

SMRCA Roving Roofer

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What's The Cost?

Changes to NRCA's equipment cost schedule could mean significant changes to your bottom line

The accountability, use and cost of trucks, cranes and roofing equipment are important elements in a roofing contractor's operation. You need to make sure you have accurate information—improperly determining equipment cost rates can negatively affect your bottom line.

The 11th edition of NRCA's Roofing Contractors Equipment Cost Schedule recently was released and lists some of the most common products used in roofing operations. In addition, the publication provides help when determining equipment costs for your roofing business based on depreciation, major repairs, interest, taxes, storage and insurance. Following is an overview.

What it is

NRCA's equipment cost schedule is an electronic document to help roofing contractors make informed decisions when setting roofing equipment cost rates. It includes descriptions of the pieces of equipment as they commonly are sold; their selling prices; and monthly, weekly, daily and hourly expense rates.

The cost rates established for equipment represent an approximate average of conditions under which the equipment is expected to operate.

The equipment costs are based on the average list prices of known suppliers, free on board from their points of manufacture plus 10 percent for freight.

The prices and rates are provided as a guide to be used only when estimating direct costs. The prices and rates do not account for operating and maintenance costs or profit. This means adjustments may be required for particular conditions, such as weather, job locations and length of a construction season.

The costs also do not consider loading, erecting, operating or dismantling equipment; fuel; lubricants; expendable items; wages or transportation of operating crews; or general business expenses. Sales and use taxes also are not included. All these items should be considered when calculating actual costs.

What's new

The following changes have been made to better reflect the costs incurred by roofing contractors when using equipment:

- **Costs:** The most apparent change is the values of the average costs have been updated to more accurately reflect the current marketplace. This includes increasing the additional cost for freight and setup from 6 percent to 10 percent.
- **List updates:** New items have been added to stay current with the evolving technology of the industry.
- **Insurance percentage:** Insurance costs include premiums for policies covering risks to equipment, including fire and theft. They do not include contingency allowances for uninsurable losses. Insurance costs are estimated at 2 percent, an increase from 1 percent.



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- Depreciation percentages and average use: The conservative average months per year a roofing contractor can reliably use equipment and the average life of each listed item were evaluated. Changes to the values used in the schedule to arrive at expense per month were made.

How it works

Cost schedules for each item are first determined by figuring the percentage of the equipment cost that should be expensed each month. This is done using “The Schedule to Arrive at Expense per Month Chart” (see Figure 1). This percentage is calculated by combining key factors about each listed item or piece of equipment such as useful life; months in a given year it can be used; and other associated expenses like maintenance, repairs, insurance, taxes and storage.

The expense per month as a percentage of the cost of the product then is multiplied by the average cost to get the expense per month figure in the equipment cost tables. This also is the base number used to derive the per month, week, day and hour values listed alongside the monthly total.

Using tankers as an example, in Figure 1, the useful life is estimated to be three years; therefore, 33 percent annual depreciation is listed in Column 1. The average use in months per year (Column 5) is estimated from industry averages (eight months). Maintenance and repairs are estimated to be 12 percent, and interest, taxes, storage and insurance are estimated to be 12.5 percent. The total percentage of depreciation (Column 1); maintenance and repairs (Column 2); and interest, taxes, storage and insurance (Column 3) is 57.5 (Column 4). When divided by the estimated average use in months per year (eight), the total expense percentage is about 7.2 (Column 6).

Therefore, for our tankers example, the monthly rate is 2,540.20 (\$35,341.90 x .072) (see Figure 2). The weekly, daily and hourly rates (see Figure 3) are calculated by multiplying the monthly rate by the following percentages, respectively: 0.35, 0.13 and 0.016.

Where to get it

The updated electronic version of NRCA’s Roofing Contractors Equipment Cost Schedule is available free for NRCA members and can be downloaded at www.nrca.net/store. Nonmembers may purchase the document or download it.

Kurt Fester, NRCA Project Engineer
Professional Roofer December 2018 Issue

Item	Column 1 Depreciation (percent)	Column 2 Maintenance and Repairs (percent)	Column 3 Interest, Taxes, storage and insurance (percent)	Column 4 Total of Columns 1, 2 and 3 (percent)	Column 5 Average use (Number of months per year)	Column 6 percentage of cost of equipment per month
Tankers	33	12	12.5	57.5	8	7.2

Figure 1: The Schedule to Arrive at Expenses per Month.

Description	Cost	Month
7 1/2 ton, truck-mounted, 2,000 gallons	\$35,341.90	\$2,540.20

Figure 2: Calculated monthly rate

Description	Cost	Month	Week	Day	Hour
7 1/2 ton, truck-mounted, 2,000 gallons	\$35,341.90	\$2,540.20	\$889.07	\$330.23	\$40.64
Week: \$ 2,540.20 x 0.35 = \$889.07 Day: \$2,540.20 x 0.13 = \$330.23 Hour: \$2,540.20 x 0.016 = \$40.64					

Figure 3: Calculated weekly, daily and hourly rates

Save the date!

**SMRCA Golf Outing
Monday, May 20, 2019
Links of Novi
Novi, MI**



**Roofing Day in D.C. 2019
April 3-4**

Register online for Roofing Day in D.C. 2019 April 3-4; the purpose of the event is to bring the roofing industry together to meet with members of Congress and their staffs and deliver the industry's message with one voice.

At 2018's inaugural event, more than 400 professionals from all segments of the roofing industry coming together to deliver an industry message to Congress. And this year, NRCA hopes to double that number.

On April 3-4, the roofing industry will come together once again in Washington, D.C., to meet with members of Congress to discuss the most important legislative issues affecting the roofing industry, including reducing regulatory burdens and addressing workforce shortages. The Hyatt Regency Washington on Capitol Hill is the host hotel.

Roofing contractors are encouraged to bring one or more standout crew members to help share the industry's story. Congress needs to hear from all segments of the industry! Registration for Roofing Day in D.C. 2019 is \$75 for company representatives, and NRCA is offering a special registration rate of \$25 for roof system installers.

Click to register:

<http://www.nrca.net/roofingday>



Save the date!

**MiRCA Annual Convention
July 25-28, 2019
Boyne Highlands
Harbor Springs, MI**



**BOYNE
HIGHLANDS**

**Roofing Industry-Specific Ladder
Safety Video and Job-Site App**

NRCA and its industry partners developed a new ladder safety video showcasing the use of the free National Institute for Occupational Safety and Health ladder safety app aimed at improving ladder safety.

Falls and injuries from ladders are preventable. Misjudging the ladder angle, improper setup and improper use all contribute to accidents. The new video shows how to properly, safely set up and use ladders, including how to use the NIOSH Ladder Safety App.

The NIOSH Ladder Safety app includes an angle of inclination indicator, making it easy to set an extension ladder at the proper angle of 75.5 degrees. This feature allows most mobile devices to provide a visual and audible signal when the ladder angle is set correctly. The Ladder Safety app also includes additional information about ladder selection, inspection, accessorizing and use.

NRCA is pleased to share this video showcasing the NIOSH ladder application for the roofing industry as part of its partnership with The Center for Construction Research and Training, and the United Union of Roofers, Waterproofers and Allied Workers union. This five-year safety partnership has developed many safety-related products for the benefit of roofing worker safety.

To view the ladder safety video, <https://www.youtube.com/watch?v=Et9aeMdosms&feature=youtu.be>

The NIOSH app is available through the NIOSH website, Apple App Store and Android Market.

H-2B seasonal guest worker program. NRCA continues working in support of more visas for the H-2B seasonal guest worker program, which is used by many roofing contractors to fill positions during peak season. Given the strong economy, the program's statutory annual cap of 66,000 visas is inadequate to meet seasonal workforce needs. Demand for visas is so strong the Department of Labor's online system received more than 97,000 requests before it was overwhelmed and crashed when the application window for 33,000 visas in the second half of fiscal year 2019 opened Jan. 1. Congress has provided the Trump administration with the authority to provide additional visas beyond the cap for 2019 if it believes such visas are warranted by demand, which has happened the past two years. [NRCA sent a letter](#) to Secretary of Homeland Security Kirstjen Nielsen and Secretary of Labor Alexander Acosta urging them to provide additional visas to the maximum extent allowed, and also issued an Action Alert so members can weigh in directly with the agencies: [roofingadvocacy.nrca.net](https://www.nrca.net/roofingadvocacy.nrca.net).

House Committee holds hearing regarding immigration issues. The House Judiciary Committee held a hearing to review two immigration policies, Temporary Protected Status and the Deferred Action for Childhood Arrivals program. TPS is granted to individuals who come to the U.S. as a result of natural disasters, wars and other urgent matters and allows them to work legally for specified periods of time. The DACA program was established by President Obama to defer potential deportation for unauthorized young adults who were brought to the U.S. as minor children. Both programs were rescinded by President Trump. At the hearing, chairman Jerrold Nadler (D-N.Y.) said House Democrats will soon introduce new legislation to provide permanent solutions for individuals with TPS and DACA eligibility unconditionally though ranking member Doug Collins (R-Ga.) expressed tentative support for some protections for DACA and TPS individuals but only in exchange for funding President Trump's border wall and stricter immigration controls. NRCA sent a letter to the committee urging Congress to move forward with legislation to provide individuals working legally under TPS with the opportunity to adjust to legal permanent resident status. This would allow individuals working within the roofing industry under TPS status with the opportunity to continue working and contributing to their communities and local economies. NRCA's letter can be viewed: <https://www.nrca.net/0319-immigration-issues-hearing>

Senate Committee approves nominee to head Occupational Safety and Health Administration. The Senate Committee on Health, Education, Labor and Pensions approved President Trump's nomination of Scott Mugno, vice president of safety, sustainability and vehicle maintenance at FedEx, to be assistant secretary of labor for OSHA. Mugno's nomination had been approved by the committee in early 2018 but was not considered

by the full Senate before the end of the 115th Congress, so the nomination had to be resubmitted for the 116th Congress. The lengthy delay in Senate approval of the nomination is the result of the Senate's focus on confirming President Trump's nominees for judgeships and unprecedented delays in the confirmation process because of the hyper partisan environment in Washington, D.C. Given the huge backlog of nominations, it is unclear when Mugno's nomination will be considered by the full Senate. If confirmed, Mugno will become head of OSHA, where he is expected to focus on promoting greater levels of education and compliance assistance to reduce regulatory burdens on employers without compromising safety. NRCA strongly supports Mugno's nomination after having served with him on the OSHA policy committee at the U.S. Chamber of Commerce.

States file suit challenging OSHA regulation. Six states filed a lawsuit challenging OSHA's final regulation issued in January, which modifies the Improve Tracking of Workplace Injuries and Illnesses rule, originally issued by the Obama administration in 2016. The 2016 regulation required employers to submit injury and illness records electronically to the agency, and OSHA was to have posted the records online for public consumption. The regulation issued by the agency in January amends the original regulation to require all companies with 250 or more employees to electronically submit only information from their Form 300A to OSHA—eliminating the original requirement to also submit Forms 300 and 301. The final regulation maintains the original requirement that firms in certain hazardous industries—including roofing—with between 20 and 249 employees annually submit their Form 300A electronically. The lawsuit was filed by Illinois, Maryland, Massachusetts, Minnesota, New Jersey and New York and argues OSHA failed to provide sufficient justification as required by the Administrative Procedure Act when it modified the original 2016 regulation. Given previous litigation filed by industry groups challenging the original 2016 rule is still pending, it appears the ultimate fate of the regulation will be decided in the courts.

Department of Labor releases overtime regulation. The DOL issued a notice of proposed rulemaking that would make more than a million more American workers eligible for overtime compensation under the Fair Labor Standards Act. The new proposal would update the salary threshold, increasing it from \$455 to \$679 per week—the equivalent of roughly \$35,308 per year—under which workers must be paid time and a half when they work more than 40 hours per week. This new threshold is higher than the current \$23,660 but less than the \$47,476 threshold included in DOL's original proposal issued in 2016, which was enjoined by a federal court in Texas when the court determined it violated the intent of Congress. At the time the regulation was struck down, Secretary of Labor Alexander Acosta had speculated the agency would ultimately propose an

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inflation-adjusted threshold of \$33,000 per year. The proposal will be open for public comment for 60 days from the date it is published in the *Federal Register*, which likely will be sometime in mid-March.

House Committee approves bill to raise minimum wage. On March 6, the House Committee on Education and Labor approved the Raise the Wage Act (H.R. 582), legislation to raise the federal minimum wage to \$15 per hour by 2024. The current federal minimum wage of \$7.25 per hour has been in place since 2009 and is not indexed for inflation. H.R. 582 would phase in the increase to \$15 over a six-year period and would index the rate to median wage growth. The bill—sponsored by committee Chairman Rep. Bobby Scott (D-Va.)—was approved on a party-line vote of 28-20 with all Democrats on the committee supporting and all Republicans opposing. It appears the bill will pass the full House sometime this spring; however, it is a non-starter in the Republican-controlled Senate. It is unclear whether there will be a serious effort to work towards a compromise that could achieve 60 votes in the upper chamber. NRCA will continue monitoring developments regarding this and similar legislation.

Health Insurance Tax legislation introduced. Reps. Ami Bera (D-Calif.), Jackie Walorski (R-Ind.), Josh Gottheimer (D-N.J.) and Kenny Marchant (D-Texas) introduced the Health Insurance Tax Relief Act of 2019, bipartisan legislation (H.R. 1398) to suspend the HIT for 2020 and 2021. The HIT—which was authorized by the Affordable Care Act—adds to health insurance costs for all employers and individuals with fully insured coverage and significantly increases health insurance premiums. In 2018, NRCA and allied organizations successfully advocated for an amendment to suspend the HIT for 2019, but the tax currently is scheduled to take effect in 2020. A similar bill (S. 172) has been introduced in the Senate by Sens. John Barrasso (R-Wyo.), Cory Gardner (R-Colo.), Tim Scott (R-S.C.), Jeanne Shaheen (D-N.H.), Doug Jones (D-Ala.) and Kyrsten Sinema (D-Ariz.), showing strong bipartisan support. NRCA will continue working to advocate for delay or full repeal of this tax which increases health insurance premiums.

Main Street Certainty Act introduced. Reps. Jason Smith (R-Mo.) and Henry Cuellar (D-Texas) introduced the Main Street Certainty Act (H.R. 216), legislation to make permanent the 20 percent tax deduction for qualified business income of pass-through businesses under Section 199A of the tax code. This deduction was established by the Tax Cuts and Jobs Act of 2017 to provide "main street" businesses that operate as pass-through entities with tax relief on par with corporations. Under current law, the Section 199A deduction is scheduled to sunset at the end of 2025, and as a result, Congress will need to pass H.R. 216 to

extend the deduction beyond 2025, preventing an effective tax increase for many businesses. NRCA supports this legislation to provide permanency for the Section 199A deduction for pass-through businesses. The path forward regarding this legislation is highly uncertain given the partisan nature of tax policy and split control of Congress among the two political parties.

Tax "extenders" package introduced. Senate Finance Committee Chairman Chuck Grassley (R-Iowa) and ranking member Ron Wyden (D-Ore.) introduced the Tax Extenders and Disaster Relief Act of 2019 (S. 617), legislation to extend certain tax provisions that expired at the end of 2017, along with disaster relief provisions. The legislation includes an extension of several tax credits and deductions designed to incentivize energy efficiency improvements to commercial and residential buildings through the end of 2019. The House Committee on Ways and Means also will hold a hearing to review the tax provisions in the extenders package, which will give the committee a chance to educate its 10 new members regarding the complexities of tax policy. Grassley has indicated he wants to see movement on this extenders package soon, and it remains an area where bipartisanship could pave the way to successful passage sometime in 2019.

ICC releases 2018 International Green Construction Code®

Together with ASHRAE, the Illuminating Engineering Society and the U.S. Green Building Council, the International Code Council (ICC) has released the *2018 International Green Construction Code (IgCC)*.

IgCC is a model code that provides a whole systems approach to the design construction and operation of buildings and includes costs, better indoor environments, less impact on natural resources, and improved neighborhood connections and walkability. The code correlates with ICC's International Energy Conservation Code, ASHRAE Standard 90.1, "Energy Standard for Buildings Except Low-Rise Residential Buildings," and other referenced standards. IgCC is intended to help governments streamline code development and adoption, saving time and money, and creating uniformity among adopting jurisdictions.

"Building safety codes help our communities prepare for the future," says Dominic Sims, ICC's CEO. "Taking into account the latest technologies and cost-effective strategies for dealing with the resource scarcity, the IgCC helps cities, states and countries build stronger, smarter, sustainably and more resiliently."

The 2018 IgCC can be purchased at shop.iccsafe.org.

Birthday Wishes



Jackie Walters

LaDuke Roofing & Sheet Metal
March 1

Dennis Cyr

North Roofing Company
March 31

Bill Borgiel

Lutz Roofing Company, Inc.
April 25

Jim Markiewicz

GAF Materials Corporation
April 29

Jeff Mullins

J2 Sales Solutions
April 29

Mark Stasa

Kerr, Russell, and Weber, PLC
May 7

Jodi Smith

Allied Building Products
May 15

Deepest Sympathy



Our deepest sympathy's are extended to family and friends of:

William A. Mulford

Father of Bill Mulford
MEP Insulation Recycling

Hugo C Hesse, Jr.

Father of Hugo, Marc, Eric,
Kurt, Scott, and Dawn Hesse
Detroit Cornice & Slate Company

Kathleen A. Watson

Mother of Russ Watson
MWA Commercial Roofing Solutions

Happy Anniversary



Dennis and Katie Cyr

North Roofing Company
March 2

Pat and Jenny Casey

T.F. Beck Company
May 21

JATC Training Center

The JATC is pleased to announce that Mr. Thomas (Tom) Jaranowski has accepted an offer to assume the role of Coordinator at the Detroit Roofers and Waterproofers Training Center. His tenure will begin June 3, 2019. Currently, Mr. Jaranowski is an Instructor at the Training Center where he has served for the past nine years.

If you have any questions, contact the Training Center at 248-543-3847 or BGregg@DetroitRoofers.org

Upcoming Industry Trade Shows 2019

June 9-11 Western Roofing Expo 2019
Las Vegas, NV
<http://westernroofingexpo.com/>

June 19-23 Carolina's Roofing & S/M
Contractors Association Annual Meeting/Summer Convention
Myrtle Beach, SC
<https://crsmca.org>

July 17-19 Florida Roofing and Sheet Metal
Contractors Association Trade Show
Kissimmee, FL
<https://www.floridarooft.com>

Education Resources



CAM Online

www.cam-online.com



NRCA

www.nrca.net



MIOSHA

www.michigan.gov/miosha



ASTM International committee develops standard to improve drone safety

ASTM International's Committee F38 on Unmanned Aircraft System has developed a new standard that provides requirements for parachute recovery systems (PRSS) used to improve human safety while operating drones.

The standard, ASTM F3322-18, "Standard Specification for Small Unmanned Aircraft System (sUAS) Parachutes," outlines requirements for testing and validating PRS documentation. According to ASTM International committee members, the requirements may help drone operators seek approval from civil aviation authorities to fly small drones over people. Applicable to multirotor, single-rotor, hybrid, vertical takeoff/landing and fixed-wing drones, the standard specifically defines the design, fabrication and test requirements of installable, deployable PRSS integrated into drones to lessen the impact energy of a drone if it fails to sustain normal, safe flight.

Committee member Alan Erickson, chief technology officer for Indemnis Inc., Anchorage, Alaska, says the standard creates a framework for PRS manufactures, drone manufacturers and drone operators that integrates the drone, parachute components and testing of the entire system.

"The standard includes a rigorous design and testing matrix due to the simple fact that a PRS may be the only failsafe in a critical system failure," Erickson says. "When applied correctly, a PRS will enable industry growth in a way that provides civil aviation authorities and civilian populations with a high level of confidence in sUAS."

Additional information about the committee's standard development is available at www.astm.org/committee/F38.htm.

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- A**CCOUNTABILITY SMRCA Contractors are established companies with years of experience in providing responsive service, superior workmanship and exceptional value.

Call us today at 586-759-2140 to receive our free "Roofing Facts" brochure or contact one of the SMRCA Contractors below for a no-cost estimate on your next roofing project.

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