How to Find the Right Bidding Software

Why you should consider kicking Excel to the curb & bringing in a new solution

By Deborah R. Huso

Matt Vetter, vice president of Schafer Construction Inc., has tried a multitude of bidding tools over the years, with varying degrees of success. But, because his Brighton, Michigan-based firm is relatively small, he admits that "the tremendous learning curve and time commitment" involved in getting his team up to speed with an estimating software solution has not been a high priority.

"We focus on integrated project delivery and perform initial estimates at a highly conceptual level," Vetter said. "Currently, our estimate template is a proprietary, Excel-based tool. It works very well for our purposes, [though] it's not the most flashy option out there."

He said he knows there are good alternatives available, but the biggest hurdle his company faces in instituting a bidding software option is "adaptability, both in the software and in our estimating staff." Vetter isn't alone. According to the results of a 2015 survey published in JBKnowledge's Construction Technology Report, 20 percent of construction companies still use spreadsheets for estimating.

The reasons so many continue to rely on Excel for bidding are manifold. Contractors cannot find software that seamlessly integrates with existing project management and accounting systems. So, they find it difficult to justify the expenditure of funds (both the initial purchase and ongoing updates) and time (training employees) required to implement the software. And some businesses are just too niche for off-the-shelf software to provide the estimating tools they need.

All that said, there are some critical reasons you might consider adopting a bidding solution beyond what Excel can offer.

- *Speed*—There is no doubt about it. Entering all that data by hand takes up time that could be better spent on direct revenue generation.
- *Ease*—Excel spreadsheets have a lot of capabilities, but you really

need an expert to manipulate them effectively. There's a high learning curve for proficiency in Excel when it comes to estimating job costs.

- *Automation*—An Excel spreadsheet is only as good as the person using it. Human error has its costs, and one inaccurate entry could turn into a mistake worth tens of thousands of dollars (maybe more). Bidding software offers automatic calculations.
- *Consistency*—Estimating software allows for standardization of processes, meaning bidding will happen the same way for every job in the organization. This reduces the need for data entry where numbers are always the same. Estimating software also maintains a historical record, so you can more easily price projects similar to those you have estimated in the past.

While bidding software can save substantial time and dramatically reduce the likelihood of oversights and calculation errors, it's important to choose your software carefully. Be sure to consider the following before moving forward with your decision.

- *Integration*—If you're not purchasing estimating software as part of a larger package of project management tools, make sure it will integrate with your current systems, including your accounting software. Tricky integrations are one of the key factors that cause builders to stick with Excel.
- *Employee buy-in*—Make sure you have the time and resources to devote to employee training. If the employees using the software aren't taking full advantage of its capabilities, or they aren't on board with the idea of using new technology, an estimating tool will hinder, rather than help, the bidding process.
- *Take-off estimates*—Before you buy, study the bidding software's materials database. Is it comprehensive? Does it offer price checks? Does it update with the latest offerings and pricing? Will the software import computer-aided design (CAD) images, allowing you to upload new blueprints as projects change? Many don't; so beware.
- *Post-bid usability*—Consider choosing a tool that will serve you after the bid is complete. Many estimating tools can track costs while projects are underway and automatically report changes from the initial estimate. Others even allow you to track the status of materials orders.
- *Reporting capabilities*—Most bidding tools offer many options for running reports on everything from project progress to labor needs and can be helpful in providing updates to clients or supporting requests for additional labor or materials.

Given all the above considerations, how do you choose from the seemingly endless offerings out there? After all, next to accounting, estimating has more software offerings than any other sector in the construction industry. The following are five popular picks, with a quick review of their best features.

- **ProContractor Estimating**—A top pick for its easy-to-use, intuitive interface, ProContractor also allows you to import and manipulate 3D blueprints, which makes for much greater takeoff and estimating accuracy.
- **B2W Estimate**—B2W stands out for its access to a number of supplier databases, making it easy to access up-to-date materials pricing.
- **Sage Estimating**—Designed exclusively for commercial contractors, Sage's interface is similar to Excel, which makes it a comfortable tool for cost estimators who are accustomed to spreadsheets. Almost 18 percent of respondents to the 2017 Construction Technology Report use Sage.
- **PlanSwift**—PlanSwift is a standout for its endless customization options, making it a good tool for niche companies. It's also able to swiftly measure square footage, pitches, angles and quantities. Vetter said his company uses PlanSwift for its takeoff features and has plans to integrate its customized estimate template.
- **SmartBid**—SmartBid has a secure, web-based mobile platform that makes it easy to access project data, documents and team communications from any device, just about anywhere in the world. The tool is also highly customizable.
- **QuickBid**—QuickBid automates material takeoff with current vendor and materials pricing, which you can amend without having to recalculate the entire bid. You can also download your own individual supplier databases into this product.
- **DESTINI Estimator**—With its ability to seamlessly integrate building-information modeling (BIM) 360 and adjust models to obtain different pricing, DESTINI receives high marks. Vetter, who has performed feasibility testing on several bidding software options, said, "Destini Estimator, once fully implemented, is by far the best tool I've come across for conceptual estimating."

Of course, not even the best estimating software can replace the value of employing a good cost estimator on your team, so don't assume that because you have the former, you can skimp on the latter.

An experienced cost estimator will not only help you evaluate the best technology tools for bidding, but will also provide the expertise for filling the gaps that bidding software cannot—like knowing the past performance of subcontractors, understanding individual customer preferences and engineering know-how for optimizing costs based on knowledge of alternate materials and methods. CBO

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