

“What’s The Right Price For A New Heating and Cooling System?”

When investing in a new heating and cooling system, don’t assume that the company which offers the lowest price is automatically the company you should hire. Authorities have found that the lowest price is almost never the best value. Here are five points to consider.

Point #1

The low price you see advertised or are quoted may not be the price you end up paying. Some contractors offer an unrealistically low price to get the job and then pressure you into paying a lot more once they start. Always be wary of a contractor offering to do the work for much less money than others.

A recent NBC Dateline TV investigative news story found that the companies offering the unrealistically low prices for a service call were consistently the WORST value. Most did virtually nothing when they showed up. You are likely to get LESS than you pay for when choosing a low ball company.

Point #2

As with most things in life, price is usually an indication of quality. Better trained service and installation people cost more. More reliable and efficient equipment costs more. Quality installation and system commissioning work takes longer. Solving pre-existing problems with the house insulation and duct system takes time and additional materials. And a good company charges enough to ensure it can provide fast, no-hassle warranty response if it’s needed.

Point #3

There are actually two price tags to a new heating and cooling system. What you pay initially to buy and install the new equipment may be only the tip of the iceberg.

More important, you are giving your utility companies permission to send you a bill for using the new system each month. You will also have to maintain it, and pay to fix it if and when it breaks down. **And over time, the combined costs of operating and maintaining a system always far exceed the initial cost of buying it.**

The wrong system, improperly installed, could sentence you to over 20 years of excessive utility and repair bills.

A recent **Consumer Reports Magazine** article stated:

“... be wary of bids that are considerably below the others; the contractor may be cutting corners in ways that compromise the system’s effectiveness.”

The Department Of Energy has stated:



“Typical duct systems lose 25 to 40 percent of the energy put out by the central furnace, heat pump or air conditioner”.

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Most houses must have repairs made to the existing duct system in order for the new equipment to work properly.

Because of the long term costs of operation and the impact of inefficient heating and cooling equipment on outdoor air pollution, the US government is also advising homeowners to be wary of the lowest price. Here's a statement from the **US EPA**:

"Remember, the contractor who gives you the lowest bid may not be the best choice for you. Carefully evaluate a contractor's proposal to ensure you get the equipment and service that best meets your needs"

Point #4

A new heating and cooling system is a much more involved engineering, installation and commissioning project than virtually any other home improvement. It certainly can't ever be compared to buying a new plug-in appliance like a refrigerator or a washing machine.

In fact, for many projects, we find that the cost of the new furnace, heat pump or air conditioning "metal boxes" is only a small part of the total investment required.

"It's a major economic mistake for a customer to make the hiring decision based on cost instead of quality. But, of course, everybody does just that all the time, and so you see bad work".

John Proctor, Professional Engineer
Quoted in Home Energy Magazine

Point #5

It's not uncommon for the right price for a complete new heating and cooling system, installed properly by a good contractor, to be many thousands of dollars higher than other companies'. Since it's so hard to compare apples to apples, the right question to ask is often simply: *"Have many other homeowners bought from this company, and were they glad they did?"*

A good contractor will be able to provide page after page of customer lists, references and testimonials. This helps assure you their prices are fair and that they are a good company for you to partner with.

Conclusion

Price does matter, just don't let price be the only consideration when choosing a heating and cooling contractor.

Look instead for the contractor who will give you the most *value* for your money. You probably don't buy the cheapest car, clothes, or foods. Don't choose the low priced heating and cooling contractor either. It could end up costing you in terms of undependable operation, an uncomfortable home, repeated visits to get problems resolved, higher utility bills, and even unsafe operation.

If you pick the wrong contractor, you probably won't be able to justify tearing it out and starting over. You will literally have to live IN your decision for as long as you own your home.

"It's unwise to pay too much, but it's worse to pay too little. When you pay too much, you lose a little money, that is all. When you pay too little, you sometimes lose everything, because the thing you bought was incapable of doing the thing it was bought to do.

The common law of business balance prohibits paying a little and getting a lot -- it can't be done. If you deal with the lowest bidder, it is well to add something for the risk you run. And if you do that, you will have enough to pay for something better."

John Ruskin
19th century philosopher