

feriani construction

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CONTRACT ARRANGEMENTS—REMODELS

NEGOTIATED COST PLUS BILLING SYSTEM reduces the risk to you as well as to me, since it eliminates the problem associated with changes that always arise during a larger remodel and reduces the risk and problems that force the contractor to increase the bid profit above the actual cost of the construction. This system, since my goal is to be fair, will reduce the cost to you.

The cost guesstimation breakdown and the following should avoid any possible misunderstanding and serve as a guide/outline of the work to be done. I feel that a good understanding will create an ideal work environment, which is important to a successful project.

My pay:

\$36.00/hr while on the job
\$36 .00/hr while working on
your project in my office

Employees' pay:

You pay what the employee costs me (including insurance bookkeeping, etc.) Per hour costs range from \$28.00 to \$46.00/hr.

Other job costs:

You pay for all direct and indirect costs related to your job (permits, fees, insurances, travel expenses, and other similar types of overhead)

Materials and Subcontractors:

An 8% charge will be added to all material and subcontractor costs for the added responsibility of administering such activities. Several line items may not have any mark up (i.e., plans, permits, excavation, glass, cabinets, etc.). Billing for time spent overseeing, coordinating, etc.....will be billed

Equipment Rental:

Large equipment (man lift, all terrain fork lift, skid loader, etc) will be billed to the job at a rate well below current rental rates. There will be no charge for smaller equipment

Profit:

Is built into employees' pay and is less than 8%

Payment:

Monthly payments are to be made after the work is completed. If bills are paid when presented, my contractor's discount will be passed on to the owners. These discounts range from 2-45%

All my books and records will be open for your inspection at any time. My experience and training will control costs and insure the best value for your money. I feel that together we will produce a quality product that will meet your wants and needs at the lowest price possible.

Sincerely,

John Feriani

The undersigned, as owner of the following described real property (address) _____ hereby contract with and authorize you as Contractor, to furnish all necessary materials, labor, and workmanship, to install, construct, and place the improvements, in accordance with the plans and specifications as attached or described on reverse which, by reference, are incorporated hereby, and in accordance with the terms set forth hereinabove.

ACCEPTANCE

The undersigned accepts the terms of the contract set forth hereinabove and agrees to faithfully perform according to the terms and conditions thereof.

DATE: _____

OWNERS

CONTRACTOR

NOTICE TO OWNER

“Under the Mechanics’ Lien Law, any contractor, subcontractor, laborer, materialman or other person who helps to improve your property and is not paid for his labor, services or material, has a right to enforce his claim against your property.

Under the law, you may protect yourself against such claims by filing, before commencing such work or improvement, an original contract for the work of improvement or a modification

thereof, in the office of the county recorder of the county where the property is situated and requiring that a contractor’s payment bond be recorded in such office. Said bond shall be in an amount not less than fifty percent (50%) of the contract price and shall, in addition to any conditions for the performance of the contract, be conditioned for the payment in full of the claims of all persons furnishing labor, services, equipment or materials for the work described in said contract.”