

# HVAC Service Agreement Template (Free Download 2026)

Free HVAC service agreement template with maintenance schedules, liability clauses, and payment terms. Copy-paste ready for residential and commercial work.

## Why You Need an HVAC Service Agreement

Most HVAC companies survive on a feast-or-famine cycle. Summer and winter are slammed with emergency calls. Spring and fall are slow enough to make payroll stressful. Service agreements break that cycle by creating a base of scheduled work that fills your shoulder seasons and generates repair revenue year-round.

But the financial case goes deeper than smoothing revenue. Here are the three reasons every HVAC contractor with more than two trucks should be selling service agreements.

### 1. Liability Protection

A service agreement defines exactly what you will do and what you will not do. When a compressor fails three months after your maintenance visit, the agreement language determines whether that is a warranty call or a billable repair. Without a written agreement, you are arguing from memory about what you promised during a phone conversation. The agreement puts it in writing: you inspected the system, documented its condition, and the failure was not caused by the maintenance you performed.

The agreement also limits your liability for consequential damages. If a system failure causes water damage, mold, or lost business income, the liability clause caps your exposure at the agreement value or the cost of the repair -- not the \$40,000 in water damage the homeowner is claiming.

### 2. Revenue Predictability

A book of 150 service agreements at an average of \$279/year generates \$41,850 in predictable annual revenue. That number does not fluctuate with weather, housing starts, or economic conditions. It shows up every year as long as you retain the customers. And retention rates on service agreements run 80-90% annually when the service is good.

More importantly, every maintenance visit is a sales opportunity. Your technician inspects the system, finds a worn contactor or a dirty evaporator coil that needs chemical cleaning, and presents the repair. Industry data shows technicians find billable repairs on 30-40% of maintenance calls, with an average ticket of \$250-\$400. That is an additional \$11,000-\$24,000 per year in repair revenue from 150 agreements.

### 3. Customer Retention and Replacement Sales

An HVAC system lasts 15-20 years. Without a service agreement, you install the system and lose the customer until it fails. With an agreement, you visit twice a year, build a relationship, and document system decline. When the 14-year-old heat pump starts showing its age, you are the one having the replacement conversation -- not the three other contractors the customer would have called if they had no existing relationship with you.

The average residential HVAC replacement is \$8,000-\$15,000. One equipment sale per 50 agreement customers per year pays for the entire program and then some.

## Complete HVAC Service Agreement Template

Customize the placeholders in brackets for your company. Have your business attorney review the liability and warranty sections before using this with customers. This template is designed for residential and light commercial HVAC service agreements.

### Pricing Your HVAC Service Agreements

Pricing a service agreement wrong is worse than not having one. Charge too little and you lose money on every visit. Charge too much and nobody signs up. The right price covers your fully burdened cost with a margin that makes the program worth running.

Plan	Visits/Year	Price Range	Your Cost	Gross Margin
Basic	1 (fall heating only)	\$149 - \$199	\$85 - \$120	40 - 50%
Standard	2 (spring + fall)	\$249 - \$349	\$170 - \$240	30 - 45%
Premium	2 + priority + discounts	\$399 - \$499	\$170 - \$240	50 - 60%

The Premium tier has the highest margin because the added benefits (priority scheduling, waived diagnostic fee, parts/labor discount) cost you very little to deliver but have high perceived value to the customer. Priority scheduling just means you call agreement customers first -- it does not add labor. Waived diagnostic fees only matter when the customer has a problem, and you are making money on the repair anyway.

### How to Calculate Your Break-Even Per Agreement

Know your numbers before you set prices. Here is the math for a standard two-visit agreement.

Example: Your technician earns \$32/hour burdened. Each maintenance visit takes 1.5 hours on site plus 0.5 hours drive time. Filter and consumables cost \$12 per visit. Admin time (scheduling, invoicing) is 15 minutes at \$25/hour.

- Labor per visit:  $\$32 \times 2 \text{ hours} = \$64$
- Materials per visit: \$12
- Admin per visit: \$6.25
- Cost per visit: \$82.25
- Two visits annually: \$164.50
- Break-even for Standard plan: \$165

At a Standard plan price of \$299, your gross profit per agreement is \$134.50 -- a 45% margin. That seems modest until you multiply it by 200 agreements: \$26,900 in annual gross profit from the agreement fees alone, before any repair revenue.

### Multi-System Pricing

Most homes have one system, but many have two (upstairs/downstairs split) and some commercial properties have three or more. Charge a per-system adder rather than a flat rate per property. The typical adder is \$100-\$150 per additional system per year. This is profitable because the technician is already on site -- the incremental time to inspect a second system is 45-60 minutes, not a full visit.

## Track Every Agreement with BuildFolio

Selling service agreements is step one. Tracking renewal dates, scheduling visits, and measuring per-agreement profitability is where most HVAC companies fall apart. BuildFolio handles the back office so you can focus on the work.

- Agreement Dashboard: See active agreements, upcoming renewals, and lapsed customers in one view. Know exactly which agreements are due for maintenance visits this month.
- Per-Agreement Profit Tracking: Track agreement fees, maintenance visit costs, and repair revenue per customer. See which tier is most profitable and which customers generate the highest total revenue.
- AI Photo-to-Quote: Technician photographs equipment during maintenance, and BuildFolio reads model/serial numbers and pre-fills repair quotes. No more handwritten notes that get lost in the truck.
- Automated Reminders: Customers get maintenance scheduling reminders. You get renewal alerts 60 days before expiration so you can upsell or retain.

## Converting One-Time Customers to Service Agreements

The template is only useful if you can sell it. Here are the five highest-converting moments and methods for getting customers onto service agreements.

### 1. After Every Repair Call

This is the single highest-conversion opportunity. The customer just experienced a breakdown, waited for service, and paid a repair bill. They are motivated to prevent it from happening again. Your technician presents the agreement at the end of the call: "This repair was \$387. A service agreement would have caught the failing capacitor during the spring tune-up before it took out your compressor contactor. The Standard plan is \$299 per year and includes two full tune-ups plus 10% off parts. Want me to sign you up today?"

Close rate on post-repair presentations: 15-25% when technicians are trained and the pitch is specific to what just broke.

### 2. At the End of Every Installation

A customer who just spent \$10,000 on a new system is highly receptive to protecting that investment. Present the agreement as part of the installation closeout: "Your manufacturer warranty requires annual professional maintenance to stay valid. Our Standard plan covers both tune-ups for \$299/year and keeps your warranty active. Most customers start with the Standard plan." Framing it as warranty protection shifts the conversation from optional to necessary.

Close rate on new installs: 30-50% when presented as part of the installation package.

### 3. Seasonal Direct Mail

Two weeks before the cooling season and two weeks before the heating season, mail a postcard to every customer in your database who does not have an active agreement. The message is simple: "Your HVAC system needs a tune-up before [summer/winter]. Our service agreement includes [X] annual tune-ups, priority scheduling, and parts discounts starting at \$149/year. Call [phone] or visit [URL] to sign up." Direct mail to existing customers converts at 3-5% -- far higher than cold mail -- because they already know and trust you.

### 4. The First-Year Discount

Offer new agreement customers a discount on their first year: waive today's diagnostic fee, take \$50 off the first year, or include a free indoor air quality add-on. The discount gets them in the door. Renewal rates on year-two agreements (at full price) run 80-90% because the customer has experienced the value. The first-year discount pays for itself in

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year-two renewals and repair revenue.

## 5. Tiered Presentation

Always present all three tiers. Research on pricing psychology consistently shows that offering three options pushes most buyers to the middle tier. If you only offer one plan at \$299, customers compare \$299 to \$0 (not buying). If you offer Basic at \$179, Standard at \$299, and Premium at \$449, the Standard plan looks like the reasonable middle ground. Most HVAC companies report 55-65% of sign-ups go to the Standard tier when all three are presented together.

## HVAC Service Agreement FAQ

### Related HVAC Guides & Templates

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## Build Recurring Revenue That Survives Every Season

Service agreements turn one-time customers into long-term revenue. BuildFolio helps you track, renew, and profit from every agreement. \$39/month.

## Stop Guessing Your Margins

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