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# Bay Plumbing Supply walks the walk and talks the talk in energy-efficient wholesaling.

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Photos by Marci McQuillan

ocation, location, location. That is the old adage regarding real estate. This truth carries over to Bay Plumbing Supply and its green initiatives.

The coastal city of Santa Cruz, Calif. – 30 miles southwest of San Jose – has the perfect clientele for high-efficiency toilets, low-flow showerheads and any of the latest eco-friendly products that hit the market.

"People here are extremely liberal and very eco-friendly," Bay Plumbing Supply President and owner **Pat McQuillan** says. "Our bay (Monterey Bay) is a marine sanctuary."

Bay Plumbing Supply opened in 1987, but McQuillan purchased it from the original owner in 2000 after spending almost 14 years in the business as a manufacturers representative and working for other wholesalers. In 2007, he purchased Pacific Energy Sales, which focuses on radiant/hydronic heating and solar thermal projects, and moved it next door to Bay Plumbing Supply. Between the two companies, McQuillan employs 17 people (12 with Bay and five at Pacific Energy).

McQullian notes green products drive nearly all Bay Plumbing Supply's business. "Even with the economy, people are still willing to spend money on conservation products," he says.

McQuillan has seen the drive for water conservation in his market significantly increase, starting in the early 1990s with 1.6-gpf toilets, to the turn-of-the-century waterless urinals, to today's 1.28 (or less)-gpf high-efficiency toilets.

"It's been an evolution over the last five to eight years," he states. "It's been natural for us to push those products because of the market."

The company also does significant business with Stanford University and the affluent neighborhoods in Palo Alto, Calif.

"It's a lot of word-of-mouth in Palo Alto," McQuillan says. "The neighbors have to have what the Joneses have."

Commercial business also comes from Candlestick Park (home of the San Francisco 49ers) and the universities of California at Santa Cruz and Berkeley. Nonresidential business leads the way at Bay Plumbing Supply with products supplied for schools, administration buildings, hospitals and transit centers.

"Dollar-wise it's probably between 60 to 70% of our business," McQuillan says of nonresidential buildings. "The local campuses always have something going on. At Stanford and UCSC, everyone gets a slice of that."

Bay's 2,000-sq.-ft. showroom displays INAX, Kohler, American Standard, Gerber and TOTO toilets and sinks, as well as Hansgrohe, JADO and Elkay sinks among many other manufacturers.

**Ron Routhier**, approaching his third year as Bay Plumbing Supply showroom manager after previously working in San Jose, says the markets are very different despite their close proximity.

"There are a lot of cottage-style homes here, so the products are scaled down," he states.

When properties are sold, California law requires toilets be taken out and replaced with eco-friendly models. A new resident might raise a small concern about going to a 1.28-gpf model, but the sales numbers don't show that.

"It's a pretty easy sale," Routhier says. "The 1.28 models are 80% or more of our business."

With the acquisition of Pacific Energy in 2007, McQuillan noticed radiant heating was only 3% of the marketplace. Since then, that business has grown 15% to 20% per year, except in 2009 when sales were flat. "I saw that as a huge growth market," he says.

## Practicing what it preaches

Selling green isn't enough at Bay Plumbing Supply. The company has embodied that sustainable lifestyle since McQuillan took over in 2000.

Using 100% recycled paper was an easy call. Installing a water-filtration system was another simple step. But Bay Plumbing Supply has done much more. To start, the company installed a cloud-based computing system (shared resources, software and information provided as a metered service over a network) to cut down server usage.

The cloud-based system was installed last summer, and has lowered energy consumption and dramatically reduced paper usage within Bay Plumbing Supply's offices. With the cloud, the company only requires one printed copy of a sales receipt. It is then scanned and uploaded to the cloud.

"It was a seamless transition," McQuillan says.

Another dramatic shift toward energy efficiency is how Bay Plumbing Supply and Pacific Energy streamline their delivery system. The company has one full-time driver and a few on standby for busier days. Trucks leave Santa Cruz only on Tuesdays and Thursdays, barring an emergency.

"Two days a week, we don't leave here without a full truck," McQuillan says.

For local, smaller deliveries drivers use a small Ford Transit truck with a 6-ft. cargo bay. The truck gets 26 miles per gallon.

"The gas mileage has been huge," McQuillan says.

Other in-house green initiatives at Bay Plumbing Supply focus on improving efficiency. Trips to the recycling plant are limited (cardboard once a month, metals twice a year). The warehouse's primary lighting



From left: Sales associate Jill Chavez, showroom manager Ron Routhier and sales associate Amanda Chobanian work in Bay Plumbing Supply's 2,000-sq.-ft. showroom, which houses Hansgrohe, InSinkErator, Kohler and Gerber among many green products.

source is skylights, and low-light emitting bulbs are used in the showroom. Routhier points out the new bulbs don't showcase the products as well, but they keep in line with the company's energy efficiency plan.

Finally – and again it's about location, location, location – Bay Plumbing is able to shut off the air conditioner and open the doors, allowing a natural sea breeze to provide comfort to customers and employees on hotter days. Lighting is turned down or off allowing the sun to illuminate the building.

"On really hot days we'll cut down on the light and open the doors to allow natural light into the space," Routhier says.

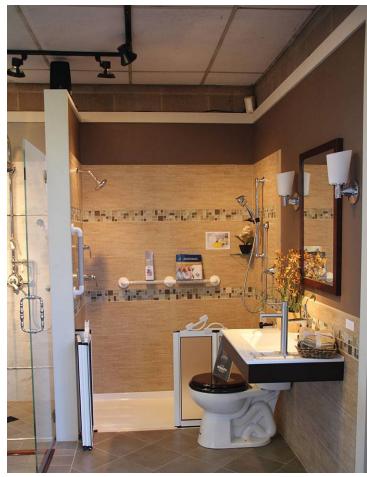
Both Bay Plumbing Supply and Pacific Energy Sales are U.S. Green Building Council-accredited. The process was arduous, but well worth it.

"They come in and audit you. They check your paper consumption and the products you sell, as well as making sure you are recycling wherever possible," McQuillan explains. "They want to know you practice what you preach."



For local deliveries, Bay Plumbing uses this Ford Transit truck that gets 26 miles per gallon.

# **GREEN WHOLESALING**



To save on energy costs, Bay Plumbing Supply installed lower-emitting light bulbs, which don't showcase products as well, but follow the company's green initiatives.

## Working with contractors and customers

With Bay Plumbing Supply on the cutting edge of green technologies and products, the company works hard to keep local contractors up-to-date on the latest sustainable products. It hosts counter days with tankless water heaters for contractors and sets up working trailers of water-conservation products for customers.

"It helps get people a little more confident in HETs," McQuillan says.

McQuillan and Bay Plumbing Supply focus on how to maintain and strengthen relationships with manufacturers, customers and especially contractors.

"I build a company on relationships," McQuillan says. "I'll fire a customer as fast as I'll fire a vendor. The only contractors that are busy (working) are the ones with the relationships. The others ... they're dying on the vine."

With Pacific Energy, McQuillan and company want contractors to understand the benefits solar projects have for the environment and how they can benefit from these eco-friendly advances in technology. "There are a lot of solar projects that are plug-and-play; they're pipe-in and pipe-out," he notes. "We want to teach them there is value. They should look at solar as part of an up-sale."

#### Following the rules

California has been aggressive in passing legislation for lower water consumption in kitchen and bathroom products. Bay Plumbing Supply keeps up-to-date with all new requirements.

The company continues to work with CALGreen, a California building standard that went into effect last January and limits water consumption for new houses. Bay Plumbing Supply, despite the new home-building market struggling since the start of the recession, continues to work with CALGreen standards in the retrofit market.

"Customers are embracing (CALGreen) in the local market," McQuillan says.

For example, the "carwash shower" (three or more showerheads in one unit) limits total flow rate to 2.5 gpm for the entire unit. As long as Bay Plumbing can supply products that bring water pressure while saving water consumption, customers are happy. "People just want that pressure," McQuillan says.

Some companies, such as Japanese manufacturer INAX, have raised the bar on efficiency. INAX features a dual-flush toilet that averages 0.9 gpf. Routhier notes Bay Plumbing Supply provided contractors some free INAX units in order for them to become comfortable with the product.

"We're getting them into the hands of our contractors and seeing sales take off," he says.

Another old adage is luck can only take you so far. And while Bay Plumbing Supply and Pacific Energy Sales might have the ideal area code for being a green wholesaler, its mentality and desire to be energy efficiency leaders means more

McQuillan sums it up very simply: "The small things add up over time."



Bay Plumbing Supply's 1,500-sq.-ft. counter accounts for 35% of the company's total volume.

