains step-by-step how to create a first-rate accounting system. You'll learn in days, rather than weeks, how to use *QuickBooks Pro* to get your contracting business organized, with simple, fast accounting procedures. On the CD included with the book you'll find a *QuickBooks Pro* file for a construction company. Open it, enter your own company's data, and add info on your suppliers and subs. You also get a complete estimating program, including a database, and a job costing program that lets you export your estimates to *QuickBooks Pro*. It even includes many useful construction forms to use in your business.
344 pages, 8½ x 11, $57.00

See checklist for other available editions.

Craftsman's Construction Installation Encyclopedia

Step-by-step installation instructions for just about any residential construction, remodeling or repair task, arranged alphabetically, from *Acoustic tile* to *Wood flooring*. Includes hundreds of illustrations that show how to build, install, or remodel each part of the job, as well as manhour tables for each work item so you can estimate and bid with confidence. Also includes a CD-ROM with all the material in the book, handy look-up features, and the ability to capture and print out for your crew the instructions and diagrams for any job. **792 pages, 8½ x 11, $65.00**

Construction Contract Writer

Write contracts that comply with law in your state and that fit each job exactly, anticipate the most likely disputes, as well as resolve key issues in your favor. You draft each contract by answering interview questions. No legal background needed. Favor either the contractor or the owner. Contracts can be as detailed, or as simple as the job requires. Includes legal updates for one year from purchase. If you get stuck, click the "Get Help from an Attorney" button. You'll have an answer in 24 hours. No charge. No limit. **$99.95**
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376 pages, 8½ x 11, $59.95

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The "real skinny" on the down-and-dirty survival skills that no one like to talk about — unique, unconventional ways to get through a debt crisis: what to do when the bills can't be paid, finding money and buying time, conserving income, transferring debt, setting payment priorities, cash float techniques, dealing with judgments and liens, and laying the foundation for recovery. Here you'll find out how to survive a downturn and the key things you can do to pave the road to success. Have this book as your insurance policy; when hard times come to your business it will be your guide. **336 pages, 8½ x 11, $38.00**

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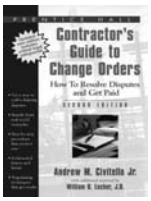
232 pages, 8½ x 11, $39.00

Contractor's Guide to the Building Code

Explains in plain, simple English just what the 2006 *International Building Code* and *International Residential Code* require. Building codes are elaborate laws, designed for enforcement; they're not written to be helpful how-to instructions for builders. Here you'll find down-to-earth, easy-to-understand descriptions, helpful illustrations, and code tables that you can use to design and build residential and light commercial buildings that pass inspection the first time. Written by a former building inspector, it tells what works with the inspector to allow cost-saving methods, and warns what common building shortcuts are likely to get cited. Filled with the tables and illustrations from the *IBC* and *IRC* you're most likely to need, fully explained, with examples to guide you. Includes a CD-ROM with the entire book in PDF format, with an easy search feature.
408 pages, 8½ x 11, $66.75

Contractor's Guide to Change Orders



This book gives you the ammunition you need to keep contract disputes from robbing you of your profit. You'll learn how to identify trouble spots in your contract, plans, specifications and site; negotiate and resolve change order disputes, and collect facts for evidence to support your claims. You'll also find detailed checklists to organize your procedures, field-tested sample forms and worksheets ready for duplication, and various professional letters for almost any situation. **382 pages, 8½ x 11, $79.00**

National Construction Estimator

Current building costs for residential, commercial, and industrial construction. Estimated prices for every common building material. Provides manhours, recommended crew, and gives the labor cost for installation. Includes a CD-ROM with an electronic version of the book with *National Estimator*, a stand-alone *Windows*™ estimating program, plus an interactive multimedia video that shows how to use the disk to compile construction cost estimates. **672 pages, 8½ x 11, $62.50. Revised annually**

DeWalt Contractor's Daily Logbook and Jobsite Reference

The secrets of today's successful contractors include two things: having a way to logically and efficiently document jobsite activity, as well as the resources and references to complete the documentation. This new book gives you a two-in-one resource that provides all of the necessary elements needed to run and complete a construction project. Part One offers daily log pages, carefully designed to assist in documenting everything necessary on the jobsite, from daily activities to weather conditions to schedules, deliveries, subcontractors, OSHA requirements, and more. Part Two includes a variety of resources related to the daily log, including a math/calculations section, an extensive jobsite safety/OSHA requirements section, Spanish/English translations and a comprehensive reference section. **335 pages, 8½ x 11, $24.95**

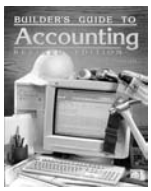
Estimating & Bidding for Builders & Remodelers

This 5th edition has all the information you need for estimating and bidding new construction and home improvement projects. It shows how to select jobs that will be profitable, do a labor and materials take-off from the plans, calculate overhead and figure your markup, and schedule the work. Includes a CD with an easy-to-use construction estimating program and a database of 50,000 current labor and material cost estimates for new construction and home improvement work, with area modifiers for every zip code. Price updates on the Web are free and automatic. **272 pages, 8½ x 11, $89.50**

National Home Improvement Estimator

Current labor and material prices for home improvement projects. Provides manhours for each job, recommended crew size, and the labor cost for removal and installation work. Material prices are current, with location adjustment factors and free monthly updates on the Web. Gives step-by-step instructions for the work, with helpful diagrams, and home improvement shortcuts and tips from experts. Includes a CD-ROM with an electronic version of the book, and *National Estimator*, a stand-alone *Windows*™ estimating program, plus an interactive multimedia tutorial that shows how to use the disk to compile home improvement cost estimates. **520 pages, 8½ x 11, $63.75. Revised annually**

Builder's Guide to Accounting Revised



Step-by-step, easy-to-follow guidelines for setting up and maintaining records for your building business. This practical, newly-revised guide to all accounting methods shows how to meet state and federal accounting requirements, explains the new depreciation rules, and describes how the Tax Reform Act can affect the way you keep records. Full of charts, diagrams, simple directions and examples, to help you keep track of where your money is going. Recommended reading for many state contractor's exams. Includes test questions for every chapter. **360 pages, 8½ x 11, $35.50**

Craftsman's Illustrated Dictionary of Construction Terms

Almost everything you could possibly want to know about any word or technique in construction. Hundreds of up-to-date construction terms, materials, drawings and pictures with detailed, illustrated articles describing equipment and methods. Terms and techniques are explained or illustrated in vivid detail. Use this valuable reference to check spelling, find clear, concise definitions of construction terms used on plans and construction documents, or learn about little-known tools, equipment, tests and methods used in the building industry. It's all here.
416 pages, 8½ x 11, $36.00

Paint Contractor's Manual

How to start and run a profitable paint contracting company: getting set up and organized to handle volume work, avoiding mistakes, getting maximum production from your crews and the most value from your advertising dollar. Shows how to estimate all prep and painting. Loaded with manhour estimates, sample forms, contracts, charts, tables and examples you can use. **224 pages, 8½ x 11, $28.50**

Warranties for Builders & Remodelers

As customers become more knowledgeable, they expect warranties on your work. Providing a warranty also shows that you stand behind the work you do. But the question is: Are you doing it right, or are you digging yourself a hole you can fall into? This revised edition, written by the NAHB staff attorneys, helps you market your business by providing the services your customers require while protecting yourself and your business from liability. Here you'll find clear explanations of implied warranties, statutory warranties, warranties imposed by courts, and more. You'll find simple language and formats for warranty documents as well as tips for drafting warranties that really work. Each state has different legal requirements, so you'll also find a list of state-by-state cases and statutes applicable to construction claims. Warranties can be a two-edged sword. This book explains, in easy-to-understand language, your rights, responsibilities, and recommended practices and procedures to help make sure that you don't get cut. Published by: Builders Office Manuals. **130 pages, 6½ x 8½, $29.95**

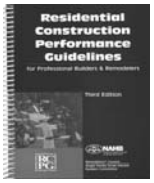
Visual Handbook of Building and Remodeling

If you've ever had a question about different types of material, or the dimensions required by Code in most installations – you'll find the answers quickly and easily in this 632 page illustrated encyclopedia. This expanded third edition of the classic reference includes the latest Code information, new full-color drawings, and a new section on making homes green. 1,600 full-color drawings provide a clear look at every aspect of home construction and systems, to visualize exactly how to tackle any building project or problem. There are charts, dimensions, and illustrations on design, site and climate, masonry, foundations, wood, framing, sheathing, siding, roofing, windows and doors, plumbing, wiring, the thermal envelope, floors, walls and ceilings, storage, heating, cooling, passive solar, lighting, sound, and more. **632 pages, 8½ x 11, $29.95**

Estimating Home Building Costs Revised

Accurate estimates are the foundation of a successful construction business. Leave an item out of your original estimate and it can take the profit out of your entire job. This practical guide to estimating home construction costs has been updated with Excel estimating forms and worksheets with active cells that ensure accurate and complete estimates for your residential projects. Load the enclosed CD-ROM into your computer and create your own estimate as you follow along with the step-by-step techniques in this book. Clear, simple instructions show how to estimate labor and material costs for each stage of construction, from site clearing to figuring your markup and profit. Every chapter includes a sample cost estimate worksheet that lists all the materials to be estimated. Even shows how to figure your markup and profit to arrive at a price. **336 pages, 8½ x 11, $38.00**

Residential Construction Performance Guidelines



Created and reviewed by more than 300 builders and remodelers, this guide gives cut-and-dried construction standards that should apply to new construction and remodeling. It defines corrective action necessary to bring all construction up to standards. Standards are listed for sitework, foundations, interior concrete slabs, basement and crawl spaces for block walls and poured walls, wood-floor framing, beams, columns and posts, plywood and joists, walls, wall insulation, windows, doors, exterior finishes and trim, roofs, roof sheathing, roof installation and leaks, plumbing, sanitary and sewer systems, electrical, interior climate control, HVAC systems, cabinets and countertops, floor finishes and more. **120 pages, 6½ x 8½, $44.95. Published by NAHB Remodelers Council.**

Plumber's Handbook Revised

This new edition shows what will and won't pass inspection in drainage, vent, and waste piping, septic tanks, water supply, graywater recycling systems, pools and spas, fire protection, and gas piping systems. All tables, standards, and specifications are completely up-to-date with recent plumbing code changes. Covers common layouts for residential work, how to size piping, select and hang fixtures, practical recommendations, and trade tips. It's the approved reference for the plumbing contractor's exam in many states. Includes an extensive set of multiple-choice questions after each chapter, with answers and explanations in the back of the book, along with a complete sample plumber's exam. **352 pages, 8½ x 11, $41.50**

Easy Scheduling

Easy Scheduling presents you with a complete set of "real world" scheduling tools that are specifically tailored to meet the needs of small- to medium-sized construction businesses. Step by step, it shows you how to use *Microsoft Project* to build a schedule that will synchronize everyone's efforts into an organized system that becomes the foundation of all planning and communication for all your jobs. You'll see how to establish realistic project goals, set checkpoints, activities, relationships and time estimates for each task, as well as establish priorities. You'll learn how to create a project flowchart to keep everyone focused and on track, and see how to use CSI (Construction Specification Institute) coding to organize and sort tasks, methods, and materials across multiple projects. If you want an easy way to schedule your jobs, *Microsoft Project* and *Easy Scheduling* is the answer for you. (Does not include Microsoft Project.) **316 pages, 8½ x 11, $59.95. Published by BNI.**

The Contractor's Legal Kit

Stop "eating" the costs of bad designs, hidden conditions, and job surprises. Set ground rules that assign those costs to the rightful party ahead of time. And it's all in plain English, not "legalese." For less than the cost of an hour with a lawyer, you'll learn the exclusions to put in your agreements, why your insurance company may pay for your legal defense, how to avoid liability for injuries to your sub and his employees or damages they cause, how to collect on lawsuits you win, and how to protect yourself from claims related to mold. It also includes a FREE CD-ROM with contracts and forms you can customize for your own use.
352 pages, 8½ x 11, $69.95

ADA & ABA Accessibility Handbook

Gives all accessibility guidelines for buildings and facilities and contains the full text of the ADA and ABA guidelines, organized and presented in an easy-to-use format with an extended index and enhanced illustrations. Sections, drawings and details for practically every area of a building or facility that must comply with ADA standards: wheelchair access, ramps and slopes, parking and loading, elevators, doors, bathrooms, signage, alarms, telephones, assembly, restaurants, offices, lodging, transportation, historic buildings, alterations, and more. You'll find all like subjects contained in the same chapter, with cross-references to all relevant guidelines, and special advisories to enhance your understanding of the guidelines and their practical application. All current accessibility requirements are listed in this massive encyclopedia of information. Published by: BNI Building News.
756 Pages, 8½ x 11, $89.95

Home Builders' Jobsite Codes

A spiral-bound, quick reference to the 2009 *International Residential Code* that's filled with easy-to-read and understand code requirements for every aspect of residential construction. This user-friendly guide through the morass of the code is packed with illustrations, tables, and figures, to illuminate your path to inspection and approval. **281 pages, 5½ x 8½, $28.95**

Concrete Construction

Just when you think you know all there is about concrete, many new innovations create faster, more efficient ways to do the work. This comprehensive concrete manual has both the tried-and-tested methods and materials, and more recent innovations. It covers everything you need to know about concrete, along with Styrofoam forming systems, fiber reinforcing adjuncts, and some architectural innovations, like architectural foam elements, that can help you offer more in the jobs you bid on. Every chapter provides detailed, step-by-step instructions for each task, with hundreds of photographs and drawings that show exactly how the work is done. To keep your jobs organized, there are checklists for each stage of the concrete work, from planning, to finishing and protecting your pours. Whether you're doing residential or commercial work, this manual has the instructions, illustrations, charts, estimating data, rules of thumb and examples every contractor can apply on their concrete jobs.
288 pages, 8½ x 11, $28.75

JLC Guide to Decks and Porches

It's difficult to build attractive, structurally-sound, low-maintenance outdoor spaces that survive the rigors of weather and varying soil conditions, while battling rot and mildew damage. This new book is filled with large, full-color photos and illustrations that show you how to use the latest technology to build ledgers, railing connections, and footings that will withstand the test of time. You'll find the most common code violations and how to avoid them. You'll find footing and framing techniques for decks and porches that succeed. You'll find finishes that will last for years, water prevention techniques, and low-voltage lighting that will make the deck you build look custom and one-of-a-kind. There are even proven ideas for adding brick, stone, and tile to decks and porches.
392 pages, 8½ x 11, 39.95

Estimating With Microsoft Excel (3rd Edition)

Step-by-step instructions show you how to create your own customized automated spreadsheet estimating program for use with *Excel* 2007. You'll learn how to use the magic of *Excel* to create all the forms you need; detail sheets, cost breakdown summaries, and more. With Excel as your tool, you can easily estimate costs for all phases of the job, from pulling permits, to concrete, rebar, and roofing. You'll see how to create your own formulas and macros and apply them in your everyday projects. If you've wanted to use *Excel*, but were unsure of how to make use of all its features, let this new book show you how. Includes a CD-ROM that illustrates examples in the book and provides you with templates you can use to set up your own estimating system. **158 pages, 7 x 9½, $44.95**

Construction Estimating

This unusually well-organized book shows the best and easiest way to estimate materials for room additions or residential structures. It gives estimating tables and procedures needed to make a fast, accurate, and complete material list of the structural members found in wood- and steel-framed buildings. This book is divided into 72 units, each of them covering a separate element in the estimating procedure. Covers estimating foundations, floor framing, wall framing, ceiling framing, roof framing, roofing materials, exterior and interior finish materials, hardware, steel joist floor framing, steel stud framing, and steel ceiling joist and rafter framing. **496 pages, 8½ x 11, $49.50**

DeWalt Building Code Reference

Based on the 2006 International Building Code, this spiral-bound Code reference illustrates hundreds of the most common Code requirements, violations and installation concerns. Large, color illustrations and photos show exactly what the Code requires, so there's never any doubt in your mind. Illustrated on thick glossy industrial-strength pages made to survive — even in the harsh environment of your tool kit. With this reference you'll get the job done right — the first time — even if you have questions on materials, notching and cutting, stairs, foundations and footings, concrete, egress requirements, wall and floor framing, roof framing and coverings, trenching and excavation, and more. **88 pages, 5 x 8, $24.95**

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