
ORDER OUT OF CHAOS: MAKING THE CONSTRUCTION BIDDING PROCESS WORK FOR YOU

A CONSTRUCTCONNECT WHITE PAPER

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For contractors, bidding on construction projects is a necessary evil. It's how most contracts for work are awarded. From the largest general contractors all the way down to the one-man shop trade contractors, everyone must bid and win work to sustain and grow their business.

Managing your construction bidding workflow can be chaotic and frustrating. From finding opportunities and responding to invitations to bid to gathering projects details and documents to performing takeoffs and estimates, putting together a bid proposal requires a lot of effort and is time consuming. And you're not just bidding projects one at a time. You and your estimating team are working on multiple bids at once to maintain your bid-hit ratio.

The odds are against you from the start. Your bidding against other contractors trying to win the same project and unless your bid-hit ratio is an impossible 1:1, you're going to lose a lot more bids than you win. It makes juggling knives while navigating an obstacle course while riding a unicycle while blindfolded seem like child's play. (It's probably less stressful, too.)

UNDERSTANDING THE CONSTRUCTION BIDDING WORKFLOW

The construction bidding process is time consuming. A lot of hours of hard work goes into putting together a bid. After all that effort, there's no guarantee that all that once all that work is done, you'll walk away with the winning bid and be awarded a contract.

The first step is finding opportunities to bid on. Invitations to bid (ITBs) from general contractors (GCs), referrals from your network and established relationships, newspaper leads, local bid boards, and leads services are all means to finding projects to bid on.

These are all great resources for finding work and most contractors use a combination of these sources to find bidding opportunities.

Once an opportunity has been identified, the next step is to determine whether to actually bid the project. Again, another time-consuming process of gathering details on the project, acquiring project documents, plans and specifications. Determining whether your company can perform the work based on the size and scope of the project, resources to not only perform the work itself but that the construction schedule works within the confines of your current backlog.

After you've gathered all the intel you need, you have to run it through your bid/no-bid decision making process. This can be a simple review or a detailed process to ensure you're going after projects that meet your company's capabilities but also determine you can make a reasonable profit on should you win the bid and be awarded a contract. If bidding to a GC or client you haven't worked with in the past you want find out whether they pay on time, past performance on projects, etc.

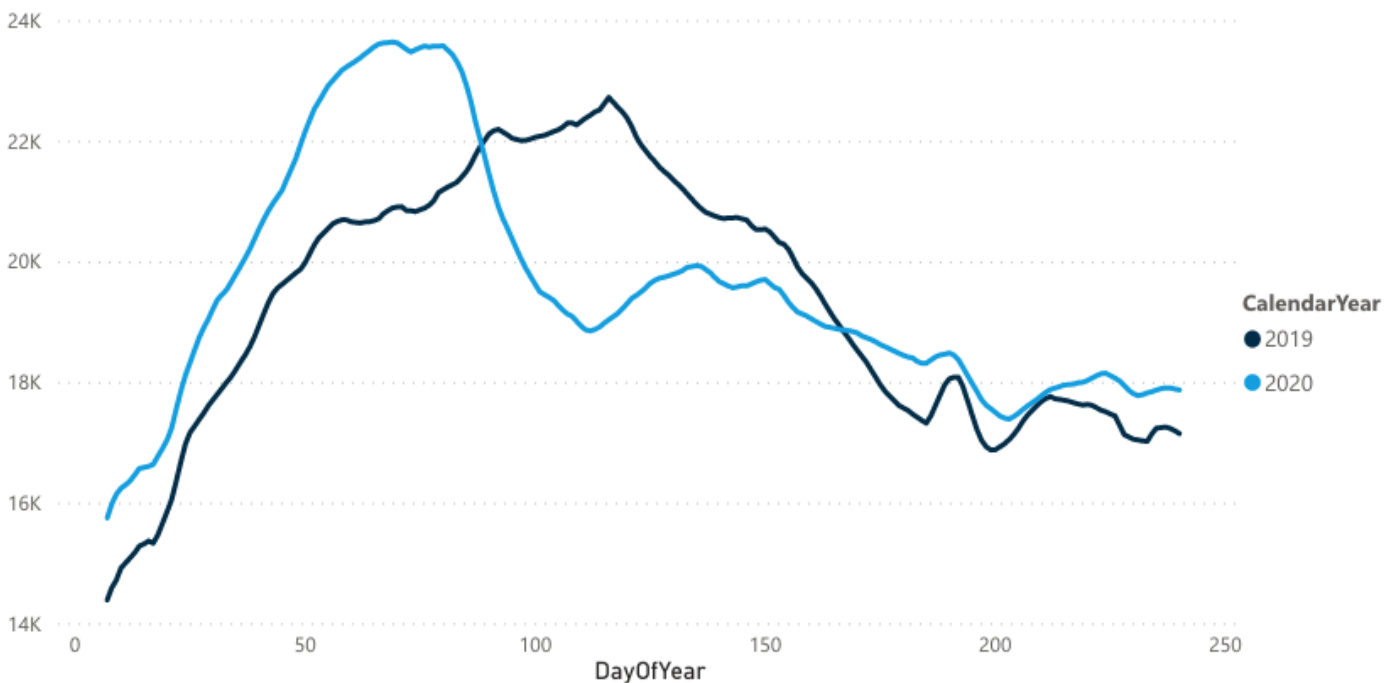
Bidding periods are typically short, two to four weeks, so decisions need to be made quickly. Remember, you're doing this for multiple leads at once to make sure you're hitting the bid-hit ratio you need to stay successful.

Now that you've decided which projects to pursue, it's time to put your bid together. Reading through the plans and specs to understand scope of work and materials. Accurate takeoffs and materials costs and labor costs to produce estimates to that are correct. Then you have to add in contingency cushion, markups for overhead and profit. Carefully review your numbers and get approval and then submit your bid. Sit back and wait to see if you won.

FINDING THE RIGHT OPPORTUNITIES

You can't bid the projects you don't know about. The construction industry is notoriously cyclical. When the economy is good and construction activity is high, trade contractors can be overwhelmed by demand for their services. Firms get inundated with invitations to bid from general contractors and the overabundance of bidding opportunities make it difficult to sort through the clutter to find the right projects to go after.

ROLLING WK AVERAGE OF DAILY BIDDING PROJECTS



During lean times when construction activities slow down, it can be hard finding projects to bid on and the competition is fierce with more contractors competing to win the same project, raising the odds of any project you pursue. Firms are constantly working their network and reaching out to general contractors to find work.

Either way, boom or bust, finding the right opportunities that align with your company's capabilities and long-term strategy is time consuming.

With ConstructConnect Project Intelligence, trade contractors get promoted to the largest network of general contractors in the industry actively looking for subcontractors.

tors to bid on projects. This gets you access to more invitations to bid and the ability to building lasting relationships with general contractors you want to work with.

ConstructConnect also provides an extensive database of project leads from early design to currently bidding and sub-bidding opportunities. Contractors can select and set preferences for leads based on trades, location, favorite companies, building use, project status, project sector, and project value. Based on those preferences, ConstructConnect predicts which opportunities are the best fit for your company and provides personalized recommendations that are scored based on how many of those criteria match up with each project.

SELECTING PROJECTS TO BID

Once you've identified some opportunities that are a good fit for your company, it's time to walk them through your bid/no-bid decision making process.

Common questions to ask:

- Does your company have the experience and expertise to handle the size and scope of the project?
- Can you complete the work on the project's scheduled timetable?
- Do you have the resources, equipment, and labor available to perform the job?
- Is your bonding capacity adequate to cover all construction bonds required?
- Can you make a profit if you win the project?

If you're going to expend the valuable time and resources of your estimating team to bid a project, you need to make sure that not only is the project a good fit for your company, but that you can also perform the work and realistically make a profit once the job is complete.

Project Intelligence's database of project leads is backed by a team of professionals working to hunt down new leads, acquiring projects documents, plans, specifications, and addenda, and reaching out to contacts to make sure every project has the most up-to-date information possible.

Add projects to your Watch List and receive notifications and alerts anytime new information like a bid date change or a new addendum or revised plan sheets are added. ConstructConnect gives you all the information you need to make that bid/no-bid decision and keeps you in the loop whenever projects are updated, or new information is available.

TAKE CONTROL OF YOUR BID PIPELINE

As mentioned previously, you have opportunities coming in from all places. GCs are constantly emailing out ITBs in addition to the project leads you're finding on your own. Organizing, prioritizing, and managing your opportunities is vital to bidding and winning the right projects.

Most contractors use some type of bid board to visualize and keep track of their opportunities, what they're planning to bid, as well as what they've bid and won. Often, this is done with a whiteboard, Excel spreadsheet, or something similar. While both do a good job of visualizing your bid pipeline at a specific moment in time, they quickly become outdated as new information comes in.

Bid dates change and addendums come in with new project details and documents all the time, rendering your bid board obsolete and needing to be updated. Plus, your whiteboard or spreadsheet only provides an overview of your opportunities. You still have to pull up the documents and takeoff files when you need more information.

Ideally, you need a way for all your entire estimating team to access all your opportunities, documents, and takeoffs in one place wherever they are.

With ConstructConnect Bid Center, you can organize and manage all your project leads and ITBs in a central hub and keep your entire team up to date on all the opportunities your bidding or planning to bid.

Find projects in Project Intelligence and move them straight to Bid Center with all the project details, plan, specs, and other documents which get updated automatically when new information comes in.

You can also forward any ITB you've received via email and have it automatically added

to your Bid Center or add a project yourself and upload documents to have them automatically named and organized.

With ConstructConnect's Bid Center your entire team can see what you have in your pipeline. Assign estimators, see the status of each opportunity from Under Review, to Bidding, to Won, and see which projects have been sent to Takeoff.

GET THE RIGHT INFORMATION TO THE RIGHT PERSON

Your bidding workflow doesn't exist in a vacuum. Putting together a winning bid requires detailed coordination and collaboration across your team, both internally and externally. Making sure decision makers, bid coordinators, your sales team, subcontractors, and suppliers have all the information they need to help you successfully bid a project is key.

With ConstructConnect Project Intelligence you can easily share project information with your entire team, keeping everyone on the same page. Add notes to projects for yourself and others within your organization. Send reminders and create tasks for you and your team to review projects, attend pre-bid meetings, prepare takeoffs, and more.

Share project details with suppliers to get accurate pricing for building material costs. ConstructConnect lets you get the right information to the right person, every time.

PREPARING YOUR BID

So, you've finally found the right project, done your due diligence reviewing details and documents to make sure it's worth your time and effort to bid, and shared it with your team. Time to get down to brass tacks and put together your bid proposal. This means performing takeoffs and calculating estimates to determine what the project will cost you to do the work including materials, manpower, and equipment.

Performing manual takeoffs is archaic, inefficient, and prone to mistakes. Digital takeoff solutions are a vast improvement over doing them by hand but uploading plans and bid sheets takes time and many digital takeoff software available requires a sharp learning curve to master all the ins and outs of the available tools.

With ConstructConnect you can seamlessly transition from reviewing project details to performing digital takeoffs. Use the plans available or quickly upload your own set to start a new bid. Create conditions and quickly perform takeoffs and calculate estimates for materials, labor, equipment, subs, and more.

Collaborate on takeoffs and maintain control by assigning roles and setting permissions for each team member. Save time estimating by taking of multiple conditions at once with our Multi-Condition Takeoff feature. Simplify the takeoff process by creating a library of commonly used conditions to use on future bids.

STAY CONNECTED

You don't spend every minute of your day chained to your desk. Your visiting jobsites, meeting with clients, coordinating with suppliers, attending pre-bid meetings. When you're always on the go, it's hard to keep track of your bids and stay on top of things.

With ConstructConnect's mobile app you never have to worry about missing an important update again. ConstructConnect gives you instant access from anywhere to keep you in control of all your preconstruction projects. Review and manage ITBs, search for new project leads, and get notified when projects and companies you follow get updated.

Projects within Project Intelligence and Bid Center can be pushed straight to Takeoff

with a single click. Because project data and takeoff are integrated, projects will automatically update when addenda are released.

With ConstructConnect you have a central hub to find new project leads through Project Intelligence, manage your pipeline with Bid Center, and create accurate estimates with Takeoff to win more bids.

From the jobsite to the office, and everywhere in between, ConstructConnect provides the tools necessary to stay organized and manage all your bidding opportunities.

Ready to get the tools that work as hard as you do? Contact us today at 877-422-8655 or sales@constructconnect.com to start your free demo today.