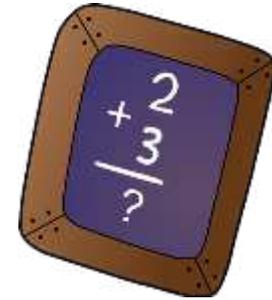


Top 5 Countdown: Things to Look for in Vendor Quotes

Executive Summary: Each quote on bid day, whether from a subcontractor or a supplier, needs to be thoroughly reviewed before incorporating into the bid. Here's a Top 5 countdown!

#5 Math Errors. Often times subs or suppliers will quote a certain quantity of an item and then a unit price. If you're not going to check the mathematical extension with your \$5 Casio calculator, make sure to at least make a quick visual check. Does the math look like it's in the ballpark?



#4 Substitute Products. Some vendors are unwilling or unable to provide the specified product and sometimes they tell you this and sometimes they do not. A typical example is only being able to provide 304 stainless steel instead of 316 stainless steel. Sounds ok to the vendor, but you're left holding the bag when it's time to build the job.

#3 Mobilizations. Asphalt is a good example for this – is your asphalt sub paving your entire job at once in his quote, or do you need him to come in three times to meet your project schedule? Get a unit price for mobilizations and add as many as you need.

#2 Escalation. Common to supply quotes, like concrete, is a year-over-year escalation. Concrete may cost \$110/cubic yard today, but on January 1 of next year it goes up another \$1.50/cubic yard and on the next January 1 (if your project goes into the next calendar year), it may go up another \$1.50/cubic yard. Price according to when you need the mud.

#1 Delivery. Is your product priced to be available for pickup at the factory, to the nearest dock, or to the jobsite? Make sure you have enough money to get it to your jobsite by either having the supplier include it in his price or by you getting your own number. Also, you should know the difference between quotes which are FFA (Full Freight Allowed) versus FOB (Freight on Board). The difference is in the way your delivery is insured. An FFA package carries little to no insurance to protect you while a FOB delivery likely protects you if your product is damaged in transport.

Bonus Items – Hoisting, Masons, and Additives. Subcontractors often exclude hoisting. This can mean hoisting their product to an upper level of a structure or maybe just getting it off the delivery truck.

Masons can be known for excluding rebar; they have the grout infill for a cinder block wall, but do not carry the vertical rebar acting as reinforcement.

Finally, do a thorough review of your concrete quotes. Based on crew needs or weather conditions, make sure to check that the additives you need are in your price. Make sure to check for water reducers, coloring, hot water, and short load charges.



My story. Everything above is from personal experience. I once won a bridge job in western Washington and forgot the delivery charge for the bridge beams. That was a \$28,000 mistake as the bridge beam cost was FOB Plant (the beams were available at the plant and delivery to the site two hours away was excluded).

Another one learned over time, but not discussed above, is special rigging. Anytime we installed panel vaults (underground concrete vaults which come in precast base and wall sections), they must be picked using special rigging equipment called clutches. These may cost extra to rent and will definitely cost money if you do not return them to the manufacturer.

Read the quotes you get from your subs and suppliers, you likely only get what is explicitly described in the quote. If his/her quote is incomplete, you'll be exceeding your budget on this line item!