

## At Your Service, by Carla L. Romita The Mann Report, April 2007

Commercial property owners and managers in New York City have some choices to make when it comes to maintaining and servicing their heating equipment. Some prefer to use independent heating service contractors, while others rely on the service department of a full service fuel oil supplier. As owner or manager, you will need to decide which arrangement works best for your building.

Many independent heating equipment service companies are well qualified to perform emergency service, overhauls, cleanings, and repairs. Some property owners and managers believe it is best to have heating equipment service provided by an independent contractor. Others recognize that a reputable full service fuel supplier employs its own in-house service department with a staff of trained experts that it is always ready to solve your heating problems day and night no matter what the weather. These in-house service departments are designed to provide customers with the benefit of one-stop shopping and quick response to emergency no-heat situations. A reputable full service dealer knows that it takes a long time to build a relationship with its customers based on trust and that trust can be easily lost. Therefore, you should expect a reputable oil dealer's service department to provide high quality service. Your satisfaction is the dealer's only assurance that you will continue purchasing your fuel from them.

Another important decision is whether your building would benefit from having a service contract in place or you should purchase service on a time and material basis. If you purchase a service contract, you will incur an annual up-front fee charged per burner. Make certain to compare the service plans of various vendors carefully. The "fine print" is crucial. Some service contracts include an annual cleaning and overhaul, which is essential to keeping your equipment running in its most efficient condition. If the service contract excludes the annual cleaning and overhaul, you will have to pay for it separately.

It is also important to understand that a service contract is *not* a maintenance contract. The service contract does not require the vendor to perform routine maintenance of your equipment and does not make the vendor responsible for a problem that could have been prevented by routine maintenance. It is the responsibility of the building superintendent or other on-site manager to assure that the equipment is maintained in compliance with the manufacturer's specifications and the regulations of the municipality where the property is located.

In determining whether to purchase a service contract, remember to consider the age and condition of the building's heating equipment and its prior service history. If your equipment is brand new (seldom the case in New York City apartment buildings), it will be less likely to require emergency service; in fact, it may be covered by the manufacturer's original equipment warranty. Similarly, if your on-site manager is technically qualified to perform basic service on the building's equipment, you may be able to spare the up-front expense of purchasing a service plan. Bear in mind, however, that emergency service performed outside of a service contract can be expensive. If, as with most New York City buildings, your building's heating plant is somewhat older, an investment in a service contract may be reward you with savings on emergency service calls. A reputable service vendor will also be prepared to give you repair recommendations, cost estimates for required replacement parts, and estimates of the total number of hours of labor required to install the needed parts. In this way, you, as owner or manager, can make an informed decision.

Service contracts for large apartment buildings and commercial buildings differ from the single family residential service contracts. Service plans for single family, small, residential no. 2 oil-fired heating equipment typically cover labor for emergency service and the replacement of a specified menu of parts without additional cost during covered hours. For no. 2 oil-fired commercial buildings with high maximum burn rates and no. 4 and no. 6 oil-fired commercial buildings, service contracts typically cover only the labor associated with the menu of parts listed in the contract. Service plans covering smaller commercial no. 2 oil-fired equipment may include replacement of certain parts. The price of a service contract for no. 2 oil-fired equipment will vary depending on the number of hours covered and the maximum firing rate of the burner measured in gallons per hour. The greater the hours and maximum firing rate, the more expensive the service plan will be.

As is always prudent advice, whenever you are considering purchasing any services for your building, consider the reputation and longevity of your vendors. You are purchasing an agreement for future services. You need to be sure that your vendor stands behind the words printed on the service contract and will be there when you need help.