

“What is HVAC Warranty”

by Christopher Grawburg

If someone asked you what the warranty is on your building's HVAC system what would you say? One year? Five years? Does every part and piece of the systems get covered the same? And when does the warranty actually start? HVAC system warranty is something you hope you don't need, but when you do, you should know what you've got.

The 1st year warranty

HVAC systems installed with the use of permitted engineered drawings will usually have a 1 year warranty on parts and labor noted on the mechanical drawings. This means that if any part of piece of the HVAC system doesn't work or breaks – equipment, duct, flex, insulation, pipe – it will be repaired to working order at no cost. The general contractor may even have a warranty section in the HVAC subcontract to supplement notes already on the mechanical drawings. The 1 year warranty period start date is usually indicated in the project closeout documentation (O&M's) provided by the HVAC sub.

Non-equipment failure after the 1st year

Occasionally, after the 1 year warranty period is over, things fall apart. Maybe flex comes off a diffuser or a drain line plugs up or insulation tape comes loose. We're not talking about mechanical equipment breaking, just odds and ends. If something non-mechanical breaks, usually the HVAC sub is under **no** contractual obligation to make the repair. There is a fine line between something breaking because of faulty workmanship and something breaking due to a necessary



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ongoing maintenance. When the 1 year warranty period is over, the HVAC sub should *legally* be able to request payment for the repair. If the problem was not discovered by final inspection or engineers walk through, you have little proof that the issue you're facing is the subs fault. Hopefully, you have a good relationship with the subcontractor and work out a gentlemen's agreement to make the repair. Remember, non-mechanical repairs are probably not covered in the contract after the 1st year.

Mechanical failures

This is where most owners and general contractors get into trouble. Again, a mechanical failure in the 1st year is going to be covered by the HVAC subcontractors parts and labor clause on the HVAC drawings or in the contract. If a rooftop unit falls apart in the 1st year, it's the HVAC subs responsibility to fix it at no cost. The important questions to ask is.....when does the 1 year warranty start?

The general contractor says the HVAC equipment warranty begins at substantial completion – the ***general contractor's*** substantial completion, that is. The HVAC sub will tell you that the equipment warranty begins when the equipment is started up. The equipment vendor will also say that the warranty begins when the equipment is started up.

Assume a project where the equipment is started up by the HVAC sub on Jan 1, 2009 but the general contractor's substantial completion date to the owner is April 1, 2009. What happens if the equipment breaks down on February 1, 2010? If the contract documents do not address when the HVAC equipment warranty is to begin, the general contractor



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is putting the job at risk and a guaranteed fight and possibly legal action if something breaks.

The way to solve the warranty date discrepancy between sub and general contractor is to address the issue up front and explicitly bring it to the subs attention. Don't assume that just because you define the warranty period in the contract that it's an open and shut case. The HVAC sub may have indicated a different date on his proposal and even though the sub is legally committed to your contract, that doesn't mean there won't be a long, drawn out fight that will delay your job and cost you money. Discuss this issue head on with your sub before the contracts are signed and preferably when doing bid scope review. Be sure whatever terms you agree to are put in writing!

A popular option to consider is to have the HVAC sub include a 16 or 24 month warranty as part of their bid. Equipment vendors can easily include an extended warranty in their price to the installing subcontractor. The cost for the extended warranty may be a small price to pay to avoid the fighting and frustration if equipment breaks down in an undefined warranty period.

After the 1 year parts and labor period is complete, the HVAC equipment may also include a 5 year **parts only** compressor warranty or a 10 year **parts only** gas heat exchanger warranty. Do not assume the equipment that is being installed has these warranties and don't hope the design engineer specified these warranties on the drawings. Ask your sub at bid time, it's that simple.



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Early equipment start-up to dry building

Almost everybody does it, but nobody **should** be doing it. General contractors usually want the HVAC sub to start the air or heat to help dry out the inside of the building. But did you know that if the HVAC equipment fails, the manufacturer might not honor the warranty if they believe the failure was a result of operating the equipment in an extreme or damaging environment. This includes environments full of sheetrock dust or construction debris. HVAC equipment is intended to provide hot or cool air in clean environments in enclosed spaces. You are shortchanging the owner by operating the equipment before the building is complete. The general contractor needs to include money in the job for temporary HVAC equipment to condition the building to dry paint or sheetrock. Temporary filters may not be enough to protect the equipment. You perform early startup at your own risk and the HVAC sub should put in writing that the general contractor is responsible for any warranty not honored by equipment vendors.

“Warranty” on HVAC equipment can mean many things and when warranty starts can be a subject of debate and even worse, of lawsuits, if things break at the wrong time. General contractors must discuss with their subs when the 1 year parts and labor warranty begins and which items are covered under that warranty. This conversation needs to take place before the bid goes in and put in writing in the final contract.



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