

Fixed Bid vs. Time and Materials

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Fixed Bid: A contractual agreement to provide specific roof repairs for a specified price.

Time and Materials: An agreement under which a client will pay the contractor based on the number of labor hours, material expenses, and other installation costs with an agreed markup.

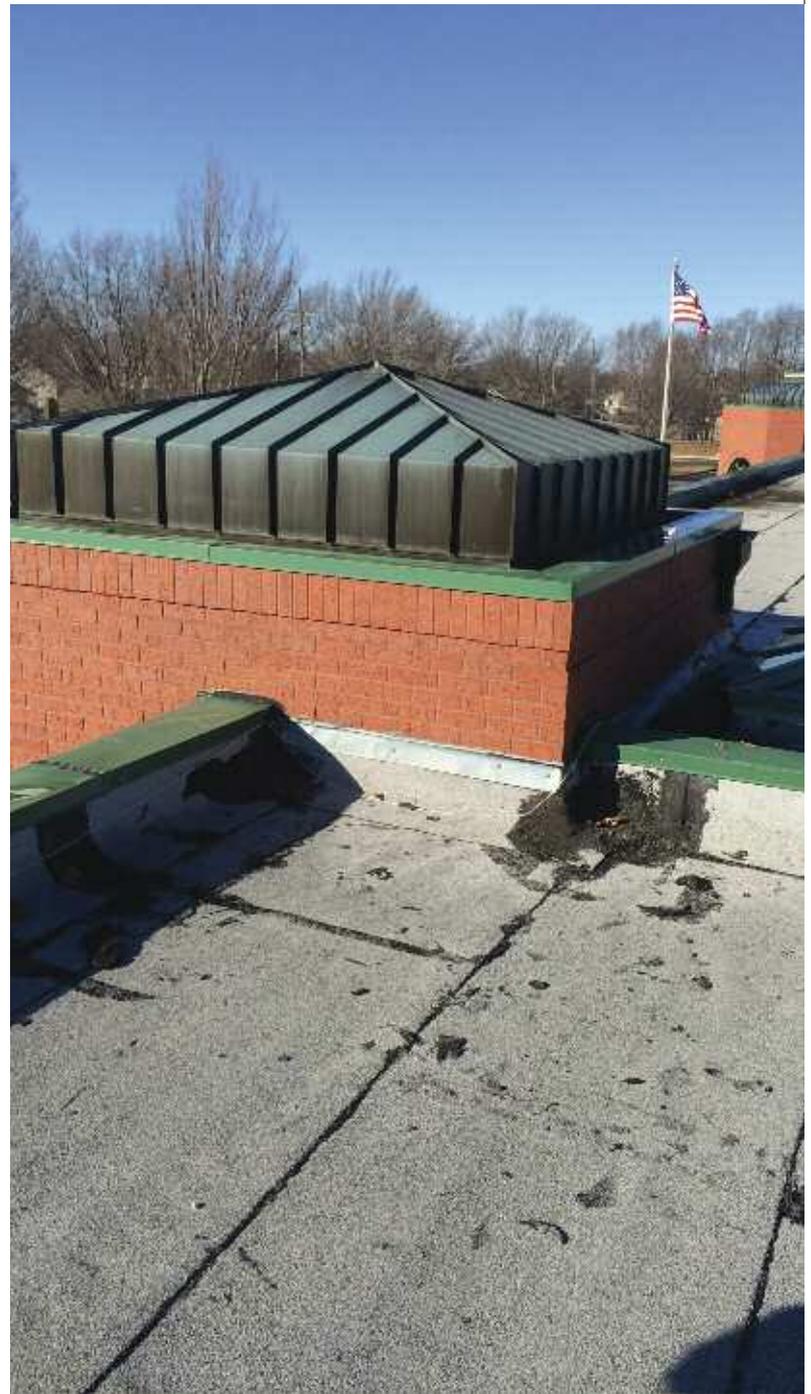
Both of these agreements involve estimates. Estimates help both parties with guidance, cost and duration of a roof repair.

Fixed Bid View:

With a Fixed Bid agreement, a school facility manager knows what he is getting by a defined scope of work for a specific price. This can be a reassuring feeling and it can make getting your budget approved easier. It pushes most of the risk onto the roofing contractor because if the repair goes over budget then the roofing contractor will have to eat those costs.

The facility manager, however, needs to understand the potential risk. In a nutshell: A roofing contractor may finish the requirements in the contract at a much lower cost than the estimate. In that case, the facility manager will not be getting all of the hours that were expected out of the contractor.

The facility manager will have to decide if they really trust the estimate of the project and if they are going to pay that specific price. For example, if you have two roofers responding to a leak call, how many of you time the workers? Do you watch the clock



Two leaks were found in this roof area at a school in the Kansas City area.

and see that they are gone in three hours and you were certain that the price was for six hours? Does your calculation include travel time for the workers?

Maybe the contractor inflated the price because it is worth that much to the facility manager. Contractors can usually provide fairly accurate estimates by the scope of work and their costs, but common unforeseen variables can occur, so hours can be padded by the contractor for such concerns.

Time and Materials View:

A Time and Materials agreement can be beneficial to your school district. When working with a trusted contractor, facility

managers feel confident they are getting what they paid for. If facility managers stay focused on priorities, there may be money left over in the budget to spend on necessary repairs. As we all know, our school roofs which have been around for many years need a scheduled maintenance program or a basic repair. Facility managers know they have the flexibility to change the scope on the fly.

The risk in the T&M approach is that you could go over budget. Assuming that the high-priority items are being done first, there may be the case where the repair was much more difficult than first anticipated. In that case, a facility manager may go over the budgeted dollar amount and will have to wait for next year's budget to be approved.

I am writing on this topic because not long ago I made contact with a school district in the Kansas City area to do repairs. I was asked to give a Fixed Bid on a particular school where the roof had been leaking for over six years. Delta's estimator provided a scope of work which was accepted. Upon approving the Fixed Bid, the Facility Manager had concerns they could not budget the full scope of work, so he chose to do half of the scope.

Delta's repair team went out and completed the work way under the hours anticipated to do the repair. Remembering my words to the facility manager that we would take good care of his school district and he could trust our company, I called the Facility Manager the next morning and asked if our repair team could go back out and finish more of the scope. I could hear the surprise over the phone, "Yes please do!"

Delta's repair team went back to the school and spent another day finishing most of the scope. Since then, I have called several times and the school is still dry!

Delta Innovative Services takes great pride in our word and our repair team for their performance and quality workman-

ship which we ensure by employing skilled Journeymen who have multiple years of experience and professionalism.

In the words of William A. Foster:
"Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction and skillful execution; it represents the wise choice of many alternatives."

As Delta's Innovative Services Repair

Coordinator, my goals are to build trust and serve quality performance to our area Schools whether it be by Fixed Bid or T&M, and I have sincere hopes that I can build trust by executing the same level of commitment and professionalism to all school districts who reach out to Delta Innovative Services with their roofing concerns.



Delta's repair team finished the job in much less time than anticipated.



Delta takes pride in keeping its word and delivering quality workmanship.