

# THE KEY TO CONTRACTING IS COMMUNICATION

By J. Wallace, A.L.S.

*UMA Surveys, a division of UMA Engineering Ltd.*

*Reprinted from ALS News, Fall 1988.*

**Proposals.** There are, in my opinion, five important factors to consider in the preparation of a proposal. These factors can be applied to both private sector and government contract proposals. The following section offers a list and explanation of each of these factors.

**Understand the Contract.** It goes without saying that anyone planning to prepare a formal proposal should read and fully understand project specifications before proposal preparation is undertaken. This is an extremely important step; without a thorough study, it is difficult to understand all of the implications or comprehend the overall scope of the project. A salient question arises at this point; have all aspects of the contract been covered in the specifications and vice versa? If there is the slightest indication that any aspect has been overlooked, then further investigation is essential. It should be clearly determined if some aspects are in fact missing or have been interpreted incorrectly on first reading.

In many cases, custom contract specifications are not necessarily compiled for each project. As a consequence, they may include material that is extraneous or misleading. It should be noted that this is seldom the case with government contracts because they are usually project specific. Individuals well acquainted with the survey industry tailor each contract on a project by project basis. There are situations, however, when contract specifications are occasionally compiled by personnel unfamiliar with standard survey requirements. Such contracts often resemble those used for construction projects. When and if this situation arises, it is imperative that the survey proposal include the anticipated costs that may have been overlooked in the project specifications.

**Be Familiar with the Logistical Concerns.** A critical step in proposal preparation is getting to know the geog-

raphy of the project area. Often, logistical and access related problems can be averted simply by scouting the area or talking to someone who is familiar with it.

Project evaluations often reveal that field manhours are estimated with some accuracy but the field expenses for travel, subsistence, etc., were estimated far too low. Logistics are especially relevant when proposing on jobs in northern areas; in such cases the experience of the estimator plays an important role. The estimator must take into consideration and make allowances for such items as helicopter delays, extremely expensive fuel, inflated subsistence costs and downtime incurred by the bureaucratic decision-making process.

**Allow for the Weather.** Both seasonal and daily weather fluctuations are important factors that must be taken into consideration at the time a proposal is formulated. Delays in the field attributed to bad weather generate additional job costs. As a rule, these costs are the responsibility of the survey company to make an allowance for inclement weather at the time the proposal is prepared. This will reduce the possibility of budget overruns later on.

It should be emphasized that the seasons dictate the special needs of a project in terms of equipment, supplies and transportation. Winter and summer estimates for the same project can vary significantly. A word of caution; if an old proposal is used as a guideline in the preparation of a new proposal, be sure to check which season it applied to.

**Evaluate the Workload, Manpower and Resources Available.** It is important to keep in mind that the manpower, resources and workload of the survey company should be realistically assessed before any new project proposals are submitted. Service to long term clients may be jeopardized by committing to new projects that overtax the manpower and resources of the com-

pany. There is a certain wisdom evident in the business philosophy of survey companies that forego the short term projects so as not to spread their resources too thin on their other commitments.

**Specific Implications of Government Contracts.** Bidding on government contracts is usually open to large numbers of survey companies. This is not the case in the private sector where fewer companies are in competition. As a consequence, government contracts are extremely competitive. A performance weighting-system is also utilized so contracts are not awarded solely on price. When a government contract is signed for a specific amount of money there is little hope of obtaining additional funding if the project runs over budget. The survey company must bear these extra costs should they arise. If a government contract is awarded to a surveyor whose bid is significantly lower than all the others, that company is given the opportunity to withdraw its proposal. This scenario would alert the estimator to the fact that a significant cost was overlooked in the estimate. Often government contracts are negotiated down to match budget availability with little importance given to actual scope of the project. As a result, survey companies are expected to absorb this cost differential resulting in the government department sometimes receiving sub-standard work.

**Conclusion.** It should be noted that the preceding summary reflects only five of the most obvious points that should be taken into consideration in proposal preparation. There are, however, many others which have not been included. It should also be noted that the individual preparing a proposal takes on the responsibility of striking a balance between client needs and company concerns. Professional obligations, however, cannot be compromised. ●