

11 Ways to Submit the Best Quality Bid

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HOW CONTRACTORS CAN USE TECH TO BUILD BIDS AND SECURE BUSINESS

An accurate bid for construction work takes time; it's not something that can be thrown together in 15 minutes. It takes knowledge of the client, an understanding of the plan, and much skill to estimate labor, materials, and equipment costs accurately. The key to submitting the best quality bid is having the most accurate and up-to-date current costs as possible in your estimated costs – the more accurate the bid, the more profits for your business.

Estimators are specialists in the field and know how to create the best bid with the most accurate pricing and time frames. Estimators must consider everything from building materials to equipment to labor. A good construction cost estimator is not only knowledgeable about the construction field and the project but is also able to create accurate estimates, often for multiple jobs simultaneously.

Technology helps with construction estimates and bid creation by eliminating manual processes. Technology also lets the estimating firm share project documents and collaborate on prices with subs and material providers. With bidding software, you can pre-populate the quote system with items you carry in every estimate, saving time.

The bids that emerge from bidding and estimating software outline all the deliverables, pricing, time frames, and tasks for accomplishing the project. Digitized bids often present better to customers than paper-based bids or Excel spreadsheets,



because they can contain graphics and images to illustrate the project work. You want to ensure your bid appears as professional as possible, and bid software can help you do that. Contractors that use technology will stand out from the competition when creating and submitting bids.

HERE ARE 11 TIPS FOR CREATING THE BEST QUALITY BID:

1. Match the project with your business goals.

You want to make a profit, right? So bid on work you are more likely to win than work you have no chance of winning or making a profit on. It's better to only bid on a project if your company has the proper skill set, equipment, or experience. To do otherwise could lead to cost overruns, fines, and unhappy customers, damaging your firm's reputation.

2. Make sure you understand the work to be performed in detail.

Know the existing site conditions to reduce problems. Are there specific site conditions that challenge the work, such as soil conditions that cause excess runoff? Is there limited accessibility to the site? Are there proper utilities at the site, or do you need to factor in those costs? Be aware of all these conditions, and determine if additional costs need to be added to the bid to ensure you make a profit.

3. Attend pre-bid meetings.

Give your project team the ability to ask questions and gain clarification on any items that could affect the bid. Pre-bid meetings help those submitting bids better understand the scope of work and any special requirements needed to complete the job. Some pre-bid meetings are mandatory, so you must attend the meetings to submit a bid. Pre-bid meetings often include a site visit.

4. Use accurate and pertinent information.

Ensure you have all the pertinent information you need to complete the bid and that the information is accurate. Review the plans and specs thoroughly, including securing the correct bonds to complete the job.

For example, suppose the bid requires a woman-owned business to submit materials. In that case, you must be a woman-owned business. Can you substitute certain materials? Get clarification from business representatives and owners by the cutoff dates. Refrain from assuming anything; get exact clarification of every aspect of the work.

Make sure you use accurate measurements in your bid. Only accurate measurements can lead to the right amount of building materials and labor used in the bid. Make sure you use the correct units of measure, too. If you submit a bid with square feet as the measurement and you should have used the metric scale or square yards, your estimated costs will be wrong, and you could lose money on the job.

5. Import bid items.

Import bid items from Department of Transportation (DOT) websites to speed data entry and eliminate the double entry of information using software. Activities and bid items can be built on the fly, copied from a previous estimate, or pulled from a list of standardized work activities. Import external takeoff

program data and quantities into your bid to produce a cost estimate accurately.

6. Produce the bid in the format the owner wants.

If the owner wants the bid on paper, submit the bid on paper. However, more and more bids today are submitted electronically, as paper-based bids can be time-consuming and prone to error. When you use bidding software, you can compare previous quotes and prices in seconds, compared to manually sorting through masses of paperwork from previous bids. Also, some bidding software includes templates to make it easier to create a proposal.

7. Include the cost of machine usage in your bid.

If you rent equipment, you must incorporate those costs into your bid. If you already own the heavy equipment you will need for the job, you will need to add the costs of using the equipment. To calculate equipment operation costs, you should use fixed and variable costs. Fixed costs include the purchase price of the equipment plus annual depreciation. Variable costs include the maintenance costs and the cost to operate the equipment, including labor and fuel.

8. Verify subcontractor capabilities and pricing.

When including subcontractors in your bid, make sure these subcontractors can perform the work you need at a reasonable price. You can verify the subs' capabilities by contacting contractors where the subs have worked and asking about the quality of the work performed. Ensure you clearly define the scope of work you need from the subcontractors and that they fully understand the work requirements.

9. Always double-check your math and work rules.

When creating your bid, does the project owner allow for overtime? If not, then you will need to use a five-day calendar as your time frame. Or does the project owner want you working four 10-hour days? Make sure you know this and submit it accordingly.


Avoid math errors by double-checking your numbers. If you make a math error, it can throw the whole bid amount off as each piece of the project is built upon the other. Let multiple people review your math to avoid errors you might have missed.

10. Estimating labor costs can be tricky.

You can look at previous projects similar to the new project to estimate labor, but know that no two projects are exactly alike – you can't just input existing numbers. To determine your labor costs, factor in hourly wage times the number of man-hours required for each specific task. It would be best if you also considered whether the task requires specialized talent, and in that case, you may have to pay more for that talent. You also need to consider the productivity and experience of each worker, as more experienced workers may be able to complete a task twice as fast as an inexperienced one.

11. Incorporate material cost changes.

Materials can quickly change, and the prices of the same materials may differ across the country. Make sure you understand the exact specifications of the materials and ask whether you may use substitutes. There can be a considerable price difference in the types of lumber, so make sure you know what materials you will need to bid.

Achieving an accurate bid requires dedication and examination of all estimating systems and processes. Take a deep dive into all the data to verify the most accurate, detailed information required for the job. If you follow these 11 tips, you will submit the best quality bid. If you use bidding and estimating software, you can improve the bid's accuracy while saving time. 



About the Author

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