

Roofing Contractor



or Labor Broker?

By Jeff Evans, RRC

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Let's suppose some building owners have a significant reroofing project to complete and want to make sure the company does all it can to assure success. They assemble a team of professionals in facility management, procurement, and risk management, as well as a roof consultant to execute the roof replacement process.

Once they have decided on a reroofing design solution, they turn their efforts toward prequalifying prospective roofing contractors. Potential bidders are rated based on their demonstrated capabilities, project references, company history, safety records, financial stability, and other quality metrics.

Qualified bidders then compete for the work, and a successful bidder is awarded the project. The successful contractor makes all the required submittals, and then stages and loads the project. Everything seems to be tracking as planned.

The actual roofing work commences. At some point it is discovered, despite contract language to the contrary, that the prime roofing contractor has subcontracted the roofing work to another contractor or crew.

The prime contractor has a project manager or superintendent on site, but most of the roofing mechanics are not employees of the prime contractor. The owner's team is understandably surprised at this development.

Is subcontracting of roof-related work bad or out of the ordinary? Consider sheet metal installation: Depending on the local market, it is fairly commonplace for sheet metal work to be done by a specialty sheet metal subcontractor, under the roofing contractor's direction. It is also common to have a subcontractor provide for roof removal and disposal (tear-off); this is a customary practice in southern California. Other than coordination issues, these arrangements are not usually a problem.

Over the past few years, we have noticed a definite increase in the marketplace of subcontracting of roof system installation. Since the new roof system is what is left at the completion of the work, who installs it is a critical issue. This is my concern and the purpose for writing this article.

As a roof consultant with 40-plus years of experience, one of my more important tasks is to identify, prequalify, and recommend specific roofing contractors to a client.

Often, this recommendation is based on experience from multiple successful projects. Sometimes we even qualify, or know to ask for, a particular foreman and crew.

So what is it that I don't like about this subcontracting trend? When we invite a contractor to compete for work and base this invitation on past work performance, their manufacturer's performance rating, and their financial and safety history, the expectation is that we would be engaging them based on these attributes. Subcontracting major portions of the work—particularly the roof installation—is “bait and switch.”

The practice of subcontracting the roofing installation presents a number of concerns:

1. Is this subcontractor qualified to install the roof system that was specified? In talking with four major roofing manufacturers, they indicated they are all aware (but not happy) about the practice of their licensed contractors subbing to other firms. Three of the four indicated that, in the end, their agreement is with the “prime,” and the prime is ultimately responsible for the workmanship under their contractor agreement.

The fourth manufacturer indicated that, per their contractor license agreement, any subcontracting of the roofing membrane work must be by another contractor who is also licensed by the manufacturer. None of these responses are optimal, but the fourth manufacturer is probably doing this best.

2. And then there is the issue of liability insurance. Most clients require the contractor to have specific insurance limits and coverage. The client typically has painstakingly considered liability coverage limits, deductibles, policy “tails,” as well as additional insured language. Does the subcontractor have the same coverage? Are all workers covered? Is their insurance carrier well rated?
3. What about the legal status of the roof mechanics? Who is responsible for determining whether each roof mechanic on the jobsite has legal working status? There are news reports occasionally showing Immigration and Custom Enforcement (ICE) raids on workplaces. How does one avoid being in that headline?
4. What about the safety record of these subcontractors? Some clients use ISNetwork, Browse, or similar organizations to help qualify their contractors. The subcontracting of labor (installation) may well not fit the client’s safety program.
5. Who assures that the subcontractors are properly trained? Are they skilled at installing increasingly complex

roof systems? This training aspect has to keep roofing membrane manufacturers up at night, as they are warranting the workmanship for as long as 30 years!


What has caused this rise in subcontracting of roofing labor? There are several possible explanations. The severe shortage of roofing mechanics is well known in our industry. The practice of “labor sharing” is perhaps a way to flex the available labor pool, making labor a more fluid resource.

Are government regulations the cause? Several industry sources with whom I have spoken note that subcontracting became more noticeable when the Affordable Care Act (ACA) became law. The ACA requires any company having 50 or more employees to offer health care insurance or pay a penalty. Further, the Family Medical Leave Act (FMLA) applies to any private-sector employer who engages in commerce, industry, or other activities that affect commerce, and who has 50 or more employees. Could it be that roofing contractors are trying to stay below the 50-employee limit for competitive reasons? When these contractors need more manpower, subcontracting is the only option that allows them to stay below this limit.

In fairness, I recently experienced the positive effect of a contractor having access to numerous subcontracting crews. After a catastrophic hail event severely damaged a million-sq.-ft. roof, a prime roofing contractor was able to install a temporary roof on the entire facility in a week. I doubt this response would have been possible with any single contractor’s in-house employees.

The use of subcontracted labor is a challenge that we need to address and better manage. Here are some best practices I feel should be part of the subcontractor management process:


1. During the bidding process, require bidders to name all potential subcontractors and provide a Certificate of Insurance for each. The owner has the right to accept or reject any and all subs.
2. Require all subcontract agreements to include the terms and conditions of the prime agreement.
3. Require e-verify confirmation to verify the legal status of all workers on the project.
4. Require roofing manufacturers to acknowledge and accept each subcontractor installing their roof system.
5. Require all contractors to meet the client’s safety qualifications.
6. Require all contractors to provide proof of state and local registrations/licenses, where such are required.
7. Require the prime contractor to provide proof of payment to subcontractors, as well as providing lien waivers from all subs.

The roofing industry is enjoying a busy period where roofing work is generally plentiful and labor resources are strained. Subcontracting of roofing labor is not likely to go away anytime soon, and the incumbent risks must be better identified and managed. 



Jeff Evans, RRC

Jeff Evans, RRC, is a senior VP, partner, and senior consultant with Benchmark, Inc. Evans’ registration number 0004 is a proud reminder of his inclusion in the first RRC Class of 1988. Having been involved in the roofing industry since 1977, he was one of the original founders and partners of Benchmark—a national roof and pavement consulting firm with headquarters in Cedar Rapids, IA. He is a senior member of Benchmark’s technical committee and takes great pride in sharing the wisdom and knowledge gained through his 40+ years of industry experience.



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