

Building a Smarter Bid Process: Construction

Taking a deeper look at the bid process industry by industry.

When it comes to getting the supplies and services you need—and time is of the essence—it's easy to rush through the bid process. Sometimes, the fastest route is to simply send a few figures and product descriptions out to potential suppliers and hope that you get the lowest net price and your suppliers will clearly understand what you need. However, spending a little extra time on the bid process could significantly affect real cost savings and efficiency down the line.

We sat down with Jason Vetterick, Vice President of Construction Markets at Airgas, an Air Liquide company, and Chris Mann, Manager of Construction Operations and Logistics at Airgas, to get their expert advice on how to work more efficiently when it comes to your Requests for Proposal (RFP) while also getting the greatest cost savings. Vetterick notes that the bid process is the “least expensive, yet most important part of any construction job.”

While this process may seem pretty straightforward, Vetterick and Mann have some tips and tricks for submitting RFPs that will help to make sure you are getting the most effective bids on your project.

Get the right people involved from the beginning

At the start of the RFP process, it is important to make sure the appropriate people from your team are involved. Each player brings expertise to each unique aspect of the project and not involving these key players is like walking onto the playing field one man short. When it comes to welding-related RFPs, Vetterick and Mann recommend making sure your RFP roster includes your project manager, welding superintendents/welding managers, safety manager, procurement manager, weld engineers, bid writers and estimators. Without the full team providing insight from the start, you risk sending incomplete information in your RFP. This could lead to poor or inaccurate responses from potential suppliers leading to wasted time for your organization or worse—with an inefficient supply chain or even less safe conditions at the site.

Involve your suppliers early on, too

An important step that is often overlooked is waiting too long to bring potential suppliers into the RFP process. The earlier you can involve suppliers in this process, the better your chances of getting quality responses to your RFP. The more information potential suppliers have from the outset, the better they can determine the most efficient mode of supply for your project, ultimately leading to a more proactive rather than reactive approach. Suppliers should be eager to show you what they can do—so it's a good idea to give them a chance to showcase their knowledge and be a part of your planning process.

Be thorough and ask the right questions

The more descriptive you can be when submitting an RFP, the better your suppliers can understand what you're trying to accomplish. By providing ample information on the scope of your project, timeline, welding process, etc., suppliers can anticipate the overall demands of your

project and deliver you the most cost savings by identifying any redundancies or weaknesses in the supply chain. For example, a vague RFP would be a simple spreadsheet containing only a list of supply descriptions with the estimated amounts needed. A better way would be to include (in addition to the above list), project details such as timeline, nature of the project, scope, number of welders and specifics to the welding process at the job site in your RFP. The addition of these details in the RFP allows potential suppliers to make thoughtful suggestions specific to your project with best practices in mind based on the supplier's industry experience and capabilities.

Trust the experts

Leverage the expertise of your potential supplier. There is a good chance they've worked on a project with similar requirements and can look back into their archives to help you determine the ideal mode of supply, which might include some new innovation or something else not previously considered. For example, getting the right size cylinder and delivery system in place is key for cost savings and efficiency, and the right supplier will know what makes the most sense for your specific project.

Negotiate and then decide

Finally, Vetterick and Mann advise that you should look at more than just the numbers on the paper. Customers should take a holistic approach and consider what other services and expertise a potential supplier can bring to the table. And, most importantly, don't forget to negotiate overall value and services with potential suppliers. Let them have the opportunity to submit their best and final offer based on your actual needs at the end of the process, making certain that you receive the best overall value for the successful completion of your project.

This overview of the bid process is the first in a series as we take a deeper dive into each of the above aspects in the bid process and explore the ins and outs of the bid process across different industries. Stay tuned for more in the months to come!