

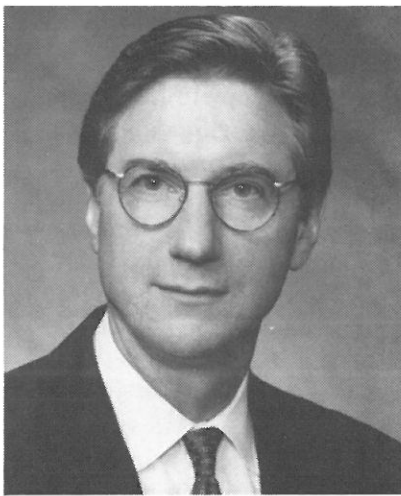
# CONTRACTOR'S CORNER

## A Guide to Roofing Contractor Pre-Qualification

*Kevin J. Kennedy is an RCI member and the senior vice president of the Charles F. Evans Co., Inc. and CFE, Inc. This company is a recognized quality leader and is the only contractor to win both the 1989 RSI "Roofing Contractor of the Year" and the 1993 SPRI "Contractor Achievement" awards. Established in 1945 and ranked in the top 20 roofing contractors by ENR magazine, the Evans companies have applied over 100 million square feet of roofing coast to coast in over 30 states.*

Purchasing a roof represents a major capital investment for building owners and should be planned in a professional, systematic manner. Each of the three interdependent areas of design, materials and workmanship requires careful evaluation. This article serves as a guide for building owners and offers them a thorough pre-qualification process for evaluating and selecting roofing contractors.

Professional roofing contractors appreciate the performance characteristics of proven roofing materials as well as the integrity of a well engineered design. Contractors also understand their



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responsibility in constructing the roof as specified and the challenge of meeting all project requirements. Even with good materials and design, a careless contractor can compromise the integrity of the entire roofing system. Quality installation requires professionalism from start to finish. Both the project management and the individual craftsmen must understand the project requirements and build the roof as specified. Ultimately, the owner depends on the contractor to ensure that the roof performs as specified.

Potential contractors' qualifications should be solicited and evaluated in the following areas: financial strength, bonding capacity, insurance coverage, safety, and

roofing experience. Pages 11 and 12 show a two-page form which owners and consultants can utilize to quantify and compare contractors' capabilities, strengths, and weaknesses.

### **Business and Financial**

Roofing is an industry with considerable turnover. The owner should verify that the contractor has a solid financial record and will be around to service his warranty. Is the contracting company a responsible business entity, paying bills in a timely manner? Does it have the working capital to handle the cash requirements for the project in question? Are there apparent weaknesses reflected in its certified financial statements?

### **Bonding**

Another way to assure financial stability is by having a surety company issue a performance bond on the project. This gives the owner a financial guarantee that the contractor will perform the work or, in the case of default, that the bonding company will provide the necessary financial resources to complete the job. Surety companies tend to be conservative in qualifying roofing companies to whom they will issue bonds. Requesting a bid

bond along with a quotation allows the experts of the bonding company to evaluate the financial strength of the roofing contractor and his ability to handle the size of the project. The cost of the bond listed separately in the quotation will reflect the cost or risk of the contractor on a comparative basis. The owner can then decide whether to purchase the bond. Meanwhile, a valuable service has been provided by a financial institution in measuring the contractor's business strength.

Not all surety companies are equal. The Best service rating provides an independent measure of a bonding company's financial strength. This is important, since weaker roofing companies cannot secure bonding from financially strong bonding companies and are forced to obtain bonding offshore or with a weaker company.

### **Insurance**

Owners need to be concerned about the amount and type of liability and property damage insurance carried by the roofing contractor. They should also verify all insurance and worker's compensation coverage and research the insurer's rating within the insurance industry. Professional roofing contractors with good financial stability will maintain an insurance program geared not only to protect their customers, but also to protect their own net worth. Basic minimal coverage should include at least \$1 million per occurrence limit for general liability and property damage

exposures. The contractor should also maintain an additional \$3-5 million excess umbrella liability insurance.

### **Safety**

Safety is a critical aspect of any construction pre-qualification process, not only for the contracting firm and its employees, but also for the liability exposure the contractor brings into the facility. Does the contractor have a formal, written safety program? Who is responsible for the program, inspections, meetings, etc? The owner should review the contractor's safety program performed and require a copy of his OSHA 200 Log, along with a document confirming his Experience Modification Rate (EMR). EMR measures the safety performance of a contractor within the industry. A rating of 1.0 is average; less than 1.0 is stronger performance and above 1.0 is below average performance. It's important to look at the EMR over a fairly broad period of time, since any one year can reflect a "spike" caused by an unusual circumstance.

### **Experience**

It is obviously important that a roofing contractor be well established and experienced. How much roofing has the company applied in the last five years? Can it demonstrate adequate experience in both the type of system specified and the complexity of the roofing project? The owner should ask for a resume of projects similar in size, roofing sys-

tem, and scope, including reference names and phone numbers.

It's wise for owners to inquire with roof consultants and suppliers for names of recommended contractors. Once the owner's candidate list is complete, he should send each contractor the pre-qualification form. He can then evaluate each returned submission and invite the three or four most qualified to submit bids. After the proposals have been evaluated, the owner may invite the companies submitting the two most attractive proposals to attend a bid review meeting. They should be prepared to explain how the project will be organized, supervised and executed.

The same pre-qualifying scrutiny should be applied in selecting the roofing material and design; the roofing materials must perform to the building design requirements. A qualified roof consultant is a key professional who can coordinate the entire process. If help is needed in selecting a consultant, owners can solicit suggestions from their own contacts or call RCI at 800- 828-1902 and ask for a referral.

Ultimately, the building owner is dependent upon the roofing contractor to build the roof as specified. The lowest price does not always represent the best value. An experienced and financially sound contractor can save time, disruptions and money, and help ensure the long term performance of the roofing system.

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**THE INTENT OF THIS DOCUMENT IS STRICTLY FOR PRE QUALIFICATION AND NOT AN INVITATION TO BID. ALL INFORMATION IS FOR INTERNAL USE AND CONFIDENTIAL.**

**BUSINESS:**

Name of Firm: \_\_\_\_\_

Address \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip Code: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Contact: \_\_\_\_\_

Title: \_\_\_\_\_

Type of Shop:    ☐ Open    ☐ Union    ☐ Corporation    ☐ Partnership    ☐ Sole Proprietor

State Incorporated: \_\_\_\_\_

Date Incorporated: \_\_\_\_\_

Names of Officers, Owners, Partners	Title	Years Experience

**FINANCIAL:**

Average construction volume for the past 3 years: \_\_\_\_\_

Please attach a current audited financial statement:    ☐ Yes    ☐ No

DUNS Number: \_\_\_\_\_

DUNS Rating: \_\_\_\_\_

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

Bank References: \_\_\_\_\_

CONTACT: Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Have you ever been in bankruptcy or in reorganization proceedings?    ☐ Yes    ☐ No

**BONDING:**

Bonding Company: \_\_\_\_\_

Agent: \_\_\_\_\_

Contact: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Submit the following from the bonding agent:

☐ Single project and aggregate bonding limit.

☐ Best's rating of surety company.

☐ Length of time contractor has been with surety company.

Has the firm ever failed to complete a contract?    ☐ yes    ☐ no

Are there any judgements, claims or suits against you?    ☐ yes    ☐ no

**INSURANCE:**

Worker's Compensation: \_\_\_\_\_

Company: \_\_\_\_\_

PUBLIC LIABILITY:    Company: \_\_\_\_\_

Limits: \_\_\_\_\_

PROPERTY DAMAGE:    Company: \_\_\_\_\_

Limits: \_\_\_\_\_

UMBRELLA POLICY:    Company: \_\_\_\_\_

Limits: \_\_\_\_\_

**SAFETY:**

List your experience modification rate (EMR) for the past three years and provide documentation.

19 \_\_\_\_\_ 19 \_\_\_\_\_ 19 \_\_\_\_\_

Are the above **interstate** or **intrastate**:

Furnish a copy of firms OSHA 200 Log from last year.

Using the OSHA 200 Log, complete the following:

- a. Number of injury related fatalities from Column 1. \_\_\_\_\_
- b. Number of injuries with lost workdays from Column 2. \_\_\_\_\_
- c. Number of injuries without lost workdays from Column 6. \_\_\_\_\_
- d. Number of illness related fatalities from Column 8. \_\_\_\_\_
- e. Number of illnesses with lost workdays from Column 9. \_\_\_\_\_
- f. Number of illnesses without lost workdays from Column 13. \_\_\_\_\_
- g. Total number of injuries and illnesses on OSHA 200 Log. \_\_\_\_\_
- h. Total number of cases listed in Columns 6 and 13 which are "first aid" cases. (\_\_\_\_)

Highlight each of these cases by placing an asterik beside them on the OSHA 200 Log.  
(See Safety Data Page 4 for a definition of first aid case.)

Employee hours worked last year (field, supervisory and clerical): \_\_\_\_\_

Do you have a written safety program? ☐ yes ☐ no (Please enclose a copy)

Do you have a full-time Safety Director? ☐ yes ☐ no

Do you hold safety meetings for:	YES	NO	Frequency	Title of Person Conducting Meeting
Field Supervisor				
Field Associates				
Subcontractor/s				

Do you conduct job safety inspections? ☐ yes ☐ no Frequency: \_\_\_\_\_

Do you have a written safety orientation for new hires? ☐ yes ☐ no Please enclose.

**EXPERIENCE:**

Enclose a resume of at least (6) major projects completed during the past (5) years, include owner, owner representative, telephone number, roof manufacturer, amount of contract and date completed.

How much roofing (total square feet) have you installed in the past five years? \_\_\_\_\_

Do you install your own sheet metal? ☐ yes ☐ no

SIZE OF STAFF: Field Associates: Foremen: Superintendents: Project Manager: \_\_\_\_\_

List states in which you are licensed or registered to work with appropriate license numbers:

State: _____	License Number: _____
State: _____	License Number: _____
State: _____	License Number: _____
State: _____	License Number: _____
State: _____	License Number: _____
State: _____	License Number: _____
State: _____	License Number: _____