

Assessment task 4 – Subcontractor and supplier quotations

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Introduction

Purpose of assessment

To determine requirements for subcontracting work.

This assessment task accounts for 10% of total assessment.

Assessment task

- List three items on this project that could be subcontracted if you do not have in-house capacity to complete the project.
- Develop an invitation to quote for one of the items. Include all necessary information about the project, including take off of quantities.
- Describe the advantages of subcontracting the work.

Assessment task 4 – Subcontractor and supplier quotations

1. List 3 items on the project that could be subcontracted

- Plastering
- Plumbing
- Timber Flooring

2. Develop on invitation to quote for one of the items, including all necessary and take off of quantities about the project

ITEMS	Per unit	QTY	UNIT	RATE	SUB-TOTAL	Total
Gyprock CSR 2400 x 1200 x 10mm 2.88sqm Aquachek Plasterboard	2.88 m ²	100 m ²	m ²	\$26.46	\$918.75	
Gyprock CSR 4200 x 1200mm 10mm 5.04sqm Wall Plasterboard RE	5.04 m ²	350 m ²	m ²	\$29.94	\$2079.17	
Zenith 10g x 25mm Galvanised Wafer Head Type 17 Timber Screws - 100 Pack		5	bag	\$14.30	\$71.50	
Gyprock CSR 20kg Base Coat 45		5	bag	\$39.95	\$199.75	
Gyprock CSR 20kg Top Coat 45		5	Bucket	\$37.95	\$189.75	
Zenith 75 x 20 x 2mm Zinc Plated Tri Corner Brace - 2 Pieces		1	pack	\$4.50	\$4.50	
Builders Edge 50mm x 90m		1	roll	\$16.30	\$16.30	

Plasterboard Fibreglass Tape						
Ezybead 90 internal 2700mm		50	pieces	\$3.05	\$152.50	
Boral back block adhesive 20kg		1	bag	\$25.30	\$25.30	
Gyprock joint tape		2	roll	\$12.00	\$24.00	
Gyprock CSR 5.5kg Acrylic Stud Adhesive		2	Bucket	\$26.78	\$53.56	
Labour cost		450	m ²		\$3000.00	\$3735.08
Total Cost \$6735.08 + GST						

3. Describe the advantages of subcontracting the work

3.1 It Is Cost Efficient and Risk Adverse

When your business needs some extra hands on a large project, hiring subcontractors is often much more cost effective than bringing on new, full-time employees. It also helps avoid risk by hiring a reliable and safe firm with substantial niche experience. Even though subcontractors are typically cost more than self-performing in-house, it is still more cost-effective in most cases. Subcontractors do not get benefits, office space or equipment. Hiring contractors also relieves you of having to pay employee taxes and a full-time salary. When all is said and done, hiring a subcontractor is about 20 to 30 percent more cost effective than hiring full-time additional staff.

3.2 Subs Provide Expertise

Subcontractors will often offer a superior service and provide expertise that you cannot get from your staff. In most cases, they have been working in a specific field for a number of years and have had ample opportunity to hone their skills. Furthermore, a subcontractor is

likely to have done similar work before and will be able to get the job done quickly and efficiently.

3.3 Increased Productivity

Increasing productivity is probably the biggest benefit of working with a subcontractor. Rather than bogging your employees down with simple but mundane tasks, you can outsource these projects to a third party. Doing so will allow your staff to focus on core business needs and may actually get the job done faster if your subcontractor has expertise in this area.

3.4 No Long-Term Commitment

Hiring subcontractors allows your business more flexibility than if you were to hire new, permanent employees. Rather than bringing them on for long term work, you hire the contractors to work on a few short-term projects and then part ways. Be forewarned, sometimes they turn into a lifetime business relationship.

With full-time employees, however, ending the relationship can be more complicated, can create considerable time and costs (unemployment, severance, etc.) and may end in legal disputes. This means there is a good chance you will end up paying someone a salary even if you do not require their services anymore.

3.5 Subs Have Specialized Knowledge

There may come a time when your company will need to take on a project that will require the services of a qualified specialist that can add value for your client and be "part of your team." If your company does not have a specialist on staff or if you do not have an ongoing need for one, it might be best to hire one for a short-term basis. This is preferable to hiring a full-time staff of engineers, architects or legal professionals. Find a reliable and flexible partner.

3.6 Fewer Legal Obligations

In the eyes of the law, subcontractors are the owners and operators of their businesses and, therefore, are not entitled to the same legal protections as employees. For employers, this means that they have fewer obligations to subcontractors than they do to their employees. In addition to the previously mentioned cost benefits, employers will not have to send payroll taxes and deductions to the government.

Conclusion:

In conclusion, this assessment demonstrates the requirements for subcontracting work.

Reference:

- CPCCBC4004A Identify and produce estimated costs for building and construction projects
- <https://blog.cognibox.com/en/blog/benefits-subcontracting>
- <http://www.hcr-llc.com/blog/7-reasons-why-subcontracting-may-be-right-for-you>