

# Are You an Installation Contractor!

By George Porter

For the last few years one of the questions I ask during my installation seminar is, “how many people here are installation contractors?” Usually half the class raises their hand. Then I ask the folks with their hands up, “how many of you use contracts?” Usually 95% of the hands go down. This is an industry problem, if you don’t use contracts then I guess you can’t really call yourself a contractor can you. It would seem that you could only call yourself a “Hand Shaker”.

Please don’t get the impression that shaking hands on a deal doesn’t mean anything. It means that you have given your word that you will do what ever you agreed to. In most states it is a verbal agreement that binds both parties. A couple of witnesses would be nice if you ever had to go to the wall with this.

You are probably familiar with the expression; “the devil is in the details”? Well, in the case of home installation the opposite is true. The devil is in the lack of details and hand shakes/verbal agreements seriously lack details. The details today can provide you with the ability to run a business or they could put you under, it is just that critical.

For instance:

1. What do you do if you pick up a home at a dealers lot, take it 50 miles to the site only to discover that it is impossible to get on the lot because of a large ditch? If the dealer or his representative told you everything was ready but you ran into this problem would the dealer pay you for your wasted time? If so, how much?
2. Who fixes the cracks in the home? If they are just little things then you should do it as part of set-up but what if it involves changing several wall panels or repairing a whole ceiling, is that a freebie? Exactly when does a little crack become a big crack and if you do charge for the repairs, then at what rate?
3. What do you charge for extra height? Does a home two blocks high cost you the same to install as one that is ten blocks high on one end?
4. Exactly what do you do for the price you quoted the dealer? Do you anchor? Who supplies the blocks and or anchors? How about plumbing? If you do plumbing then how far will you run it away from the home?
5. Whose insurance covers the home during installation?
6. If a multi-section home is already spotted on the lot then is there a maximum distance

between the two halves? A home 20 feet apart and stuck in the mud is much different than one 3 feet apart when you don't have a truck.

7. If your state has installer licensing and you find the lot is not prepared to code what do you do? Who pays you to do it? In most states your license is the one they go after and you will pay any penalties.
8. Does the length, width or style of the home change the price?

And the list goes on. The point is, the good old days were great but they are gone. Life is more complicated now and you need to have a very clear understanding of what is going to be done.

If this all sounds like the installer needs to protect himself from dealers then please bear in mind that it also protects the dealer. Retailers probably will not write bigger checks for something they have fewer specifics on than installation. Most simply want a good price and no customer complaints, whatever it takes. It might be good to mention that most, if not all, legal actions involving installation include the dealer who sold the home. Without a contract what have you got to take to court? This applies to both sides, dealer and installer.

You need to make a list of what you do for whatever you charge along with a list of "what ifs" and what you will charge for them. A "what if" could be any of the 8 questions asked earlier or you could make up a few of your own. When you have this list in order, take it to an attorney and have him "legalize" it into a contract. This may cost you several hundred dollars but it can pay for itself in one day. It will also eliminate 99.9% of any hard feelings and misunderstandings with your customers in the future.

One last thought, contracts do not make people honest, but they do vastly improve the memory of honest people. Besides, you really can't call yourself a contractor without one now can you?