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CONSTRUCTION · TOTAL COST OF OWNERSHIP

Workwear Total Cost of Ownership Calculator

Multi-supplier vs single factory-direct over three years — with the hidden cost factors the unit price leaves out.

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DISCLAIMER

This resource is practical procurement guidance written from a China-side workwear factory's perspective. It is not legal, safety or compliance advice. Compliance thresholds, test methods and class requirements vary by jurisdiction and garment; confirm every value against the current standard and an accredited lab report before you commit funds.

Construction workwear resource | Document ID: SPEC-CONST-TCO-001

Total Cost of Ownership: Beyond the Unit Price

The purchase price of a safety vest or coverall is typically only 55-65% of what you actually spend. The remaining 35-45% comes from hidden costs that multi-supplier models create. This calculator helps you see the full picture.

1. Direct Cost Comparison (Annual)

COST CATEGORY	MULTI-SUPPLIER	SINGLE FACTORY-DIRECT
Garment unit cost	$_____	$_____
Annual volume (units)	_____	_____
Total purchase cost	$_____	$_____

2. Hidden Cost Factors

FACTOR	MULTI-SUPPLIER IMPACT	SINGLE-SUPPLIER IMPACT
Rush fees / expedited shipping	8-15% of annual spend	<2% of annual spend
Quality rejects & returns	3-7% of units	<1% of units
Admin overhead (PO management)	3-5 suppliers = 3-5 PO workflows	1 supplier = 1 PO workflow
Last-minute local purchases	25-35% premium per unit	Eliminated (safety stock)
Compliance audit prep	Gather docs from 3+ portals	Single digital file

3. 3-Year TCO Worksheet

YEAR	MULTI-SUPPLIER TCO	FACTORY-DIRECT TCO	SAVINGS
Year 1	$_____	$_____	$_____
Year 2	$_____	$_____	$_____
Year 3	$_____	$_____	$_____
3-Year Total	$_____	$_____	$_____

4. Typical Savings Range

Based on client data across 10+ multi-site construction programs:

- Purchase cost reduction: 25-40% (eliminating middleman markup)
- Rush fee elimination: 80-95% reduction
- Admin time reduction: 60-70% fewer hours spent on procurement
- Total landed cost reduction: 30-50% over 3-year program

5. How to Use This Calculator

1. Gather your last 12 months of workwear invoices (all suppliers)
2. Add rush fees, expedited shipping charges, and last-minute local purchases
3. Estimate admin hours spent on PO management, compliance doc gathering, and supplier coordination
4. Fill in the worksheets above and compare to a single-supplier factory-direct quote
5. Share with your finance team: the "cheapest unit price" is rarely the cheapest program

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LANTAOWORK TCO CALCULATOR

Cheapest unit price, highest program cost.

Send twelve months of invoices — a landed-cost model and a three-year TCO comparison are returned against a factory-direct quote.

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