

Proactive, Preventive Maintenance vs. “Drive-By”

By: Rod Bachman, Vice President Bachman's Inc.

Proactive Preventive Maintenance vs. “Drive-By” Maintenance is an interesting topic. “Drive-By” is an industry term used to describe the style of service typically delivered by HVAC contractors who win bids with half-price quotes. Simply put, the contractor cannot do the preventive work promised in the low number of hours billed in order to win the bid. Corners have to be cut to make the low price work!

Rather than losing money by taking the time to do the work required for true proactive preventive maintenance, most low-bid winning contractors drive by the building and simply make sure the equipment is still there - thus the term “Drive-By”. Our new customers are shown pictures of how dirty and clogged their equipment's critical parts have become, and quickly understand how their previous “Drive-By” contractor was able to offer such a low quote. In the long run, the “Drive-By” contract actually costs more, sometimes a lot more, because of all the additional follow-up service calls.

The World English Dictionary defines “Proactive” as *tending to initiate change rather than reacting to events*. “Preventive” is defined as *something that serves to prevent or hinder*. Our job as professionals is to **“initiate change”** to help **“prevent”** failures of mechanical equipment.

Industry experts tell us that HVAC contractors should anticipate \$2.50 additional revenue above every dollar spent on a maintenance agreement. To Bachman's, that seems very high. We understand that all equipment has a life expectancy and that over time there will be service issues, as with all mechanical equipment. However, by putting the correct number of proactive preventive service hours into a maintenance program, we should deliver an additional spend amount far below the national average.

A great example of this concept occurred last year. Our customer was spending just \$6,200 annually for a maintenance agreement. However, the company's average annual expenditure for repair calls, parts and emergency calls added up to an *additional* \$35,000 to keep equipment running. We asked the customer to share the past 3 years of invoices with us in order to uncover the real cost of the maintenance program. A review of the invoices showed that the customer was billed the following amounts over and above the initial contract price: \$33,786 in 2009, \$34,396 in 2010 and \$36,322 in 2011. With the amount of equipment at this location, we were able to explain how \$6,200 a year could not cover the hours required to properly maintain the company's systems. We inventoried and evaluated the equipment and proposed a true, proactive preventive maintenance program for \$14,700 annually, which provided the right number of hours to perform the correct amount of work.

Prior to engaging Bachman's, this customer was spending \$5.62 to every dollar spent on the base maintenance agreement - extreme when compared to the national average. Since Bachman's took over, additional billing has dropped to \$19,230 or just \$1.31 to every dollar

spent for the Bachman agreement. In summary, the customer spent a total of \$42,522 in 2011 with the low bid "Drive-By" contractor, but just \$33,930 in 2012 with Bachman's. That is a 21% reduction in HVAC operating costs, simply proving that the correct amount of time to perform real preventive maintenance, even on aging equipment, saves money in the long run.

There are many advantages to properly performing Proactive Preventive Maintenance, including:

- Reduced Energy Costs
- Reduced Equipment Failures
- Improved Indoor Air Quality
- Increased Reliability of Equipment
- Sustained Asset Values

It is a given that, over time, there will be required service calls; however, with the proper maintenance program Bachman's Inc. can reduce the number of calls needed for repairs. Why pay for a "Drive-By" contract that has the potential to cost much more than needed? Long term, customers spend less with a program from Bachman's.