

Tips for the Architect: How to get the Lowest Bidder

DURING THE DESIGN PROCESS

Explore Various Bid Scenarios: have someone who can explore the various bid scenarios with you and your client to see which one best fits your project & choose with care

Have a Realistic Budget prepared by someone that has experience & proven accuracy estimating what your project will bid at & don't forget your contingencies. Many public projects have died because the bids came in too high.

Have a Realistic Schedule created by someone that has proven expertise in construction scheduling

Bid Date: Control & select carefully when your project bids, be aware of & don't bid close to other big projects; don't bid during hunting season, don't bid close to holidays, don't bid during the busy season (this alone can add 25%!). Allow plenty of time for bidding, four to six weeks - we see projects that have a walk through & then bid a week later; this tight bidding strategy will just make the GC's who are already over worked ignore your project.

The number one thing that GC's suggested to save money was the time of year of the bid: They suggest bidding October through March. Anytime else and you can throw the budgets out the window. You will get fewer bidders— and they (the GC's) will get fewer sub-bids and will throw in last minute "safe" allowance for missing sub-bids; the material suppliers experiencing back ordering and projects suffer with long lead items which will increase the material costs during the busy time of year.

Phasing: Investigate if phasing or sequencing of your project will produce a smoother schedule and/or a more inviting bid package. Creating multiple bid packages can create a more inviting bid environment, save costs and allows the design team to continue drawing later phases of the project while the excavation contractor is getting the sitework done. Phasing correctly can make design time more efficient as well as avoid cost escalation and can prevent additional GC mark-ups on items such as sitework. Pre-purchase long lead or materials that are escalating rapidly: this will limit risk for the contractor & result in a better price and schedule for your project.

Design Build: Make the Mechanical and Electrical portion of the project Design Build will save in design & construction costs.

Have Clear Concise Construction Documents: Less is often more - concerning construction documents; architects & public agencies tend to over document. Coordinate your contract documents with your consultants; remove ambiguity & contradictions. Don't have documents that are incomplete, boiler plate or make the contractor guess at what you want.

Don't over administrate the project - be flexible: Time is money. If you have reams of front end documents – many prospective bidders will tend to pass on your project. Don't have documents that set up the contractors as the "bad guys" right from the start - make your documents "user friendly". Get rid of all the un-necessary penalties, prohibitions & protocols – these force contractors to "pad" jobs to protect themselves from the risk, extra time & work.

DURING THE DESIGN PROCESS continued

Can the Damages Clause be Reduced? Many times the damages clause – the part of the front end documents that require the GC to pay \$/day when there are delays in the construction schedule – is based on a schedule that is unrealistic to begin with. If this damage/delay clause can be reduced this alone will make the project more appealing to all potential bidders.

Can the Damages Clause be worded in a way to protect the general from pull-out bids? Stipulate in the documents that if a major low bid subcontractor pulls out & the general has to go with the next more expensive sub-contractor and that the general will be allowed to negotiate the increase; otherwise the difference can be a lot of dollars for the GC to eat. This pull-out protection will make the GC more comfortable bidding & the major subcontractors will know that they won't have to come in & match a dollar losing sub bid.

Be Timely - Be Flexible: Be fast, flexible & reasonable to questions & requests for substitutions. If you limit material options on everything by being inflexible you will ensure that you have fewer bidders & costs will be higher. Remember contractors are under the gun to get contracts signed & material ordered so don't make their job more difficult by procrastinating.

Alternates: Make the base bid the “must haves” and create a “nice to have” list of alternates - but not too many - like 3 maximum. This will help the client ensure that, regardless of the base bid, this project will be built.

Incentives: Use an incentive to get the project completed ahead of schedule Whatcom County Transportation Authority used this on their Bellingham Station renovation & their ALB was \$211,000 under their low bid range amount of \$2.5m.



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Attract More Bidders: More bidders mean greater competition. Greater competition means lower prices. Get your notice of intent to bid out there well in advance so interested contractors can get it in the pipe to bid

Have a good reputation: As an architect or an owner, make sure you have a good reputation. There are contractors that absolutely will not bid projects designed by particular architects or owned/operated by certain clients/agencies - because they are difficult to deal with.

If your project is remote the contractors will have difficulty getting labor committed to travel to this job. There will be more travel time and possibly higher labor costs/hr. Find some way to advertise a flexible schedule or you will get less interest in your project.

Have a Flexible Schedule: Include contract language that states you will negotiate the schedule when a contractor has been selected.

Act as an agent for your project: Solicit contractors you would like to have bid your project & start well before your project actually bids, call contractors & major subs & tell them about your future project bid date; send them contract documents free, same for the major subcontractors.

Addenda: Do not issue numerous addendums, this advertises the fact that your documentation is incomplete, weak &/or poorly coordinated, no one wants to get involved with this scenario. Numerous addenda/bid date changes are a red flag that tells the contractors that the construction process will be messy and difficult.

Hire an Experienced CM: It's better to have minimal construction documents & maximum construction administration performed by a senior person with the experience & authority to make decisions. Typically architects over spend on their construction documents & then have no money for construction & send the least expensive, least experienced staff out to perform CA – it should be just the opposite.

Reduce The Bid Award Period: Changing the contract award time frame from the standard 30 days to something substantially less, particularly if you have expensive long lead fabrication required for construction, will save the project money. You will be rewarded with more bids & better pricing.

Change Order Flexibility: Do not fight every single change order, pick your battles & be reasonable, be flexible.

Reduce GC's Constraints: For schools or other occupied projects consider bringing in plenty of portables or relocating space so construction is not constrained which will help the schedule, be less of a distraction for both workers & staff – especially w/ schools because of the worker/children relationships perceived problems.

Vett your Contractor: Many bidders expect busy managers to not have the time to check out their references – but it pays to check out your contractor before signing a contract, prevents default and prevents cheating. The best way is to get a list of previous projects and talk to the owners AND talk to their subs.