

How to Get Detailed and Easy to Compare Quotes

INFORMATION SHEET



One of the hardest tasks when building is trying to make sense of the quotes received. It can be like comparing apples with rhinos – never mind oranges. However, follow these handy hints and your task will be made much easier:

Detailed Plans and Specifications Are Paramount

It is extremely difficult for a builder to accurately quote from vague or incomplete plans and specifications. The builder will be forced to cover his "bottom" - either with an inflated price or provisional sums*. To avoid this situation, make sure that all bidding builders receive the latest version of the plans and specs – preferably construction ones. They should be detailed enough to ensure the builder does not have to "guess" what to build. Detail also avoids confusion later as to what is and isn't an "extra" billable outside the contract.

Make Finish Decisions As Early As Possible

It is very helpful if all the builders know what types of finish you are requesting. For example, if you do not specify that you want low E ply for your kitchen carcasses, the builder will probably quote for standard, and far cheaper, melamine. You will then face the extra cost later on. On the other hand, if you are as specific as possible, all the builders will be quoting from the same "hymn sheet".

Following is a list of items commonly left to "interpretation" by the builder. Be as specific as you can with these items:

- Type of plaster joint at ceiling – generally cornice or square set
- Type of reveal for windows – generally hardwood or plaster
- Type of skirt and architrave – wood type (MDF primed, hardwood unprimed) and profile
- Type of door and door furniture – interior and exterior
- Window manufacturer and profile of window**
- Paint finishes – internal and external
- Joinery in general – detailed plans and material choice – particularly for the kitchen
- Built in robes – shelf configuration and door type
- Tile heights – which areas will be floor to ceiling, which half height etc...
- Tile type – tile manufacturer and name
- Bath fixtures – type of toilet suite, bath, shower, shower door, vanities etc...
- Tap ware and accessories – type of kitchen, laundry and bathroom tap ware and accessories
- Flooring choice – solid timber flooring, laminate, tile, carpet etc...
- Heating and cooling requirements

- Lighting choices – ceiling roses, pendants, down lights, LED, fluoro, halogen, specific fittings etc...
- Insulation type – glass fibre, earth wool, polyester etc...
- Retaining wall block and paving type
- Decking timber – from treated pine to yellow gum etc...

**Choosing a window manufacturer and frame profile is one area that is often overlooked. If a builder is left to select the manufacturer and profile, he will invariably choose "value for money". However, there is a massive difference in quality and efficiency between windows. Please speak to your architect and builder for suggestions before asking for quotes if this is not already resolved.

Provisional Sums and Prime Cost Items

It is important that you are familiar with how provisional sums (PS's) and prime cost (PC's) items are treated in quotes. PS's are used when the builder cannot give a definitive price for certain works. Common examples are excavation costs and concrete volumes. PC's are items that have either not been selected or for which the price is unknown. Common examples are tap ware and light fittings.

This is such an important area that we cover it in more depth on the information sheet on understanding building contracts. However, for the purposes of receiving comparable quotes, the following points are of interest:

- For ease of comparison, it is sometimes preferable to have all the builders adopt a standard and reasonable cost for PS and PC items. For example, if builder A's provisional sum for concrete is \$20k and B's is \$15k it is very tempting to sign with builder B. After all, B's contract price will be \$5k lower. In reality, when the concrete cost is finalized at the more realistic \$20,000, you will have to pay the extra \$5k anyway. It may be preferable to simply inform each builder that the PS to be used for concrete will be \$20k. Your architect or preferred builder will be able to help you define suitable amounts for the common provisions.
- If you decide not to adopt the above approach, then you may want to make a schedule of every builder's PC and PS items from their quotes. Deduct those from each builder's total build price, and add back an overall average figure from all quotes for the PC's and PS's. This will give you a more easily comparable total cost. Please feel free to ask us how to do this correctly.
- Be aware that different builders calculate provisional sums in different ways, and they are not always easy to compare. For example, some builders will provide a PS with GST already included, others quote excluding GST.
- Be aware, that an unprincipled builder will put in a low PS figure which he knows will be exceeded. It makes his quote look lower. He will then charge an inflated price for the actual amount over the provisions – generally by not passing on discounts or by wording his contracts to allow him to charge more than he actually incurs.

*See the sheet on "Understanding the Contract" for details on provisional sums.

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- Ask your builder how he calculates his PC items.
In particular, does he pass on any builder's discount to you?
We do.

What Is and Isn't Included?

For example, does the quote to cover the carpets, white goods, dishwasher, oven, heat pumps or similar, burglar alarm, cloths line, fly screens and window locks, light fittings, letterbox, fencing, landscaping, paving, driveways or footpaths? Be as clear as possible with the builder and make sure the quote is equally transparent.

Detailed Quotes Rule

You should also consider how detailed the builder's quotes are. A detailed quote generally indicates a builder who has spent some time analyzing your project to come up with a comprehensive and accurate quote. A "five line" quote indicates a somewhat less interested approach to the costing of the project.

Builders who don't take the time to prepare a detailed quote tend to either (a) quote high to cover items they haven't taken the time to price or (b) quote low and then, upon realising they are losing money, will try to scrape their profit back by issuing numerous variations, cutting corners and arguing over what was and was not included.

Timescales and Availability

Make sure that you consider when each builder will start and when they expect to finish. If a builder is busy, you may be left waiting six months for a start date. Perhaps, the other builder who could have started in a month would have been worth the extra \$5,000?

Also, be aware that the length of the build period is important. A house built in six months will cost you less in finance, rent payments and bridging loans than one built in twelve. Also bear in mind that builders, who quote low and request a long build period, will probably not be on-site everyday. They will basically use your project as a filler job between more profitable work. At Blue Gum, we guarantee that we will stay on-site from start to finish.

Price Isn't Everything

Price is important. No denying that one. However, it isn't everything. Bear in mind that you will be living in your newly finished home for a long time. And, sometimes it is worth paying more for quality – particularly for a custom built home.

Do You Prefer the More Expensive Builder?

If you prefer one builder over another but his quote is higher, it is worth opening up negotiations. Show him the other quotes. He may well be more expensive because his standards are higher or that he employs a site foreman. You should find, however, that he will be willing to examine his quote and those of the other builders. Perhaps, he can trim his quote down? If he stands by the quote, it probably indicates two things – firstly he has estimated correctly and secondly that his order book is full – both good things. To get him onboard, you might both have to make some compromises but it is always worth a discussion.

The Quote Is Not the End

Hopefully by the end of this stage, you will have found a quality builder, who can start and finish on schedule and who is within your budget. However, quite often this simply does not happen. You may discover that all the quotes are higher than expected. At this point, we recommend that you start discussions with your architect and favorite builder. At Blue Gum, we have helped many clients refine their projects to get them within budget. It isn't easy or quick, and you have to make some hard decisions, but it will get your project built. See the separate information sheet on how to save costs.