

5 Best Practices to Identify the Best Bid



Table of Contents

03 Introduction

04 5 Best Practices to Identify the Best Bid

Get Your Bids to Match as Much as Possible

Diversify Your Bids

Choose the Best Bid, Not the Lowest Bid

Communicate Openly with Stakeholders

Build Trusting Relationships with Your Subcontractors

13 Conclusion



Introduction

Reliable subcontractors who can deliver work on time are vital for keeping any project on budget and on schedule. And choosing the wrong subcontractor introduces risk to your project that grows exponentially as time goes on. It's clear that picking the right subcontractor is one of the most important jobs a general contractor does, but it's also one of the most difficult. Slow, manual processes can impede your ability to find the right subcontractors, choose the best bid, and effectively communicate with your subcontractors when the project starts.

General contractors all differ in size, but many experience the same universal problems. You've probably experienced the stress of trying to find qualified subcontractors while flipping through a rolodex rife with outdated contact information. And, once you have the bids, you've likely had some long nights translating all your bids to one format so you can actually compare them side by side. And when the project actually starts? It's rework and change orders galore if your subcontractor isn't able to deliver on what they promised.

Finding the right bid every time can be really challenging, but it can be much easier by following some simple tips and tricks we've compiled from estimating experts.



“You can call up a subcontractor to get a quote, but what does that quote mean? You have to make sure everyone’s bidding apples-to-apples.”

Mike Lang
Director of Estimating and Purchasing
Shawmut

TIP #1

Get Your Bids to Match as Much as Possible

When a general contractor leaves the bidding up to subcontractors, they open themselves up to bids that come in different formats, which makes it harder to compare apples-to-apples. Often, general contractors receive bids by email or fax, in PDF or Excel format, and with different terminology to describe the same things. When that happens, it's up to them to translate these bids into a format where each bid is easily comparable, which can take hours, if not days of work for each project.

You can put an end to all this tedious work by defining the scope ahead of time and setting clear expectations for the bid's format and language. That ensures you get the necessary breakouts and line items the first time you receive a bid. If you get ahead of how the information is given to you, you can compare bids much more easily. Sending a defined list of expectations with each invite can help subcontractors create bids that match your needs. To make the process even easier, digital solutions can send standardized templates to subcontractors to ensure every bid looks the same.

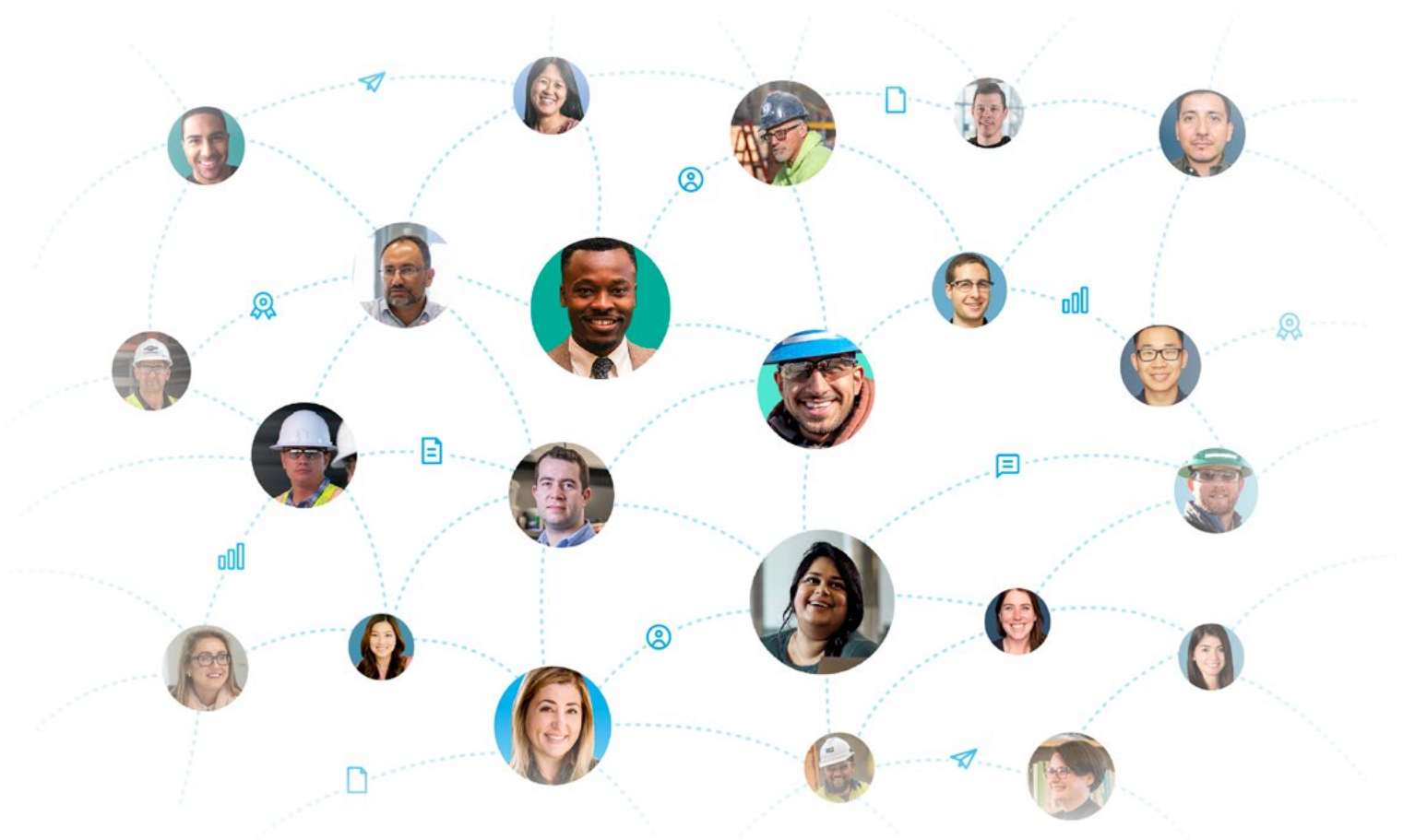


TIP #2

Diversify Your Bids

It's easy to invite the same go-to subcontractors you've worked with in the past to every project, but it's extremely beneficial to expand your scope and to invite more subcontractors to bid. More bids means you can be pickier about what bid you choose, and it increases the chance of finding a truly stellar subcontractor to work with. Plus, as more subcontractors look through your blueprints, it's more likely that someone will catch potential issues that might have gone unnoticed.

You can expand your pool of subcontractors by using a network to access qualified subcontractors you haven't worked with before. A good quality network will have tons of new names and current contact information so you can find great subs and get in touch with them easily.





When Ryan Companies first rolled out BuildingConnected, they used it solely to send bids out, but now, they leverage the platform throughout the entire preconstruction process. Ryan Companies relies heavily on BuildingConnected's Bid Leveling feature, which enables them to compare bids side-by-side with pinpoint precision.

“We used these giant, arduous spreadsheets with multiple tabs to compare bids,” said Rachel Dana, Project Manager. “It was very confusing: we had a lot of double data entry and multiple project managers working in

the same spreadsheet at once, so a lot of times their work wouldn't save.” In order to get needed information from subcontractors, the team would have to mass call and email them, leading to constant back-and-forth.

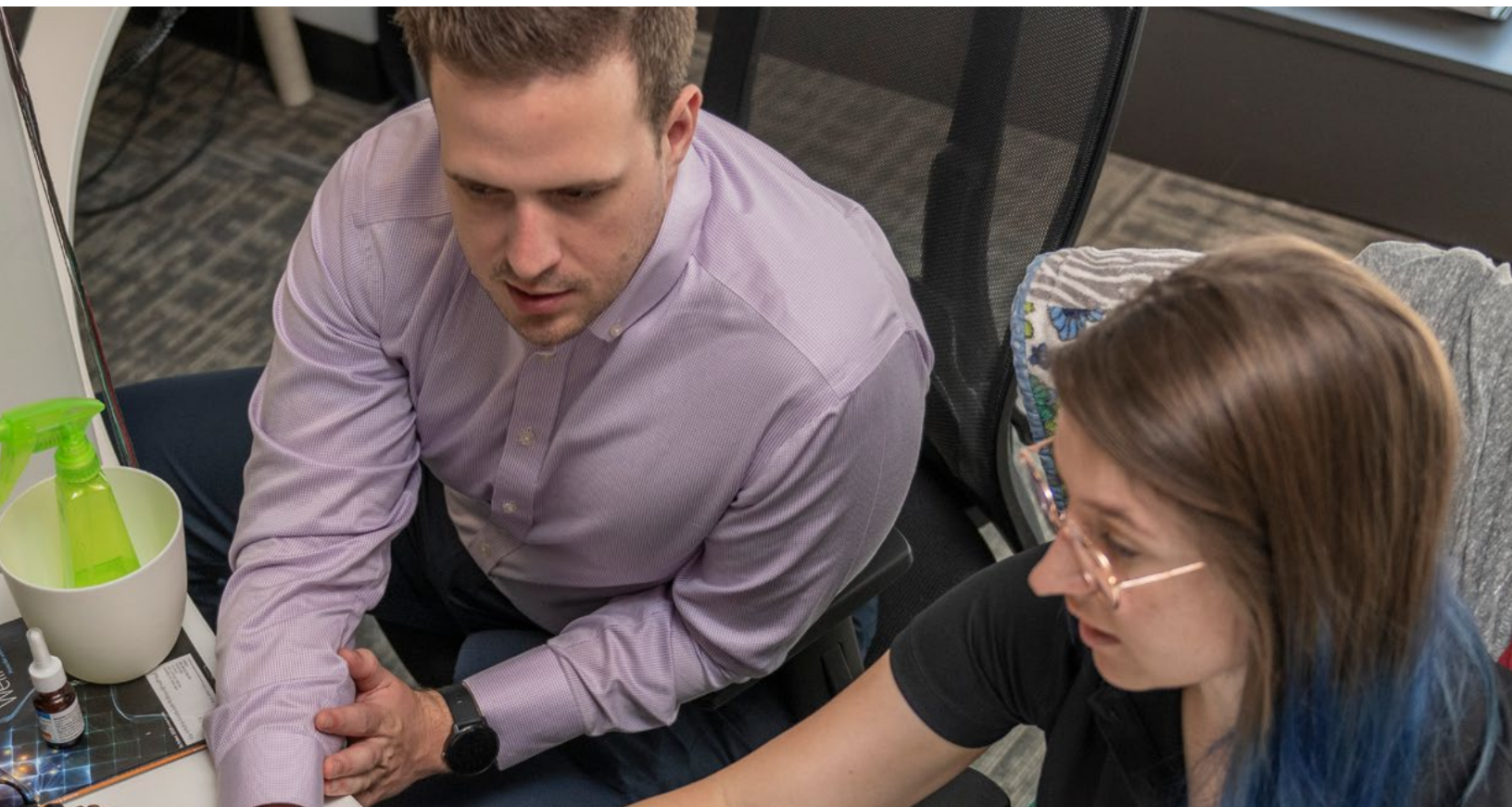
Now, subcontractors can resubmit their bids with any missing inclusions directly in BuildingConnected, ensuring the most accurate bid comparison possible. With Bid Leveling, Ryan Companies team can make the best choice and more confidently present to owners while saving the team hours of work each week.

TIP #3

Choose the Best Bid, Not the Lowest Bid

When you have bids that have different levels of scope coverage, it's easy to choose the lowest bid and think you can figure it out along the way. However, these low-cost bids might end up being very expensive if they come with many change orders as the project progresses. Suddenly, the lowest bid becomes a problem that needs to be explained to team leads and project owners—or worse, a liability that a general contractor has to pay for out of pocket.

The best bid will be the one that is the most complete in terms of scope coverage. That ensures you've captured costs up front. If it's possible, having a system in place to fully qualify subs is also incredibly helpful. Finally, check every subcontractor's exclusions along with their inclusions to make sure they're able to do every aspect of the project.





“One tool, one space to come do and find everything during the bidding phase—that’s what we really needed in the preconstruction field.”

Michael Patt
Preconstruction Manager
SC Builders

TIP #4

Communicate Openly with Stakeholders

Throughout every project, information flows from the top down. The owner communicates to the general contractor, who is then in charge of bringing relevant information to the subcontractor. When something changes on the project, it's important that the subcontractor is informed as soon as possible. When you have clearly defined lines of communication before the project starts, your team will be able to keep everyone informed once the project breaks ground.

Keeping everyone in the loop can be as easy as making sure the right people are CC'd on emails, and setting up meetings to check in with every team. It's also important to ensure everyone is looking at the same data and same set of files. Using a cloud-based system for document management can help with keeping everyone on the same page.





Plaza Construction used to spend too much time managing their bidding process and keeping bid info up to date across emails, spreadsheets, and calls.

Senior Estimator Anthony Fleshman remembers what it was like. “Before BuildingConnected, we sent everything via email. We’d send out a bid invitation with a link to an FTP site and then have to follow up to make sure the contractor actually got the email and did something with it.”

“Only a few people knew how to use the FTP site, so there was a lot of waiting if they weren’t around. And if we had to update the bid list, we’d have to either save another copy or distribute the information through

email. It just wasn’t efficient,” says Katherine DiGiorgi, Assistant Estimator.

But now that Plaza Construction uses BC Pro, these inefficiencies are a thing of the past. Information is updated instantaneously all in one place, so everyone can stay up to speed.

Fleshman says, “Now, we send out the invitation and can see at a glance the status of the bid—whether they viewed it, intend to bid or not, or are still undecided—and then take the necessary action to follow up with them. It knocks hours off the time that I spend putting together a list of bidders on any project. I can go into BuildingConnected and get all the information in a snap.”

TIP #5

Build Trusting Relationships with Your Subcontractors

Construction is a relationship-based industry, and we all know how important it is to create and maintain long-term relationships. However, it can be hard to determine which relationships are worth investing in.

Some construction tech tools are able to show you data and analytics about your subcontractor partners. You'll be able to see who has bid on your projects and who has declined your invitations. And, you'll be able to see how well each subcontractor performed in relation to what they promised in their bid. This way, you can make an informed decision on which subcontractors are reliable, responsible, and worth working with again.



Conclusion

Finding the best bid is easier than you think. Using these best practices will help you find the right bid, which will help you reduce risk, save time, and keep your project on-budget.



BuildingConnected—part of Autodesk Construction Cloud—connects over 1 million contractors through the largest real-time, crowdsourced construction network. Our preconstruction tools empower builders to save time and increase accuracy in their bidding and risk management workflows.

Our Products

BC Pro:

Find the best subcontractor for the right project

BC Pro makes it easy for general contractors and owners to find the right subcontractors, send custom bid invites with one click, identify the best bid, and centralize communication

TradeTapp:

Qualify subcontractors and manage project risk

TradeTapp streamlines the subcontractor qualification process, enabling risk teams to perform risk and safety assessments and benchmark against other subcontractors. Qualification status from TradeTapp seamlessly integrates with BC Pro to facilitate better bid selection.

Bid Board Pro:

Centralize bids and collaborate in real time

With Bid Board Pro, builders can track bid invites, projects, who's working on what, and due dates across the entire office—all in one easy-to-use tool.

Ready to explore how BuildingConnected can be used on your next project? Visit buildingconnected.com/bc-pro