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A SERIES OF FLOORCOVERING BULLETINS

CARPETING WITHOUT A PROFESSIONAL A REVIEW OF THE COSTS AND COMPLICATIONS

It may seem logical that purchasing carpet by itself, as opposed to through a qualified flooring professional, would result in a lower cost. However, carpet is not a stand-alone product. There are many additional services and expenses required to complete an installation project properly. A lower price does not necessarily mean a lower cost.

A recent national survey confirmed the increased expense of carpet as an exclusive purchase and explored the origins of these costs. The survey examined several components of carpet installation ranging from material price to management time to simple cost per square yard. The following table details these elements based on an average installation of 1,000 square yards. The resulting cost increase was between \$3.55 and \$7.21 per square yard.

UNDERLYING COSTS UNCOVERED

Waste Reduction

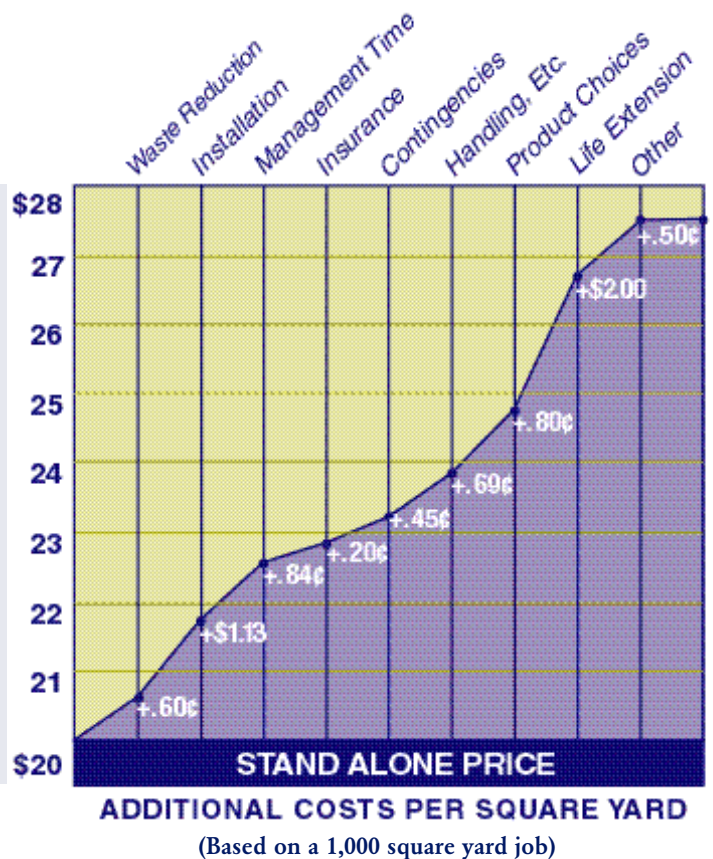
A direct purchase requires a subcontracted installation. The survey reveals that subcontractors often increase material estimates to make the installation job easier. In other words, more carpet is ordered than necessary. In contrast, qualified flooring professionals incorporate on-site inspections and analysis to determine the correct quantity for the job and any anticipated contingencies. Overall, material estimates received from subcontractors were revealed to be two to three percent higher.

Installation Costs

Surveys of installation prices have shown that the charge for installation by a subcontracted installer can be as much as \$1.25 higher per square yard than when estimated as part of a qualified flooring professional's package. There are two reasons for this. A full service dealer who contracts for labor from an installer gets a better price than an end user who can only offer a one-time job. Also, a subcontractor who only provides installation will have to charge more per square yard because he is not realizing a profit on the materials which help cover overhead expenses.

When you buy direct from a manufacturer, you may be paying more than you realize. A lower price does not necessarily mean a lower cost. Additional costs range from \$3.55 to \$7.21 per square yard.

The Chart Below Illustrates Additional Cost Components That May Be Incurred When Buying Carpet As A Stand Alone Purchase





■ Management Time

A carpet installation project requires 6 to 12 hours of management time per thousand square yards. This time is spent arranging deliveries, planning the installation, scheduling elevators or cranes, verifying material arrival, monitoring job site deliveries, overseeing actual installation and inspecting the final work.

Surveys indicate that management experience has a direct impact on installation efficiency. Frequently, the difference in experience between a qualified flooring professional and the subcontractor hired by the end user can double the management hours necessary. As a result, the end user may recognize an additional cost of \$.84 per square yard.

■ Insurance

When installation problems do occur, they can result in large time and subsequent financial losses. Insurance is a necessary precaution. Qualified flooring professionals provide two kinds of insurance. The first protects against theft, damage or loss of the carpet while being transported from the manufacturer. The second type of coverage is the service the dealer offers that compensates for unforeseen circumstances. If the carpet is lost, stolen or misdelivered, the dealer handles the insurance claim, reorders the materials from the mill and expedites shipment. If there are problems with product appearance or performance, the dealer works with the mill to resolve the situation, freeing the end user from an additional management process.

While insurance is not an exceptional burden to a qualified flooring professional, who typically carries a policy, an end user's premiums for a one-time insurance policy are considerably higher. Ignoring the need for insurance only compounds the end user's risks. This can add \$.65 per square yard to the cost of buying carpet as a stand alone purchase.

The difference in installation management experience between a qualified flooring professional and the end user's personnel can double the management hours necessary for installation.

■ Handling, Delivery & Warehousing

There are costs for handling and the possible redelivery of the product, including breaking down pallets and transporting the cartons and roll goods from the loading dock to the actual point of use utilizing specially equipped forklift vehicles. These expenses are included when a qualified flooring professional handles the job, but not in a direct sale. Additionally, because very few construction jobs proceed on schedule, the carpet often needs to be stored until the building is ready. When an end user assumes these responsibilities, studies show it can increase the cost per square yard by as much as \$.69.

■ Appropriate Product Selection and Layout

The correct product choice is an important cost-saving factor for the end user. Layout of the carpet is equally important. A professional takes the time to layout, present and approve seaming diagrams. The right flooring product can minimize maintenance costs and extend the time between carpet replacement. A proper site analysis can take into consideration current and pending regulation compliance and the specific effects of product construction, pattern, coloration, wear resistance and texture retention. The value of this contribution may increase product lifetime by as much as 50%. A conservative estimate of two to four percent increase in value, is as much as \$.80 per square yard.

■ Life Extension

Proper maintenance will contribute years to a carpet's life and considerable value to the end user. An extra year's life for a carpet expected to last 10 years represents a 10 percent increase in value. A six month extension on a 12-year expectancy is a four percent increase. A significant portion of a carpet's value can only be measured after installation.

However, most subcontractors are involved exclusively in installation. Mills manufacture and supply the necessary product, but on-site assistance is not practical. Surveys indicate that qualified flooring professionals often provide recommendations and continuous service that assists the end user in maintaining the carpet's appearance and performance over time. These services translate into extended carpet longevity and an ultimate savings of \$.80 to \$2.00 per square yard.

While price is a significant decision-making factor, it is usually overshadowed by maintenance costs and expected lifetime of the product.

The majority of carpet is replaced because it "uglies" out. Proper maintenance can contribute years to a carpet's life and considerable value to the end user.

■ Additional Benefits

Professional dealers are also more experienced than the end user's personnel at working with contacts at the mills.

They are familiar with the manufacturer's support services, such as marketing services, post sales services and internal consulting. Understanding and utilizing these resources is important when complications arise.

Product choice is also extended with a professional dealer. These professionals work to find the best product and value from all available sources, not just the limited selection of one manufacturer.

In addition, professional dealers handle other aspects of installation from demolition and disposal through the final clean-up. In a direct sale these elements are added expenses. The combined value of additional services can range from .5 to 2.5 percent, as much as \$.50 per square yard. In a nutshell, qualified professional flooring dealers offer the one source accountability that addresses all of these concerns.

■ Total Value

In review, buying carpet alone may appear to save money, but in reality may result in an additional \$7.21 per square yard compared to price quotes from qualified flooring professionals. Obviously, these costs depend on many variables, ranging from product selection to the size of the job, unforeseen complications and geographic location. The key point, however, is that additional costs exist, and they can be significant. While every job may not incur all these expenses, close analysis indicates that most have at least \$3.55 per square yard of additional costs. Therefore, a stand alone quote of \$20.00 per square yard may have a true cost of \$23.55 to \$27.21. Whereas a comparable quote from a qualified flooring professional is inclusive of all these costs.



Hidden costs exist, and they can be significant. Overall, the facts indicate it is more cost-effective to purchase carpet from a reputable qualified flooring professional

ADDITIONAL BENEFITS FROM QUALIFIED FLOORING PROFESSIONALS

A professional flooring contractor works to the advantage of both the end user and the mill. The manufacturer produces a variety of quality products. But the professional contractor provides the knowledge and services that fulfill the additional costs and responsibilities of completing the job to the satisfaction of the end user.

1. Customer complaints are reduced. The professional dealer follows the floor covering industries recommended installation procedures, using certified labor, current equipment and providing qualified project supervision.
2. A qualified flooring professional assumes liability of the general contract and materials. The contractor executes all required documentation, including pay applications and lien waivers, and assumes responsibility and liability for the material as soon as it is shipped.
3. A qualified flooring professional is familiar with and assumes responsibility for compliance with federal and local regulations. This includes OSHA, Hazcom, ADA, Health & Safety Regs and Erroc, among others.
4. A qualified flooring professional plans for the installation to minimize complications. The contractor inspects the job site prior to installation, ensuring sufficient quantity of product is ordered and that the sub-floor is properly prepared and compatible with product requirements.
5. A qualified flooring professional provides service, maintenance and local follow-up. This guarantees optimum performance and life extension of the product wherever it is installed.
6. A qualified flooring professional has vested interest in the client's long-term needs and satisfaction. Their relationship is based upon supplying unbiased, accurate information and service.



WE'LL NEVER
LEAVE
YOU
OUT IN THE
COLD.

What does an independent StarNet flooring contractor bring to the table? How about the experience to anticipate problems and meet tight deadlines. Furniture "lift systems" for minimum disruption. Unrestricted choices to match real life performance requirements. And right around the corner service.

When you work with a StarNet contractor you can expect perfectly integrated job management from design to post-installation follow-up, including reclamation compliance. So if you're looking for one single source for value, service and maintenance (and who isn't) talk to your StarNet contractor.



INDEPENDENT FLOORING COOPERATIVE

When something goes wrong, end users can feel isolated from distant floorcovering manufacturers who *don't* have local experience or resources. StarNet's latest advertising dramatizes the helplessness of this situation with a striking and humorous visual. The focus is on the reliable and *one stop* service of an independent qualified flooring professional. The ad assures facility managers and designers that they can call on a StarNet member whenever and wherever they get stuck.

As the nation's largest network of independent commercial flooring contractors, only StarNet members can provide customers with the best of both worlds. Independent ownership means you'll always receive unbiased recommendations and personal service from a local name you trust. Strength of our nationwide network assures the best product selection at the industry's most competitive prices. When you do business with a StarNet member, you can be sure we'll do whatever it takes to satisfy you now, and for the long term.



IF YOU HAVE ANY COMMENTS OR QUESTIONS ABOUT THE STARLOG NEWSLETTER, WE'D ENJOY HEARING FROM YOU. WRITE US AT STARNET, 44 EAST RIDGE RD., RIDGEFIELD, CT 06877, OR CALL 1-800-787-6381.

One in a series of Technical Bulletins from your Commercial Floorcovering Professionals at:



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