

**SERVICE WORKS**

**“UP ON TOP” NEWS**

**Roofing Contracts: Lowest Price Is Not Always Best Value**

What is the actual price an Owner pays for roofing work? Those Owners who can see the bigger picture realize the price entails more than the number at the bottom of the proposal or contract. Our industry and society have molded each of us to look for a bargain. Unfortunately, many Owners are so preoccupied with finding the lowest prices that they fail to realize and fail to understand they are paying more for a service in the long run.

For instance, let's say an Owner is bidding out a reroofing project and one of the contractors is 5% less than the other. Most Owners go for the less expensive company. If there is more comfort dealing with the more expensive company, the Owner may ask him to do the job for the lower price. Sometimes the contractor can lower the price and sometimes not. If the Owner chooses

the lowest price or coerces the other roofing contractor to lower his price, he has created problems for himself that will inevitably cost him more than the 5% price break.

Roofing contractors that operate on low prices do so because they have nothing else to offer. Remember the saying, "You get what you pay for?" There are two types of low-cost roofing contractors. First, you have the companies that simply do not provide good service. They are always late or don't show when scheduled. The workmanship is poor. Their attitude is bad. Records are not kept current, and often insurance is not up to par. These companies would never get any work if their price wasn't the lowest.

Then you have the well-run companies that feel they are forced to work for low profit or no profit. These guys will always make the low-profit jobs less of a priority. They will not send the best crews, not worry about schedule deadlines, and simply care less about the client. They may even develop animosity toward their customer. If the client goes elsewhere, who cares? When these things happen, it costs the Owner money.

Owners should award contracts by evaluating and comparing all established criteria and not make cost the sole factor in determining award. Those factor should include:

established criteria and not make cost the sole factor in determining award. Those factor should include:

- Is the system the right solution for my project?
- Does the system address all of the project



requirements such as drainage, "R" values, mechanical work, code compliance?

- What are the qualities of the specified materials and how do they compare to what the other contractors are offering?
- What kind of disruption to my business or property will there be with the different systems?
- What type of ongoing maintenance will be required to keep the warranty in place?
- What is the total cost of ownership over the life of the system?

Best and lowest are not synonymous concepts. Purchase value not price.



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