

Coping With Owner-Supplied Materials

by Jim Olszynski

Recently a contractor friend asked me to help him tinker with the language of a form he uses to cope with the problem of owner-supplied material. The "Disclaimer" on page 33 is what we came up with.

Many contractors use such documents to protect themselves in case something goes wrong, but to me, such a disclaimer is really a way of informing your client of all the value you provide when you are the supplier of materials to their job site.

Clients need to know that although they may pay a little extra when they are buying from you instead of the local big box store, they are getting a lot more in the bargain. If you can start them thinking about hauling all of that heavy stuff up a flight of stairs, for example, they will surely think twice about cutting you out of the purchasing.

Presenting a new (or old) client with a disclaimer is a delicate situation that must be handled carefully. Stop for a minute and think like a consumer.

As a long-time consumer (which we all are), I can get pretty annoyed when someone I am trying to do business with goes negative on me. I don't like it when someone I'm buying from is shoving a stream of legal papers at me detailing all of the things they won't do and all of the things that can go wrong if I don't jump through all of their hoops. It has the same effect as dumping a bucket of cold water on my head, and I start to look for the exit.

Therefore, whomever presents the disclaimer to your client must do so in a

Disclaimer of Responsibility for Owner-Supplied Materials

As a professional remodeling contractor, Mahoney Makeovers Inc. accepts full responsibility and liability for all materials and labor that we supply. Naturally, we cannot do this for materials that you choose to supply.

In order to eliminate any potential misunderstandings, please be aware of the following obligations you assume when you choose to have us work with owner-supplied materials:

1. As the supplier of materials, you must assume full responsibility and liability for ordering correctly and on time, and for receiving and inspecting all of your materials. At the job site, you will also be responsible for moving your materials to the room in which they are to be installed.

2. In the event of missing or damaged parts, the wrong material being ordered or delivered, or any other problem concerning your supplied materials and products, you must assume full responsibility and liability for returning and exchanging them, as well as negotiating the terms of resolution with the seller.

3. As the supplier of materials, you must assume full responsibility and liability for

assuring that the products meet all applicable codes and ordinances.

4. As the supplier of materials, you must assume full responsibility and liability for assuring that all materials, including all "rough-in" items placed inside of walls in the early stages of the job, will be present at the job site and in good working order prior to the start of the project.

5. You must understand that missing or broken pieces or wrong materials may alter our work schedule and may result in additional time charges to you at regular hourly rates.

6. As the supplier of materials, you must assume full responsibility and liability for all guarantees and warranties pertaining to these materials. You shall hold the contractor harmless for any product or system malfunctions related to defective products purchased from other sources.

7. You must understand that the above conditions do not encompass all possible circumstances that could delay work or result in additional job costs stemming from owner-supplied materials.

I have read, and understand and agree to the above terms and conditions.

Property Owner Signature/Date

P.S.: If you prefer to have Mahoney Makeovers Inc. accept full responsibility and liability for the materials on your job, we would be happy to return any materials you may have already purchased from other suppliers and seek refunds, at no extra cost to you. Mahoney Makeovers will bill you, or grant you a credit, for the difference between our material prices and your former supplier's prices. Also, if you decide to purchase materials from your own outside supplier, we are available, for a modest fee, to consult with you beforehand to assure compliance with local codes and ordinances.


way that communicates your regret at having to use it.

You shouldn't betray any irritation at the client's desire to save money by buying from someone else. Your real enemy — the real source of any "misunderstandings" between you and your clients — is the advertising noise created by big home centers.

Adaptable salespeople can actually

turn this to your advantage by pointing out the clauses found in the P.S. section. "Gee, Mrs. Jones, we'll be happy to exchange this inferior product for *our* merchandise, which leaves you hassle-free and comes with a ten-year warranty."

You always have to put on your best face when dealing with clients, even when the situation is not in your favor.

So go ahead and protect yourself with a disclaimer, but don't use it as a bucket of ice water to cool your client's enthusiasm for your company. 

Jim Olszynski is the editor and publisher of the award-winning PHC Profit Report from which this article was adapted with permission. For more information call 847/297-3714.