

BEST PRACTICES FOR PRE- AND POST- BID COMMUNICATION

PURPOSE OF THIS DOCUMENT:

This document is the outcome of a series of roundtable discussions involving an equal number of Specialty Contractors (SC) and General Contractors (GC) during the summer of 2017. The benefits of improved communication around the bid process, beyond better relationships and knowing the statue of the award, includes: improved understanding of current market conditions, to prioritize future bids, to prioritize future labor force/company resources for this and other projects, just to name a few. The Chapter Board of Directors voted to endorse this document on 10-11-12.

OVERALL RECOMMENDATION:

The best practices listed below all center around effective communication between the GC and the SC. All agreed that the best way to communicate the initial information about the project requiring a budget, and the scope of work on the project, is through a telephone conversation, in lieu of email.

GENERAL RECOMMENDATIONS:

Timing: Hard-Bids due on Tuesday or Thursday afternoons; Negotiated project bids due on Wednesdays or Friday mornings; and no bids due on Mondays or Friday afternoons.

SC will notify GC if they are bidding within 48-hours on small project and 72-hours on larger project.

Assuming adequate information is provided and after all addendums are issued, reasonable time of 1-week for small to average size projects or 2-weeks for large projects is best time allowed to prepare bid. Late to the bidding due to a drop-out should be given an extension on time.

Bid package prepared by GC should include:

- Type of bid (hard-bid vs. negotiated)
- Is submission a binding bid or a budget?
- Define timeline for bids and process forward
- Define Scope of Work, Project Requirements, and Schedule
- Define contract and bonding requirements
- Who is involved on the project team
- For Hard-bid projects SC will send Scope Letters 24-hours ahead, and submit bid to GC 1-hour ahead of final due date
- For Negotiated Projects GC need to review and decide if design is complete enough to bid; try to involve the SC soon as possible on the project team, and be clear if SC price is binding.

If **Bid Invitation** software is used update the notifications and information on a regular basis to keep current to staffing changes.

BID CLOSEOUT:

GC notifies SC of status of award, and GC was successful what is timeframe for SC awards. This should be 1-2 weeks for hard-bid projects and based on client/contract decisions for negotiated projects.

GC awards and notifies SC on award or no award. Provide SC their ranking and percentage high versus low bid; or how selection was made, i.e. price; work history; preferred by client.

GC will resolve many frustrations and build solid relationships during this time with timely and solid communications with SC.

PROPER HANDLING OF BUDGETING FROM LIMITED DESIGN INFORMATION**GENERAL CONTRACTOR BEST PRACTICES**

1. GC should provide schedule information, specific to the trade, to the best of their ability (ex. we expect steel erection to begin in early first quarter of next year)
2. The GC should limit budget requests to 1 or 2 SC's from each trade, unless they intend to make an award based on this budget
3. GC should communicate their status on the project (ex. we are one of three GC's included in a competitive RFP process)
4. The GC should provide the SC with all pertinent documents they have that define the scope of work on the project
5. The GC should work with the SC to clarify the scope of work for the project, and to identify any unusual characteristics / features of the building that could have a material impact on pricing
6. GC should communicate the purpose / use of this budget estimate (ex. simply providing the owner with a preliminary budget for his feasibility study)
7. GC should share what the real status of the project is (ex. the owner is fully committed to the project and has the financing / funds in place)
8. GC should communicate the process they intend to use for selecting a SC for the project
9. After the budget has been completed, the GC should provide regular, timely feedback to the SC's that provided budgets on the status of the project

SPECIALTY CONTRACTOR BEST PRACTICES

1. The SC should respond to a request for budget estimate from a GC within 24-hours, confirming whether they intend to provide the budget estimate requested
2. The SC should vary the amount of time and effort spent on a budget estimate based on the probability of winning the work
3. The SC should, in some way, communicate to the GC the amount of effort that they intend to invest in the budget
4. The SC should alert the GC with an idea of the SC's ability to deliver on the project in a timely manner
5. The SC should work with the GC and ask the appropriate questions to understand the scope of work required for the project
6. To the best of their ability, the SC should use their experience / expertise gained on other projects to put together a budget that provides a complete scope of work
7. The SC should note on their budget all significant assumptions made about the project, and the basis for those assumptions.
8. The SC's budget should clearly note any items that they are excluding from their estimate
9. The SC should alert the GC to any specific project features that are pushing the budget considerably higher than similar structures, and the rough order of magnitude of these features.