

# CALIFORNIA HOME IMPROVEMENT CONTRACT SCRIPT

January 11, 2021 Update

(dialogue in *italics*)

## DO NOT GIVE THIS FORM TO CUSTOMERS

**Introduction:** With effective communication, the execution of legal documents need not be an uncomfortable experience. The purpose of our scripts is to facilitate a smooth presentation of the forms, and to ensure uniformity in the way various employees explain the principal terms of the contracts. Orally explain all principal terms of home improvement contracts to the customer before the customer (or agent) signs. Always instruct that the person to actually *read* the document and asks questions before signing. The oral presentation introduces the concepts and makes the reading easier, but the script is not a substitute for the customer's review of the documents. Our Scripts are for general information purposes and are not intended to be legal advice.

**How To Use This Script:** First, carefully read the special set of instructions that accompany the form you are using. The instructions explain the function of the form and how to fill it out. Then read the form before reading this script. Once the form is *completely* filled out, and the "customer" or "agent" box checked, it is ready to be presented to the customer. The script will help you guide the customer through the form. The paragraph headings from the form are shown here for reference. The dialogue follows the heading and is in *italics*. Memorize (as closely as possible) the explanation that goes with each paragraph and present it the same way to every customer.

**[IMPORTANT: Before executing the form, determine who will be responsible for paying any amount not covered by insurance. Fill in that name(s) as "CUSTOMER" in the top box--even if that person is not signing the Agreement. If that person is not available to sign, make sure the person signing is authorized to sign by the person responsible for making payment; that person signing is an "agent."]**

Customer(s): _____	Contract Date: _____
	Date of Damage: _____
Property Address: _____	City/State/Zip: _____

*"This is our Home Improvement Agreement. It describes what we will do and explains what you can expect of us and what we will expect of you."*

**1. Contract Documents:** *"This paragraph explains what documents make up our contract and what notices we have provided you."*

**2. Scope of Work:** *"This explains our scope of work, and includes our commitment to complete the job in a workmanlike manner. This contract {does/does not} include reconstruction services."*

**[Optional for wary customers:** *"It will be your decision to approve or disapprove any change order."]*

**[For projects involving containment:** *"We will build containment in these areas \_\_\_\_, \_\_\_\_, \_\_\_\_. Our responsibility is limited to work in those areas and we are not responsible for damage or contamination in other areas."]*

**[For mold jobs:** *"Mold is everywhere in the environment, and is airborne even in extremely clean buildings. The goal of mold remediation is not to remove every spore but to bring the concentrations down to normal levels."]*

**[Optional for wary mold customers where post-remediation testing will be performed:** *"When you receive the report, you will see there is mold; that's normal. If it shows excessive levels, then we will address it; just don't expect a report showing zero mold; that's not our goal. The consultant can tell you what levels are acceptable for your needs."]*

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3. **Contract Price:** [Note: Clarity about the price is crucial to success!]

[For emergency service: “The State of California requires us to give you a lump sum for our work, but since we do not know the extent of the damage, we cannot quote a price to complete the whole job. Instead, we are giving you a price for \_\_\_\_\_ (example: first three days of service, or 10 labor hours, etc.). Based on what we know now, the price for that work will be (\$\_\_\_\_\_). We don’t know if that will return the property back to the pre-loss condition but since the State requires a fixed price, we are quoting a price based on the services, rather than the final outcome. If more work is needed after this scope of work is complete, we will give you the opportunity to sign a Change Order for additional work, which you can sign if you wish.]

[For non-emergency service: “Our price for the work is (\$) \_\_\_\_\_. This is subject to change if we discover additional damage or unknown conditions.”

4. **Approximate Start Date:** \_\_\_\_/\_\_\_\_/202\_\_\_\_; **Approximate Completion Date:** \_\_\_\_/\_\_\_\_/202\_\_\_\_. “We will start on (date). Based on what I know at this moment, I have estimated that the job will be substantially complete on approximately (date). There are a variety of situations that could cause delays beyond our control {give examples if it seems necessary}.”

5. **Right to Cure:** “You will notify us if there are any problems and give us a fair opportunity to address them before you have them repaired or take any other action. We will respond promptly.”

6. **Performance and Payment Bond:** “This says there will be no bond for this job.”

“The last paragraph gives you notice that you are entitled to a copy of this agreement, and explains your cooling off period. Please initial the bottom of the bold paragraph to confirm we gave you the notice of your right to cancel.”

“Please sign here to confirm your agreement.” Then stop talking.

“Customer(s)” (I have read this contract and understand it)

CONTRACTOR

Check the “Customer” or “Agent” box *before* giving it to them to sign

Signature. Check one: ☐ Customer; ☐ Customer’s Agent

Signature

Print Name and Title

Print Name, Title and Registration #

**TERMS AND CONDITIONS SCRIPT**  
**(dialogue in italics)**  
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1. **Release for Third Party Professionals; Indemnity:** “This paragraph explains that we are contractors and not environmental consultants and won’t be doing any testing. If you environmental questions, call an environmental consultant. If you have medical questions, call your doctor.”

[If the job involves long-term water damage or mold or other potential environmental issues: “We advise you to hire an independent environmental consultant to inspect and prepare a protocol if contamination is found. If you do, we are not responsible for any mistakes by the consultant. If don’t choose to hire a consultant, we are not responsible for environmental conditions a consultant could have discovered.”] **Note: the suggestion to hire a consultant can be mere advice; it need not be a deal-breaker.**

2. **Personal Liability:** “We are working for you and not your insurance company. We will send the invoice to you, and a copy of your invoice to the insurance company as a courtesy to you, but you are responsible for any amounts not paid by insurance. Payment is due in 15 days. Please initial here to confirm you understand that we are working for you. **Customer initials:** \_\_\_\_\_. We will send a copy of the invoice to the insurance company as a courtesy only. You agree to promptly sign all proofs of loss and other documents required by your insurance company and endorse checks paid for our work and deliver them to us. This says you are responsible for any charges not covered by insurance.”

3. **Down Payment and Schedule of Progress Payments:**

[If requesting progress payments: “This explains our payment schedule.”]

*“We are prohibited from collecting more than \$1,000 or 10% of the contract price in advance, whichever is less.”* **Get frequent progress payments!**

**[If not requesting progress payments, write “none” in the table; do not cross-out the paragraph. “This explains the rules on down payments and progress payments.”]**

Description of Phase	Amount Payable (in Dollars)

4. **Payment:** *“If we are not paid on time, we may stop work, and you will be responsible for finance charges, interest and collection costs.”*

5. **Finance Charges:** *“There are no finance charges, but we charge interest and fees on past due accounts.”*

6. **Partial Lien Releases:** *“When we are paid, we will give you an unconditional release for the portion of work that was paid.”*

7. **Extra Work and Change Orders:** *“Any changes in the work or price will be in a signed change order. If you ask us to proceed with change order work and we do the work but you don’t sign the change order, we are entitled to the reasonable value of the change order work. You agree to sign Change Orders to increase the price to address conditions that we could not have reasonably anticipated.”*

8. **Limit of Liability and Indemnity:** *“We are not liable for damage or injury caused by you or your agents. Our liability is limited to two times the amount of the Contract Price. You will hold us harmless and indemnify us for third party claims that don’t result from our sole negligence.”*

9. **Commercial General Liability Insurance (CGL):** *“This gives you our insurance information.”*

10. **Workers Compensation Insurance:** *“We carry workers’ compensation insurance for all employees.”*

**“Please initial the bottom of the form to approve the terms.” Then stop talking. If concerns arise, pinpoint the exact nature of the concern and attempt to resolve it. See the instructions that accompany this form for more information.**