

# **Professional Designer's Letter of Agreement**

**How to Set Clear and Reasonable Expectations  
and Get Paid on Time.**

**Terri Taylor, ASID**

**The Coach for Interior Design Business**



**Dedicated to the extraordinarily  
talented Interior Designers whose  
stars are just beginning to shine**

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## INTRODUCTION

Welcome to Terri Taylor's *Design Biz Blueprint*.

In this audio presentation, Terri will share her **Letter of Agreement**, which will show you the path to a better and more profitable business.

This **Letter of Agreement**, coupled with Terri's **Project Time Estimating System**, will teach you how to develop an accurate cost estimate for a wide range of projects, and teach you how write a clear and concise **Letter of Agreement**.

These important business tools will help you build a better and stronger Interior Design Business, and help you create lasting relationships with your clients.

Terri is a 22-year veteran of the interior design and construction business who owns and manages an award-winning design studio.

She also coaches and mentors hundreds of interior design professionals in blending their passion with making money, while creating better relationships and positive change in their lives.

*Before we get started, please print a hard copy of the Letter of Agreement template so you can follow along and better understand the system.*

And now... here is Terri Taylor.





Hi. This is Terri Taylor. I am so pleased that you're investing your valuable time to learn how to create a powerful, easy-to-manage and profitable **Letters of Agreement** for your interior design clients.

I have used this **Letter of Agreement** template successfully in my award-winning interior design business for the last 15 years, and I'm really happy to be sharing it with you. A good **Letter of Agreement** is the first important tool that you need to establish good communication and efficient management of the designer-client relationship.

It's important to complete the **Project Time Estimate System** worksheets before you create your **Letter of Agreement**. These two tools are meant to work together in sequence. Once you are satisfied that you have seriously considered and logged all the time you need to comfortably complete this job and take care of some unforeseen challenges, you can move to the next step.

**Every letter of agreement must contain the following five elements: Who, Where, What, How and When.**

## **HOW TO USE THE PROFESSIONAL DESIGNER'S LETTER OF AGREEMENT**

It's now time to design your **Letter of Agreement** so that you can quickly and easily customize a new contract for each of your prospective clients.

**A word of caution: Laws differ from state to state. I strongly recommend that when you create your Letter of Agreement template, you have your attorney review it to be sure that you are in compliance with the laws in your area. Then you are good to go.**

A **Letter of Agreement** is really a very simple document. Every **Letter of Agreement** must contain the following five elements: who, where, what, how and when. Who are the parties in this agreement? Where is the location of the work? What is the scope of the work, and what are you going to be doing? How much do you charge? When will you get paid?

I have provided you with three **Letter of Agreement** samples that illustrate just a few of the many ways you could use this template. Example 1 is for a small residential job, Example 2 is for a new construction residential job and Example 3 is for a commercial project.

There are, of course, many more kinds of jobs, but from these examples you will see how you can use this template. Read through these samples carefully to understand how you use the different components needed to create and customize your **Letter of Agreement**.

**However, you might want to add some of your own language to the “scope of work” section so the document accurately communicates your style to the client.**

Most of the language used in these examples is typical for the business and can be used for most jobs you might encounter. However, you might want to add some of your own language to the “Scope of Work” section so the document accurately communicates your style to the client.

Open your workbook to the first **Letter of Agreement** sample. Look at **Section A**. If your client is a husband-and-wife team, both of their names belong on this agreement. It follows that they both need to sign the agreement, as well.

In this situation, the husband often says, “It’s her project. She’ll make the decisions. Whatever she wants is fine.” To that I say, “Who signs the checks?” He says, “I do.”

At that point, I say, “If you sign the checks, you need to be part of this process. I only need you three times for about 45 minutes through these presentations. I’ll need you one more time to sit in your chair. Other than that, we’re good to go.” I get his agreement, and I get it all the way through the process.

If you’re working with a business, you need the exact name of the business entity. Is it a corporation, an LLC or what? You also need the name and title of the person who’s allowed to sign contracts for that business. It’s also really important that you know to whom you are presenting. Are you talking to the person who makes the decisions? You need to be.

**Here’s a tip: The billing address, not the job address, goes here in Section A. Be aware that this is often different from the job installation address so be sure to ask. If you send your bill to the job address where there’s no**

**It's also really important that you know to whom you are presenting. Are you talking to the person who makes the decisions? You need to be.**

**mailbox, nobody gets it and you won't get paid. You won't ever make that mistake again.**

**Here's another tip: When you're collecting contact information for this section, it's a great time to talk about the best way or ways to communicate with your client on a regular basis.**

Remember, "who" is also you. Your name, exact business name including the "Inc." or "LLC," and all of your contact information belong on this agreement as well.

Next, where is this project located? Look at **Section B** on the example **Letter of Agreement**. Put the exact address of the job here, not the billing address. This is where you're going to do the work. You may also choose to add directions to the location, if it's appropriate.

New construction jobs usually need to use a lot number and subdivision name. Often, the post office doesn't assign a street address until the project is built. Be very clear about what property you're working on.

**Section B** is also where you identify the areas to be designed that you're going to be working on, such as "master bathroom, dressing area and closet," "restaurant main dining room, east banquet room, bar and entry area," or "all areas in the 475-square-foot house plus the entry and north patio." All those could be areas.

It's really important to be very clear about exactly what areas you'll be working on so that you manage client expectations right from the start. Keep in mind that "master bathroom" does not also mean "master bedroom." Don't

**The “scope of work” is the only location in which you briefly get to sell what you’re going to do, so choose your words wisely.**



disappoint your client. Be clear about what you're doing. It doesn't mean you can't add on the master bedroom. It is just separate and an addition to this **Letter of Agreement**.

The next part is what you are going to do for this client. Look at **Section C** on the example **Letter of Agreement**. This is your **Scope of Work**. This is important. It is the only location in which you briefly get to sell what you're going to do, so choose your words wisely.

Be specific about all the things you're going to do for them. List every little thing that has to happen. Do not assume that they know what you do because they don't. They have no idea how many details and steps it takes to get to the beautiful room at the end. Be sure this sounds like as much work as it really is. Do not minimize.

**Here's a tip: Include a sentence or two about the desired outcome of the job so the client knows that you are listening to them. Parrot back the major things that the client has said they want. Let them know that you got it. Then list all the different parts of the job that you will be specifying or designing.**

Here is an example of a Commercial Scope of Work:

“Della Interior Group, LLC, will create a dramatic, high-end, contemporary lobby interior design plan for XYZ Company using natural stone, cherry wood and stainless steel.”

**Include a sentence or two about the desired outcome of the job so the client knows that you are listening to them.**

“Della Interior Group, LLC, will design, draw and specify, as needed, furniture space plans, flooring layouts, electrical additions, customized bathroom details, furniture, finishes and fabrics, cabinetry details, interior fixtures and wall finishes.

“Four onsite visits are included to observe the accuracy of contractors’ work, as well as purchasing and procurement services, and installation of furnishings that are purchased through Della Interior Group, LLC.”

Next is an example of a Residential Scope of Work:

“Della Interior Group will create a spacious, luxurious and Zen-like master bathroom remodeling plan utilizing Bedroom 2 space. This remodeling plan will include elevations of all walls showing custom tile layouts, cabinetry design, lighting design and plumbing details.

“We have included two shopping trips to showrooms to select finishes and fixtures. Della Interior Group will provide specifications for all stone, ceramic tile, plumbing fixtures, electrical fixtures, wall finishes, wood finishes and hardware, along with a complete construction budget.”

I like to mention how many shopping trips are included because it lets the client know what’s coming up, and she can get excited about it. It also lets her know that I want her participation and that I expect her to make her decisions in two trips. A client who can’t make a decision can kill your time on a job. This manages it pretty well.

**You already know what you need to charge on this job because you have completed your project time estimate system worksheets.**

Next is how much you will charge for the work you will do. Look at **Section D: Fee**. You already know what you need to charge on this job because you have completed your **Project Time Estimate System** worksheets. You have reviewed your worksheets several times for missed tasks, and you now feel comfortable that you have given yourself a generous amount of time to complete this job.

You've also included some extra time for the unexpected things that come along, like discontinued fabrics that need to be reselected or the architect you're working with who wants section drawings on all your cabinets. It takes a lot more time, so be sure you give yourself some slack.

From your **Project Time Estimate System** worksheet, go to the bottom-line summary. Add that amount into the fee section of the **Letter of Agreement**.

**Here's a tip: Don't be shy about money. You must have a substantial retainer paid before you start the job. The balance due must be paid during the design process, not after you complete the job. Do not wait until you are done to bill this job. Once you are done, they are not nearly as motivated to pay you. Set up a schedule of payments in your Letter of Agreement.**

The next part of your **Letter of Agreement** is **Section E: Terms**. There are many different ways to be paid for a design job. You need to decide which makes the most sense for the kind and size of job you are doing.

Here are a few of the most common ways to be paid: a fixed fee all paid prior to starting the job, a fixed fee with specific payment amounts on predetermined dates, an estimated total fee with hours billed as accrued and due each month,

**There are many different ways to be paid for a design job. You need to decide which makes the most sense for the kind and size of job you are doing.**

hours billed as accrued due each month with a predetermined not-to-exceed limit, and hours billed as accrued with no predetermined limit.

I will explain how each of these works. First, I will talk about the **Fixed-Fee Method**. Here's an example: If your design fee is \$2,500, it's all due and payable when the **Letter of Agreement** is signed. It's a small amount, so you don't need two checks or two payments. It's very simple.

If your design fee is \$12,500, which is a little larger, the retainer could be 50%, or \$6,250, due upon signing the **Letter of Agreement**. The balance of \$6,250 is then due at the preliminary review presentation, in 30 days or at whatever date you choose.

Remember, it's important that you are very sure that you have accurately projected how much time it will take you to do this job and have given yourself some space for the unexpected before you quote a fixed fee. Fixed-fee agreements are also very often associated with the assumption that you will sell some merchandise to the client as well.

**Here's a tip: Be really careful. If you're gambling that you will sell some merchandise as part of this job, it's very possible that the sale of merchandise might not happen. Make sure that if you only get to do the design portion of this job, you are adequately paid for your work.**

There are several ways to bill time monthly. The first is an estimated-fee method. Here, the total fee amount is an estimate. A retainer is taken at the beginning of the job, held throughout the job and then applied to the very last billing. The time accrued is billed monthly.

**If the monthly totals look like they will go over the estimated amount before you finish the job, you must renegotiate with the client immediately.**



If the monthly totals for the whole job add up to less than the estimated amount, you are a hero. If the monthly totals look like they will go over the estimated amount before you finish the job, you must renegotiate with the client immediately. Whatever you do, do not let your time run out before you renegotiate.

Another way is the **Not-To-Exceed Method**. You will most often see this on large jobs where you are the on-call designer over a long, but defined, period of time. The fee is a set amount that the client can budget into the project. Obviously, you need to be extremely generous with the time you give yourself to complete this job because you have no idea what the unknowns are.

This is going to be a large number because you don't want to go back and renegotiate. No matter what, you want to be happy about doing this job. Billing is calculated monthly based on hours spent on the job. A retainer is taken at the beginning, held throughout the job and applied to the last billing.

**Here's a tip: Be sure to let your client know if you're getting close to your not-to-exceed amount. It is extremely important to renegotiate your time long before you have run out of time.**

Finally, you could have your hours **Billed As Accrued**, with no limit on the amount of time. The hours you spend on the job are billed monthly. The amount of time needed to complete the job is undetermined. The client agrees to pay monthly as they use your time.

This appears to be a simple and easy way to bill your time. However, it often leads to problems. The client is often unaware of how long it takes to complete

**This appears to be a simple and easy way to bill your time.  
However, it often leads to problems.**

a task and then balks at paying your bill. You spend more time explaining than if you had set an amount in the first place.

Here's an example: The CEO of one of the country clubs we work with asked me to research trash receptacles for the snack bar area. I agreed. We went back to the studio, looked at every trash receptacle known to man, chose a good one at a good price, presented it and sent him a bill.

When he got the bill for just three hours, he didn't understand how I could have spent three hours looking at trash receptacles. I had to explain it to him. Now when he asks me to research moldings for the door, I say, "Sure, but it will take me four or five hours," and he says either, "Fine" or "No, don't do that."

**Here's a tip: I have found that this method is best used with longtime clients who you have a good relationship with, who understand how you work and who know how long it takes to do things.**

Next, I want to talk about when you will get paid. Be clear in your **Letter of Agreement** about your payment expectations. If it is a small job, it is easier to receive payment in full at the time of signing the agreement.

A larger job that can be done in 60 days could be billed in two payments. Key your second half-payment to one of your presentations so that the client sees the work being completed, and they expect to pay the invoice that day because it was in the **Letter of Agreement**. Your job might also be a very long construction project that you would bill monthly over a period of years.

**Here's a tip: Be clear in your Letter of Agreement about how and when you expect to be paid, and you will avoid many problems and misunderstandings in the future.**

**This is a great opportunity for additional work that you do not want to overlook so take advantage of the situation.**

Here is a really important one. These are the additional services in **Section F**, or the **“Oh, by the way” Clause**. I call it that because that’s what the client says to you, *“Oh, by the way, do you have any ideas about what we could do with the fireplace in the family room?”*

Your client knows that the **Letter of Agreement** is for the master bathroom. They are trying to see if you will do something for free. They are testing your boundaries a bit. Do not do it for free. Choose your words wisely. This is a great opportunity for additional work that you do not want to overlook so take advantage of the situation.

You tell your client that you would love to update that fireplace, you have a lot of ideas about what you could do with it, and you would only need a few extra hours of your time to figure it out. Upon returning to your studio, you review your **Project Time Estimate System** worksheet to figure out your hours, write a new **Letter of Agreement** and present it the next morning.

**Here’s a tip: This is a great source of additional business. Many jobs are much larger than they originally appear to be. You can be of great service to your client by solving problems. I have had \$70,000 jobs turn into \$220,000 just in “Oh, by the way” stuff.**

**Here’s another tip: You must act quickly to capture this job. This new piece of work is probably a whim, and it can go away as quickly as it appeared if the client finds something else to focus on or some immediate solution somewhere else.**

**In my experience, many clients have trouble separating the design process from the purchasing process.**

If you go back a week later with your **Letter of Agreement**, she might say, “Never mind. We saw a fireplace surround at Home Depot and bought it. They’re installing it tomorrow.” You know that your ideas would have been way better, but it’s way too late. You missed it.

Next is a section that’s used to define some important **client expectations**. I have illustrated paragraphs in the examples that are about purchasing. In my experience, many clients have trouble separating the design process from the purchasing process. You may use this section to define any other areas that you feel might be important to your client, but let’s talk about purchasing.

If the way you bill your time depends on selling some merchandise, then you certainly need to address that in your **Letter of Agreement**. You may want to talk about your markup on product, if it’s a feature or if you need to be seen as competitive with others.

Many designers who charge extremely high hourly rates sell merchandise at lower margins. Some who charge moderately high hourly rates sell merchandise at showroom list prices. It is even possible to state that your design fee is based on the client making a minimum purchase, say of \$25,000 or more.

We all know that \$25,000 doesn’t go very far, but at least the client understands that her purchases are how you get paid and that she is committing to being serious about this project. Of course, all sorts of combinations are possible as long as they are profitable to the designer and clearly explained to the client.

**We all know that \$25,000 doesn't go very far, but at least the client understands that her purchases are how you get paid and that she is committing to being serious about this project.**



**Tip: Designers who charge low hourly rates must sell merchandise at a very high markup or risk running a charity instead of a business. I do not recommend charging low hourly rates.**

Plenty of space has been provided in your template to add additional paragraphs to your agreement that define your services further and manage client expectations.

The last paragraph is about **Cancellation** and is very important. By addressing this up front, you'll avoid many problems in the future. By listing the terms and conditions here at the end of the agreement, all parties have agreed to them in advance. This protects you and the client if things are just not working out.

Finally, please be aware that laws differ from state to state. I strongly advise that you **have your attorney review your Letter of Agreement template** prior to using it, to make sure that you comply with the laws in your state.

You are now ready to enjoy the benefits of customizing your **Letter of Agreement** template for your next prospective client. I have enjoyed sharing this information with you. I hope that you find it as useful and productive to your business as it has been to mine.

I would love to hear how using the **Professional Designers' Letter of Agreement** has helped you. Just send an email to me at [Terri@DesignBizBlueprint.com](mailto:Terri@DesignBizBlueprint.com) and my staff will make sure I see it.

Take care of yourself, and may your design career be filled with rich, profitable and beautiful days.

**These are potential problems that could have been avoided or minimized had the client and i just talked about it first.**

Oh, I almost forgot, there is one more thing:

There is another piece to my Design Biz Blueprint System that I want to give you as an **added bonus**. It falls into the extremely important category of managing client expectations during the job. It's called the **Client Expectation List**.

This is a collection based on many of the strange, difficult, silly and unnecessary problems that have plagued me on design jobs through the years. These are potential problems that could have been avoided or minimized had the client and I just talked about it first.

I present this list immediately after the client signs the **Letter of Agreement** and hands me the check. Together, we read through the list and I explain all the items. I tell a few humorous stories and **ask them to sign off on the list**.

The reason for having the client sign off on the list is so that when the sofa fabric is backordered for 18 months and has to be reselected, she's prepared for it and it is not a crisis. When the stone tile arrives and doesn't look exactly like the sample, it's not a disaster. She simply says, "Terri, is this within reason?" She knows that she hired me, the expert, to make the call about whether or not a product is meeting industry quality standards.

When I developed and started using the Client Expectation List, I stopped having unhappy client issues eat up my time. The quality of my design business life improved enormously. I am sure that you will benefit as well.

**She knows that she hired me, the expert, to make the call about whether or not a product is meeting industry quality standards.**

## **RESIDENTIAL LETTER OF AGREEMENT EXAMPLE**

The following pages contain an example of a **Letter of Agreement** for a family room in an existing residence.



**Letter of Agreement #1**  
(Residential)

April 3, 2009

This agreement is between Della Interior Group, LLC and Jane Doe. The purpose of this agreement is to define the Scope of Work and the schedule of payments agreed upon by each party.

**SECTION A - WHO IS THE CLIENT?**

Client:	Jane Doe	000-000-0000 home
	345 Little House Road	000-000-0000 cell
	Anywhere, CA 90637	000-000-0000 fax

**SECTION A - WHO ARE YOU?**

Designer:	Della Interior Group, LLC	000-000-0000 office
	1234 Browntree # 427	000-000-0000 cell
	Anywhere, AZ 12349	000-000-0000 fax

**SECTION B - WHERE IS THIS PROJECT LOCATED?**

This letter confirms our agreement for Interior Design services to be performed by Della Interior Group LLC, at the residence of Jane Doe, located at 345 Little House Road, Anywhere, CA 90637. The design concept and implementation shall include all interior spaces as described in the Areas to be Designed, below.

**SECTION B - WHERE (AND WHAT) ARE THE AREAS YOU WILL BE WORKING ON?**

**Areas to be Designed** – Family room at residence located at 345 Little House Road, Anywhere, CA 90637.

**SECTION C - WHAT ARE YOU GOING TO DO FOR THIS CLIENT?**

**Scope of Work** – Della Interior Group's services shall consist of researching and selecting contemporary furnishings (sofa, chairs & ottoman, cocktail table, 2 lamp tables, 2 lamps, 1 area rug and window coverings per customer plans), research and coordinate fabrics, design window treatments and accent pillows.

Total cost of all merchandise specified shall not exceed the Client's projected budget of \$23,000.00, including applicable city and state tax, freight, delivery and purchasing coordination fees.





Scope of Work does not include the selection of accessories other than those found during normal shopping for general specification purposes.

## **SECTION D – HOW MUCH WILL YOU CHARGE FOR THE WORK THAT YOU DO?**

**Fee** – For the Scope of Work previously described, Della Interior Group, LLC shall receive a fixed fee of \$2,500.00.

## **SECTION E – HOW AND WHEN WILL YOU BE PAID?**

### **Terms:**

- Initial payment of (50%) \$1,250.00 shall be made upon signing of this agreement.
- Final payment of (50%) \$1,250.00 shall be made upon preliminary review presentation.

## **SEE SECTION F**

Additional services or significant changes outside the Scope of Work, or Areas to be Designed described in this agreement, provided by Della Interior Group, LLC, shall be billed to the Client at the hourly rate of \$80.00 per hour for designer.

These services include, but are not limited to, project management, meeting with contractors on-site, delivery coordination, shopping services, etc.

**The parties understand that this agreement is for Interior Design Consulting and Specification Services only.**

## **SEE SECTION G**

### **Purchasing:**

- At Client's request, merchandise will be purchased by Della Interior Group, LLC, and a separate purchasing agreement will be presented to Client for approval, signature and payment.
- Purchase orders will not be issued until the Client has approved, signed and returned a copy of the written purchasing agreement to the Designer, along with the indicated deposit or payment.
- Merchandise purchased by Della Interior Group, LLC is sold to Client at invoice cost plus a 39% purchasing coordination fee, plus all applicable city and state taxes.
- Freight charges for merchandise are billed separately to Client, at cost.



- Client may elect to purchase merchandise directly from retail vendors, however, payments, billing disputes, delivery schedules, and quality issues arising from these purchases remain the sole responsibility of the Client. Upon request, Della Interior Design, LLC will assist Client in solving problems and bill accordingly for time accrued.

**SEE SECTION H**

**Cancellation** – Either party, upon written notice may terminate this agreement, should the other party fail to perform in accordance with the terms of this agreement.

Della Interior Group, LLC, shall be compensated for all work performed prior to notice of such termination at the hourly rate of \$80.00 per hour for designer.

**SEE SECTION I**

**Acceptance:**

Client: \_\_\_\_\_ Date: \_\_\_\_\_

Client: \_\_\_\_\_ Date: \_\_\_\_\_

Designer: \_\_\_\_\_ Date: \_\_\_\_\_

Della Designer for  
Della Interior Group, LLC



## **NEW CONSTRUCTION LETTER OF AGREEMENT EXAMPLE**

The following pages contain an example of a **Letter of Agreement** of how you might write an agreement for residential new construction.



**Letter of Agreement #2**  
(New Residential Construction)

April 3, 2009

This agreement is between Della Interior Group, LLC and John Smith. The purpose of this agreement is to define the Scope of Work and the schedule of payments agreed upon by each party.

**SECTION A – WHO IS THE CLIENT?**

Client:	John Smith	000-000-0000 home
	9876 Big House Lane	000-000-0000 cell
	Anywhere, WA 10700	000-000-0000 fax

**SECTION A – WHO ARE YOU?**

Designer:	Della Interior Group, LLC	000-000-0000 office
	1234 Browntree # 427	000-000-0000 cell
	Anywhere, AZ 12349	000-000-0000 fax

**SECTION B – WHERE IS THIS PROJECT LOCATED?**

This letter confirms our agreement for Interior Design services to be performed by Della Interior Group LLC, at the new custom residence of John Smith, located at Lot 80, Stone Mountain Country Club, Anywhere, AZ 12348. The design concept and implementation shall include all interior spaces as described in the Areas to be Designed, below.

**SECTION B – WHERE (AND WHAT) ARE THE AREAS YOU WILL BE WORKING ON?**

**Areas to be Designed** – Interior and patios of new construction of the custom residence at Lot 80, Stone Mountain Country Club Anywhere, AZ 12348.

**SECTION C – WHAT ARE YOU GOING TO DO FOR THIS CLIENT?**

**Scope of Work** – The design concept and implementation shall include all interior and exterior spaces as identified above. Our services shall consist of the following:

Select interior and exterior lighting, specify paint colors and areas. Research and select interior and patio flooring materials, cabinetry, kitchen countertops and back splashes and bathroom tile details.





Design interior furniture plan with art, lighting, fabrics, special finishes, window coverings (if needed) custom cabinetry drawings and patio furnishings. Provide drawings, specifications, tear sheets, fabric memos and budget for all the above.

Six (6) on-site visits are included to observe and assure accuracy of the contractors work during construction. If further trips are needed, these shall be approved by the Client here in and billed separately.

Scope of Work does not include selection of accessories other than those found during normal shopping for general specification purposes.

### **SECTION D – HOW MUCH WILL YOU CHARGE FOR THE WORK THAT YOU DO?**

**Fee** – For the Scope of Work previously described, Della Interior Group, LLC shall receive a fixed fee of \$15,400.00.

### **SECTION E – HOW AND WHEN WILL YOU BE PAID?**

#### **Terms:**

- Initial payment of (50%) \$7,700.00 shall be made upon the signing of this agreement.
- Final payment of (50%) \$7,700.00 shall be made upon preliminary review presentation.

### **SEE SECTION F**

Additional services or significant changes outside the Scope of Work, or Areas to be Designed described in this agreement, provided by Della Interior Group, LLC, shall be billed to the Client at the hourly rate of \$80.00 per hour for designer.

These services include, but are not limited to, project management, meeting with contractors on-site, delivery coordination, shopping services, etc.

**The parties understand that this agreement is for Interior Design Consulting and Specification Services only.**

### **SEE SECTION G**

#### **Purchasing:**

- At Client's request, merchandise will be purchased by Della Interior Group, LLC, and a separate purchasing agreement will be presented to Client for approval, signature and payment.
- Purchase orders will not be issued until the Client has approved, signed and returned a copy of the written purchasing agreement to the Designer, along with the indicated deposit or payment.



- Client may elect to purchase merchandise directly from retail vendors, however, payments, billing disputes, delivery schedules, and quality issues arising from these purchases remain the sole responsibility of the Client. Upon request, Della Interior Design, LLC will assist Client in solving problems and bill accordingly for time used.

**SEE SECTION H**

**Cancellation** – Either party, upon written notice may terminate this agreement, should the other party fail to perform in accordance with the terms of this agreement. Della Interior Group, LLC shall be compensated for all work performed prior to notice of such termination at the hourly rate of \$80.00 per hour for designer.

**SEE SECTION I**

**Acceptance:**

Client: \_\_\_\_\_ Date: \_\_\_\_\_

Client: \_\_\_\_\_ Date: \_\_\_\_\_

Designer: \_\_\_\_\_ Date: \_\_\_\_\_

Della Designer for  
Della Interior Group, LLC



## **COMMERCIAL LETTER OF AGREEMENT EXAMPLE**

The following pages contain an example of a **Letter of Agreement** for the public areas in a commercial space.



## Letter of Agreement #3 (Commercial Design)

April 3, 2009

This agreement is between Della Interior Group, LLC and ABC, Inc. The purpose of this agreement is to define the Scope of Work and the schedule of payments agreed upon by each party.

### SECTION A – WHO IS THE CLIENT?

Client:	John Doe, ABC, Inc.	000-000-0000 office
	1951 E. Mile High Dr.	000-000-0000 cell
	Anywhere, AZ 12345	000-000-0000 fax

### SECTION A – WHO ARE YOU?

Designer:	Della Interior Group, LLC	000-000-0000 office
	1234 Browntree # 427	000-000-0000 cell
	Anywhere, AZ 12349	000-000-0000 fax

### SECTION B – WHERE IS THIS PROJECT LOCATED?

This letter confirms our agreement for Interior Design services to be performed by Della Interior Group LLC, at the commercial offices of ABC, Inc., located at 1951 E. Mile High Dr., Anywhere, AZ 12345. The design concept and implementation shall include all interior spaces as described in the Areas to be Designed, below.

### SECTION B – WHERE (AND WHAT) ARE THE AREAS YOU WILL BE WORKING ON?

**Areas to be Designed** – Entry lobby, corridor, elevator lobby, reception and reception desk, waiting area, hospitality bar, conference room and two public bathrooms.

### SECTION C – WHAT ARE YOU GOING TO DO FOR THIS CLIENT?

**Scope of Work** – Della Interior Group shall design, specify and draw as needed; flooring layouts, electrical additions, bathroom details, furniture finishes and fabrics, furniture space plan, cabinetry detail, interior fixtures, wall finishes.

Four (4) on-site visits to assure accuracy in sub-contractor work, are included as well as purchasing/procurement services and installation of purchased merchandise.

Scope of Work does not include selection of accessories other than those found during normal shopping for general specification purposes.





## SECTION D – HOW MUCH WILL YOU CHARGE FOR THE WORK THAT YOU DO?

**Fee** – For the Scope of Work previously described, Della Interior Group, LLC shall receive an approximate fee of \$12,430.00.

## SECTION E – HOW AND WHEN WILL YOU BE PAID?

### **Terms:**

- Initial retainer of (50%) \$3,000.00 shall be made upon the signing of this agreement.
- Design time shall be billed monthly, based on actual hours spent. Invoices shall be due and payable upon receipt.
- Retainer is held until services are complete, and applied to the final invoice.

## SEE SECTION F

Additional services or significant changes outside the Scope of Work, or Areas to be Designed described in this agreement, provided by Della Interior Group, LLC, shall be billed to the Client at the hourly rate of \$80.00 per hour for designer.

These services include, but are not limited to, project management, meeting with contractors on-site, delivery coordination, shopping services, etc.

**The parties understand that this agreement is for Interior Design Consulting and Specification Services only.**

## SEE SECTION G

### **Purchasing:**

- At Client's request, merchandise will be purchased by Della Interior Group, LLC, and a separate purchasing agreement will be presented to Client for approval, signature and payment.
- Purchase orders will not be issued until the Client has approved, signed and returned a copy of the written purchasing agreement to the Designer, along with the indicated deposit or payment.
- Merchandise purchased by Della Interior Group, LLC is sold to Client at invoice cost plus a 20% purchasing coordination fee, plus all applicable city and state taxes. Freight charges for merchandise are billed separately to Client, at cost.



- Client may elect to purchase merchandise directly from retail vendors, however, payments, billing disputes, delivery schedules, and quality issues arising from these purchases remain the sole responsibility of the Client. Upon request, Della Interior Design, LLC will assist Client in solving problems and bill accordingly for time used.

**SEE SECTION H**

**Cancellation** – Either party, upon written notice may terminate this agreement, should the other party fail to perform in accordance with the terms of this agreement.

Della Interior Group, LLC shall be compensated for all shall be compensated for all work performed prior to notice of such termination at the hourly rate of \$200.00 per hour for designer and \$75.00 for support staff.

**SEE SECTION I**

**Acceptance:**

Client: \_\_\_\_\_ Date: \_\_\_\_\_

Client: \_\_\_\_\_ Date: \_\_\_\_\_

Designer: \_\_\_\_\_ Date: \_\_\_\_\_

Della Designer for  
Della Interior Group, LLC



## **LETTER OF AGREEMENT TEMPLATE**

The following pages contain a **blank template** for your use.



## Letter of Agreement

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This agreement is between \_\_\_\_\_, and

\_\_\_\_\_.

The purpose of this agreement is to define the Scope of Work and the schedule of payments agreed upon by each party.

Client:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Designer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

This letter confirms our agreement for Interior Design services to be performed by

\_\_\_\_\_ at \_\_\_\_\_.

The design concept and implementation shall include all interior spaces as described in the Areas to be Designed, below.

### Areas to be Designed –

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### Scope of Work –

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_

Design implementation does not include selection of accessories other than during normal shopping for general specification purposes.





**Fee** – For the Scope of Work previously described, \_\_\_\_\_ shall receive a fixed fee of \$ \_\_\_\_\_

**Terms:**

- Initial payment of (50%) \$ \_\_\_\_\_ shall be made upon execution of this agreement.
- Final payment of (50%) \$ \_\_\_\_\_ shall be made upon preliminary review presentation approximately 30 days from the signing of this agreement.

Additional services or significant changes outside the Scope of Work, or Areas to be Designed described in this agreement, provided by \_\_\_\_\_, shall be billed to the Client at the hourly rate of \$ \_\_\_\_\_ per hour for designer.

These services include, but are not limited to, project management, meeting with contractors on-site, delivery coordination, shopping services, etc.

**The parties understand that this agreement is for Interior Design Consulting and Specification Services only.**

**Purchasing:**

- At Client’s request, merchandise will be purchased by \_\_\_\_\_, and a separate purchasing agreement will be presented to Client for approval, signature and payment.
- Purchase orders will not be issued until the Client has approved, signed and returned a copy of the written purchasing agreement to the Designer, along with the indicated deposit or payment.
- Client may elect to purchase merchandise directly from retail vendors, however, billing disputes, delivery schedules, and quality issues arising from these purchases remain the sole responsibility of the Client. Upon request, \_\_\_\_\_ will assist Client in solving problems and bill accordingly for time used.

**Cancellation** – Either party, upon written notice may terminate this agreement, should the other party fail to perform in accordance with the terms of this agreement. \_\_\_\_\_ shall be compensated for all work performed prior to notice of such termination at the hourly rate of \$ \_\_\_\_\_ per hour for designer.

**Acceptance:**

Client: \_\_\_\_\_ Date: \_\_\_\_\_

Client: \_\_\_\_\_ Date: \_\_\_\_\_

Designer: \_\_\_\_\_ Date: \_\_\_\_\_



**Running your design studio  
doesn't have to be a solo act.**



## **Are you ready to learn how to make to make more money?**

### **Consider my Platinum Success program:**

Whether you are at the beginning of your career, or you have a design practice and are not producing the income you want...

### **I know the insider secrets that will show you the path to success.**

- Learn how much you can charge for your time. Develop confidence to charge what you are really worth.
- I can teach you how to take small jobs and pieces of rooms, and turn them into a big project.
- You will learn how to how to, walk a client through a budget process that gets them to agree to funding the whole job.
- I can show you how to work a furniture market and come home with relationships with great vendors that are anxious to do business with you.
- I can teach you how to create celebrity for yourself so that clients seek you out.

### **Private Coaching**

I counsel and mentor a group of a few select private coaching clients.

If you want personalized attention for your business and your professional growth, you may be ready for a personal coach.

I work with committed interior designers through private retreats and my personalized Platinum Success program.

For an application, Email [Terri@DesignBizBlueprint](mailto:Terri@DesignBizBlueprint)



## ABOUT THE AUTHOR

Terri Taylor is a practicing interior designer and contractor with 22 years in the interior design and construction business. She qualified for her NCIDQ Certification in 1991 and she is a professional member of ASID. Terri holds both residential and commercial general remodeling Arizona Contractors licenses.

Her design studio, Taylor Design Group, is a diversified design practice that works in the areas of high-end residential design and remodeling, model homes, hospitality, and medical and professional offices.

Terri is a frequent speaker and lecturer at design conferences and colleges, and her design work is regularly published in regional and national design journals. She also is in high demand as a design and remodeling resource to reporters and editors of national publications, including *ASID ICON* and *The Wall St. Journal*.

Besides running her award-winning design studio, Terri is an interior design business expert and coach, supporting entrepreneurial design professionals in blending their passion, money, and relationships, and making a difference in their lives. She provides a unique mix of proven design business systems and inspirational tools to create meaningful success.

Terri lives in the high desert of Tucson, Arizona with the love of her life, Jim Stanley, and her two horses, Desi and Miriah.

To learn more about Terri Taylor and her company Taylor Design Group, visit the studio's web site, [www.taylordg.com](http://www.taylordg.com).

If you are an inspired interior design entrepreneur, visit Terri's design business mentoring web site, [www.DesignBizBlueprint.com](http://www.DesignBizBlueprint.com), for business-building resources.



*Terri “just horsin’ around” on her Tucson ranch with Desi and Miriah*