

How to be a Greater Asset for General Contractors

Economic situations dictate all types of behavior. All contractors have options when business and the economy is booming, including the ability to be selective about the types of projects to bid. When the economy is down, most contractors experience a more competitive market place—fewer projects to bid and more competitors to bid against. Because of these dynamics, contractors must differentiate themselves from the competition.

Each Subcontractor (SC) needs to ask the question, “Why Me?” The General Contractor (GC) is certainly asking the question, “Why this subcontractor?” Why should the GC select one SC over another? What does the GC look for? What are the selection criteria? What makes a SC not simply the lowest bidder but the best bidder? What needs to happen to secure this win, as well as set alignment to win the next several bids? The answers to these questions are important to GCs, developers, and owners. It is imperative to provide reasons why price isn’t the only way to determine the winning bid.

Scope of Work

Everyone wants ‘it’ for less but expects more and it begins with the owner. They want the architect to give more but design for less; the owner wants the GC to deliver more but build for less; following suit, the GC wants the SC to do more work faster but do it for less; and finally the SC wants the supplier to lower their costs but deliver ahead of full payments. Is less more? Is more less? Confusing to say the least. A thorough and complete understanding of what is being asked of the SC is essential.

What exactly does the bid contain? Knowing the intimate details of the SC’s scope of work within the project, is the SC’s foundation

for building trust with the GC. Using a color-coded digital takeoff provides a way to easily identify the details of the quantitative measurements. A visual representation of the takeoff simplifies information sharing and will easily set one SC apart from another. Going a step further, inserting color-coded legends on the pages of the documents enhances the understanding of the takeoff. These documents are then ready to be printed or saved as PDFs for mailing and/or emailing to the appropriate parties.

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The bid takeoff software should be flexible with the quantity takeoff in order to be summarized by bid package breakdowns, building areas or phases. The ability to drill in and out of the estimate will allow a SC to provide a level of detail not often communicated to a GC. A valued SC leverages the power of digital communication to share the details of the project with the GC. A 'live takeoff' demonstrates a full comprehension of what the work will entail and that the bid submitted has all

aspects under consideration. Sending a takeoff file (in a protected status) to be viewed by the GC is powerful. Showing your hand was not the best way in the old days, however, to gain the GC's trust, showing the details of the takeoff will help win their trust and confidence. The SC has aided the GC by providing a more thorough understanding of the project details. In turn it provides the GC a higher level of confidence in the SC and partnerships begin with this trust.

Critical Communication

All relationships sink or swim on communication and this is inherently true of business partnerships including those between GCs and SCs. There are critical communication times during the takeoff and estimating process. It is essential to be as descriptive as possible when completing a request for information (RFI) or change request (CR). The longer time goes between the SC identifying an issue and the GC learning of the issue, the higher the probability that there will be a breakdown and profitability will go out the window.

There are some SCs that still lug a set of plans to the copy machine and attempt to align the area where the issue resides. At best this copy is likely printed and/or faxed in black and white and sent to the GC. The more efficient and effective way is sending the plan section in question

electronically; retaining the color-coded takeoff and imbedding hot links to details, photographs, and specification documents. This includes items discovered by the SC or submitted via change orders. The power of digital overlay (placing a set of revised plans over the original plans) identifies within seconds the part of the original plan that is 'dead' (colored red) and that which is 'new' (colored blue).

Online digital takeoffs, the ability to copy current views of the plans, and instant communication of changes via any digital online device, are incredibly beneficial. Rather than waiting for the plans in the mail or deciphering the fax that came through; using his laptop, tablet, smart-phone or other device, the GC has an email with all of the information that illustrates the issues at hand. Putting the right information in the right hands at the right time empowers a person to

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make informed decisions. It ultimately saves time and money while reducing labor risks.

Itemizing Scope

Flexibility and adaptability are key traits of a valued SC. GCs often have requests that need immediate response especially on bid day. For example, the ability to quickly present price scenarios for various scopes of the project demonstrates to the GC that the SC has complete understanding of his scope of work in the project. The most efficient way to handle these ad hoc requests is by leveraging automation that separates the bid into areas and/or phases.

Dynamic reporting that shows bid detail and summary by selected area allows the SC to respond quickly and accurately to the GC. As mentioned earlier, the information is sent electronically ensuring that the response is in the hands of the GC ahead of the competition. A greater level of detail added to an estimate enables the SC to be more nimble and provide varying price scenarios when requested.

Scope ultimately determines if you win or lose a bid. Being flexible with scope is best done with a collaborative takeoff and estimating process. While it is possible to provide specific information on an estimate manually, it is not likely that doing so is efficient or timely. Automation assists

in bid condition detail identification and makes reassigning bid items to different CSI sections more powerful.

Each effort the SC makes to help the GC understand the price and align it to the scope of work, elevates the value delivered. Building a long term relationship with a GC is an ongoing process. Don't make the GC guess what is meant in the estimate. Be clear and elaborate on the qualifications provided.

Winning The Bid

The construction industry is experiencing an upturn—which is good news for everyone in the business. The SCs that position themselves as greater assets to the GCs benefit more as the economy improves. Providing GCs with detailed bid information that is adaptable to different pricing scenarios, as well as varied bid package breakdowns, differentiates one SC over another. Communicating the comprehensive, visually-displayed detail electronically provides even greater value. Being timely with special ad hoc requests from the GCs during the bid process provides higher probability that the GC will be awarded the project.

Assisting the GC in winning the bid is the first step in which SCs may demonstrate their value to a GC. Once a project has been awarded, there are more actions a SC performs to continue providing value

to the GC, the project, and to their own future.

Post-Bid

SCs must continue to establish their value to a GC post-bid. This is where the largest bottom line value-add arises. Once a project has been awarded, GCs focus on new and different concerns from those during the bid phase. Their attention is now concentrated on delivering a quality project on schedule and within budget. A SC that enables a GC to meet these goals is critical to the success of the project and the GC. There are a few critical points of the build phase in which SCs influence a successful outcome.

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Crew Allocation for Scheduling

GCs look for quality across the project—from bid to closeout. There have been many modifications to crews over the years. SCs reduced overall crew numbers, but have been able to retain top talent. Quality of work ranks among the most sought after traits of a SC. A close second is staying on schedule. When the project

is under construction, a valued SC helps the GC build on schedule, at least the part the SC is providing, and become an 'A' team player.

S.M.A.R.T. objectives have long been a part of corporate office culture, but it is time to take this to the construction site. Specific, Measurable, Achievable, Realistic, and Timebound goals have a place with the field crew. The old days of telling the GC, "I'll get more crew. No worries, we'll finish in time," are gone. The more that work is laid out for crews in precise, trackable, doable, understandable, and scheduled ways, the more likely the crew

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is to deliver exactly what is needed in the time allotted. A crew managed with S.M.A.R.T. standards has a much greater probability of delivering higher quality with fewer punch list items.

Stocking reports let the SC know exactly where and when materials are needed so that the crew isn't idle. Placing materials and crew in the same place sounds simple, but even 15 min of lost work time chips away at profitability. How many times has another trade placed their material right where you and your crews were going to

work? Staying on top of hours worked and materials used keeps the SC's site manager informed of possible overruns. Using automated job cost reporting, the SC monitors a job-to-date status.

Jobsite Coordination

Each jobsite is unique and has its own set of challenges but the work activities performed remain similar across jobs. GCs need SCs who are proactive and learn from previous work. Ongoing education and training of the crew should be a normal course of business. They should be trained on equipment, safety, or construction automation methods. Investing in a good crew will deliver quality and productivity to the project.

The SC needs to know where the crew stands compared to schedule. The jobsite foreman should close each day walking the site and indicating what work has been completed. This is easily done using a tablet in the field—no need to be in the office or trailer or standing at the gang-box waiting for someone else to indicate results. This information is then easily shared with the office immediately over an internet connection. Identifying the percent complete and color-coded results indicate whether the crew is on or off schedule and whether the project is or isn't profitable.

The real question that SCs need to ask themselves is “Do I know where I am going?” It is one thing to know where the project budget stands after payroll is posted. After all, hindsight is 20/20. Leveraging project management automation, the SC sees where the crew has worked, but most importantly, it will control where the crew will work next. Reactive project management simply allows SCs to notify the GC that there are problems, but by the time adjustments are made, another week is gone and the magnitude has increased. When SCs control where the project is going, they are being proactive which allows problem resolution upfront.

Collaboration is Key

Involvement by a SC in all phases of a project (pre-bid, bid, build, and closeout) ensures a GC’s success. Collaborative efforts and ongoing communication between these roles provides a win-win-win situation for the SC, the GC, and the owner. When success is reached by all three parties on one project it is more likely that the combination will want to leverage each other for future projects. Trusted relationships and partnerships have a foundation built on one successful project after another. Focusing on scope of work, critical communication, itemizing scope, crew allocation, and jobsite coordination elevates the SC in the eyes of the GC.

It is challenging to describe the relationship between General Contractors and Subcontractors. Whether a GC or SC, each person has their own story to tell. Love the GC—Hate the GC. Can’t live with SCs—Can’t live without SCs. Both are tied to one another. The GC that respects and collaborates with the SC understands that the financial wellbeing of the SC is critical to the wellbeing of the GC. SCs that take the time to identify a differentiating value proposition will be recognized by the GCs. SCs need to build a positive reputation and be the trusted provider of trade business for the GC, who in turn will reward these efforts with repeat business and on time payments. Given the more competitive bid market, SCs realize the dilemma they face—united we stand, divided we fall.

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