

Finding a Quality Contractor at a Fair Price

When performing a capital project, one of the primary factors is the actual cost. Often estimates have already been determined and budgets set, but the final actual cost needs to be determined. The Bidding/Negotiating Phase is primarily when this cost is determined. Bids are solicited from contractors by advertisement, invitation, or negotiation whereby each contractor provides a price to perform the project work.



The Process

In order to obtain bids, StructureTec distributes the bidding documents. These bidding documents

are usually prepared during the Construction Document Phase and include the bid solicitation, instructions to bidders, bid forms, supplements, contract forms, conditions of the contract, specifications, and drawings.

StructureTec always reviews these Construction Documents at a pre-bid meeting. Attendance is usually mandatory at this meeting for all potential bidders. During this meeting, all the basic project information is explained and any questions regarding the information are answered. The date and time for receipt of bids are outlined, as well as being written in the bidding documents. Each bidder knows exactly what has to be accomplished and can organize to meet the deadline. This process establishes fair, equitable, and competitive procedures for obtaining bids.

Bids are usually formatted to reflect a stipulated sum or base bid. In some instances, alternatives, allowances, and unit prices are also acquired. This procedure provides the owner with a guaranteed price to perform the work. However, if more work is deemed necessary or advisable, the framework for additional work has already been established, as-

Having a pre-bid meeting will help ensure that all bidders understand the full scope of the project and can conform to all requirements.

Bidding Documents

- Bid Solicitation
- Instructions to Bidders
- Bid Forms
- Supplements
- Contract Forms
- Conditions of the Contract
- Specifications
- Drawings
- Addenda

■ **The deliverable produced by this phase is a confirmation of the price to perform the work specified in the Construction Documents, ensuring a quality contractor at a competitive price.** ■

sureing the owner that the contractor will provide the additional work at a fair price.

During the time between the pre-bid meeting and the bid receipt date, addenda are issued, if necessary, by StructureTec in order to interpret, clarify, modify, add to, or delete information contained in the bidding documents.

Bids are prepared confidentially and then are generally submitted in a sealed envelope. The bid states the price and usually the length of time required to complete the work. The bid might also include any other requested information such as qualification data, references, warranties, guarantees, or financial statements.

Bids are then opened and tabulated. Unless there is a compelling reason to do otherwise, the owner will usually elect to enter into an agreement to have the work done by the responsible bidder providing the lowest price whose bid is in conformance with the bidding documents.

Bidding versus Negotiating

The process described above is used primarily for competitive bidding. There are a few differences if the contract is going to be negotiated with just one bidder. The first main difference is that, although the bid is still prepared confidentially, StructureTec will also perform research into suppliers and any subcontractors to ensure that the work will be done for a fair and equitable price. The owner, StructureTec, and the contractor will usually negotiate the contract and determine if the contractor has provided the best price. The owner retains the right to refuse the contractor's price and perform competitive bidding procedures.

BENEFITS

Provides a fair, competitive price for performing the work

Unbiased approach – no affiliation with any manufacturers or contractors

Maximizes the budget dollars through competition or negotiation

Provides set unit pricing for additional work outside scope

Requires that contractors are pre-qualified and meet certain quality standards

Public versus Private

In the private sector, companies have the right to invite the contractors they choose to submit a bid. Contractor qualifications are generally known beforehand and therefore are not as crucial to include with the bid.

Public sector jobs, however, are performed differently. Rather than an invitation to bid, an advertisement for bids is required, generally in the Dodge Room, Builders Exchange, and the local paper, for a

set period of time prior to the pre-bid meeting in order that all qualified contractors are notified of the bid. In public sector projects, it is essential to include very specific, detailed bidder qualifications within the bidding documents. This process can help ensure that the work will be performed by a capable, qualified contractor.

The Outcome

The Bidding/Negotiating Phase is an essential part of the project process. It allows the owner to determine the actual cost for performing the work, establishes the relationship with the contractor, and ensures that the cost is fair and equitable for all parties. ■

StructureTec		
Description of Work	Manufacturer	Installer
A. Identify all subcontractors and other persons and organizations proposed for those portions of the Work listed below.		
1. Demolition		
2. Decking		
3. Insulation		
a) Board Stock		
4. Membrane		
5. Flashings		
6. Warranty Provision		
B. Lump Sum Pricing		
Item 1: Complete removal of the existing sprayed-in-place polyurethane foam coating on Area B followed by installation of new adhered EPDM single-ply system and associated sheet metal flashings as specified. Lump sum price shall include cost for warranty audit program.		\$ _____
Item 2: Complete removal of existing built-up roofing on Area C followed by installation of new adhered EPDM single-ply roof system, associated sheet metal flashings and metal siding, as specified.		\$ _____
Item 3: Add for performing demolition operations during night hours (9:00 pm to 8:00 am)		\$ _____
NOTE: Cost of Performance and Payment Bond must be included in the above lump sum pricing.		
C. Deduct if all specified base bid work is awarded as a single project.		\$ _____
D. Optional Pricing		
Item 4: Provide cost for manufacturer's 20 year roof system warranty, as follows:	Area B	\$ _____
	Area C	\$ _____

Sample Bid Form

Total Building Envelope Management SolutionSM

www.structuretec.com

(800) 745-7832