



When Placing a Bid

As a contractor you can attest to the amount of time and money it takes to put together and place a bid. A great deal goes into producing the bid proposal. There are a lot of variables to take care of. You have the estimating and the insurance requirements just to name a few. But all that could have been done in vain if your estimating powers are having an off day.

So how and when does this all start going south?

Let's start from the very beginning, the bidding process.

Bidding process steps:

1. Fill out the bond request form (which you are hopefully submitting with plenty of time!).
2. Fill out the estimated contract price. This is the amount the surety underwriter is basing their decision on and expecting is fairly close to the amount for the final bonds in case you get awarded the contract.

So what happens when you change your final bid amount? And by change, we mean you INCREASE your initial bid amount. Unfortunately, your bid documents may not support the increased amount, thus causing an invalid bid.

What can you do to prevent such from happening to you?

1. Overestimate the bid than underestimate.
2. Know the limit of the amount you can bid, there's usually a 10% leeway.
3. If you have an unexpected last minute increase, let the surety company know immediately. They may easily accept and you can proceed without an issue.
 - For example, if your initial bid was \$1M and you go over \$1.1M, you need to call. We will not call you back unless there's a problem. So if you don't hear from us, that is a good thing and you can proceed (we don't want to tie up your phone line and time, we know it is hectic on bid day). If we do call you back, we usually just want to know why you went over.
4. Send bid bond request even if you don't know if you will bid. If you don't bid it, it is not a bad reflection on you. We would rather have plenty of time to get it approved and you not bid, than us scrambling last minute to get it approved.

Here at Burke Insurance Group, we want your bidding process to be pleasant and easy. If you ever have any questions, (how can you increase your bonding capacity?) or have any issues, please never hesitate to contact Will Burke, Shawn Gustafson or Carlos Aguirre.