

A Guide to Creating Good Construction Bid

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The residential remodelers and custom home builders that win the most business all have something in common, which is that they provide their clients with the best construction bid proposal. A good construction bid proposal will define the beginning of a productive relationship between builder and client, based on trust and clear communication.

A poorly designed construction proposal, however, often creates more questions than it answers. Construction proposals are both a sales brochure and contract rolled into one, so they must provide not just accurate information, but a reason to act on it.

As professionals, how do we design a good construction proposal that wins the business, makes us profitable, and satisfies the client at the same time? The answer lies in creating a good construction proposal that is attractive, honest, and complete.

Today we will discuss the elements a good construction proposal should contain, what each does, and why you need them in yours.

What Is a Construction Bid Proposal?

A construction bid proposal (also known as a construction proposal, or construction bid) is a set of [documents](#), photos, samples, and other means used by a construction professional (like a residential remodeler or custom home builder) to present a work offer to a client. The need for a construction bid proposal is often determined by the cost or scope of the project, rather than how long the construction project will take to complete.

A construction bid comprises all of the details the project will entail, along with the estimated costs and estimated time of completion. Some construction bids will also include the contract and legal documents pertinent to the project. However, the scope of some projects is too large to effectively be included in a construction bid proposal and will be provided elsewhere.

Construction proposals are typically used when a construction project reaches a significant cost to the client, or the physical scope of the project is significant. For example, although replacing a roof may only take a day to complete, the cost is often significant. For this reason, most residential remodelers provide a construction proposal routinely when replacing a roof.

Why Should I Provide a Construction Bid Proposal?

As a remodeler or custom home builder, providing a good proposal is one of the smartest things you can do. A good construction proposal states exactly what your company will do, what it will cost, and how long it will take. The most successful contractors understand the value of a paper trail, and none are more important than a construction proposal.

A complete proposal will prevent most disputes, because everyone can refer to the same source for answers. The more complete the proposal is presented, the better it is for both the contractor and the client because it removes ambiguity. Clear, concise communication is key to a successful business relationship, and a good construction bid is the best place to start.

What Are the Main Components Of a Good Construction Bid Proposal?

A good proposal is part contract and part sales tool. All else being equal, clients will usually lean towards hiring the contractor with the most professional construction bid. Clients will usually request at least three construction bids, so if yours is just [a bit more complete or better organized](#), your chances of winning the job will greatly improve.

We will provide the main components of a good construction bid, as well as how to use it as a sales tool. Here are the primary elements of a good construction bid and why they should be included:

- **Scope of the Project**

Obviously, the first goal of a good proposal is to define the scope of the project. Any respectable construction professional will confirm adherence to the building codes in effect, but construction projects can take many forms. Defining the scope of the project is critical, because if the scope of the project changes, so does everything else.

- **Who Are the Parties Responsible For the Project?**

Odd as it may seem, a large number of construction proposals are submitted with incorrect names, addresses, and other details that will affect the entire project. Who will checks be made out to? Where will the funds be used, and for what purpose? Making sure the details are accurate is the best way to prevent avoidable problems later.

A good construction bid will answer pertinent questions before the client can ask them. Clients appreciate and tend to trust contractors that explain the pros and the cons, not just the pros. Questions involving insurance, licensing, finances, schedules, and subcontractor bids will be quickly answered by a good well composed bid.

- **Scope and Expense Details (Breakdown)**

Clients need a sense of security when they spend significant amounts of money, and rightly so. Clients deserve to know exactly what they are purchasing for their money, but in the construction business, we deal with nature, which can be unpredictable.

For example, a common initial task when beginning a construction project often involves site preparation. Site preparation usually includes digging and leveling of the house seat, which can expose issues no one was aware of, including the client. A good proposal will clearly address what happens when the unexpected occurs.

Weather and material delays are among the most common client complaints. A good proposal will address these issues before they occur. The best proposal will clearly define who decides when the work is safe to perform and when a project is considered finished.

- **Clear Project Parameters and Management**

The best construction bids are easy to read, concise, and complete. Clear project parameters, like who is responsible for a given task, should be easy to find in any good proposal. Subcontractor bids and their certificates of insurance should be included, as well as any license numbers appropriate for the project.

For example, some clients prefer to do some work themselves, like installing underground sprinklers, landscaping, or painting. Having a solidly composed bid that clearly defines who does what and when will keep confusion to a minimum and provide a universal source for answers.

Having clear project parameters as part of the construction proposal protects both the construction professional and their clients. Ambiguity is the enemy of a good construction bid. A good proposal should include the most accurate information available at the time, and not just an educated guess.

Tip From the Pros For Creating a Good Construction Bid Proposal

As busy construction professionals we can get so caught up in the details that we miss the big picture. Remember, a good construction proposal *solves a problem*. Clients have a problem and they are inviting you to offer a solution to it. A well done construction bid provides everything a client needs to feel they have made a great decision to hire your company.

How Do I Create a Great Construction Bid Proposal?

Back in the day, contractors did their best with the technology available but many construction proposals contained expensive mistakes and often led to completely avoidable problems. Fortunately, today the construction technology industry is on fire. Notes scribbled on a 2" x 4" and three voicemails are no longer required to answer a simple question.

One of the best construction management software companies to emerge in recent years is [BuildBook](#). BuildBook does something unique in the construction management software industry, which is to only offer features you will actually use. Most remodelers and custom home builders don't have the time to earn a degree in computer technology, so they need a simple, easy-to-use system.

Most large construction management software companies try to provide so many seldom used tools that the user interface looks like the cockpit of a stealth fighter. Ideally, the best construction management software provides the information you need, without burying you under the information you don't, like [this one](#).

In fact, BuildBook will give you a [free trial](#) and a free product demo to make sure it works for you before you invest anything. Some builders prefer to spend countless hours in the truck navigating endless menus to nowhere, but the rest of us will benefit from the simplicity of a BuildBook solution.

Keep It Easy to Read, Complete, and Accurate

The best construction bid proposals will be a guidebook for the entire project, so keep information easy to find, complete, and accurate. You will instantly jump ahead of your competition with your professionalism. The best way to complete a construction bid proposal is with [construction management solutions](#) that make your construction life easier to live.

