

MATERIAL COST CONTROL

PURCHASE OVERAGE

- BOLTS, SCREWS, OIL, ADHESIVES LOST AT SITE
- SENDING EXCESS TO STORE – DEAD CASH
- INVENTORY MAINTENANCE AT STOCK
- RELOADING, HANDLING BALANCE MATERIAL
- DIFFERENCE BETWEEN ACTUAL & SCRAP VALUE
- RE-ORDERING OF MATERIALS ALREADY AVAILABLE IN STORE

- ACCURATE BILL OF MATERIALS
- ALWAYS A BOM/BOQ PREPARED BY ONE PERSON SHOULD BE CHECKED BY ANOTHER PERSON
- MAINTAIN STOCK RECORD OF SURPLUS

MATERIAL COST CONTROL

PURCHASE SHORTAGE

- FITTINGS, FLANGES – LAST MINUTE HASSLE
- EXTRA TRANSPORTATION CHARGES
- TIME WASTE TO PURCHASING ENGINEER, IDLE LABOUR
- QUALITY ISSUES IN CASES LIKE RMC

- ACCURATE BILL OF MATERIALS

MATERIAL COST CONTROL

SUPPLY VARIATIONS

- ITEMS MISSED IN SUPPLY
- SITE MEASUREMENTS: WEIGHT/VOLUME – AGGREGATES
- FRAUDULENT PRACTICES BY VENDORS
- DAMAGES IN SUPPLIED MATERIALS
- EXCESS BILLING

ACCOUNTABILITY OF SITE ENGINEER, TRUSTFUL RELATIONSHIP WITH VENDOR, AGREEMENT ON METHODS OF MEASUREMENT, CROSS-CHECK BY WEIGHT & VOLUME, DAY SUPPLY

MATERIAL COST CONTROL

PILFERAGE, WASTAGE

- PLYWOOD, STEEL SHEET, BARS NOT OPTIMIZED FOR CUTTING SIZE
- VANDALISM: THEFT OF MATERIAL FROM SITE
- DAMAGE OF MATERIALS: CEMENT, TILES, PIPES, BRICKS
- EXCESS CONSUMPTION, CONCRETE THICKNESS VARIATIONS
- UNSIZE MATERIALS E.G. BRICKS INFLUENCE PLASTERING THICKNESS

- USE CUTTING PLAN SOFTWARE TOOLS EG. OPTIMIK
- MAINTAIN STOCK RECORDS FOR RE-USING BALANCE MATERIALS

MATERIAL COST CONTROL

PRICE FLUCTUATIONS

- VENDOR SOLICITATION BY RATE ENQUIRY EVERYTIME IS DIFFICULT
- VENDOR PARTNERING LOSES FULL ADVANTAGE OF COMPETITION
- NOT ONLY PRICE: DELIVERY, SERVICE, QUALITY
- CASES OF ONLY ONE APPROVED SUPPLIER/BRAND FOR SPECIALIZED ITEMS

- MIX AND MATCH OF SOLICITING & PARTNERING
- INFORMAL PARTNERING & SLAB-WISE COMMITTED RATES
- APPROVE MORE THAN ONE BRAND FROM CONSULTANTS

MATERIAL COST CONTROL

SCOPE OF SUPPLY

- TRANSPORTATION AND HANDLING
- MOVING MATERIALS WITHIN SITE
- TAXATION
- DELIVERY DATE OF SUPPLY

- CLARITY IN SCOPE OF SUPPLY, IF NECESSARY FORMAL & WRITING
- MICROMANAGE SCHEDULE IN SUPPLY OF MANUFACTURED GOODS LIKE PEB, LIFTS ETC.