

Welcome to Mexico! Our clients often live with the delightful illusion that we are in total control of their project. Were that it were true! While to some extent we do pull the strings, the fact is we can only control so much. Vendors and subcontractors tell us they will deliver something on Tuesday; it arrives a week late. Multiply that by the 10 – 20 vendors we work with on each project and you get the picture.

Whether your home is in New York or New Zealand, every renovation project has its own special quirks and characteristics. We believe that is even more the case in Mexico – a country defined as a “developing economy”. Projects can be momentarily disrupted by one of the dozens of national holidays in Mexico, or by such unforeseen events as rain or hurricanes. Or the death of a family member of one of the workers. Or a breakdown of the truck. It is absolutely impossible to predict – much less control – these kinds of unexpected occurrences.

When these things happen, we suggest a simple technique: remind yourself that the pace of life, the joy of family and the celebratory nature of the local people are some of the things that attracted you to living in Yucatán in the first place!

### **Workers**

As suggested above, the workers assigned to your project are human beings with lives of their own. Family is enormously important to them, and often takes priority.

Workers frequently do not show up for work on Mondays, even though it is an official workday. It’s not because they got drunk on Sunday. We have assembled a great team of religious workers who are opposed to drinking. It’s just because . . . . We’re still trying to figure it out.

If you spend the time to observe the workers, you will shatter any preconceived idea you may have had of “lazy Mexicans.” They work extremely hard, in the glaring heat of the sun. Sure, they pause now and again to sit in the shade and drink some water. This is the courtesy you would give anyone or any animal. While we push our workers as hard as we can to get the quality we want, on budget and on schedule – the truth is we can’t push beyond a certain point. We have developed enormous patience with them; we ask that our clients do the same.

NOTE: We pay all of our subcontractors a fixed amount according to our contract with them. We do not pay them an hourly wage. Therefore, if they are caught lounging on the job, it is their own profit they are sacrificing, not the client’s money.

### **Contingencies**

In addition to informing our clients about the realities of laborers in Yucatán, we also perform due diligence by alerting them to other realities that may impact their project.

### *Costing*

Bear in mind that thorough and accurate costing is a time-intensive process. For many costs we are totally dependent upon third-party sources (plumbers, masons, etc.) and they are often too occupied to have the desire to sit down for several hours to calculate the costs for a new project. This does not represent any immediate earnings for them, and so they procrastinate. If you have a tight deadline in mind, you should definitely allow at least one month for the costing phase.

### *Schedule/Deadline*

As noted above, there are many preliminary steps to attend to even before building begins. The design phase can take anywhere from 4-8 weeks, depending on the project’s complexity. The acquisition of permits can take as little as two weeks to as much as six months, again depending on the nature of your particular property. Including design, costing and permits, then, you should allow approximately 2-3 months from the project’s initiation until actual construction begins. (This depends on the scale of the project, of course). Further, due to the circumstances outlined in WORKERS it is virtually impossible to control the actual finish date. You should build into your schedule anywhere from an additional 4-8 weeks for such contingencies.

### *Budget*

You should allow a 25% contingency for the project total. We always recommend building this into your preliminary costing analysis and budget. While this percentage is often never reached, it is best to prepare yourself for surprises by getting comfortable with 25%. Such surprises and what we call “contingencies” can be the discovery of an old septic tank beneath your new kitchen (which has weakened the floor); a boulder the size of your entire house in the exact spot where you wish to have the pool (causing the necessity of additional laborers or equipment); or the fact that previous owners skimped on foundation work and now an entire wall is falling in (requiring braces, excavation and new foundations.) Many of these things will be “unearthed” during the preliminary site inspections – but many will not until actual work has begun and the workers are in there with picks and shovels.

### *Change orders*

We take no responsibility for changes in your budget due to the cost of any revisions or special requests that you make to the original program/plan. As one example, if you change your mind about a wall color after it has already been painted, you will be billed additionally. If you decide that you would like to have an extra ceiling fan, an extra room, more lavish stone in your bathroom, etc. these changes can significantly impact the original budget. The individual costs may seem small, but they do add up. And if you request these changes mid-project, and request quotes – we must put that part of the job on hold until the quotes come in, which can significantly impact your project’s progress.

### *Accounting/Expenses*

While we always strive to find the best prices for all materials, and while our labor charges are fair market value, we

strongly advise you to shop around for yourself. Think we may be charging you too much for that pool filter? Please go check it for yourself. We get quotes from all of our vendors and pay them as they quoted, paying more only for reasonable change orders or contingencies. If you find it for less, please alert us and we're only too happy to buy it for less! And please review each and every receipt as they are turned over to you. Think something seems a bit high? Then challenge us on the spot! We do not want to get into situations where, at the end of a project, the client suddenly feels he has paid too much. If you feel that way at the end, it's your own responsibility. You must take responsibility along with us for monitoring the expenses throughout the project.

*WARNING: in Mexico (as elsewhere) contractors of every stripe are in the habit of telling you they can do it for less. Sound familiar? Everyone knows the end of that unhappy tale.*

#### *Additional costs*

There are no "hidden" costs in our estimates, but there are things we charge for beyond construction materials and labor in order to get the job done: for example, mechanical drawings and 3D renderings; FedEx (if necessary for any reason); any bank charges (if you do transfers or bounce a check), periodic gasoline expenditures, calling cards every now and then for cell phone usage, permits, tips, etc.

#### **Disclaimers**

Wording such as the following is included in our standard contract.

#### *Guarantees/warranties*

Worldstudio International guarantees the quality of workmanship of masonry, painting and electrical/plumbing for a period of thirty (30) days after delivery of the property (la entrega). Any and all equipment purchased for your home (including but not limited to kitchen appliances, pool equipment, water pressure systems, etc.) is guaranteed by Worldstudio International to be in working order up through the delivery of your property. Thereafter, the responsibility for defects or malfunctions returns to the manufacturer or vendor, who provide their own product and service warranties. All warranties and receipts for such equipment will be submitted to you on the day of delivery of the property. These documents will contain valuable contact information that you will need when and if repairs or service is needed.

#### *Review of Informes and Statute of Limitations*

When you receive an informe – or periodic accounting of the project – it is expected that you will pay promptly whatever balances may be due, or whatever deposits may be necessary to continue the work on your project. Late payment of a balance due or deposit requested may result in the suspension of your project. We encourage you to carefully review your informes immediately upon receipt, and ask any questions that may arise at that time. If you question any charges or receipts you must bring them to our attention immediately. Your payment of a subsequent balance or deposit signifies your acknowledgement and acceptance of all expenses on the informe in question. We will not be able to honor nor recognize any questions you may have at a later date.

All content © copyright 2007 Worldstudio International, Inc.

#### **Definition of Terms**

##### *Contractor/Subcontractor*

Worldstudio International, Inc., is not a traditional contracting company that employs a range of laborers, such as head masons and other staff. Instead, we "subcontract" all work (including plumbing and electrical, carpentry, masonry, ironwork, the drilling of wells and septic tanks and all other labor involved in a project) to companies and individuals specializing in each field. As such, Worldstudio International, Inc. does not pay Seguro Social (workers insurance) nor any other required employee expenses. Instead, these charges when applicable (such in the case of masons) are calculated in the costing analysis and become the client's responsibility. However, many larger vendors assume this responsibility and related costs are built into the estimates they provide us and that we in turn provide to you.

##### *Design*

This is the creative development of your project, whether a renovation, restoration or new construction. The Design is completed by Worldstudio International, Inc., either by the principals themselves or by staff designers. Design includes floor layouts and/or revisions, new construction plans, color selection, decorative detailing, floor pattern design, lighting design, and the design of built-ins and custom furnishings the construction of which is then subcontracted by Worldstudio International, Inc.

##### *Supervision*

This is the management of the execution of your project and is completed by Worldstudio International, Inc. Supervision includes spot site checks, client meetings, orchestration of all staff, vendors and subcontractors, visits to vendors to select design materials (flooring, stone, etc.) and general oversight of the project.

##### *Project Expeditor*

This is an independent, third-party vendor whose role it is to keep track of material inventories on the site; to manage material orders, payments and deliveries; and to coordinate labor among the many vendors and subcontractors who show up to the site each day. The Expeditor is also the person who will arrange for your utilities and to make sure that utilities are paid and usable by site workers.

##### *Project Foreman*

This is an independent, third-party vendor whose role it is to unlock and relock the site each morning and evening, who is always present to receive deliveries, to manage the safe room where valuable materials or equipment are kept, etc. The Foreman also runs necessary errands to keep the job moving, and serves as a pinch-hit laborer when necessary. Other contractors may "bury" the roles of the Project Expeditor and the Project Foreman in the general masonry contract; this does not mean you aren't paying for it! We prefer to keep these expenses visible and transparent. You will be able to monitor every hour spent by them on your project.