Proper Bidding Techniques

Please note this presentation is only intended to be used as a basic educational tool and is by no means all encompassing. Each property should be treated on a case by case basis and vendors will be held responsible for any errors made.
Proper Bidding Techniques

Objectives

• How to Submit a Bid in Vendor Web
• How to Provide a Proper Bid Description
• How to Provide Proper Damage Info

Purposes

• Improve Quality of Bids Submitted
• Increase Percentage of Bid Approvals
• Decrease Percentage of Bid Amount Reductions
• Avoid Penalties Affiliated with Reconveys Due to Improper Damage Reporting
• Increasing the Accuracy of Photos Submitted to Support Bids
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The first step in properly submitting a bid is to have all of the bid information from the property. This is why it is crucial to completely fill out the PCR while at the property.

Initial Secure/Convey Checklist

T. Damages: (Check allowable / work order. If unavailable, call the bid desk x2186 for FHA and Cust Serv x2158 for CV, FNMA, FMC & VA)
1. Is there Standing Water Present? □ Yes □ No  If Yes, Location(s):________________________
   Source/Cause (select all that apply) □ Inoperable Sump Pump □ Ground Water Seepage □ Sewer backup
   □ Storm Water □ Roof damage/leak □ Poor Drainage □ Missing or damaged gutters/downspouts
   □ Extreme humidity / no air circulation □ Broken/missing pipes □ Other:________________________
2. Is there Mold Present? □ Yes □ No  DATE MOLD WAS LOCATED ___/___/___
   Location(s) / Description:________________________  Eyeball Estimate: $________
   Source/Cause (select all that apply) □ Inoperable Sump Pump □ Ground Water Seepage □ Sewer backup
   □ Storm Water □ Roof damage/leak □ Poor Drainage □ Missing or damaged gutters/downspouts
   □ Extreme humidity / no air circulation □ Broken/missing pipes □ Other:________________________
   Affected area in sq/ft ____________________________  Price: $________
   □ Bid to treat/clean mold with 50/50 bleach and water solution.
   □ Bid to KILZ.
   □ Bid to remove.
3. Is there Damaged/Missing Siding? □ Yes □ No  Price: $________
   Location(s) / Description:________________________
   Source/Cause (select all that apply) □ Vandalism □ Mortgagor Neglect □ Settling □ Storm Damage
   □ Other:________________________
4. Is there Water Damage to Floors, Walls, and or Ceiling? □ Yes □ No
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How to Submit a Bid

In General Property Information, notate the damage in the proper Property Information section (if applicable). For this case, the siding on the home is damaged and needs to be noted in the Exterior Property Information section.
While still under the General Property Info tab, select the “Miscellaneous” box under the **Type of Additional Work** header. This will prompt the **Miscellaneous Work Completed** and **Miscellaneous – Bids** sections.
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Select the drop down menu for ‘Add New Bid’ and select Other. By selecting Other, you will be putting in a Miscellaneous bid. Miscellaneous bids allow you to create custom bid titles and provide more characters for entering a description. The more detailed you can be in your bid description, the better!
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Enter a title for your bid and a detailed description; outlining man hours to completed, exact materials needed, and all dimensions. *Remember, you are relying on this description to justify your Bid Amount!* Lastly, drag your supporting photos into the “Drag Image Here” box from your Image Gallery.
Don’t forget to review your update before submission to prevent any errors!

Your bid will look like the below during your preview of your update.
Details, Details, Details...

Items required to be in your Bid Description:

1. **Labor:** How many man hours will this task take to complete?
   - 3 men for 8hrs = 24 man hours

2. **Materials:** Be Specific! Include all materials, material type(s), sizes, and appropriate dimensions (SQFT, LF, etc.)

3. **Equipment:** Do you need special equipment to complete the task? If so, please outline the exact type of equipment you will require, the length of time you will need it, and the cost of renting for that length of time (if necessary).

4. **Permits & Fees:** Know your local ordinances and outline any permit costs that will be incurred from completing the task
Why is giving detailed bids important?

- Loss of potential revenue
- Failed bid returns due to lack of detail
- Validating true scope of work
- Justifying submitted bid amounts

Bid A does not provide a clear scope of work
Bid B provides a itemized breakdown of all materials and work to be completed
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The example bid below has a detailed description of materials to be removed and replaced; including amount of materials and specific sizes.

Bid to remediate damage $496.54
Remediate damage bid description We will need to remove and replace 16 linear feet of 1/2" copper and 2 shut off valves.

Note the example bid below is extremely vague in the description of work to be completed. What exact work is being bid to be completed?

Bid to remediate damage $1000.00
Remediate damage bid description We will fix any breaks found
“But all high dollar items just go to claims vendors…”

- False: Proper bidding increases chance of approval
- Not all high ticket items are claimable

**Example:** The photo on the left shows roof damage from a hail storm. This is an act of nature and could have an insurance claim filed to compensate. The photo on the right shows a roof that is simply old and worn. This would not warrant an insurance claim.

Claimable Roof Damage

Non-Claimable Roof Wear
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**Properly Identifying Damages**

- **Subsequent Damages**
  - One damage can often lead to another. Thorough documentation to encompass the entire situation is a necessity
    - Example: Roof leaks most often lead to water damage. Water damage can often lead to discoloration damage
- **Source of the Damage**
  - Properly identifying why a damage has occurred in order to address the root problem
- **Prevention of loss**
  - Properties not In Convey Condition due to unreported damages
    - Independent QC programs can play an important role to prevent this
  - Updated bids for worsening damages (Ex: Discoloration)

Unreported And Inaccurate Damages Are The #1 Reason P&P Vendors Fail
Properly Identifying Sources of Damage

Accurately identifying the source of a damage at the property is essential in providing a proper bid to remediate and address the point of origination.

- **Roof Damage**: Thoroughly inspecting the top of the roof (surface area) and decking/framing from attic access to determine exact scope of the damage. Also inspecting all soffits, fascia, and flashing around chimneys and vents.

- **Water Intrusion**: Thoroughly inspecting the foundation for cracks or damaged mortar joints. Also inspecting downspouts to ensure the property has adequate drainage.

- **Discoloration**: Inspecting for water intrusion, roof leaks, plumbing leaks, flood damage, and proper drainage. It is critical that we locate the source of moisture precipitating discoloration growth and address to prevent further damage.

These Examples and All Other Damages Should be Identified and Sourced During Your Completion of the PCR!
Example of Common Improper Source Identification:
There are many sources of discoloration; water intrusion, roof leak(s), plumbing leak(s), flood damage, etc. A large majority of discoloration issues are caused by foundation seepage, roof leaks, or flood damage. The number one answer submitted to Safeguard for source of discoloration is humidity; which is frequently inaccurate. Doing our due diligence to accurately identify the source of discoloration (or any damage) is unparalleled in preventing losses due to improper reporting.
Photo documentation to support a submitted bid is crucial. Always photograph items from a distance to encompass the entire situation and up close to show specifics. For items located on a wall/ceiling with the opposing side of the wall being the exterior, we should be photographing the affected area from the interior and exterior of the property to ensure we’re thoroughly documenting the damage.

**Photos Supporting Bids Should Strive to “Tell the Story” of the Situation at the Property**

- Exterior Window Frame Damage
- Water Stained Interior Window Sill
Poor Bid Submission

Bid to remediate damage $1000.00
Remediate damage bid description We will fix any breaks found

The description is too vague and photos do not adequately support any specific plumbing damages to the property. Bid approval is highly unlikely since our client cannot properly identify what items need to be repaired or replaced.
### Proper Bid Submission

<table>
<thead>
<tr>
<th>Bid to remediate damage</th>
<th>$496.54</th>
</tr>
</thead>
<tbody>
<tr>
<td>RemEDIATE damage bid description</td>
<td>We will need to remove and replace 16 linear feet of 1/2&quot; copper and 2 shut off valves.</td>
</tr>
</tbody>
</table>
This bid description outlines the exact work to be completed. Photos show the areas of damaged copper plumbing to be replaced as well as both specific valves in need of replacement. These photos clearly tell the story of the total plumbing damage at the property that needs to be addressed.