

## VII Contracts and Payment Schedules

**Contract** - Contracts will vary from company to company but should include basic information. The contract document should have the following information:

- The purchaser with location and addresses
- The builder with location and addresses
- Authorized contacts for each party
- Detailed specification (and drawings where applicable)
- What kind of insurance each party must carry and the stated limits
- Physical location of construction
- Physical location of installation
- Details of warranty
- Specifics regarding completion and acceptance of the instrument

Any binding contract should be fair and equitable for both parties. If problems should arise with either party the contract should have reasonable provisions for correction before incurring a legal path to remedy. For most established companies, contracts have usually been refined over the years to cover unexpected problems or situations in a responsible and ethical manner.

**Payment schedule** - One of the attachments to the contract will be the payment schedule. This will outline the price to be paid for an instrument or major renovation and the course of expected payments. In our firm, the purchaser is *not* expected to pay for the organ in advance but instead payments are to be submitted on the basis of progress. These payments are generally based on items such as the following:

- Deposit amount due for the special order of materials and equipment
- Amount due when engineering drawings are completed and construction work begins
- Amount due when materials arrive
- Amount due when installation begins
- A 10% retainer is always placed at the end for final payment once the organ has been accepted

The payments schedules are usually reviewed based on the project and details.

**Bonding** - Our company has continually been successful at meeting the requirements for performance bonding for many years. Not all companies can meet these stringent requirements. Bonding is not required, but questions do arise on occasion with clients that desire to have the job bonded. **Note:** Should you, the purchaser, require performance bonding, you should acknowledge this in the beginning of negotiations with any organ builder. Otherwise the bidding process will not reflect such costs. If performance bonding is required, the cost of bonding and related expenses will have to be paid in full in advance of the main contract payment schedule. You will want to discuss this with your organ builder.