

Pre-owned perfection: Down economy means hot deals on heavy equipment

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Business may be slow in some markets, but now is the time to buy rollforming equipment.

Prices on portable gutter and roofing rollforming equipment are the same as they were more than 20 years ago —but the equipment is far more sophisticated and more durable than ever.

With the advent of selling tools on Web sites such as eBay and craigslist, contractors have their pick of quality pre-owned equipment, whether they are just getting into the business or need machinery to handle large jobs—or multiple jobs—on a timely basis.

More Help

Meanwhile, the federal government is making it easier to buy equipment with its depreciation bonuses and expensing incentives.

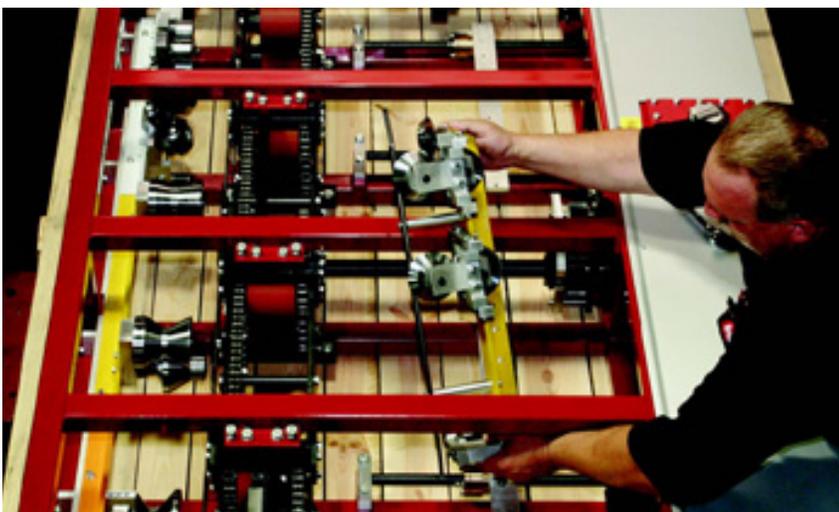
Section 1201 of the 2009 American Recovery and Reinvestment Act allows additional first-year depreciation of 50 percent of the purchase cost of rollforming equipment by extending for one year the depreciation bonus created by the 2008 Economic Stimulus Act. The equipment must be placed in service this year and it must be new. But contractors must act now to take advantage of the bonus because it will expire at the end of 2009.

The stimulus package also has extended for one year the increased Section 179 expensing limit of \$250,000, which allows contractors to expense up to \$250,000 in purchases as long as they don't spend more than \$800,000. New and used equipment is eligible for expensing and can be combined with the depreciation bonus and applies to tax years that start in 2009.

Over the past several years, machines have added computers to gauge material needs; safety equipment to protect the operator; and forming rollers that can be changed out in about one-third of the time it once took. For the most part, however, today's machine enhancements have been limited to minor adjustments that have helped more with servicing machines than operating them. For example, changes as simple as replacing a hex head bolt with a countersunk bolt have helped contractors and their mechanics perform repairs and maintenance more quickly and efficiently.

Build Your Own

The demand for custom rollforming machines, such as those for making J-Channels, soffits, hat channels and other specialty applications, is far from waning. Some manufacturers are reporting increased business from European contractors because the U.S. dollar is weaker than the Euro, making it less expensive to build custom machines here and ship them overseas.



Some contractors have developed sophisticated vehicles that consolidate some or all of the functions of roll forming into a single piece of equipment to eliminate the cost of job-site labor and rental equipment once considered necessary to install materials, like forklifts and lulls. Others have installed booms in the center of a flat bed that also features a rollforming machine with decoilers mounted above it and in trough behind the boom that can store additional coil. While systems like these require a substantial investment, their owners are reducing the long-term cost of material delivery and installation, as well as manpower. The equipment frees up space, eliminates off-site storage costs and generally gives the contractor a greater degree of flexibility to complete the job.



Maintenance

As the sophistication of machines has advanced, so has the quality of manufacturer service improved over the past decade. Nearly all the manufacturers have full-time mechanics on staff at their locations to service equipment. Perth Amboy, N.J.- based Englert Inc. is the only company that maintains service technicians at each of its field office locations to maintain and repair machines at the customer's location or job site. There is also a growing market for mechanics who will travel regionally with their own portable maintenance and repair rigs to service customers willing to pay extra for the "doctor's visit."

Don't Be Afraid

While new technology has done much to reduce material waste, improve safety, simplify maintenance and speed production, there are still contractors everywhere comfortable using machines that made their debut 20 years ago or more. And in response to that market, there are still companies offering simple machines with features and technology that are 20 to 30 years old, as well.

One final tip: With plenty of equipment in the marketplace from which to choose and a willingness by manufacturers to cut a deal, contractors getting into the rollforming business—or those looking to replace aging equipment—should ask manufacturers about bundling deals. Some makers will be happy to put together bundled pricing on a package of rollformers, folders, shears, seamers and manual equipment, with the knowledge that the contractor likely will buy metal coil or sheet as well. There is no better time than now to be out there shopping.