

## **Estimates vs. Quotations**

Our objective at **Hankins & Associates** is to provide each and every prospective client with value for investment. For us this translates into being more thorough, offering the homeowner greater design ideas and providing well-made cabinetry that is equal or less in cost than our competitors. In today's economy, price can often determine who the customer works with. In that period of deciding **where to purchase**, the customer will often seek a few estimates from several sources. Estimates can sometimes be confusing, some offering perhaps a better perceived value from one source to another. However, without a line by line (apples to apples) comparison as to what's been budgeted, how can one truly identify the best value for determining the ultimate path?

Homeowners should be aware of the essence of the word **Estimate**. Generally, an estimate is a best guess, based on experience and expertise, on how much a remodel will cost without the aid of a detailed design plan. In cases where a contractor simply provides an estimate and the homeowner accepts it, there is no obligation on the contractor to do the work or to limit the amount charged to the estimate. With an estimate the homeowner is obliged to pay a "reasonable sum", which may be higher or lower than the figure in the estimate itself. The only challenges the homeowner can then raise are as to how the amount was calculated, the amount of work done and/or that the contractor was negligent in their advice on the "likely cost."

A **Quotation** however is a fixed price, with exception to possible \*allowance items found in the document. Quotations are based on tangible design plans, client selections and a defined "scope of work" to be performed. Quotations should be in writing, include all pertinent details as to what you'll be receiving, include a payment schedule, the contractor's state license number and their insurance coverage information. Quotations transitioning into agreements should be accompanied by a Three Day "Right of Rescission" offering the homeowner a few days to change their mind without penalty. An honest company or contractor will always put a quotation in writing and include all pertinent information.

An **\*Allowance** is a sort of stipend found in a quotation or contract for certain materials or [possibly] labor functions when actual selections haven't yet been made. Allowances are often used for Tile and Stone selections but may also be used for plumbing and electrical functions when certain unknowns cannot be fully determined prior to opening walls or soffits.

Respectfully,  
**Hankins & Associates, Inc.**