



Why Have a Bid Package?

A **Bid Package** contains all the information that every contractor needs to build your project; the information *required* for you to get comparable bids from contractors (including all drawings, specifications, products, finishes, schedule, bidding instructions and a host of other things). There are many benefits to having a *properly prepared* Bid Package for your remodel project.

Set yourself up for Success!

- *save money*
- *save time*
- *feel good about the bidding & the project*
- *save the contractors' time*
- *pre-thought necessary items* – selections, finishes, working conditions, permits, budget, clean up, storage, porta-potty, neighbors, daily routines, access to your home, water & electricity, insurances
- *all decision-makers are thinking alike*
- *you set the standard for what you expect*
- *able to communicate better with contractors*
- *assurance you selected the right contractor*
- *an enjoyable remodeling experience!*

Set up to select the Right Remodeling Contractor!

- *researched, interviewed & selected qualified contractors* to bid – should be the best 'fit' for you & your project
- *know how you will choose the successful contractor*
- *determined what qualifications & requirements you want from the contractor* – insurances, bonds, certifications, etcetera

Set up for good and comparable bidding results!

- *exactly when bids will be due and in what format*
- *how you will communicate with bidders*
- *bids to be opened publicly or privately*
- *accurate and comparable 'bids' for a real project* – instead of guesses based on what the contractors think you told them
- *what and how you will communicate with unsuccessful bidders*

Set up the project to run smoothly!

- *completed conceptual design development, drawings, specifications and selections* (at this point you may have also enlisted the services of a contractor and/or a designer to help with these items, and you will have a good working knowledge of what remodeling contractors do for you)
- *who does what* – purchases materials, procures permits, final cleaning, liaise with neighbors, moving items, etcetera
- *know what the remodeled space will look and 'feel' like* – before it's built
- *gotten beyond necessary decisions* – this avoids delays & increased costs
- *laid out the project's requirements* – materials and products, and their installations
- *ground rules established early*
- *determined your best schedule*
- *know how you will pay for the work*



A Few Words About Running a Bid

Remember that a remodeling contractor does remodeling professionally and that you don't. That's a reality and you should not be backward about asking questions of the process, or about the bids and bidders. It's your project, your money, and your life that will be most affected.

When you receive the bids (depending on how many you get) you should see a very close spread of prices – within 10% from highest to lowest – and you have already pre-qualified those you would be comfortable working with, so it's easier to select.*

When the bids are spread too far apart (i.e. there is no core grouping of prices) it can mean a few things: 1) you didn't properly prepare the Bid Package; 2) the contractors didn't understand your communications; 3) all of the exact same information did not get to all of those bidding, or maybe within the same time frames; 4) some may not be able to effectively take on the work and have priced it unreasonably high so that if they get the project it is worth the extra time to make it happen (maybe they're too busy and don't want to tell you that), or may want the project too badly and have priced it too low to do the job profitably, or just to 'break even'. These latter scenarios are not good as you'll likely see low quality, a mismanaged project, an extended schedule, change orders for things that should have been included but weren't **, a whiny contractor that you never should have hired in the first place, a very bad remodeling experience, an inadequate warranty, and a misconception of what a professional remodeling contractor can do for you.

Even when the bids are comparable, there is still a chance that bidders may include or exclude things that you discussed in the Bid Package. At this point, you will have a good understanding of how to compare the bids, even if there are differences in their presentations. **A low bid should never be your first priority; far too many other things are of greater importance.**

All construction is cost-based and therefore takes a lot of time to put a bid together. A project must be 'built' in an 'estimate,' which is a part of the bid that you do not see, but it is how the bidder gets to the final price. You should expect to pay for the bids – it is a consultation that you are receiving. If the bid is 'free' someone else is paying for your consultation.

We can help you through this process! Also, see our blog 'Choosing the Right Remodel Contractor & Running Your Own Bid' at: <http://rdyoungscontractor.wordpress.com/2012/05/>

Notes: * New bidders should never be added after the initial process of selecting bidders is completed.

** If a contractor can prove that he/she missed including something in the price prepared for the contract, a law court could side with the contractor requiring you to pay for it even though the item was not indicated as 'excluded' from the bid [called Quantum Meruit or "reasonable value of services"]. Ask your attorney to find out how this could work for or against you.