Late in the Game

Think You’re Safe Because Your Quote Is
in Five Minutes Before Bid Time?

Think Again!

By S.S. Saucerman

As a building professional, you structure your daily lives around deadlines. The construction industry abounds in steadfast dates and times that must be met—and of which are taken very seriously by those watching the clock. There are deadlines for pre-qualification, invoicing and payables, submittals and shop drawings, and, of course, for the completion of the project itself.

These time lines alone are enough to define and dominate most any workday, but as important as they are, they become irrelevant if you don’t
The Bid Process

As a subcontractor, much of your revenue-generating work—your lifeblood—likely comes from two sources: 1) direct selling to the construction end-users (homeowners, businesses, etc.), or 2) through a contractor designated as “prime” on a particular contract. This is most often the general contractor, and it’s the GC that will be the focus of this piece. GCs, of course, are those (often larger construction organizations that quote the entire building project (all work disciplines)—from permit to touch-up—directly to the project owner. The process, particularly if commercial, will almost always involve a design team—architects and engineers—who create the working drawings and specifications for the owner to aid him in bidding and building the project. The GC then submits his proposal in strict accordance with those documents.

But the GC can’t do it alone. He needs help—from you. Depending on the GC’s abilities for in-house work (that work performed directly by his own employees, such as carpentry or concrete work), he will still most often need pricing from subcontracting and building material supply firms to complete his proposals. Unless he’s negotiating with one particular sub or supplier, he most often gathers competitively bid quotes from within a trade discipline and then chooses one that best fits his needs. He then takes the outside proposals that he has selected, combines these with his own in-house take-offs, add for cost of bond, insurances, profit/overhead, general conditions and other incidentals, and eventually melds all the pieces into a complete and (what he hopes is) a competitive proposal to the owner.

But the GCs can’t just submit whenever they feel like it. The majority of time, they’re required to submit their bid proposal by a ruthlessly rigid and (most often) unalterable bid date and time. If the proposal is late, the GC runs a very real risk of being disqualified, rendering all the hard work, office time and expense, and personal angst and energy wasted. Of course wasted time is unprofitable time, so the GC is going to get his bid in on time—and this means you, the
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subcontractor, need to get your bid in on time.

More Than Meets the Eye?

But what does “on time” really mean? In our case, it most definitely doesn’t mean getting your bid in five minutes before bid time. There’s more to it. For instance, to be truly in the running, you may have to get your bid in hours—even days—before the bid deadline.

So how early before bid time should you submit your proposal? Many considerations that go into the answer, but here are some general rules. First, be aware that the GC estimator may often have a lot of work to do on the proposal itself. These days, there are alternates, unit prices, sub-contractor lists, preliminary schedules and more to include with the bid. Not including these items can subject the GC to disqualification. Now, unfortunately, in order to be competitive, the estimator must wait until only and hour or two before bid time to complete this work. Therefore, I can tell you (and I’ve been there!) that this is not when I want to see your quote come over the fax, especially if it’s incomplete or vague about scope of work.

If the GC’s quote is due at 2 p.m. on bid day, it is highly advisable to get your subcontractor or supplier proposal into the estimator’s hands well before noon. Earlier is better. How early depends on the size, complexity and importance (to the overall proposal) of your particular product and/or service. The idea is simply to give the estimator during what is always a hectic and harried bid day—adequate time to review and verify your number and, more importantly, the scope of work that you’re offering for that number. He simply wants to intelligently gain an “apples to apples” comparison between your proposal and that of your competitors. If your quote is complex in scope with several alternates and unit prices, it should be submitted that much earlier.

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Yes, an early submission may potentially open you up to having your number “leaked” onto the streets, but (and please listen to this!) it has been my observation that this practice simply doesn’t...
occur anywhere near as often as what a lot of people in the industry may believe. Maybe I’m just in an honest area—or perhaps I’m naive—but in 23 years, I just haven’t seen the evidence—occasional instances maybe, but nothing rampant. And I think there are lots of reasons why it isn’t more prevalent and, as much as we’d like to hope so, it’s not just the ethics that drive the decision to avoid this practice.

The first is that most GCs have reputations to uphold, and they take them very seriously. They don’t want to do blind competitively bid projects (of which they have little or no control and to which most any contractor may be invited) for the rest of their lives! They want to negotiate more work; maybe move more into design/build projects, where they do enjoy better control over the process. But what they’ve learned in the time they’ve been here is that negotiated projects only come along after the company has proven to the public at-large that it’s trustworthy, dependable and professional. Leaking sub/supplier numbers to the streets is no way to achieve this goal. People simply talk too much.

But secondly, and perhaps more importantly, there is the competitiveness factor. Keeping your numbers hushed is good business. We’re not idiots. We know if word gets out that we’ve been spreading numbers to your competitors, eventually it will catch up with us. Our subcontractor and supplier bids (our bidding life-blood) will dry up. The logic goes like this:

No sub/supplier bids = No competitiveness = No work = No revenue = No GC!
Remember, we may employ some of our own in-house trades, but we still need outside help—lots of it! We’re not looking to lose it. If you do think you were leaked, confront the GC in a business-like manner (in other words, don’t threaten to shoot his cat . . .), and often you’ll find that’ll never happen again. If it does happen again, discontinue the relationship.

**Other Reasons to Be On Time**

Another practice that is growing in popularity is the advent of including subcontractor lists with bid proposals. This is where the GC must write in the names of the subcontractors he used to prepare his bid, and if the project is indeed awarded to that GC, the listed sub(s) will do the work.

Though I have seen these lists become quite flexible after the fact, there’s a very real chance that if you’re not included on the list, you won’t—in any case—be doing the work. The owner can demand that the GC adhere to the list and allow no deviation.

Why wouldn’t you be on the list if your proposal was low? Because you got it in too late for the GC estimator to thoroughly analyze your scope of work, sort out your alternates and unit prices, get his questions answered (were you even available?) and compare it to the overall value (not just base price alone!) of your competitors. He just couldn’t risk it.

**Closing**

Of course being on time, regardless of when that time applies to you, is worthless if the proposal you’re presenting is incomplete and/or inaccurate. Do you always bid the project plan and specifications?

Never assume you may substitute your stock or commodity product for those called out in the bid package and, if you do substitute, make sure you let the estimator know it. This won’t necessarily lose you the sale.

More than three-quarters of the projects I quote are over budget. We’re constantly value-engineering (seeking economic alternatives) the projects we bid, and often your alternates are just what we need. You may get the nod weeks after you thought you were out of the running, simply because of your substitution.

If you really want to impress us, bid the project plan and spec (even if it means outsourcing the specified product), and then include a voluntary alternate with your product(s). Then, deliver what you promised, back up your work, stay with the schedule . . . and move onto the next one.

**About the Author**

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