Submitting Your Scope / Estimating for Public Works

12/14/15

Basic Bid Concepts

- Contractual Requirements and the General Conditions or Specials Provisions
  - Bonding
  - Insurance
    - As a Prime vs. as a Subcontractor
  - The Pre-Bid Conference / Job Walk
  - Union / Non Union Issues during the Bid process
  - General Contractor Outreach to Subcontractors
  - Subcontractor outreach to General Contractors

Estimate the Project

◦ Unit Pricing – Definition of the Pay Quantities

◦ Determine Overhead Cost

◦ Determine Labor and Equipment Cost

◦ Unit Price Spreadsheet

◦ Distribution & Cost of General Conditions

  ◦ Bonds and Insurance cost

    ◦ Understand how the Prime is handling the cost of the Bond

    ◦ **Who Pays?**

  ◦ Make sure you understand the schedule for the project

◦ Quantity Take-offs

Scope Letter

◦ Too often small subcontractors – DBE in particular, get very frustrated with the bidding process; especially on public works contracts.

  ◦ Ignored
  ◦ Given second-class status
  ◦ Maybe shopped around

◦ Assembling a complete bid package

  ◦ Major projects are very complicated and involved
  ◦ Tell the Prime "What you are going to do"
  ◦ Send out a pre-bid "Scope Letter"
    ◦ Basically this notifies any Prime that you intend to quote on your specialty for the project
      ◦ This is the professional way to quote as a Subcontractor on any type of contract
      ◦ The notification should identify you and your company completely, including DBE / DVBE/ SBE certification status
      ◦ Be brief – yet CLEAR….
      ◦ Scope letters should be sent to the Primes at least 2or 3 days prior to the actual bid date.

What Then…

◦ Can any Subcontractor do to enhance their chances of getting full and fair consideration for their quotation?

◦ Following these rules..

  ◦ Prepare your own estimate early

    ◦ Do your pre-walks and jobsite analysis

    ◦ Quantity take-offs

      ◦ All these items need to be done at least a week before the project actually bids

  ◦ E-mail or fax your "Scope Letter" to the Prime's Estimator at least a Day before the Project is intended to bid..

    ◦ Communicate with the Prime's Estimator and determine when your final price will be turn-in to their company.

Bidding Format

◦ Know the Prime's Bidding Format
  ◦ Make yourself familiar with the Primes specific bidding documents
  ◦ Know how the Prime has to bid the project.
    ◦ Linear Foot or Lump Sums

◦ **Nothing is more frustrating to a Estimator, than to receive a sub-quote on Bid Day that just might be the low price, but the pricing format and/or scope is unclear. This now will require a time-consuming phone call to the Sub in question to try and find out exactly what their price really means and what it covers.**

The 95% Rule

○ Typically, all Primes receive their quotes either by Fax or E-Mail

- ○ If these quotes arrive one hour before bid time
- ○ 95% of these quotes get "Skimmed over by the Prime's Estimator"
  - ○ Why you ask?
    - ○ Inexperienced Sub..
    - ○ Indifferences..
    - ○ Since the clock is ticking down the Prime's Estimator is getting impatience

○ Thus

- ○ E-mail or Fax your <u>final pricing</u> to the Primes on bid day the earlier the better for Primes; however if you decide to hold your price till the last minute you risk being in the 95% zone

Thing's not to do…

◦ Call the Prime's Estimator on bid day with complicated or lengthy question about the project
  ◦ The Prime's Estimators will be too busy to answer your questions about details that should have been discussed prior..
  ◦ Waiting till the last minute to call / fax / e-mail your final pricing into the Primes..
  ◦ Always know your bond rate as Primes will need this information for bonding purposes..
  ◦ Be available to be contracted on BID DAY..
    ◦ Make sure the Primes have your contact information

Remember…

Following these steps will not guarantee that you get the job. However, they will enhance your credibility, and increase the odd of success in bidding as a subcontractor….

Questions?