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CONFIDENTIAL

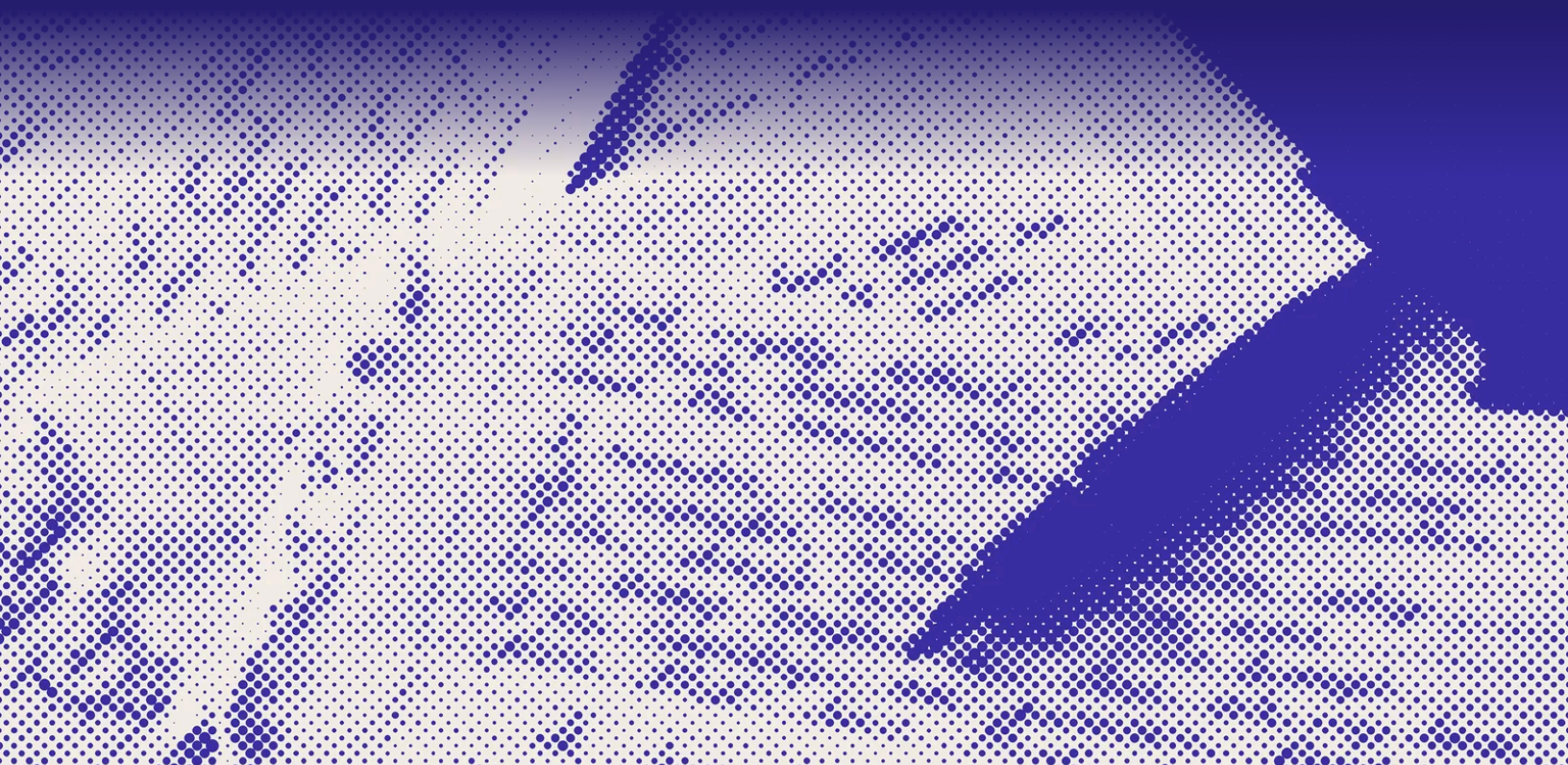
OPERATING MANUAL

Alvarez Heating & Air

How Bob Alvarez runs the business, written down for the new owner. Every entry says how far to trust it and where it came from.

PREPARED FOR	FROM	ENTRIES	DATED
Sarah Chen	Bob Alvarez	14 in 7 chapters	November 6, 2026

This manual describes how Alvarez Heating & Air in Riverton, OH, operates. It is meant only for the business's new owner and their team.



ABOUT THIS MANUAL

How to read it

This is how Alvarez Heating & Air runs day to day: who does what, how work is priced, and which customers and suppliers need special care. Inherit wrote it from the business's own records and from Bob's answers to daily questions.

60%	4	4	6
of the business written down	confirmed by Bob	found in the records	still only in Bob's head

Three labels tell you how far to trust each entry

Seller confirmed	Bob said so in an interview, in their own words.
Found in data	Stated outright in the business's records.
Unconfirmed	A pattern in the records, not yet checked with Bob. Check it before you rely on it.

Entries are ordered by what's at stake, highest first. "Only Bob knows this" marks things nobody else at the business could tell you.

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01

Sales

4 entries · 1 confirmed by Bob

PROCESS · HIGH STAKES

Seller confirmed

Owner follow-up call on large quotes

Quotes over $8,000 get a personal call from Bob within 48 hours and close at nearly twice the rate of staff follow-ups.

- Threshold: $8,000
- Within 48 hours
- Close rate 61% (owner) vs 34% (office)

> IN BOB'S WORDS · NOV 6, 2026
>
> "I call them myself within two days, offer to walk the job with them, and hold the price for 30 days. Most people just want to know the owner stands behind the work."

SOURCES Job: Quote follow-up timing

DECISION RULE · HIGH STAKES · ONLY BOB KNOWS THIS

Unconfirmed

Pricing uplift for pre-1970 two-story homes

Full replacements on older two-story homes are quoted roughly 18–22% above the standard install price to cover duct and return rework.

Observed in 9 of 11 estimates for pre-1970 two-story homes in Maple Heights and Oak Park. Standard 3-ton replacement quotes cluster at $12,200–12,600; these cluster at $14,600–15,200.

SOURCES Email: Estimate: 14 Larkspur Ct (two-story, 1962)

KEY DATE · HIGH STAKES

Found in data

Maintenance-agreement renewal season (March–April)

About 140 residential maintenance agreements renew each spring at ~$189; renewal letters go out by mail in late February.

- ~$27k of recurring revenue lands in March–April
- Letters mailed the last week of February
- Renewal rate last year: ~81%

SOURCES Invoices: maintenance agreements (Mar–Apr spike)

SYSTEM · MEDIUM STAKES · ONLY BOB KNOWS THIS

Flat-rate pricebook with hidden seller codes

Unconfirmed

The pricebook spreadsheet contains a seller-only column with '+T' and 'NO' codes on 40 items that nobody else uses.

Sheet: Pricebook 2026. 212 items. Column H codes: '+T' on 31 items, 'NO' on 9.

SOURCES Pricebook 2026 (Sheet), last edited by Bob Alvarez

02 Operations

1 entry · 0 confirmed by Bob

PROCESS · MEDIUM STAKES

Mailing maintenance renewal letters

Unconfirmed

Renewal letters are printed from QuickBooks and mailed in the last week of February.

1. Export active agreements from QuickBooks
2. Mail-merge the renewal letter template (Drive: /Office/Renewal letter.docx)
3. Mail by Feb 28
4. Log renewals as they arrive

SOURCES Invoices: maintenance agreements (Mar–Apr spike)

03 Finance

2 entries · 1 confirmed by Bob

PROCESS · MEDIUM STAKES · ONLY BOB KNOWS THIS

Filing Carrier warranty compressor claims

Unconfirmed

Failed compressors under warranty are claimed through the distributor's dealer portal; credits average ~$900 per claim.

11 claims last year, $9,870 credited. Claims are filed under the seller's dealer account.

SOURCES Bill: Warranty credits: Carrier distributor

DECISION RULE · MEDIUM STAKES

Commercial clients on informal quarterly terms

Seller confirmed

Several commercial customers are allowed to pay quarterly instead of net-30, by verbal agreement with the seller.

Seen with Dunmore Dental and two other offices. No written terms on file. Receivables over 60 days are mostly these accounts and are not a sign of trouble.

> IN BOB'S WORDS · NOV 6, 2026
> "Dunmore Dental, Riverside Pediatrics and Hale & Sons Law pay quarterly, on the 15th after quarter end. Nothing in writing. I agreed with each of them years ago. They've never missed."

SOURCES Email: Collections: Dunmore Dental (60 days)

04 Customers

1 entry · 1 confirmed by Bob

RELATIONSHIP · HIGH STAKES

Brightview Property Management: 38-unit PM contract

Seller confirmed

Brightview renews a preventive-maintenance contract for 38 units each spring, conditional on Tuesday-morning visits.

- Contact: Karen Holt, kholt@brightviewpm.com
- Renewal every March/April
- Rate held flat two years running
- Visits must be **Tuesday mornings** (tenant complaints with prior vendor)

> IN BOB'S WORDS · NOV 6, 2026
> "Karen's tenants are mostly seniors and they complained about afternoon visits with the last company, so we always do Tuesdays 8 to noon. Two techs, Luis and Marco. Never reschedule without calling Karen first."

SOURCES Email: Brightview Property Mgmt: annual PM renewal

05

Suppliers

3 entries · 0 confirmed by Bob

RELATIONSHIP · HIGH STAKES · ONLY BOB KNOWS THIS

Unconfirmed

Priority parts allocation from Ferguson (Mike Delgado)

Mike Delgado at Ferguson holds condensers for the business during summer shortages, but only when contacted directly by text.

- Contact: Mike Delgado, Ferguson HVAC branch, mdelgado@fergusonhvac.com
- Holds up to 6 three-ton Carrier condensers May–August
- Requests go by **text to Mike**, never through the counter
- Arrangement has run at least two summers

SOURCES Email: RE: Allocation on Carrier condensers this summer

RELATIONSHIP · MEDIUM STAKES

Unconfirmed

Hartwell Sheet Metal: custom ductwork

Custom duct fabrication goes to Hartwell Sheet Metal, about $41k a year, typically with 3-day turnaround.

Bills arrive 3–4 days after each large install starts. Paid within 10 days, which suggests an early-pay arrangement.

SOURCES Vendor summary: top 5 by spend (trailing 12 months)

RELATIONSHIP · LOW STAKES

Found in data

Fleet fuel discount (Riverton Fleet Fuel)

Fleet fuel is billed monthly with a 6¢/gallon discount, conditional on buying over 1,200 gallons a month.

- 6¢ off per gallon
- Minimum 1,200 gallons a month
- Billed monthly on the fleet cards

Before October 2026: Fleet fuel is billed monthly with a 4¢/gallon discount, conditional on buying over 1,500 gallons a month.

SOURCES Call: Riverton Fleet Fuel · Text: Riverton Fleet Fuel

06

People

1 entry · 1 confirmed by Bob

DECISION RULE · MEDIUM STAKES

Seller confirmed

Commercial kitchen jobs go to Dave K. only

Every restaurant job in the records went to one technician.

- Commercial kitchens: **Dave K.** only
- 23 jobs across 7 restaurants
- Pattern holds across 14 months of dispatch history

> IN BOB'S WORDS · NOV 6, 2026
>
> "Dave is the only one of us certified on commercial gas equipment, and the restaurants' insurers ask for the certificate. If Dave is out, we reschedule. Never send someone else."

SOURCES Job: Dispatch history: technician assignments

07

Compliance

2 entries · 0 confirmed by Bob

KEY DATE · HIGH STAKES · ONLY BOB KNOWS THIS

Found in data

Mechanical contractor license renewal, every March

The city mechanical license renews each March through the Riverton permit portal; the login is under the seller's personal email.

- Due: March each year
- Portal account is tied to the seller's **personal** email and must be transferred
- Requires continuing-education certificates
- Fallback: Linda, counter 3, Riverton permit office

SOURCES Calendar: City of Riverton: mechanical license renewal (recurring, March)

RISK · HIGH STAKES · ONLY BOB KNOWS THIS

Found in data

Permit portal login tied to seller's personal email

If the portal login isn't moved before the seller leaves, the business cannot pull permits or renew its license.

Move the Riverton permit portal account to a business-owned email and add the buyer as qualifier contact before the consulting period ends.

SOURCES Calendar: City of Riverton: mechanical license renewal (recurring, March)

NOTES

Your notes

Anything you learn on the job. Add it to the manual later so the next person has it too.