

Apples to Oranges

Buyers beware: Nobody wins in a bidding war.

An early astronaut, Alan Shepard I think, had this to say about his moments atop the tons of equipment and explosive fuel just before liftoff: "I'm sitting here about to be launched on this great adventure, and the thought crosses my mind that my life depends on all this stuff provided by the lowest bidder!"

While it may be a sound move to shop for price on a known commodity like a Buick or a VCR, seeking the lowest bid on brain surgery isn't advisable. Nor does it make sense when hiring a remodeling contractor. Yet the public is endlessly encouraged to seek out competitive bids, supposedly to compare "apples with apples."



POPULAR MISCONCEPTIONS

The usefulness of bidding is a misconception on several counts.

1. Bids reflect only an initial price, not value. There's little way to know whether a low, middle, or high bid is accurate, especially as projects increase in complexity.
2. Competitive bids may say more about a contractor's desire for a job or his ability to provide enticing estimates than the value delivered. And bids say nothing about the contractor's skill or character.
3. Good contractors help property owners balance what they can afford with what they want. But even good contractors have legitimate differences about the cost of many elements.
4. Even when consumers can articulate their wants, they may not know their needs. For example, what if an existing structure contains flaws, like foundation cracks, which may need correcting before beginning a renovation or addition? Whose judgment should homeowners rely on?

In hiring a contractor, homeowners pay for more than a set of installed products. Contractors are employed for their spe-

cialized experience in design, building codes, engineering principles, safety and security issues, and sometimes their historical knowledge. They're hired to schedule and manage trade contractors and to ensure their work meets certain standards. Finally, all consumers want a contractor who can be trusted to protect their home and what they value in it.

DO THE HOMEWORK

For consumers, I suggest an alternative to the bidding process. Start by getting contractor referrals, particularly from reliable sources who've had similar work done. Ask if their job progressed as promised. Did they get the finished product and services they contracted for? Did they receive full value? Would that contractor be first on their list for future projects?

Next, interview candidates who pass muster. Get professional references and check them. Review portfolios. Visit finished work and works-in-progress. Conduct a second interview with the best prospects. Explain the job. Evaluate whether the contractor understands the objectives and is enthused not only about getting the job but building it. Declare that there is a budget.

Next, ask your first-choice contractor to prepare specifications, a budget, and a construction management plan. Be willing to pay a reasonable fee for these time-consuming professional services. Review and revise all the elements with the contractor and, finally, negotiate a price.

Alan Shepard didn't really blast off consumed with anxiety about the work and products propelling him into space. And no consumer needs to be anxious about renovating or adding to a home when they choose a contractor based on value, not the lowest bid. The 19th century economist John Ruskin wrote: "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 job it was bought to do." —*Jim Sasko is owner of Teakwood Builders, Saratoga Springs, N.Y.*



GOT SOMETHING TO SAY?

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