

A TENDER SUBJECT SAYS THE CRA

Is it just contractors blabbing on, or are tender lists getting longer?

Having just discovered that as many as thirteen contractors have recently been asked to price for a local authority contract, the **Concrete Repair Association (CRA)** believes that it is justified in assuming that the length of tender lists are getting a little bit out of hand.

It is appreciated that thirteen is probably an exception, but it is not uncommon these days to discover that seven or eight contractors are bidding the same piece of work, says the Association.



Just what is the point? Clients are obviously under the misapprehension that more prices mean cheaper bids. But, how wrong can they be?

If a contractor is regularly bidding against seven or eight competitors, on average his estimating department has probably got to price seven or eight contracts to win just one. Traditionally, the list would have been three or four, so the contractor's estimating costs have just doubled. And who pays these additional costs? Well, initially, they get incorporated into the contractor's overheads. But inevitably, they will eventually get passed onto the client - albeit indirectly. It sounds like an almighty 'lose, lose' situation, claims the Association.

Since the vast majority of specialist contractors involved in the UK structural refurbishment market are members of the CRA, it shouldn't be too difficult to choose a list of the most competent and appropriate contractor for the particular work they are contracting out. They simply have to peruse the CRA members' accreditations list and look no further. Trawling for contractors outside such a specialist association can only court disaster for the unwary client.

So long as clients understand and appreciate cost and risk, they will undoubtedly finish up with the best deal possible. They need to choose a short list (with 'short' being the operative word) of the most appropriate contractors, before negotiating the best deal with them.

Everyone knows that times are hard, clients have less funds for important refurbishment projects and contractors are competing hard for the fewer jobs that are around. So why on earth are we increasing the burden for all concerned, by inviting everybody and their relatives to tender? The CRA believes that in such a climate, we should be trying to reduce costs; not increase them.

For more information go to: www.cra.org.uk

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