

STEP

8

FINDING A SHOPFITTER



**For your shop
fitout, don't
engage any
old builder:
you'll typically
need a specialist
called a
“shopfitter”.**

**That's not to say a builder can't deliver
the work you need, but shopfitting is
a particular specialty.**

A good shopfitter will save you time
and money.

Experienced shopfitters are used to
working at a very fast pace to make
sure your project can be completed in
the fitout period allowed.

TOP TIPS FOR FINDING A SHOPFITTER

#1: EXPERIENCE = MORE TIME + LESS STRESS

If you're going into a big shopping centre, they will have rules about safety that your shopfitter needs to adhere to, and they may reserve the right to approve your shopfitter before they are allowed to start any works.

A good shopfitter will be well versed in the shopping centre's requirements and have the right licenses, registrations, etc. to get on site quickly. An experienced shopfitter will understand the rules of the site, and you won't end up getting phone calls complaining about their behaviour or saying that the landlord has shut your works down because your shopfitter is misbehaving.

#2: LEAVE TRADE COORDINATION TO YOUR SHOPFITTER

There are lots of individual trades involved in building a shop and each of these trades needs to show up on a specific day at a specific time to make sure the project doesn't grind to a halt. You should not try to save money by directly engaging trades.

Your shopfitter will only manage trades they have engaged themselves. So, if you book any trades, you will need to follow up, inspect the work for defects, and then be responsible for any issues. Better your experienced shopfitter manages and schedules all the trades, does the defect inspections, and is responsible for keeping everyone on time and doing quality work. If you can, put as much as possible into one contract because this means you have more leverage over your shopfitter to make sure they finish on time and without defects.

? GET HELP

If you're feeling overwhelmed by the details or need help with any aspect of setting up your shop, give us a call on 0424 113 116.

We can help you find a shopfitter and manage the tender process from only \$1,900 + GST.

HOW TO FIND A SHOPFITTER – GUIDE

So, how do you find a good shopfitter to take care of you and your fitout?

There are lots of terrible operators out there, and some look pretty good at first glance but have the potential to let you down later. This checklist will help you find a reliable, experienced shopfitter for your fitout.

INSTRUCTIONS



This guide should help you avoid some of the unexpected pitfalls so you can connect with a shopfitter that's a good match for you and your shop.

When looking for a shopfitter, it's important for you to take your time as you follow the 6 suggestions outlined below.

1: START WITH WORD OF MOUTH

The best way to find a shopfitter is via word of mouth.

If your tenancy is with a big landlord, they may provide you with recommendations. So make sure you ask.

You may know someone who has built a shop – if so, find out if they had a good experience with their shopfitter.

Or if you are out and about and see a store you think looks amazing, go in and ask the owner or manager of the store who built it for them.

2: TRY THE INTERIOR FITOUT ASSOCIATION (IFA)

In Australia, there is an industry association called IFA, and they have a register of their members (aka shopfitters) that you can search. You can even narrow your search down by type of shop and state.

Most shopfitters have a website where you can find out a bit more about what they do and who their main points of contact are.

Get in touch, tell them what you're planning to do and see how interested they are – you don't want someone who won't give your project the attention it deserves, so make sure you work this out early in the process.

» www.interiorfitoutassociation.com.au/member-directory



3: THEN FIND AT LEAST 3 SHOPFITTERS

The most important thing you need to do is find more than one shopfitter to quote for you. You'll need at least three, preferably four (five if you can manage it).

Out of those, you want to aim to get pricing from at least three of them. Four makes for a good shortlist in case one drops out. To figure out who goes on your shortlist, engage in a general chat with prospective shopfitters, explaining the project and gauging their reaction. Then tell your prospective shopfitters the proposed fitout period (which is when they would need to be on site) to make sure they will be available.

It's also important you tell them who the landlord is and possibly who your designer is as well. It can be important to share details about the landlord because some shopfitters may not be qualified to work on some types of sites.

4: CHECK THEIR REFERENCES, SO TO SPEAK

If it's someone you haven't worked with before, it's a good idea to call up a client or designer (or even a shopping centre) they have worked with recently to find out how they performed.

In most cases, the successful delivery of a project depends on the actual people delivering it, not the brand name they work for. Make sure you ask which particular staff member will be in charge of your fitout. Finding out about your shopfitters' behaviour and quality of work is key.

5: SHOW THEM YOUR PLANS / HAVE THEM DO A QUICK REVIEW

After all that, you should have a list of three to four companies that you feel happy with.

If possible, ask all of them to have a look at the plans and do a quick review – even if you only have concept drawings at this stage. This will give the shopfitters a better idea of what's required for your fitout, and they might even give you some ideas that you haven't thought of to boot!

Not all companies will do this though – so don't be too concerned if they are too busy to do an early review.

6: IT'S TIME FOR TENDERING (A FANCY WORD FOR A QUOTE)

Tendering can sound a bit intimidating and there are a lot of myths about them. But a "tender", or "Request for Tender", is simply a document that asks a company to provide a price for a piece of work.

The main reason you want to do a tender is so that everyone you ask to quote has the exact same information to price from, and, in some cases, a form to fill out that will make it easier for you to compare the prices you get.

To ensure you're supplying enough information for your shopfitter to prepare a tender, use the "Tender Pack" checklist on the following pages.

TENDER PACK – CHECKLIST

To get the most accurate pricing, you need to supply more details than just your plans.

Most shopfitters don't want to read pages and pages of documentation. But when you're entering into a contract, you want to be sure you've given the shopfitter all the information they could possibly require to ensure they understand the full scope of what you're asking them to do.

INSTRUCTIONS



Run through all of the items in the *Tender Pack Checklist* below to build your tender pack.

This will help you ensure you supply all the information the shopfitters will require to prepare their tenders for you.

Make sure you include in your tender pack:

☐ 1: DRAWINGS

Your designer's drawings and your engineer's drawings, tenancy plans and any base building drawings you might have.

☐ 2: SCOPE OF WORK

This is something you need to write up that should outline what you are expecting your shopfitter to do and what other people are doing.

For example, your shopfitter might not be supplying the equipment, but you might want them to:

- unpack and remove any packing materials
- connect the equipment (especially if it's gas or water), and
- make sure it's operating.

☐ 3: HOUSE RULES / FITOUT GUIDE

These documents from your landlord will usually have information about safety requirements as well as hours of work, nominated contractors, parking regulations, where to put a skip, and so on – all very important information for your shopfitters to know about!

☐ 4: BASIC PROJECT INFO

This is another document you need to write up that includes information such as:

- the address of the tenancy
- the date you get handover
- how long the shopfitter has for the fitout,
- and other pertinent details and dates.

□ 5: SITE VISIT

Include a date for a site visit. Many shopfitters like to come and see what they will be working with before finalising their pricing, and some will want to bring their tradespeople along as well. If your time is tight, it can be worth nominating a day and time when you can see everyone in succession.

Some Project Managers arrange a single site visit for all of your potential shopfitters together, but we recommend you don't do this. You get a better result if you schedule site visits one at a time. Lots of tradies will give you information they might not offer up in front of a competitor if you're at the site with them alone – they may identify a cheaper way to do something or a technique they have picked up over the years. You can then collate all this information and ideas from the various shopfitters to use to your advantage!

□ 6: PRICING BREAKDOWN

You might also want to create a spreadsheet – that looks like your budget sheet – to break down the cost into different sub-sections (hydraulics, joinery etc.) so you can compare one with another.

□ 7: RFIs

During the tender period you may get Requests For Information or RFIs. These are questions that the shopfitter will ask to clarify something on the drawings or in the documentation.

It is good practice to send your answer to all the shopfitters pricing your project – because this keeps the playing field level. This can be as simple as sending an email saying "One of the tenderers on XYZ project asked whether an item was *this*, *that*, or *the other*. In this instance, it will be *this*."

Contract options

There are also many ways of contracting – Fixed Lump Sum, Design & Construct, Cost Plus, and so on. For the purposes of this guide, we suggest you stick with a straightforward Fixed Lump Sum.

There are pros and cons for each contract type, and at Setting Up Your Shop, we decide which type to use based on the project requirements. This topic is a little too complicated to cover in detail in this step-by-step guide. Get in touch if you'd like help with your shopfitter contract on 0424 113 116.

□ 8: TIMING

Make sure you communicate the date that you expect the tenders back. Allow a minimum of 2 weeks for tender, 3 if it's a more complicated job.

This timing allows your shopfitters to go out and get a few prices from their sub-contractors, which allows time for their pricing to be more competitive, accurate and considered.

□ 9: CONTRACT TERMS

Many shopfitters will have their own contract that they like to use, and of course it will be drawn up in their favour! There's nothing wrong with that, but you do need to make sure you read their contracts carefully before signing (and potentially run them past a lawyer).

The alternative would be to prepare your own contract, and best practice is that if you intend to use your own contract, that you send that out with the tender documents, so the shopfitters know what your terms are. Or alternatively, at this stage, you could simply write a paragraph explaining your terms.

Many shopfitters will look for a deposit if they have not dealt with you before – the standard here is 30 to 40%. It's always worth asking if you can avoid or reduce the deposit, but lots of shopfitters have been badly burned, and they will be incurring costs even before they set foot on site. So, it is unlikely they will agree to 0% deposit unless they have worked with you before and know you are trustworthy.

There are many standard Australian contracts for the construction industry, and you can certainly use them. You need to buy them from Standards Australia (see url below). You should expect some back and forth between you and the shopfitter to get to the point where you agree to the terms. So, if you go this route, allow extra time following the tender and possibly for some legal fees as well.

Ensure the terms include withholding 5% to 10% payment to rectify defects at the conclusion of the fitout.

www.standards.org.au

□ 10: PROGRAM

Ask your shopfitter to provide a preliminary program that shows the breakdown of the main activities required to fitout your shop. Many shopfitters won't give you a detailed program until they have been appointed. If that's the case, ask them to confirm whether they can complete the project within the fitout period.

ASSESSING THE TENDER – GUIDE

After a couple of weeks, you'll get your tenders back from your prospective shopfitters. Then it's time to pick the shopfitter you want to work with.

The tenders will often come in the form of a letter with a blurb about what a great company you will be dealing with followed by the pricing breakdown you were seeking.

INSTRUCTIONS



In order to understand and fairly compare the tenders you receive, run through the guide below.

With all 3 items in this guide, it's important that you go back to the shopfitter and ask questions.

That's why we have suggested you allow a week in your program for "tender review and contracting". It can sometimes take a bit longer than that, so don't skip this week – it's important for you to get the best deal!

Some things to watch out for in the tender submissions:

1: ARE THE COSTS DETAILED AND CLEAR?

Some shopfitters will ignore your request for a breakdown of costs and just put in a number at the bottom. Often it's a round number!

This is not ideal as you can't see where the money is being spent, and when it's a round number, it looks like they have just picked a number out of the air rather than assigned a price to each item required for your fitout!

The key in this case will be the management of the contract, so be wary of just a single number, and remember that you can (and should!) ask the shopfitters to break down the number across the items they're quoting for.

2: TRY AND UNDERSTAND THE WAY LABOUR COSTS HAVE BEEN ALLOCATED SO YOU CAN MORE FAIRLY COMPARE QUOTES

Some shopfitters will spread their labour costs across all sub-sections, and others will have a single line item for labour. This can make it look like some prices are inflated against the competition when they aren't.

These differences come down to the estimating software the shopfitter uses. However, the costs should all balance out in the end, and you should still be able to see where one price is higher than another. But if you'd like to see the labour costs separated out to better compare quotes, ask.

3: LOOK FOR WHAT HAS BEEN EXCLUDED

Some shopfitters will either leave a gap in your spreadsheet – or in their tender letter or other documentation – to say that they are excluding something. In this case you need to find out why and figure out if there is another way to get what you need.

Sometimes shopfitters exclude fire services, for example, because they think the shopping centre will do them, not realising that the tenancy is not in a shopping centre and they actually are required to engage a sprinkler company.

So it's very important you discuss any exclusions.

4: THE CHEAPEST IS NOT ALWAYS THE BEST

Sometimes the cheapest price might come from a shopfitter you don't feel entirely comfortable with. Or perhaps the cheapest shopfitter can't complete the project on time or has terms you don't like in their contract.

You are not obliged to pick the lowest price: it's more important to achieve a great outcome. This is especially important to consider if one price is significantly lower than the others.

