

Seven Practical Steps to Bids on PAVEMENT MAINTENANCE



Surveys show that property managers, like everyone else, are being asked to do more with the same or fewer resources, equating to more work and longer hours. These same surveys suggest that property managers are consistently frustrated by three factors that impact their workload and cause image problems with their customers:

**Contractors
are late.**

**Proposals
are unclear.**

**Work is done
incorrectly.**

Northern California is home to many pavement maintenance contractors who are experts in what they do, can consistently deliver very competitive prices, and can be very valuable when it comes to helping you get what you want without the frustrations normally experienced. If included properly in annual planning and effectively-run competitions, pavement maintenance contractors

can save you significant money and allow you and your team to off-load work, resulting in a focus on what you do best. If you follow the seven practical steps included in this document, you will be able to make informed decisions and maintain your pavement projects smoothly and effectively, maximizing your investment and selecting a contractor with confidence.



1

Select the Best Contractors to Bid Your Job

If saving time and money is your objective, then select only the best contractors to participate in your bidding process. All good contractors want to develop long-term relationships through performance that eventually will lead to a sole-source position, though your customers may not allow it. Good contractors are open to competitive bidding as long as it is conducted fairly.

Fairness is key to sustaining a competitive bidding process if you want the very best contractors to participate consistently.

We recommend that no more than four contractors participate in the bidding process. Screen out non-responsive contractors by calling five or six and leaving messages for an estimator to call back. Eliminate any contractors who do not call back within eight business hours and you've already eliminated the ones who are likely to prove unreliable in the future. Next, narrow the bidders to those who have your best interests in mind. One of the best measures of a contractor's commitment to delivering value is the nature of their proposals. Ask each competitor to send you three or four examples of bids they have recently completed. Eliminate any competitor whose proposals do not contain the following:

- Square footage for each maintenance/repair action
- Color-coded site diagram of the work to be done (that reflects the square footage referenced)
- Unit bids and totals for each item of work identified above (lump sum amounts should be limited to only those items that are actually purchased by the contractor as a lump sum)
- Material specified in terms that you can understand with regard to the quality and quantity being proposed
- Specific process information about how the work will be done (e.g. compaction in two lifts)
- Clear identification of exclusions

2

Establish a Detailed Scope Consistent with Available Budget

When you go to bid, go with a scope you know you can afford. It will save you time in the long run and it may save you a lot of money and frustration as well. Ask the contractor who has given you the clearest, most detailed proposal in Step 1 above to develop the scope. Work with that contractor until you have a scope that can be accomplished within your budget amount or less. Here is how you do it:

- Ask the contractor to walk the property and develop an assessment of what should be done and why.
- Ask the contractor to develop an accurate estimate of the costs and to document the recommendations on a color-coded site plan.
- Review the scope and cost with the contractor. The goal is to identify budget problems and areas where you have some flexibility.
- Ask the contractor to recommend the best set of actions for what you believe this year's budget is.
- Repeat this step until you have a scope that is in your best interest and can be accomplished within what you believe is an available budget.
- Ask the contractor to revise the scope and provide it to you in a spreadsheet form with a color-coded Google Earth sitemap—you need this for the next Step.

3

Agree on the Bid Scope Before Bidding

Good contractors know this is a key step, especially if they have the customer's best interests in mind. Failure to accomplish this step will likely result in a substantial increase in bid evaluation time and often a surprising increase in total job cost. If you want to get what you need without spending more on needless change orders, don't skip this step!

1. Distribute a copy of the scope developed in Step 2 (a spreadsheet and a color-coded sitemap).
2. Require a pre-bid job walk during which you review each piece of work to be accomplished (square footage, depth, number of moves, etc.).
3. Ask for questions and clarifications and resolve all differences before formally accepting changes.
4. Update bid package.

4

Require Bid Submission Using Prescribed Formats

This may seem like more work for you, but the opposite is true. Leverage your contractor. Good ones want the opportunity to help you conduct an effective completion. They understand the importance of this step and want to help make it happen. The very same contractor who helped you develop the scope that is consistent with available budget should be able to create the very formats you need in less than 30 minutes. Attach your standard boiler plate, terms and conditions and warranty expectations. Add a section that specifies how you want to receive bids and how you will select the winner. In this part of your request for proposal, state in bold:

Bids Must Be Submitted On the Bid Work Sheet Provided - Failure to Do So Will Result in Disqualification.

5

Identify and Resolve Differences in Bids Before Award

Once you have received all of your bids on exactly the same worksheet, you can assemble them into a single spreadsheet. By doing this, you will quickly see where the bidders differ. Look carefully at the unit bid numbers and lump sum values. You will probably find that in one or more elements of the bid, one of the bidders has a measurably lower bid. Clarify how the bidder arrived at this number. Find out why that estimate differs so significantly from the others. Be sure you know why low price is low price and be sure that the contractors understand that they will be held to their commitments to complete the exact scope at that stated lower price. Low price rarely means best value.

6

Require a Three-Year Warranty

Good contractors will provide a written, clear, three-year warranty on workmanship and materials. The warranty should be simple. It should provide specific identification of all exceptions, which should be few and make sense to you. You should clarify the exceptions before an award. If you think the property you are managing may be sold within the three-year period, ask that the warranty be transferable. Doing so will add property value.

7

Hold the Contractor Accountable for Results

An inspection of the work completed by the contractor should be built into the process. Stop using your time to inspect quality into the contractors work. Hold them accountable for demonstrating that quality work was accomplished. Oftentimes the job begins to fall apart before it starts, sometimes simply due to coordination with tenants or other service providers such as landscape companies. Ensure that you and your contractor have communicated with regard to these coordination issues as part of scheduling the job.

Good contractors will be agreeable to this because they want you to know they did a good job and they want your repeat business. When the work is completed, ask the contractor to walk the property with you. Use the color-coded sitemap included in the original bid package as a punch list or check sheet. Require the contractor to show you that the work was completed as defined in the scope. Some projects will have several phases of work that may require inspection before the next phase starts. Require these inspections be built into the original bid so that you can conduct them during the work without impacting the contractor's progress.

Good contractors are already doing all seven steps in order to **ensure customer satisfaction.**



Always Ask For:

An example of the kind of detailed proposal you should expect from contractors.

A paper copy of the spreadsheet tools that contribute to fair and frustration-free proposal processes.

An electronic copy of the spreadsheet files so that you can implement the tools.

Putting the Seven Steps to use is simple—all that is required is that you expect and require each step from your contractors. The savings in time, money and frustration can be significant. Pavement maintenance may be a small part of your budget, but it is often a major cause of the frustrations you experience each year.

Why not change that now?

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