

FIX-RIGHT FLAT RATE REPAIR PRICE BOOK

FIX-RIGHT USER'S GUIDE

HELPING CONTRACTORS ACHIEVE SUCCESS AND PROFITABILITY!



”Since we began using flat rate pricing, no technician who worked with it wanted to go back to the time and material method. More customer friendly, no math, no taxes, and almost no writing. No pressure. They simply love it.“

Allan Purser
Automatic Climate, Inc.

KEY FEATURES

- *Designed for 99.9% of all retail residential HVAC contractors*
- *User ready within 3 business days of submission of 1 page set-up*
- *We maintain cost databases*
- *Free unlimited updates*
- *Print as many books as needed*
- *How to easily handle the other .1% unclassified repair tasking and travel*



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WHAT IS FLAT RATE REPAIR PRICING:

Flat rate repair pricing is the term retail residential HVAC contractors use to describe providing for a specific repair a fixed upfront price to the customer . To the customer it is a “Up-Front Price” which means the price you quote upfront before you do the work is the price the customer pays. The customer will always know the total investment for the work before any work is done. Naturally, the customer love this type of pricing because the customer can budget the work to a fixed dollar with no surprises.

Many residential HVAC contractors still charge by the hour which on the surface may seem less expensive to you. Unfortunately, the most customers typically view paid-by-the-hour work as a rip-off.

The problem with paid-by-the-hour work is that the customer never really knows until the work is done what his/her final price will be. This makes him/her anxious during the duration of the service call because of the fear of possibly getting that big surprise at the end of the job. Why? The customer also knows that some HVAC contractors are fast and some are slow. The customer tends to feel it is unfair to be penalized for a slow technician. In fact, studies show that it is only human nature to feel all technicians are slow if it is hourly billing. Unfortunately, this causes unnecessary stress on the service technician.

WHY FLAT RATE IS BETTER THAN TIME & MATERIAL PRICING:

- 1.Flat rate enables a service business to charge a labor rate that recovers service department overheads in order to be profitable without alienating your customer.
- 2.Flat-rate pricing makes your company and your technicians appear more professional.
- 3.It demonstrates you have the experience with the type of problem your customer has because it is described and priced in a flat rate book.
- 4.When you quote out of the flat rate book, the math is already done, the proper spelling is right in front of you, and the customer is assured that they are paying the same price as everyone else.
- 5.Improves Customer Satisfaction:
 - Happier customers, due to higher service call professionalism.
 - Improves collections due to upfront pricing approval.
 - Helps eliminate “the price is too high” complaint.
6. Our Fix-Right price book helps systematically sell service agreements by communicating to customer the value of service agreements to prevent future repairs.
- 7.Promotes the value of service agreements by offering a discount option off repair price.

WHY THE FIX-RIGHT FLAT RATE PRICING IS NEEDED:

7 out of 10 contractors do not use proper repair or installation upfront pricing due to:

- The high administrative cost of maintaining and updating costs in their price book for each of the many thousands of repair task or system enhancement installation types.
- Can't afford the program cost that typically run from \$1500 - \$3500 upfront with another \$65+/month per book tacked on.
- Poor business/pricing understanding.
- Not feeling comfortable or proficient enough with computers to install, navigate databases, or modify to meet their ever changing pricing requirements.

Some contractors say that they actually have created their own. Unfortunately, most of these make-my-own-price-books actually tend to “under prices” the contractors work because they don’t understand how to allocate the true costs to operate a service department to their service pricing.

WHY WE ARE THE LOWEST COST IN TIME AND MONEY OPTION:

Most other flat rate programs are:

1. User complex requiring computer skills and business sophistication.
2. Have to be maintained by the contractor at a high administration time cost.
3. Tend to be very pricey at up to 35 times higher than our flat rate option.
4. The typical per book monthly fee tends to be much higher than our flat rate option.

Our Flat rate price books require:

1. Single 1-page set-up sheet requiring only a minimum of 4 price data points—(1) company & address, (2) labor cost, and (3) parts/material sales tax rate, and (4) service e agreement discount rate.
2. No cost updating maintenance - we maintain the book for you.
3. A small annual investment which is typically recoverable on your very first service call.
4. Your price books are provided as a Acrobat Reader PDF file email download, which you can then print out in as many books as needed.

HOW THE FIX-RIGHT PRICE BOOK IS MADE:

1. The Fix-Right price book uses industry average repair tasking time standards as well as typical parts costs incurred for each repair task. The material and parts costs data bases are updated continuously on your behalf by our wholesale HVAC distributor partners.
2. We also use industry recommended parts price markups which, may be customized based on your own actual financial performance requirements.
3. All you need to do is provide us YOUR company name and address, actual labor cost rates, state sales tax rates, and the desired service agreement discount to quickly obtain a price book for your company.
4. The price book includes 99.9% of all service repair tasking. However, should a task not be found, or you need to travel to obtain parts and materials, you can use the miscellaneous price page. This page is set up to handle repair materials in increments of \$25 in parts/material cost and labor tasking or travel hours in increments of 1/2 hour.
5. See appendix A this user guide example Fix-Right price book sections and page layouts explanations.
6. This flat rate price book is presently being used by hundreds of retail residential contractors. The only caution I would give to new users is to not to try to reinvent the wheel in regards to making changes. However, if you feel you would like to make changes or to add new tasking item to a section, you may do so using your printed book to write in the task description labor hours and material costs and fax it back the marked up price page to 603-386-6036 for updating.
7. We allows minor changes up to 20 text changes or added new tasks to a section at no additional cost. Above 20 tasking item changes/adds, your company will be assessed a fee of \$75 for each hour required to update your price book. This added fee will be quoted separately prior to performing work. It will be sent to your email address for approval along with a credit card authorization form.

You should allow up to 5 business days for book update completion upon BSI receipt of your authorization to proceed.

8. Our flat rate price books integrate into our best-practice retail residential service department training track—sold separately. This track includes a professional service call handling process, scripts, and associated forms, as well as, written department standards.
9. **Warranty Pricing:** To recover department overheads and your repair warranty properly, parts under warranty are marked up by the default parts multiplier and then part cost is deducted from repair price.
10. **OEM Repair Pricing:** To price an OEM part replacement requires you to add to the repair task price and adding to it the retail price of taking the actual OEM part . To find the OEM retail price requires you to use the actual cost and identify on section 55 the retail price. For example, if the cost is \$123 you select the next highest retail price. Since part cost is above Section 55 Miscellaneous unclassified parts/materials PM0100 but below Miscellaneous unclassified parts/materials PM0125 you use the higher and add the associated retail price.
11. **Re-commissioning a System:** Most contractors find it best to adhere to published manufacturers and or the ASHRAE installation commissioning standards. They understand that a repair is really a reinstallation of the system . They also understand that where a technician failing to re-commission the system to verify the system is operating per manufacturers specifications and operating safely for the occupants can result in property damage, or worse, injury to the home occupants and law suits against the responsible parties. Section 53 Safety Check is recommended to be added to all repairs to protect the consumer, as well as, to get call backs down to 1 call out of 100.

We live in a very “litigious” society. Avoid claims against you by following industry known high safety standards on all repairs.

ASHRAE Guideline 0, The Commissioning Process, defines commissioning as "a quality-oriented process for achieving, verifying, and documenting that the performance of facilities, systems, and assemblies meets defined objectives and criteria". Commissioning is an all-inclusive process for all the planning, delivery, verification, and managing risks to critical functions performed in, or by, facilities. Commissioning ensures building quality using peer review and in-field or on-site verification. Commissioning also accomplishes higher energy efficiency, environmental health, and occupant safety and improves indoor air quality by making sure the building components are working correctly and that the plans are implemented with the greatest efficiency. Commissioning is a quality assurance-based process that delivers preventive and predictive maintenance plans, tailored operating manuals and training procedures for all users to follow. Essentially, the commissioning process formalizes review and integration of all project expectations during planning, design, construction, and occupancy phases by inspection and functional performance testing, and oversight of operator training and record documentation.

NOTE: Definition applies to commissioning an installation or recommissioning a reinstallation or repair.

HOW TO USE THE FLAT RATE BOOKS:

We will begin making the following best practice step-by-step service call assumptions that the technician would perform on a service repair call. The service call steps that are bolded is where and how the Fix-Right Residential Repair Price Book would be used. Note: For more detail on the un-bolded service call steps, see our Professional Service Call Handling Process, forms and flat rate invoices included in our Retail Residential Service Department Training Track located on our on-line Training Center at www.GrowMyHVAC.com.

1. Prepares for the call – this involves making the right impression by taking pride in your personal appearance, having the right “do the right thing” attitude, having a fully stocked clean truck, tools, extra shirts, shoe covers, breath mints, company call handling handouts and forms, and identifying the service call purpose.
2. Arrives to the call - this involves proper parking the service vehicle and checking appearance , breath mints, and properly approaching the customers’ home.
3. Greets the customer - includes how to properly knock on door, handshake, verify purpose of call, method of payment and present business card.
4. Interview’s the customer – the Tech/Tune-up Specialist interviews the customer using the Service–Right Solutions SurveySM to verify the dispatcher got it right as well as to enable the Tech/Tune-up Specialist to learn about the customer, the problem at hand and other areas in the home that may present opportunities as well as explain the value of a service agreement.
5. Sets the Customer Expectation – the Tech/Tune-up Specialist explains the diagnostic or service procedures via our Service-Right Brochure or similar call form, set the call time expectations, and asks the customer to show him the problem or obtains permission for access to the home's system, and invites the customer to tag along.
6. **Diagnostic Fee**—the flat rate book includes all the labor tasking hours required to perform repairs once you are at the equipment. However, you must get to the customer site and diagnose the problem and associated solution prior to providing an upfront price to make the repair. Most contractors use a Diagnostic Fee which is typically 50% of your flat rate price book hourly rate. This is provided to you on the very last page of the price book which also includes the set-up data you used for your price book. This page is removed prior to providing to your technician.
7. **Problem diagnosis** – this is where we begin using the Fix-Right price guide. The Technician completes the diagnosis using company approved guidelines.
8. **Price the repair**—Locate the repair tasking solution in the Fix-Right Repair Guide.
9. **Fill out invoice**—Take out a flat rate invoice and fills out the repair tasks. Make sure to professionalize by using the descriptions right out of the Fix-Right Repair Price Guide. **Avoid unnecessary price complaints: The only thing worse than misspelling and poor handwriting is no words and no handwriting.**
10. **Price up all solutions**—The Technician should also identify solutions and pricing per the Fix-Right Repair Guide for any customer wants or system problems identified on our Service–Right Solutions Survey customer interview form.
11. Identify if best to repair or replace—If using our retail residential service department process, identify on the *Repair or Replace Financial Decision Chart* if total repair price today and age if it is best for the customer to repair or replace the equipment.
12. Identify time to completion—Identifies the timetable for the repair.
13. **Informing customer of diagnosis** - If a repair call, the technician uses the Fix-Right Price Guide to explain problem reason for failure, recommended solution, price, and explains if using our process the *Repair or Replace Financial Decision Chart*.
14. **Offer a discount off today’s work**—The technician uses the Fix-Right Price Guide to explain and offer the customer a discount off of today’s work option, if they choose to be a service agreement customer. If customer declines then technician asks the customer to initial on our invoice the discount decline.
15. **Obtain authorization to proceed**—Gets customer authorization to proceed with repairs or replacement.
16. Executing the repair, tune-up, or service - the Technician/Tune-up Specialist completes the technical repairs, tune-up, or service, and verifies service ticket pricing is complete with all authorized work.

17. Debriefing customer - the Technician/Tune-up Specialist reviews with the customer the repair, tune-up, or service on the flat rate invoice or wireless input device from a customer benefits perspective. If they are not a service agreement customer, then offer the customer the discount again if they join today. If service agreement accepted, verify reduced price per Fix-Right Repair Guide preferred rates. If not accepted then have customer initial declined and gets the customer's signature.
18. Call completion - the Technician/Tune-up Specialist then collects payment, processes the paperwork or transmits the wireless data, and explains how referral coupons work for the customer's friends and neighbors. He should also introduce the customer response card which is part of the BSI flat rate service ticket. He thanks the customer and returns to his vehicle to distribute door hangers in the neighborhood. He has a debriefing with the dispatcher and gets his next call.
19. Call completion - the Technician/Tune-up Specialist then collects payment, processes the paperwork or transmits the wireless data, and explains how referral coupons work for the customer's friends and neighbors. He should also introduce the customer response card which is part of the BSI flat rate service ticket. He thanks the customer and returns to his vehicle to distribute door hangers in the neighborhood. He has a debriefing with the dispatcher and gets his next call.
20. Call completion - the Technician/Tune-up Specialist then collects payment, processes the paperwork or transmits the wireless data, and explains how referral coupons work for the customer's friends and neighbors. He should also introduce the customer response card which is part of the BSI flat rate service ticket. He thanks the customer and returns to his vehicle to distribute door hangers in the neighborhood. He has a debriefing with the dispatcher and gets his next call.
21. Post Service Call Close Out - If call is complete, dispatcher enters on Customer Care Call Form.
22. Call customer to advise of return visit response time - If the repair or maintenance inspection work requires a return visit to complete, place service call back on dispatch board to be scheduled along with estimated hours to complete. Technician/Dispatcher and homeowner set the date and time for return visit and enter on Customer Care Call Form.
23. Happy call to the customer - to follow up on the service just completed. The company should follow up on any customer response card with ratings less than 8 on a 10-point scale.

FLAT RATE PRICE BOOK SET-UP - (ONLY 4 BOLDDED ITEMS NEEDED TO OBTAIN BOOK)

1. **Customer Front Cover Information:** Fill in the complete name, address and phone, as you want it to appear on the front page of your flat rate book.
2. **Labor cost hour rate:** Put in the actual hourly rate of your highest paid technician without benefits.
3. **Benefits & Insurance % of Labor Cost Hour rate:** We use industry standards and not needed to obtain book. However, if known, use the percentage that these costs represent in relation to the hourly rate from the labor cost above. Example \$24.00/hour divided by \$6.00 fringes=25%.
4. **Labor Efficiency % of Labor Cost Hour Rate:** We use industry standards and not needed to obtain book. However, if known, use the total hours billed by a technician divided by the total hours paid to him. Example: paid 40 hours, billed 20 hours = 50% efficiency.
5. **Truck \$ dollar Cost Per Hour Rate:** We use industry standards and not needed to obtain book. However, if known, use the cost of ownership, not operation. This can be calculated by dividing the cost of acquisition by the number of years you intend to keep the vehicle in service. Divide that number by 2080 hours and divide that by your efficiency factor.
6. **Labor % Gross Margin (%OH+%Net Profit) Rate:** We use industry standards and not needed to obtain book. However, if known, use what you must make over and above your direct cost, to cover all overhead and profit.

Appendix A

Fix-Right Flat Rate Repair Book Layout

Fix-Right price book is broken in to four main sections:

1. Cooling Systems
2. Heating Systems
3. Accessory
4. Instruction

Fix-Right Solution Table of Contents

<div style="margin-bottom: 20px;">  <p>Cooling System</p> <ol style="list-style-type: none"> 1. Burnt, Loose Wiring 2. Failed Contactor 3. Failed Capacitor 4. Failed Defrost Control 5. Failed Start Kit 6. Failed Transformer 7. Failed Breaker Fuse 8. Failed Condenser Fan Blade 9. Failed Condenser Fan Motor 10. Failed Compressor 11. Failed Expansion Valve, Metering 12. Failed Liquid, Suction Dryer 13. Refrigerant Leak Test 14. Failed Reversing Valve 15. Failed Suction Line Accumulator 16. Evaporator Coil Leak 17. Condenser Coil Leak 18. Restricted Evaporator Coil 19. Restricted Condenser Coil </div> <div>  <p>Heating System</p> <ol style="list-style-type: none"> 20. Burnt Loose Wiring 21. Failed Relay 22. Failed Furnace Capacitor 23. Failed Circuit Board 24. Failed Fan and Limit Switch 25. Failed Safety Pressure Switch 26. Failed Igniter Probe 27. Failed Transformer Ignition 28. Failed Delayed Ignition </div>	<ol style="list-style-type: none"> 29. Failed Pilot Glow Coil 30. Failed Thermo Couple 31. Failed Electric Heat Control 32. Failed Thermostat Heat Anticipator 33. Failed Burners 34. Failed Fan Belt 35. Failed Blower Fan 36. Failed Blower Motor 37. Blocked Air Filter 38. Failed Damper Motor 39. Failed Inducer Fan Motor 40. Failed Flue Intake Pipe 41. Failed Gas Valve 42. Failed Circulator Pump 43. Failed Zone Valve 44. Failed Aquastat 45. Failed Extrol Tank 46. Failed Pressure Reducer/Relief Valve 47. Failed Oil Pump 48. Restricted Drains & Leaks 49. Failed Heat Exchanger <div style="margin-top: 20px;">  <p>Accessory</p> <ol style="list-style-type: none"> 50. Failed Humidifier 51. System Enhancements 52. Tune-Ups & Misc. 53. Misc. Unclassified Repairs </div> <div style="margin-top: 20px;">  <p>Instructions</p> <ol style="list-style-type: none"> 54. Pricing Instructions </div>
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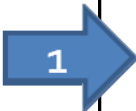
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Technician Notes:

Each repair price page also includes Technician notes and recommendations to help minimize costly call-backs.

Customer Notes: Each repair price page contains notes for the Technician to explain ways to prevent that type of repair from reoccurring as well as ways to save money off today's work by becoming one of our service agreement customers.

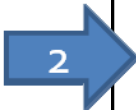
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -



Technician Notes

CAUTION you are doing your customer a disservice if you leave a contactor in the unit with pitted and/or burned points. Saving the customer this repair money NOW will could cost him/her a compressor replacement and or contactor repair LATER.

A contactor must have a higher amp rating than the equipment AMP draw.



Customer Notice

Small parts like contactors can sometimes cause an expensive part to fail like compressors because it's not working properly. Regular maintenance saves money on your utility bills and reduces the chance of expensive repairs.

Always mention how to receive a 10% discount off today's repairs

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Failed Contactor

2

To the right of repair price page is the associated customer repair explanation page that includes:

1. Causes of failure
2. Fix-Right Repair Solutions
3. Prevention recommendation to purchase one of our service agreements.
4. Illustration of failed component and related system information.

3

Failed Capacitor

1

2

3

4

CAUSES OF FAILURE

- Relay failure
- Starting load too high
- Excessive short cycling
- Excessive high voltage
- Improper capacitor
- Power surge
- Age fatigue

FIX-RIGHT SOLUTION

- Repair relay
- Correct high voltage problem
- Correct short cycling problem
- Replace Capacitor
- Repair/install power surge protection
- Recommend to replace outdoor unit if 10 years and older

PREVENTION – PROPER PERIODIC MAINTENANCE

- Periodic electrical integrity and proper operating verification inspections, cleaning and tuning help eliminate many contributing causes of failure.

Source: HVAC Installation Procedures, Carrier








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Failed Capacitor

3

Fix-Right price book includes a system enhancement price page.

System Enhancements 51

Code	Enhancement Description	Retail	Retail OT	Priority	Priority OT
 5101 0200	The Media Air Cleaner captures a significant amount of the airborne particles from the air circulated through the unit. Recommended as the basic minimum air quality product. The Media Air Cleaner includes cabinet, access door. No airwatch. 16 x 25	\$ 611.32	\$ 745.00	\$ 519.62	\$ 633.25
 5102 0200	The Media Air Cleaner captures significant amounts of airborne particles from the air circulated through the unit. Recommended high efficiency media air quality product. The Media Air Cleaner includes cabinet, access door, pleated media filter, Airwatch Indicator. 20 x 25	\$ 594.89	\$ 728.57	\$ 505.66	\$ 619.28
 5103 0200	Capturing up to 98% of particles (3.0 - 10.0 micron) that pass through the filter, the offers the highest level of filtration on the market. It is widely compatible, operating with all gas, oil and electric forced warm air furnaces and air-conditioning systems. 16 x20	\$ 1,118.42	\$ 1,252.10	\$ 950.66	\$ 1,064.28
 5104 0200	UV Coil Irradiation Mounts over central A/C cooling coil. Continuous ultraviolet energy. Kills up to 99.9% of mold that could otherwise thrive on system cooling coils. Kills up to 75% of certain airborne bacteria passing by the system single bulb	\$ 708.39	\$ 842.07	\$ 602.13	\$ 715.76
 5105 0200	UV Coil Irradiation Mounts over central A/C cooling coil. Continuous ultraviolet energy. Kills up to 99.9% of mold that could otherwise thrive on system cooling coils. Kills up to 75% of certain airborne bacteria passing by the system double bulb	\$ 1,050.90	\$ 1,184.58	\$ 893.27	\$ 1,006.89
 5106 0075	The 5-1-1 Prog 2H/2C, Pro 6000 provides electronic control of 24 Vac conventional and heat pump systems or 750 mV heating systems. If used as directed, programmable thermostats can save up to 33% on annual heating and cooling costs.	\$ 312.68	\$ 362.81	\$ 285.78	\$ 308.39
 5107 0200	Humidifier. Power Flow-through 18-gallon humidifier uses the warm air furnace blower to provide whole house humidification.	\$ 636.23	\$ 769.91	\$ 540.80	\$ 654.42

System Enhancements 51

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At the near end of the price book is the Miscellaneous Unclassified Repair Task Pricing that includes:

1. Miscellaneous tasking repair labor in hours as shown in right 4 repair code digits.
2. Miscellaneous tasking material as shown task description in actual parts costs within last 4 PM code digits.

Miscellaneous Unclassified Repairs

Code	Repair Description	Retail
5301 0050	Miscellaneous unclassified labor	\$ 63.84
5302 0100	Miscellaneous unclassified labor	\$ 133.68
5303 0200	Miscellaneous unclassified labor	\$ 267.36
5304 0400	Miscellaneous unclassified labor	\$ 534.70
5305 0500	Miscellaneous unclassified labor	\$ 668.38
5306 0600	Miscellaneous unclassified labor	\$ 802.05
5307 0700	Miscellaneous unclassified labor	\$ 935.73
5308 0800	Miscellaneous unclassified labor	\$ 1,069.40
5309 1200	Miscellaneous unclassified labor	\$ 1,604.10
5310 0000	Miscellaneous unclassified parts/materials PM0025	\$ 105.00
5311 0000	Miscellaneous unclassified parts/materials PM0050	\$ 159.00
5312 0000	Miscellaneous unclassified parts/materials PM0075	\$ 223.50
5313 0000	Miscellaneous unclassified parts/materials PM0100	\$ 288.00
5314 0000	Miscellaneous unclassified parts/materials PM0125	\$ 352.50
5315 0000	Miscellaneous unclassified parts/materials PM0150	\$ 417.00
5316 0000	Miscellaneous unclassified parts/materials PM0200	\$ 363.40
5317 0000	Miscellaneous unclassified parts/materials PM0300	\$ 540.60
5318 0000	Miscellaneous unclassified parts/materials PM0400	\$ 720.80
5319 0000	Miscellaneous unclassified parts/materials PM0500	\$ 742.00
5320 0000	Parts/materials needed greater < \$500 see notes below	\$ -

Technician Notes

Invoice and Pricing Notes:
 Use the code above but write on invoice the actual repair description.
 If you need labor hours or repair materials greater than the available tasking items, submit hours or total materials needed to complete work.
 The miscellaneous parts and material costs needed are listed as PM0000 series and repair