

Urban Myths and Harsh Realities – Doing Small Jobs; Working with Friends

When providing services for friends or doing small jobs, contractors often believe the full statutory home improvement contract is not necessary. I don't know the origin of this notion - but it is wrong and can cause problems.

The Example. Mary is an electrical subcontractor. She has been asked to do a small job for her friend Max, who is also her physician. Because she has known Max for years and it is a de minimis project, there is no contract for the job.

Max keeps changing his mind on what the job should be. Mary gets fed up with Max and does a shoddy job just to get it over with.

Max and Mary have not exchanged a civil word since 2014 - and after years in court, Mary is also sentenced to life without parole. Billboards go up, stating "Don't use a contract, go to jail."

SMALL JOBS

We are often asked how one deals with the burdensome statutory requirements for home improvement contracts when the job is small - \$5,000.00 or less. As a general rule, we recommend – must recommend - using a complete contract with all the terms, conditions, and notices for every job, regardless of size.

However, we also understand it can be challenging to convince an owner to sign a long contract for a small job. We get it that generating long contracts may not be the best use of your time for small jobs.

Small jobs can still be the basis for a Board complaint. Most of the necessary disclosures/notices are both statutory and mandatory - see Business & Professions Code Section 7159 et seq. The unhappy owner can file a CSLB complaint with a small job as easily with a big one. Indeed, a Board complaint is the likely avenue when a small job goes wrong. It is at no cost to the client, and the first thing the Board looks at is your contract. If it is not adequate, they got ya. But if it is in order, you are in a good position to slip the noose.

If you have a good contract template that you can customize, use it regardless of the

size of the job. But make it skinnier for the small projects.

Small job specialists/Fixing the contract skinnier. If you are a small job specialist (or have a “Service Department” doing small jobs), we encourage using a fully compliant contract. But there are ways to shorten the agreement. There are always some terms and conditions that can be removed.

In addition to shortening up the terms and conditions, I have seen contractors even use citations for some of the Code Notice sections instead of providing all the written language. But consult with your attorney to be sure you are keeping the necessary and key provisions.

WORKING FOR FRIENDS, FAMILY, NEIGHBORS

Until recent times, the construction industry was traditionally a handshake business. In these current times, most contractors would rather be designing and building than spending time on contracts. The temptation to go on a handshake is especially true when working for friends, family, and other acquaintances. However, you should remember that nothing can affect friendships and personal relationships quite as adversely as disputes over money or business.

This may become awkward. Your friend may say, “Hey Joe, we’ve known each other for ages. We trust each other so we don’t need to go through these formalities.” You may agree with your friend. But a good and compliant agreement mitigates disputes.

However, contracts are required and addressing issues up front in a contract certainly beats losing a friend over a dispute that cannot be resolved for lack of paperwork. A contract not only protects you from liability - it lays out the specifics and gives both parties a clear understanding of expectations.

We suggest that you speak candidly with your friend or family member, explain that this contract really is required by law, and that it is appropriate to use it - so you both know what to expect and can avoid the obvious and typical disagreements.

For Bryant’s previous articles, please visit SFBA NARI’s website and click on the link “In the News/Newsletter” under “For the Trade.” They are also available on his website under

“Articles,” and on Brian’s website under Publications. As always, these articles are summary discussions only - to simply give you a heads up on various construction topics.

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