



amy green design

Bidding Contractors Like a Pro

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01 How the Bid Process Helps You During Construction

The bid process is your first step in developing a relationship with your final selected contractors who will be working with you on your construction project for the next several months. Setting clear bidder scope and qualifications to help find the right contractor for your project can be a daunting process, which is why we've created this publication to help guide clients of any green design through the bidding and negotiation process. Setting clear expectations during the bidding process will help the construction process go smoother as well as avoid delays from miscommunication or lack of communication.

02 How To Find Contractors To Bid

Unless you have a good existing relationship with a general contractor or received a recommendation for a contractor from a friend for a good contractor, it's often best to let your Architect recommend contractors to bid on the project for you.

Your Architect can ensure the contractor has good reviews from previous clients, is licensed & insured, is properly registered with the Department of Buildings, and has experience successfully completing projects of your type, size, and level of quality.

03 How Many Contractors To Request Bids From

Requesting bids from three different contractors is the standard best practice of any green design as inevitably one contractor will come in low, another medium, and another high in their pricing in comparison to one another --- so having this range can help you identify the low, middle, and high construction costs based on which bidder you decide to enlist as the general contractor for your project.

04 Best Practices For Requesting Bids

Bid drawings should be issued to bidders along with instructions to bidders that include a request for the contractor's qualifications as it relates to your unique project needs. We will cover these topics in greater detail on the following pages.



05 “General Contractors” Versus “Contractors”

General Contractors are often referred to as “main contractor” or “prime contractor”. General Contractors differ from other contractors by the fact they are responsible for the day-to-day oversight, management, deliveries, communication, schedule, success, and coordination of all vendors and trades for the project.

A “contractor” by comparison, is simply anyone who is performing work on the project; a painter, plumber, electrician, or the laborer who removes the trash from your construction site each day are all “contractors”.

When you hire a General Contractor (GC), the GC will manage all those contractors for you, called sub-contractors, as they are contractors the GC contracted to work for them.

06 Benefits of Having a General Contractor

In most cases you always want to have a GC on your project rather than separate contracts with several different contractors because if there is no GC then who is to manage or coordinate all those contractors and their contracts?

Some owners consider acting as their GC without realizing the time, coordination, and responsibility they are truly taking on. With no GC managing the construction site, who is coordinating delivery of materials to the site? Who is ordering the materials? Where are they being stored until installed? Who is scheduling when contractors come to the site?

Knowing when to schedule each contractor to show up and perform their work is a skill that GC's have often spent decades perfecting. For example, what would happen if the electrician showed up on site but the carpenter had already closed up the walls so the electrician could not readily install his conduits in the walls? Or if the painter shows up with his crew to paint, but the carpenter has not completed the drywall so the painter cannot start painting that day?

If you have a GC, your GC takes on the responsibility of scheduling work at the appropriate times for you, and should they make a mistake, they cover the costs of their mistake as the GC; however if the Owner is acting as the GC then the Owner will be responsible for paying contractors to arrive on site when scheduled, even if they are not able to start work; and may be required to pay contractors for each day they are not able to complete their work because the work of another of contractor is prohibiting proper completion.

You can see how taking on the roles and responsibilities of a GC can get quite time intensive and result in a lot of additional costs and delays in schedule if poorly managed --- which is why it's typically best to contract a GC to manage the whole construction process for you.

07 Understanding Trades

Someone who has a “trade” means they are specialized in a certain area of construction. For example, it’s the carpenter trade who installs the new gyp walls in your project. It’s the electrical trade that installs the new outlets in the walls and the plumbing trade that installs the new water lines in the wall.

Coordinating all these trades on the project, when they each start and end their work, and whether they have to make numerous visits out to the site to complete their work effects the costs and time line of your project --- which is why we recommend having a GC manage the scheduling of all trades for you, who will take responsibility for delays or inefficient management of trades and key construction milestones for the project.

08 Instructions to Bidders

If you simply give verbal instructions to bidders then there is no record or consistent direction of what was told to each bidder. What if you forgot to mention a certain scope to a certain contractor? What if they misheard you?

Having written instructions to bidders that accompany the bid drawings ensures that all bidders receive the same information and are bidding on the same scope of work. Amy green design typically prepares and distributes the bid instructions to each bidder for our clients, based on the unique conditions of the client’s project. The instructions should include requesting the contractor’s proof of qualifications to take on your construction project.

09 Licensed, Bonded and Insured

You need a contractor who is licensed, bonded and insured --- but those are minimum requirements. You wouldn’t go to a Doctor to perform surgery if they didn’t have a license in good standing and weren’t a legitimate verified Doctor; likewise you don’t want a contractor to work on your building project who is not licensed, bonded & insured.

Be sure to request copies of their insurance policies when you request their bids. You will want to review numerous insurance policies for their company. General liability insurance, workers comp insurance, and automobile insurance are just the basics to review when evaluating bids. You wouldn’t want to hire a contractor who doesn’t have worker’s comp or auto insurance because if a worker of the contractor gets injured on your site or ends up in a car accident on the way to your site; then in the absence of a GC being covered by insurance, it’s possible you, as the legal owner of the site, could be held responsible and sued for damages.

10 Registered With NYC DOB

For complex building departments such as NYC, contractors are required to register with the department of buildings and keep their contractor’s license on file and regularly update it with DOB. When you request a contractor’s qualifications, be sure to verify they are registered with the local building department and that their contractor’s license is current.


11 References & Reviews

In the bid instructions, request at least two letters of recommendations, referrals, or testimonials from previous clients. Contractors who have worked hard to make clients happy in the past are likely to do the same for you. If a contractor refuses to provide this information it should raise some red flags about unhappy clients on past projects.

12 Bid Walk-Through

Unless your lot is vacant, you’ll want to arrange a walk-through with each bidder so they can familiarize themselves with the existing conditions in order to provide you with the most accurate bid based on existing conditions. This also gives you and the Architect a chance to meet the contractors in person and ensure personalities jive --- as you’ll be communicating a lot with the contractor over the course of your construction and they may be in your space with you for months at a time if you plan to occupy the space during construction.

It’s recommended to walk each bidder through individually. This will allow you a chance to speak candidly with each one and get a better sense of the personality and style of each contractor. It also prohibits bidders from knowing who the other bidders are and meeting separately on their own which can start an unfortunate bidding war of them working collectively to drive up the prices of the bids they prep for you.



amy green design can assist you with finding competent contractors and receiving accurate and reliable bids from them. Contact us at amy@amygreendesign.com 503.438.5411

13 Phasing, Storage & Temporary Housing

A contractor may need you to put items in storage in order to more effectively allow them to complete work in the area, create a staging area to store materials and equipment, or to protect your valuables during demolition.

It's important to speak with the contractors during the bidding process to be aware of how they plan to phase construction, if they anticipate you occupying the space during construction, or if you will need to budget for you and/or part of your possessions to be put in storage or an alternate location during some or all of the construction process.

14 Estimated Construction Schedule

During the bidding process it's important to discuss the estimated construction schedule with contractors --- especially if there are key dates you want the construction completed by or certain dates or times you need them to schedule their work around. If contractors are unaware of these needs up-front, it may complicate construction down the road or add costs to your project from the contractor that were not originally discussed.

15 Liquidated Damages

"Liquidated Damages" is a unique clause that isn't often used in construction; however if there are key dates your space must be ready by, such as for a grand opening, then you may want to include a clause for liquidated damages in your instructions to bidders.

Liquidated damages clauses set a key date that construction must be substantially complete by, and if construction is not completed by that date then the contractor owes you a fee for each day they are late delivering the project.

These are seldom used because most courts demand that if contractors will be penalized for delivering late then they must also be compensated for each day they deliver the project early.

It's also seldom used due to the fact contractors will pad their bid for this clause as there may be many unknowns about them being able to deliver the project by a certain date and so they will include additional funds in their bid to cover the costs of anticipating delivering late due to unforeseen conditions that may occur during construction.

16 Project management by GC During Construction

It is a General Contractor's responsibility to project manage the construction process during construction. This includes everything from managing the schedule to timing deliveries so materials are on site at the correct times, to coordinating work of the various trades on the project.

For more complex projects or projects where you or your Architect are not on site regularly, you may want to consider requesting additional project management services from your General Contractor, which should be clearly identified in your bid drawings and/or bid instructions. Some of the additional project management services amy green design recommends include:

- Requesting a superintendant will be present at all times during construction
- Requesting a weekly construction report or weekly meeting with the contractor
- Weekly update of photos from the contractor of the site during construction



17 When To Ask for a Bid

Bidding should start once you have preliminary drawings with a clear scope that bidders can use to start to create an accurate bid from, which can be based on more than just a conversation, quote request, phone call, email or walk through.

As brought up in section 08 on "Instructions to Bidders," if you simply give verbal instructions to bidders then there is no record or consistent direction of what was told to each bidder. What if you forgot to mention certain scope to a certain contractor? What if they misheard you?

Having clear drawings and scope ensures that bidders receive clear direction on the desired construction for the project. Without clear drawings, dimensions, and type-written instructions --- bidders can not very accurately bid on a project.

18 Bidding is like Boxing - There Are Multiple Rounds

Amy green design recommends two rounds of bids; a preliminary bid round for you to get a rough idea of your construction costs early on in the project, as well as a second/final bidding round where bidders are provided with finalized drawings for all disciplines so they can provide much more accurate bids than they were able to provide during the preliminary bid round.

In the preliminary bid phase there are still a lot of unknowns, so the bids will be less accurate and could carry a contingency as large as 20% to compensate for those unknowns. Bidders are able to adjust their preliminary bids when they receive the final bid drawings which is when they are able to provide final accurate bids based on all the drawings and information finalized for construction.

In the final bidding phase you'll select your favorite bidder and award them the contract for construction which will reflect their final bid estimate.

19 Bid Forms & CSI Divisions - Comparing Apples to Apples

Unless you demand bids from contractors be submitted to you in a certain format; they will provide bids to you in any format they deem appropriate.

One bidder might give you just one big number for the entire construction process while another might give you a bid based on time plus materials while yet another bidder might give you a bid itemized by category of construction division.

Requesting that bidders provide their bids to you in a certain format allows you to compare apples to apples across all aspects of bidders estimates. Amy green design recommends requesting all bids be submitted by CSI division; and for more complex projects we will even create an excel form with all the CSI divisions predetermined, so each bidder is returning their bids in the same excel template which makes comparing apples to apples incredibly simple line by line across all bids received from all contractors.



20 Contractor Coordination for Shop Drawings & Submittals

Shop drawings are detailed drawings created by vendors and fabricators of materials for the project which show how they plan for their product and scope of work to be installed on site per the design intent of the architectural and engineering drawings.

Submittals are cut sheets, orders, and samples prepared by fabricators and vendors showing what and how they plan to install their product on site. It could include where seams in the material will be, where the fire alarms will be installed on the project along with cut sheets of exactly what fire alarm device will be installed in each location, or it could be as simple as a sample of the tile to be installed so it can be reviewed and confirmed that it is indeed the tile you want installed on the project.

Having clear direction to the bidders in the drawings or in the instructions to bidders ensures contractors are including time to gather, prep, review, and coordinate necessary shop drawings, samples, and submittals in their bids. Your Architect can help you determine what shop drawings, submittals, and samples are needed for your project along with any special items you want the contractor to prep for your review prior to installation, such as full-scale on-site mock-ups.

21 General Conditions of the Contract

General Conditions of the Contract for Construction are equipment and provisions for items that will not be part of the built construction once the project is completed but are needed in order to complete the project. Examples of these General Conditions include daily clean up of the construction site, toilet facilities for construction workers, temporary construction office, temporary construction barricades, dumpsters, temporary lighting, contractor profit, overhead, and more.

Setting clear expectations on these General Conditions as well as clearly understanding what each contractor intends to provide in their General Conditions makes it easier to negotiate the General Conditions with contractors.

amy green design can help you from the beginning to end of your construction project. contact us today to discuss how we can assist you on your building project
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22 Determining Who Pays for Permits & Fees

Permits and Fees are typically paid for by the Owner, but can also be paid for by the contractor, Expeditor, or other project team members. Understanding who is expected to pay for these fees and manage their coordination with the Department of Buildings ensures you're not paying more than one party to coordinate them for you while also understanding how much that entity intends to charge you for pulling permits or managing the payment of permit fees. These expectations should be clearly identified in the Instructions to Bidders.

23 Owner-Supplied Items & Markups

Owners can elect to purchase/supply certain materials, finishes, fixtures, and appliances for construction --- the install, delivery, and scheduling of which will need to be coordinated by the contractor and Owner.

Examples of Owner-supplied items often include furniture, appliances, items Owner already owns, items Owner wants to acquire without contractor markups, or long-lead items that might need to be ordered before a contractor is even selected in order to meet the Owner's desired date of completed construction.

All Owner-supplied items should be clearly identified in the bid drawings to ensure contractors are not including ordering, delivering, nor purchasing those items in their bids --- or you could end up paying for them twice. Your Architect can help you determine which items (if any) would be best to be Owner-supplied.

24 Understanding Exclusions

Clearly understanding what contractors are excluding from their bids is as important as understanding what they are including in their bids. Bidders typically provide this information near the end of their bids.

If you need certain scope included in a bid, but your contractor lists it as an exclusion, your Architect can help negotiate including it in the bid or gather estimates for another vendor to complete work that is excluded from the bidder's estimate.

25 Utilizing Bid Alternates - Wish List Items

One guide "How Long Will My Building Project Take" discusses clarifying what you really want in your basic scope of work/budget in order to be happy with the project at the end of the day, versus wish list items, which are items you would like to have in your project if they fit within your budget but are not critical to be included in the basic scope of work and budget.

The best way to break out these wish list items with bidders is through bid alternates. Bid alternates are deductions or additions to the basic construction fee. These could be upgrades for finishes, such as how much it would cost to have solid stone flooring versus porcelain, or can be larger scope such as extending your home 20' in the remodel rather than just 10'.

Having bid alternates acts like an a la cart menu that allows you to include items from your wish list into your basic scope of their work if they fit within your budget — and you'll know whether they will fit into your budget because each bid alternate will be given an addition or deduction price to your basic scope of work.

It's important the bid alternates are clearly identified to bidders so they can accurately bid on them. Typically your Architect will include a list and description of these bid alternates in your instructions to bidders and they may be noted across the bid drawings as well.

amy green design can help you navigate the complex construction, permitting, code and design process of building. contact us today to discuss how we can assist you on your building project. amy@amygreendesign.com 503.438.5411



26 Contingency

“Contingency” is a term for unexpected construction costs. These could be due to unforeseen conditions on site once the contractor starts work, or if a specified material becomes discontinued and an alternate must then be selected at a higher price, or for other unexpected construction costs.

If you are bidding very early in a project, your contingency may be as high as 15-20%. If you are bidding final drawings for the project, your contingency should be in the 5-10% range.

Many contractors will list their anticipated contingency percentage and fee in their bid. The contingency is really a buffer, giving you an idea of how much the total construction cost may be after a few unanticipated changes are made during construction.

If no unforeseen changes or conditions occur on site you may end up not paying any of the originally estimated contingency. It's simply an estimated number providing you with a buffer for what your total construction costs may be given the fact unexpected things often occur during construction that may add to the total construction costs of your project.

27 Value Engineering

Value Engineering is an exercise that may occur if all the bids you receive are above your desired construction budget. If that happens --- then your Architect will walk you through how you could revise the size, quality, materials, timeline, or scope of your project in order for it to meet your budget. You would then rebid those revisions in order to receive a lower bid based on the revisions to the project in an effort to meet your budget.

28 Bid Addendums

Bid Addendums are clarifications, changes, or additions to the bid instructions and drawings originally released to bidders. These could surface from questions a contractor brings up during the bid process, changes you decide to make to the project, or clarifying items that were unclear to bidders. It's important all bidders receive the Addendums so they all continue to have the same information on your project and can properly bid on the same scope — especially if that scope has changed. Your Architect will typically field all questions and changes during the bid process and issue Addendums to all bidders on your behalf.

29 Why The Lowest Bid Is Not Always The Best Bid

A contractor with the lowest bid may have misunderstood some of the scope, is looking to cut corners on your project, may have made a mistake in their bid, or will not service you as well as higher bidders --- however it's possible they are simply hungry for new work or adding your project to their portfolio and so might be willing to complete it for less than normal.

If you are considering contracting with the lowest bidder, then it's critical to ensure the lowest bidder falls into the final category and not the first four of why their bid is so low. A low bidder might try to recap extra costs later in the project by continually hitting you up with change orders, which are requests for additional construction fees based on information they may claim was unclear, unforeseen, or incorrectly estimated by them originally. All those change orders add up, and eventually your lowest bidder could end up being just as expensive as the other bidders.

Your Architect will typically help you level the bids across contractors — meaning they will help identify possible errors or exclusions in contractors bids and try to resolve bids when the pricing varies widely.

30 Payment Terms and Deposits

When selecting your final bidder, it's important to review their payment and deposit terms as that may affect what bidder you want to proceed with, depending on your available finances at the time. Contractors typically ask for a deposit up-front, which could range from 5-50% of the total construction costs depending on the scope and complexity of the project as well as the contractor's standard billing practices. Throughout the project some contractors may bill monthly while others will bill at key milestones for the project. Be sure to review these terms with your Architect and ensure they fit within your financial comfort zone.

31 AGD's Bidding & Negotiation Services

In summary, if it's your first construction project, or construction project of a larger type of scale, having an Architect on board like AGD to help you through the bidding and negotiation process will help you best achieve your project goals while also ensuring you contract the best GC for the job and that the construction schedule, team, insurances, qualifications, budget, and level of quality are clear to all parties. Below are AGD's Tiers of Bidding & Negotiation Services:

Tier 1 Basic Services

*AGD to evaluate and compare bids client received on their own, provide AGD's recommendation of the bidder AGD feels client should contract with for construction, and recommended negotiations to make with that contractor prior to signing their contract for construction.

This evaluation gives clients peace of mind they are selecting the best GC for the job, and AGD's recommended negotiations can save the client thousands of dollars in construction costs and timeline as a result.

client testimonial

"Amy Green is a fantastic designer and architect. She is knowledgeable about the general contractor world as well as the behavior of various craftsman during the renovation experience. Most importantly, she is an educator and is committed to having her customer learn and become educated about the process - especially if you are new to it like we were! We highly recommend Amy Green Design and we plan to hire her again! You won't be disappointed!" - Ann-Gel P.

Tier 2 Signature Services

*Includes everything in Tier 1 Basic Services plus the services below:

*AGD recommending bidders to client then issuing invitations to bid, and bid documents to bidders client elected to bid with.

*AGD organizing & hosting on-site bid walkthroughs with bidders, client and AGD.

*Following up with bidders to ensure bids are received in a timely manner.

*AGD will respond to bidders requests for clarification during bid process.

AGD recommending bidders to clients, hosting the bid walk throughs, following up with bidders to ensure bids are received in a timely manner, and responding to bidders requests for clarification saves clients days and sometimes weeks worth of time they would otherwise need to spend coordinating these critical bidding & negotiation items on their own.

Tier 3 Premium Services

*Includes everything in Tier 1 & 2 Services plus the services below:

*AGD creating instructions to bidders.

*AGD creating a table helping clients compare bids --- apples to apples.

*AGD helping client receive and negotiate client's final selected bidder's contract for construction.

*AGD organizing & hosting an in-person meeting with client, GC, and AGD as client signs GC's contract for construction. AGD's agenda for this meeting has helped client's construction get on track, stay on track, and meeting all client expectations of the contractor throughout the construction process.

*AGD working with selected contractor to develop a schedule for construction.

*AGD's expert assistance & advise throughout the entire bidding & negotiation process to start to finish.

Contact us for bidding assistance today!
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