

# *SPECIAL* Report



NATIONAL ROOFING CONTRACTORS ASSOCIATION

July 15, 1994

## Special Report: SBS Availability

A recent explosion in a Shell Chemical Company plant in Belpre, Ohio, is likely to have far-reaching implications for the production and availability of roofing materials containing styrene butadiene styrene (SBS) polymers.

The plant reportedly accounted for about half of the North American supply of SBS polymers; the explosion caused production to stop completely, and it is expected that it will take between 18 - 24 months for the plant to be operational.

SBS polymers are available from other sources, including other U.S. chemical companies, and from international sources, most notably in western Europe. However, these polymers may have different characteristics from the product produced at the Shell plant in Ohio. The combination of shortages and overseas shipments is likely to result in price increases for products containing SBS polymers.

We have spoken to several manufacturers of SBS-containing roofing materials, and to the Asphalt Roofing Manufacturers Association about this matter. Responses varied widely: some manufacturers expect little or no disruption in the availability or price of materials; others foresee shortages and significant price increases.

It is clear to us that there will be at least some disruption in the marketplace, with the ultimate outcome obviously dependent on a number of factors. As an interim step, we recommend that roofing contractors:

1. Consult with the suppliers and manufacturers from whom you may purchase materials containing SBS polymers. Be sure that you deal only with reputable manufacturers that you are confident will stand behind their products. Ask them whether they expect any price increases in their products. Ask about their insurance coverages. Ask whether they expect any changes in field performance or service life because of new SBS polymers, and if so what installation practices should be changed as a result.

(Roofing Contractor's Name) \_\_\_\_\_ shall perform the work described herein at the price quoted. In the event, however, that the price for any of the roofing materials to be used in this work should increase by \_\_\_\_\_ percent or greater from the price at which said roofing material was available in the roofing contractor's locality at the time of submission of this proposal/contract, then the owner/general contractor agrees that said price quote shall be changed to reflect the additional cost to the roofing contractor of said roofing material.

\* \* \* \* \*

(Roofing Contractor's Name) \_\_\_\_\_ shall perform the work described herein at the price quoted. Provided, however, that in the event the price to the roofing contractor for any of the roofing materials to be used in this work shall increase by \_\_\_\_\_ percent or greater than the price upon which the roofing contractor relied in submitting said price quote, then the owner/general contractor agrees that said price quote shall be increased to this same extent.

\* \* \* \* \*

Due to the reported production shortages and price volatility regarding SBS-containing roofing materials, the price quoted in this proposal is valid only for orders placed and paid within the next \_\_\_\_\_ days. Thereafter, if there is an increase in the price paid by the roofing contractor for SBS-containing roofing materials, the amount of this proposal/contract shall be similarly increased to reflect the contractor's increased costs to obtain materials.

\* \* \* \* \*

Due to shortages of SBS-containing roofing materials, delivery dates cannot be assured and prices are subject to change. Contractor shall not be liable for delay or liquidated damages due to material shortages. Price increases incurred by the contractor shall be passed along to and paid by the owner/general contractor.

\* \* \* \* \*

## PROPOSALS, BIDS AND CONTRACTS

Prudent roofing contractors will want to be sure their customers and prospective customers are well aware of current and potential market conditions for SBS-containing roofing materials. In particular, roofing contractors should take the likelihood of shortages and delays into account when submitting roofing proposals, bids and contracts, and should consider including specific provisions in those documents intended to deal with the potential problems caused by shortages of materials.

NRCA encourages every roofing contractor to consider the impact material shortages may have on his business, and to consult with his attorney to formulate an appropriate approach, taking into consideration market and geographic considerations that may impact on his decision. While NRCA does not recommend the use of any specific provision, the following are several examples of provisions contractors may want to consider using or modifying as they deem appropriate depending upon their individual circumstances.

\* \* \* \* \*

The roofing industry is currently experiencing disruptions in availability and price volatility in roofing materials containing SBS polymers due to the inability of some manufacturers of roofing materials to meet the demand for their products. Because firm delivery dates and prices cannot be obtained from suppliers, prices are subject to change and delivery dates cannot be assured by the roofing contractor. The contractor shall not be liable for liquidated, delay or other damages resulting from production shortages in SBS-containing roofing materials. If there is an increase in the price of roofing material charged to the contractor subsequent to making this proposal/contract, the proposal/contract amount shall be increased to reflect the additional cost to the contractor, upon submittal of written documentation thereof.

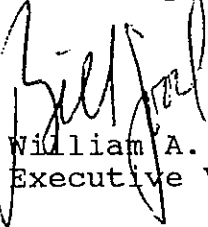
\* \* \* \* \*

A list of the manufacturers who report the use of SBS polymers in NRCA's Commercial Low-Slope Roofing Materials Guide is enclosed with this report.

2. Obtain assurances from the suppliers and manufacturers of SBS-modified materials that their products will perform satisfactorily and that regular application procedures will be followed. Because the technical characteristics of SBS-modified materials may change as the SBS source changes, be careful of entering into long-term warranty commitments without obtaining similar long-term warranty commitments from the suppliers and manufacturers from whom you purchased your material.
3. Consider adding language to your proposals, bids and contracts to deal with the potential volatility of the SBS market, after consulting with your attorney. The enclosed document, entitled "Proposals, Bids and Contracts," suggests several possible contract language changes to enable you to deal with the potential problems caused by shortages.

It is likely that market conditions will change quickly. Please keep us informed, and, as always, call on us for any additional information you may require.

Sincerely,



William A. Good, CAE  
Executive Vice President

## SBS Manufacturers

AMERIVAL CORPORATION  
P.O. Box 9969  
Houston, TX 77213  
713/451-4788  
FAX 713/451-1353

BARRETT COMPANY  
3422 Old Capitol Trail  
Wilmington, DE 19808  
800/647-0100

BITEC INC.  
#2 Industrial Park Dr.  
Morrilton, AR 72110  
800/535-8597  
FAX 501/354-3019

BITUFA BV  
Ln. v. Spitsbergen 99  
NL 7336 AR Apeldoorn  
Holland  
011-31-55-422622  
FAX 011-31-55-427220

THE CELOTEX CORP.  
4010 Boy Scout Blvd.  
Tampa, FL 33607  
813/873-1700

CONSOLIDATED COATINGS CORP.  
1801 E. 9th Street  
Cleveland, OH 44114  
800/321-7886

DANOSA CARIBBEAN INC.  
Box 13757  
Santurce Station  
San Juan, PR 00908  
809/785-4545  
FAX 809/787-3902

DWI, DERMABIT WATERPROOFING  
INDUSTRIES CO. LTD.  
P. O Box 10308  
Jubail Industrial City 31961  
Saudi Arabia  
966 3 341-0464  
FAX 966 3 341-0481

FIRESTONE BUILDING  
PRODUCTS CO.  
525 Congressional Blvd.  
Carmel, IN 46032  
800/428-4442

GAF BUILDING MATERIALS CORP.  
1361 Alps Road  
Wayne, NJ 07470  
201/628-3000

GARLAND COMPANY INC.  
3800 E. 91st Street  
Cleveland, OH 44105  
216/641-7500

GEDACO S.P.A.  
Via Busse 23  
Roverchiara (Verona) Italy 37050  
39-442-74500  
TELEX 481032 Gedaco I  
Telefax 74696

GLOBE-VEDAG CORP.  
284 Watline Avenue  
Mississauga, ON, Canada L4Z 1P4  
905/890-4800  
FAX 905/890-4866

GRACE & CO., W.R.  
62 Whittemore Avenue  
Cambridge, MA 02140  
617/876-1400

GS ROOFING PRODUCTS  
CO. INC.  
5525 MacArthur Blvd. Suite 900  
Irving, TX 75038  
214/580-5600

HICKMAN SYSTEMS INC.  
30700 Solon Industrial Parkway  
Solon, OH 44139  
216/248-7760

KOPPERS INDUSTRIES INC.  
436 Seventh Avenue  
Pittsburgh, PA 15219  
800/558-2706

MALARKEY ROOFING CO.  
P.O. Box 17217  
Portland, OR 97217-0217  
503/283-1191  
800/545-1191

MANVILLE ROOFING SYSTEMS  
A Division of Schuller Int'l. Inc.  
P.O. Box 5108  
Denver, CO 80217  
303/978-2000

MBTECHNOLOGY CORPORATION  
188 South Teilman Ave  
Fresno, CA 93706  
800/621-9281

NESTE-THERMO  
401 E. Ray Rd.  
Chandler, AZ 85225  
602/821-9594  
FAX 602/821-9047

NORD BITUMI U.S. INC.  
P.O. Box 13678  
Macon, GA 31208  
800/523-0179

PERFORMANCE ROOF SYSTEMS, INC.  
4821 Chelsea Ave.  
Kansas City, MO 64130  
816/921-0221  
FAX 816/921-5540

SIPLAST INC.  
Hwy 67 South  
Arkadelphia, AR 71923  
501/246-8094

SOPREMA ROOFING &  
WATERPROOFING INC.  
310 Quadral Drive P.O. Box 471  
Wadsworth, OH 44281  
216/334-0066 800/356-3521  
FAX 216/334-4289

SOUTHWESTERN PETROLEUM  
CORP. (SWEPCO)  
534 No. Main St. P.O. Box 961005  
Fort Worth, TX 76161-0005  
817/332-2336 800/877-9372  
FAX 817/877-4047

TAMKO  
220 West 4th Street PO Box 1404  
Joplin, MO 64802  
417/624-6644  
FAX 417/624-8935

TREMCO INC.  
10701 Shaker Blvd.  
Cleveland, OH 44104  
216/292-5000

TRI-PLY  
1250 Fourteen Mile Rd.  
Clawson, MI 48017  
313/288-9780  
800/445-9856

U.S. INTEC INC/BRAI  
P.O. Box 2845  
Port Arthur, TX 77643  
800/624-6832 (Tech Hotline)  
800/231-4631 (US)  
800/392-4216 (TX)