



3 ESSENTIALS

TO HIRING THE RIGHT PAVING CONTRACTOR FOR YOUR COMMERCIAL PROJECT



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INTRODUCTION

Let's face it. It's not that fun to source vendors. Finding the right people to do your work can be not only challenging, but also have repercussions. What if they don't do a good job and have to return to your place of business to fix it? What if they skimp on materials, and the pavement doesn't last as long as it should? What if they sell you more work than you really need? You will have more disruptions and spend more money than you should. Worse, you may get all the blame.

As a result, when you need work done, you either have someone you already trust, or you are looking for someone. You want people who won't cut corners, know what they're doing and will be in and out quickly. So, when it comes to hiring the right paving contractor, you want all this and more. In this eBook, we will guide you through some essentials that will make your decisions easier.



ESSENTIAL ELEMENT 1: **COMPILE A VENDOR LIST**

Creating a vendor list may take a bit of work upfront, but when you find yourself in an urgent situation or if another person will need to handle your projects at any time, having a pre-procured list will come in handy. Here are the steps you should take to ensure the best possible paving contractor list.





CREATE REQUIREMENTS.

Depending on your industry, your requirements will vary. Here are some items you may want to consider for your standards:

- **Licensing and certifications.** Licensing and certifications signify that the asphalt paver has specialized knowledge and skill in paving and surfacing. You should expect that a professional paver will have licensing and certification.
- **Bonded.** Bonding covers the costs of repairs, even if you have to hire a different contractor in the event that the work is poor and needs repair or causes damage to any part of your property.
- **Adequate insurance.** The last thing you need is to be deemed liable for an accident causing damage or injury in a construction zone on your property, especially when it's not your fault. Choosing a contractor with proper and adequate insurance will protect you from this nightmare.
- **BBB rating at least a "B."** While the BBB recommends considering a company's BBB rating in addition to all other available information about the business, you can usually safely eliminate those with a rating lower than 84 percent.
- **Examples of similar work.** Seeing some images of the contractor's finished work can help you develop more accurate expectations about your own results.
- **References for similar work.** Even the most beautiful work isn't worth it if the contractor is hard to work with. Check with references to see if the paving contractor was responsive, on time and budget, and did what they said they would do.

SOURCE COMPANIES FOR YOUR LIST.

Getting the best qualified vendors for your list requires some research. Perform internet searches, ask friends at other companies for referrals, consult your local chamber of commerce, as well as asphalt and concrete association member directories. Once you are sure the company meets the standards you have already set, record all the contact information you'll need to request a quote.

CATEGORIZE YOUR LIST.

The purpose of the list is for quick reference, so make it easy to use by breaking up the list into Preferred Vendors, Approved Vendors, and Basic Vendors.

- Preferred Vendors are those who meet all your requirements, no matter what size the project.
- Approved vendors are those who you may use in a pinch if your preferred vendors, for some reason, are unable to do your project.
- Basic vendors are those who you would call for basic services if your other vendors are unwilling or unavailable to meet your needs.

UPDATE YOUR LIST REGULARLY.

- Keep your eyes and ears open for companies to add to your list.
- Every six months, go through and make sure all your contact information is correct.
- After every job, assess whether you want to keep the vendor on the list or perhaps move them from one category to another. Make notes about what you particularly liked or disliked about working with them.



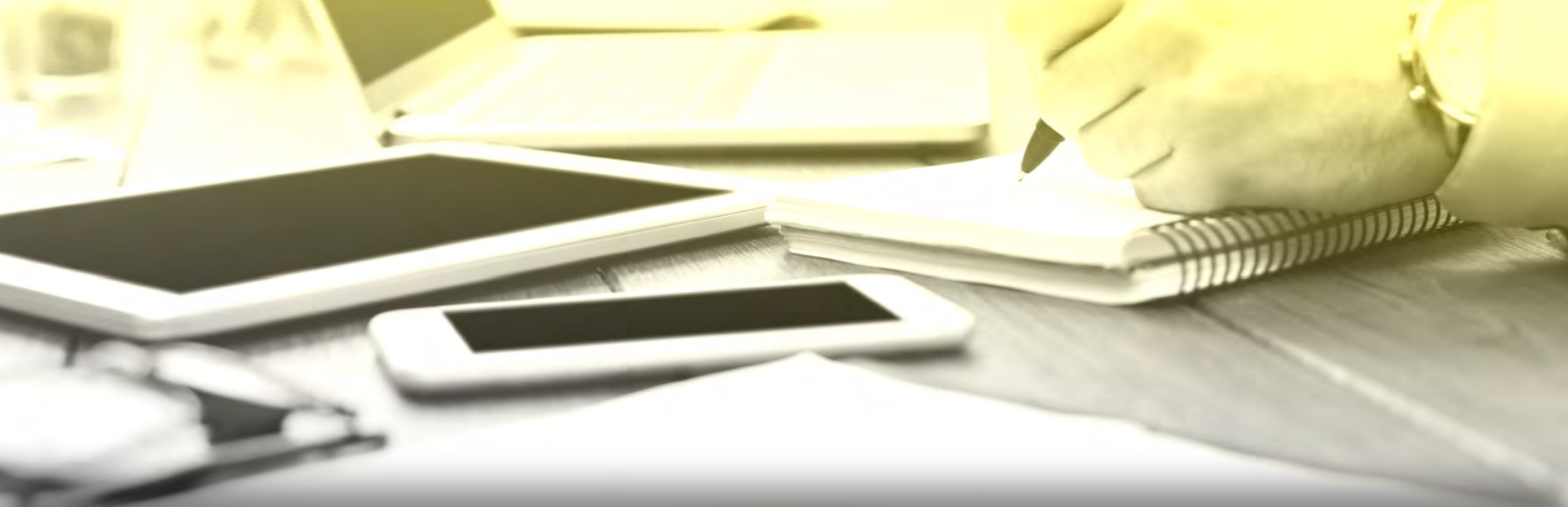


ESSENTIAL ELEMENT 2: **GET COMPETITIVE BIDS**

Most likely you don't have a paving project every day. You may not even have one monthly or yearly. And things change over time including the cost and quality of materials, labor, and equipment. Competitive bids help you keep a pulse on current pricing and quality as well as contractor responsiveness.

Ideally, you should allow two weeks for the competitive bid process. In an emergency, for minor projects or when you don't have enough time, you should still ask for and compare quotes. However, you may need to make adjustments to your normal bid process. What might a normal bid process look like?





GATHER YOUR LISTS.

Not only will you want to grab your vendor list, but you should also consider stakeholders before beginning your bid process. Are there people who will need or want to have a say in who you choose to perform the project? Get the group contact information together, so it's at the ready for distributing materials.

CREATE YOUR SCHEDULE

Creating a schedule sets clear deadlines and keeps all contractors on a level playing field. Ideally, you will share the schedule at the time of your request for bids, so that contractors can opt out if they already know of any conflicts that may render them unable to perform your project. Let's take a look at a sample timeframe that you may use as your guide to create a schedule.

| ACTION | TIMEFRAME |
|---|--------------|
| Bid Request Released | Day 0 |
| Property Tours & Contractor Questions | Days 7-14 |
| Answer Contractor Questions (via phone, email or meeting) | Days 10-17 |
| Bids Due | Days 21-28 |
| Shortlist Announced* | Days 28-36 |
| Interview Contractors on the Shortlist* | Days 36 - 45 |
| Announce the Winner | Days 39-48 |

**If you are running short on time, you may want to speed up announcing the shortlist and interviews.*



WRITE AND DISTRIBUTE YOUR BID REQUEST.

After establishing your team of stakeholders and defining your schedule, you should create the details of what you expect contractors to submit to properly complete your bid request. Among other items, you will include your requirements established in Essential 1 and the schedule from the previous step. Check out the following bid request template to give you an idea of what you may want to include in your bid request.

REQUEST FOR BIDS

HEADER

Your Company Name & Logo
Your Name and Title
Company Address
Company Website

SECTION 1:

Table of contents. This can be a simple outline of the sections that your bid request will cover.

SECTION 2:

Write a brief letter with your company's background information (what you do and for whom). Follow with the project description. Describe as best you can the extent of products and services you need including the contact information of the people who will handle future correspondence.

SECTION 3:

Provide all bid specifications. Include a list of the requirement standards that you previously established. If a contractor does not have all the required information, direct them to explain why, or eliminate them from the opportunity. Use a consistent structure for the information and documentation that you are requesting to make it easier to evaluate when it all comes in. For example, ask contractors to line-item each aspect of the project, specifying materials and labor hours used along with quantities and costs. When you get your bids, they will be easier to compare.

SECTION 4:

Insert your schedule for the bid process to clearly and concisely present the timeline for the steps leading to the final decision. If you haven't already communicated them, you should also specify the start and end dates for your project.

SECTION 5:

Explain the process and criteria that you will use to evaluate bids.

SECTION 6:

Include your payment terms including details of any incentive pay that you plan on offering. Also include any applicable penalties for inadequate performance. If there are any other standard terms and conditions that your organization uses, put them in this section.

SECTION 7 (OR LAST SECTION):

So it's easy to find and reference, put a complete contact list of people to contact for the different aspects of your project. Be sure to include names, titles, what items they handle and the various contact information such as phone numbers and email addresses.



SET APPOINTMENTS FOR TOURS, COLLECT AND RESPOND TO QUESTIONS.

By offering tours or site visits, all contractors have the same information about the state of the property. Set up appointments, so that contractors feel comfortable and aren't running into their competition. During a tour, they can take measurements and come up with a list of questions so that their quote is as accurate as possible.

When it comes to collecting questions from contractors, be sure you have the contact information on your bid request so that questions are routed properly. If it's an option, you may want to assign a particular person on your team to review and answer the questions.

Aim to receive all questions within two weeks after the bid request is sent, and try to give answers within three days after receiving the questions.





ESSENTIAL ELEMENT 3:

CHOOSE THE BEST BID

(NOT NECESSARILY THE LOWEST BID)

It can be tempting to go with what looks like the lowest bid, but sometimes the numbers are deceiving. Carefully considering which bid to take can save you a lot of time, money and hassle in the long run. Here are some tips to keep in mind for selecting the winning bid.

CREATE A WAY TO ASSESS VENDORS.

Work with stakeholders to determine your key criteria and create a scoring sheet so everyone is basing their grades off of the same criteria. Ask closed-ended (yes or no) questions and assign points.

| CRITERIA | POINTS (YES=5, NO=0) | NOTES |
|--|----------------------|--|
| Licensed/certified? | 5 | Proof available upon request |
| Bonded? | 5 | |
| Insured? | 5 | |
| BBB score above "B" | 5 | Actual score is A- |
| Images of work? | 5 | |
| References? | 5 | |
| Able to meet timeline? | 5 | |
| Took time to measure during tour? | 5 | Contractor asked questions and was very thorough |
| Submitted questions and bid items by deadlines? | 5 | |
| Bonus points (1 point per item that was particularly impressive) | 1 | Extra 1 for thoroughness |
| TOTALS | 46 | |

NOTE: You will need to determine your criteria for grading contractors. The example above is not meant to be a comprehensive scoresheet, nor does it take into consideration that some items may be more important to you than others. If you want to assign weights to your scores, you may be interested in [RFP360's](#) spreadsheet that you can customize to meet your specifications.





FOLLOW A UNIFORM PROCESS EVERY TIME.

To create efficiencies and to make sure you aren't skipping steps, it's important to follow the same, repeatable process.

- **Distribute the incoming bids to stakeholders.** After receiving your proposals, give copies to each stakeholder for review. Stakeholders should be making note of both general and contractor-specific questions as they review each bid. It's up to you whether you share these questions ahead of time with the contractors.
- **Create a shortlist.** Next, you (and your stakeholders) should come up with a short list of two to four contractors to interview. Give each stakeholder access to the scoresheet you have developed, and use the completed scoresheets to help you cull your list.
- **Conduct contractor interviews.** Contact those that have been chosen to move forward and schedule interviews to take place over the phone, online, or in person. During the interview, you will ask the questions you came up with when you were reviewing bids.
- **Award bid and execute the contract.** Once interviews are completed, it's time to make a selection. Use the same criteria for across all contractors, so you are comparing apples to apples.
- **Inform non-winners after executing the contract.** Don't be too hasty to cut loose the other contractors before all items are negotiated and agreed upon in case the deal falls through.



BE AWARE OF MISLEADING PRACTICES

While contractors may not be trying to mislead you, you should know about some reasons that bids vary. Here are some things to keep in mind when comparing bids.

- Some lower bids may not be taking into account all the work that should be done. For example, you may need grading for proper drainage, but the bid doesn't account for it. Either the contractor is going to leave you with a project that won't last as long as it should, or they will add on grading to the price during the paving project.
- Some contractors will bid lower based on using less of the materials than the project should have to meet high quality standards.
- Contractors should be estimating around the same number of crew hours. If they are estimating a lower number of hours, question why. They may end up taking longer to complete the project than others.
- Overall, bids should be pretty close. If you get a bid that's really low, they may be offering an inferior product. If you get one that is really high, they might be overcharging.



ABOUT

DC CONSTRUCTION SERVICES

DC Construction Services provides quality paving solutions to improve the durability and longevity of pavement with as little disruption as possible.

We provide a trusted partnership that consistently meets our customers' high standards, and we do it by delivering exceptional communication, paying attention to the details, bringing a wealth of knowledge and expertise, and consistently delivering on time.