Vendor Cost Benchmarking Process.

A framework for gathering vendor pricing, building your price book, controlling material costs, and identifying negotiation opportunities.

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Step 1: Gather Vendor Pricing.

You cannot manage costs you don't understand. The first step is getting every vendor's pricing model fully documented.

Questions to Ask Every Vendor

1. What is your pricing model? (Hourly, flat rate, or hybrid)
2. Do you have a price book or rate sheet? If so, can you share it?
3. What is your hourly rate or standard flat rate by trade?
4. Do you charge service fees, trip fees, or diagnostic fees?
5. Do you charge quote fees for estimates?
6. How is your pricing calculated? (Time + materials, fixed bid, etc.)
7. Do you offer volume discounts?
8. Are there after-hours or emergency surcharges?

Store all responses in a centralized location. This data becomes the foundation of your price book and your leverage in negotiations.

Step 2: Build Your Price Book.

A price book is a catalog of your expected costs by trade and service type. It gives you a benchmark to evaluate vendor quotes against.

Price Book Structure

Organize by trade (plumbing, electrical, HVAC, general maintenance, appliance) and within each trade, list common services with the expected cost range:

Trade	Service	Expected Range	Your Benchmark
Plumbing	Faucet replacement	$150–$300	
Plumbing	Toilet repair	$100–$200	

Plumbing	Water heater replacement	$800–$1,500	
Electrical	Outlet/switch repair	$75–$150	
Electrical	Light fixture install	$100–$250	
HVAC	AC tune-up	$100–$200	
HVAC	Full system replacement	$4,000–$8,000	
General	Drywall patch	$75–$200	
General	Lock rekey	$50–$100	
Appliance	Disposal replacement	$150–$350	

Fill in the "Your Benchmark" column with the actual rates you negotiate with your vendors. This becomes a living document you update as rates change.

Step 3: Control Material Costs.

Materials are often the hidden cost driver. By controlling where materials are purchased, you control both cost and quality.

Supplier Account Strategy

9. Set up contractor accounts at Home Depot and/or Lowe's under your company name.
10. Require vendors to purchase materials on YOUR account for jobs over a defined threshold.
11. You get the contractor pricing, the receipts, and the rewards points.
12. The only out-of-pocket cost to you becomes labor.

Additional Supplier Relationships

- Sherwin Williams: Custom paint records, contractor-grade products, negotiated pricing, dedicated sales reps
- Flooring suppliers: Direct relationships for turnover-related flooring work
- Appliance suppliers: Bulk or recurring-order pricing for common replacements

Rewards & Rebate Programs

- Home Depot Pro: Cash back rewards, milestone vouchers, volume incentives
- Lowe's for Pros: Similar rewards and contractor pricing tiers
- Ask vendors about their existing accounts — they may already have one you can piggyback on

Step 4: Negotiate from Data.

Volume is your leverage. Once you have your price book and your work order history, you can have real negotiation conversations.

Negotiation Framework

13. Know your volume by trade: "We do X work orders per year in this category."
14. Know your current cost: "Our average cost per job is $Y."
15. Make the ask specific: "Can you do $75/hr instead of $85/hr given this volume?"
16. Offer something in return: preferred vendor status, guaranteed minimum monthly volume, faster payment terms.
17. Track the outcome: update your price book with negotiated rates and revisit quarterly.

Step 5: Reduce Variable Costs.

Some maintenance categories can be shifted from variable to fixed costs through subscription services. This makes budgeting easier and reduces surprise expenses.

- Second Nature: HVAC filter replacement program (shipped directly to residents)
- PestShare: Pest control bundled into resident benefits package
- Evaluate other subscription-based maintenance services relevant to your portfolio

Building consistent vendor relationships, negotiating from data, and controlling material spend creates a path to turning maintenance from a pure cost center into a revenue opportunity.