

A BARGAIN IS GENERALLY NOT A BARGAIN

Published in the Pueblo Business Journal, May 9, 2003

When was the last time a friend told you that they wanted to pay the most money they could for a home improvement project or other new construction project? I'm sure there is someone out there that may have said that, but more than likely, it's not anyone you or I know. Don't we generally hear, "I want the cheapest price." The question is, do we really understand what we are asking for?

As a geotechnical (soils) engineer, I am one of those people you need when you are told that you need a "soils test" for your construction project before you can get your plans approved and the structural engineer can design a foundation system. However, I know very little about architecture, plumbing, landscaping and a plethora of other things. That's why when I need other services, I'm in the same boat as everyone else, and I need an expert. Like most people, I used to think that I wanted the cheapest provider I could find. But when it comes to professional services, I learned long ago, be careful what you ask for. Do you shop for the cheapest Doctor? Dentist? Is it really the cheapest price you want? Or do you want a fair price for the services you need? In some cases, they may be the same, but generally not.

The first thing we need to do is decide what we want. Do we want a Cadillac or a Kia? They both serve their purpose with a proper budget. We need to decide what we can afford rather than what we want, which may end up being the same. However, we need to realize that when we need professional services, it's not like going to a retail store or restaurant where you pick what you need off the shelf or menu, although we generally do end up in the yellow pages if we are acquiring professional services for the first time. Most items at retail stores or restaurants are manufactured or prepared with quality control. If there is a flaw, you can send it back to the kitchen or take it back to the store. But what do you do when the foundation on your home or building starts to have problems? Can you pick it up and take it back to the contractor or soils engineer? Not likely. And instead of getting your money back, you can expect to pay more money and spend more time trying to get the problem repaired than you spent to have it constructed. It may even involve an attorney and a lawsuit. This could cause you to lose your life savings, or your business to go bankrupt, all because it was the cheapest price. The cheapest price has even been known to result in catastrophic failures and loss of life. Now this may seem to be an overreaction, and more than likely, it is for most of you reading this, but the concept is the same. Professional services are something that you need to fully understand before you acquire them.

There is a Federal Law that requires the selection of professional services for Federal Projects to be based upon qualifications rather than fees. The concept is called QBS (Qualification Based Selection). While this may be overkill for a home addition or small project, the concept is the same. If you do not understand what services you really need, then you need to select a few

professionals, talk to them, ask lots of questions, and select one based upon their qualifications not their fee. The professional should be able to help you decide if you need and can afford a Kia or a Cadillac. Once you find someone you determine to be qualified and you feel comfortable working with, then negotiate a fee for the project. If you work closely with the professional from the beginning of the project, then you will more than likely get what you expected to get without being surprised, either by the finished product and the final invoice. This process essentially eliminates the chance of the project costing you more than you expected. However, you do need to ask your professional about the risks of the project, and clearly define everything up front, negotiate a fair price, and get what you want and expect. Of course, it is also the responsibility of the professional to be honest in their dealings with their clients. That is why it is important for everyone to feel comfortable with each other. There may be unscrupulous professionals out there, but it's often more a matter of clear communication before you begin the project.

More of the rule than the exception is that the cheapest price is generally connected to something else. That can include: low quality; anticipating a Cadillac and getting a Kia; surprises during construction that cost you more than you anticipated; and the increased risk of problems in the future that can cost you more money than you spent originally. The lesson here is to ask questions. If the professional does not clearly answer your questions, then you may want to consider whether you want their services. Everyone has different needs and budgets. Understand those needs and budgets and understand that if you choose to go with the cheapest price, you will most likely get what you pay for when it comes to professional services. Buyer beware!

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