



Shopping Around

by Sal Alfano

Construction is a competitive business. You compete for contracts, employees, and subcontractors, and much of the race is run on the bottom line, where the lowest price takes all. It seems odd, then, that while so many builders complain about losing jobs solely on the basis of price, they turn around and choose suppliers the same way. They pay close attention to price, and all but ignore factors like reliability, honesty, and service.

You can purchase 80 or 90 percent of all the materials you need to construct a house (excluding foundation and systems) from a single lumberyard. You pay suppliers the largest percentage of your gross receipts, and the service you receive should be better than that in the following incident.

The Siding

I needed siding with a special edge milling. Locating a company that could both supply the material and do the milling, I made a special trip to their yard, inspected the stack of siding, and scheduled the delivery for two and a half weeks later. Two days before I expected the material to arrive, the salesman called. A mistake had been made. The stack of lumber I'd looked at had already been sold to another customer, but someone had neglected to mark it. To further complicate things, lumber that met my specs would not be available for another three weeks. Apologies were made, but I was back to square one.

Big deal, you might say—didn't cost you a cent. But think again. I placed my order in mid-November for delivery in early December. Had the siding arrived as scheduled, the

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favorable weather—moderate temperatures and only six inches of snow—would have enabled me to install it before Christmas. Instead, I had to reorder the siding in January and install it in frigid temperatures with three feet of snow on the ground. It cost me plenty.

Anyone can make a mistake, but a lumberyard can really do some damage if they don't hold up their end. A low price is low only if reliable service comes with it. Shopping around is good business, but you should take the trouble to look beyond price. What you're really shopping for is value.

There are some things to watch for. First, make sure their quotes are accurate, and get them in writing whenever possible. A difference of one or two grades on lumber, for

example, can make a big difference in the price. A lumberyard will usually quote you on the grade they happen to stock unless you specifically ask for another grade.

Also, make sure you're comparing net costs. If one supplier gives you a substantial cash discount each month based on volume, the prices may net out at a savings even though their quotes may be slightly higher than those of a yard that offers no discount.

Check for restocking or credit charges. Most of us end up with some surplus material on the site, and want to be able to return it. If this costs 15 percent for restocking at one yard and nothing at another, the choice is obvious.

And always check invoices for mathematical errors. I once bought 4 boxes of straphangers at 100 pieces per box, and was billed for 400 boxes. That's a simple transposition on an invoice (a mistake, incidentally, that isn't remedied by computer billing).

Also, take a look at the lumberyard's personnel structure. Is it organized vertically, with top management making all the big decisions? Or horizontally, where the people at the counter have the knowledge and authority to meet your needs without following a chain of command? Let me illustrate the difference.

The 22-Footers

I needed a dozen pieces of vertical-grain fir, 22 feet long. The yard I usually deal with couldn't deliver it in less than a week, so I called another yard and was told they could deliver it in two days. I scheduled my work accordingly. When the lumber failed to arrive, I called to find out why. It turns out the driver who was sent to the warehouse couldn't find the lengths I needed, so he returned empty-handed. Since I was looking for 22-footers, I asked if he'd seen any 24-footers. Oh, sure, he said, lots of them. I ended up waiting for the material two days longer than I would have if my primary supplier had filled the order.

Why didn't I get a call asking if I'd accept a substitution? The lumberyard's poor personnel policy did me in. The drivers are minimum-wage laborers, which means high turnover and little company loyalty. And since the drivers aren't given much respect, they're either incapable or unwilling to accept responsibility for making decisions.

It should be clear by now that price is not the most important consideration in choosing a supplier: what matters most is how well your entire material needs are met. This means not only competitive prices, but timely delivery, prompt replacement of damaged goods, and a willingness to work with you on special orders.

The Doors

Perhaps the best measure of a supplier's value is how they respond to a particular problem. I once purchased 30 prehung, solid-core doors from my regular supplier. While hanging them, I found that almost half required tedious adjustments in the hinges. I called the vendor, who sent someone out to the site the same day to inspect the doors, and eventually issued me a credit for the time spent on the modifications. Not only that, but they thanked me for bringing the problem to their attention. They explained that they'd rather be told of a problem and given an opportunity to correct it than to hear nothing and suffer a loss of goodwill.

No single vendor will meet all your needs perfectly. And if you use a supplier only when the price is right, you can't expect to develop the kind of mutual respect and trust upon which good service is founded.

So, while competitive shopping has its place, paying a little more for materials may be a wise investment—one that can pay off down the road in fewer delays, fewer mistakes, and fewer headaches. ■

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