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Navigating Water Intrusion Problems

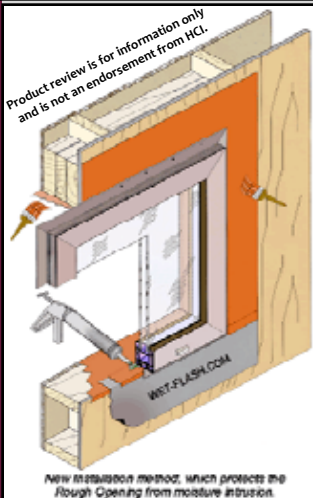
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See next issue
**Getting Optimal
Value
Warranties Part III**



The Wet-Flash®, Liquid Applied Flashing System simplifies window and door installations - protecting the building from future water damage and saving installation time and material costs.

Optimal Value Warranties

Part 2- History of Risk Transfer Mechanisms

By: Ben T. Hixson

Guarantees – Much like practices we understand continue in Great Britain, early system installers guaranteed their workmanship and materials for a defined number of years. We've heard the phrase used "from womb to tomb" applied to installer guarantees implying the installer stands behind their workmanship and the materials used for the Owner's expected satisfactory service life of an installation. This practice continues in a diminutive form with today's two-year and five-year installer guarantees to Owners or contracted to component and system manufacturers in conjunction with the manufacturer's warranty coverage.

Bonded Roofing and Waterproofing – In the sixties United States manufacturer's moved toward offering bonded roofing and waterproofing installations. While today payment and performance bonds commit bonding companies to complete or perform bonded work to completion of a project, the earlier concept involved a long-term bond conveying rights to remediation or replacement of improper or failed work.

System Warranties – In the 1980's material manufacturers began offering total system warranties covering all of the manufactured, supplied and approved components. **This is an important aspect of risk management for construction decision makers** in that the concept minimizes the task of assigning blame and finger pointing if something needs to be addressed to remedy or replace work that isn't in keeping with the specifications. **HCI highly recommends obtaining total system warranty coverage for building envelope systems.** Long-term warranty offerings grew in number and length of coverage with the advent of system warranties because the manufacturers could dilute some of their direct risk to deliver warranty coverage if something failed to perform or deteriorated prematurely.

This concept can maximize the need for the manufacturer and installer to work together to satisfy project performance requirements.

NDL System Warranties – Another risk management tool that HCI recommends is obtaining No Dollar Limit Warranty coverage for components and systems. HCI is convinced ten to twenty years from today the cost for replacing components and systems will be much greater than today's purchase cost. One effective way to minimize the need to budget large sums for replacement in the event of unexpected failure of a component or system during warranty coverage is to **obtain provision for complete replacement and not just coverage up to or for the original expenditure.**

Joint Warranties – When the manufacturer and installer offer a joint warranty the workmanship and materials are covered for the length of the warranty. Essentially the conventional first year or more commonly the first and second year of the manufacturer's warranty includes a side agreement between the installer and manufacturer where the installer guarantees their workmanship to the manufacturer and the manufacturer warrants the materials to the installer to offer a joint warranty to the purchaser.

Renewable Warranties – HCI recommends that Owners obtain renewable warranties whenever possible for systems in the building envelope. True sustainability involves not having to expend resources to repair or to replace a component or system often. **The lower the life-cycle cost of ownership the greater sustainability realized.** A corollary is the need to obtain transferable warranties in that conveying warranty coverage to the new Owner has value when negotiating a mutually satisfactory agreement.

Guarantee and Warranty - Materials and Workmanship are guaranteed or warranted for an established time for satisfactory performance. While guarantee and warranty are used as interchangeable terms to better distinguish the responsible party HCI recommends using **guarantee for an installer's coverage and warranty for a manufacturer's material and workmanship coverage.**

Manufacturer's Warranty - Warranty coverage may be for material only, for material and workmanship on a limited basis such as prorated warranty coverage similar to a battery warranty where the coverage decreases incrementally and generally equally over the stated warranty period. Aside from the advent of wind uplift warranties for five and ten-year duration, shingle warranty coverage is prorated. A twenty-five year shingle warranty loses one twenty-fifth in value each year. Mentioned earlier **the NDL warranty is superior** in that coverage isn't limited to the original purchase but provides for repair and replacement funding for the length of the warranty.

Special Contractor's Roofing Warranty - The Alabama Building Commission and many other similar regulatory bodies require the General Contractor to offer warranty coverage against deterioration and failed roofing performance for five years from substantial completion on public construction. The General Contractor protects their interests and transfers risk by having the installer provide a comparable guarantee.



We want to share our Building Envelope observations with our valued clients and other individuals who may be interested in receiving our semi-monthly publication. Call HCI today for cost effective solutions customized for your project.