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Software helping contractors forge ties with subs

Bidding for jobs » Downloading plans, tracking partners accelerated via computer.

By Mike Gorrell
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Several Utah contractors are using a new software program that allows them to interact more easily with subcontractors so they can submit more successful job bids.

Called SmartBidNet, the program enables contractors to keep better track of available subcontractors for different types of projects and gives subcontractors online access to blueprints and other materials pertinent to a project.

"The easier you can make it for the subs, the more likely they are to give you a preferential bid, simply because of the way you organize things and do things," said Reed Ewell, a chief estimator for Sandy-based Layton Construction.

Added Spencer Bradley, chief estimator for Wadman Construction in Ogden: "It's all about getting the word out and having an easy way for subs to look at the plans."

SmartBidNet is a product of JBKnowledge, a Texas company formed in 2006. Founder and co-owner James Benham said he found general dissatisfaction in the construction industry with existing bid database systems that often required the use of third-party intermediaries to print copies of drawings and deliver them to potential subcontractors.

So his company developed software that allows subcontractors to download the drawings -- and that enables the contractor to track where the plans are going.

The timing was perfect.

"Things changed quickly when the recession began" in December 2007, Benham said. "Government contracts became the primary driver for construction. Everyone had to competitively bid on work. Contractors had to send invitations-to-bid to a lot more subs than they used to. It became necessary to automate that subcontractor data."

In addition, he said, bonding companies stung by the downturn cracked down on contractors, demanding that they prequalify their subcontractors. The SmartBidNet program made it easier for contractors to establish a subcontractor database that contained all of the necessary information.

Layton Construction's Ewell said his company had subcontractor databases for each of its divisions -- for large corporations, government and educational institutions, hospitals, interiors of buildings. With up to 20 different projects going at a time, and up to 500 subcontractors on each, the volume of information could prove confounding.

"With this program, we are able to create our own preferred group of subs," he said. "When you call up a job, you can filter the subs you use based on the group they're in. It provides lots of flexibility on how you organize."

And if a contractor is pursuing work in a market where it hasn't been before, it can acquire subcontractor lists from JBKnowledge.

Benham's company charges contractors \$500 per year per user (Layton has 20 licenses). Subcontractors pay nothing.

To Bradley of Wadman Construction, the approach works well.

"It ended up saving us 10 to 15 percent over what we were paying. You're able to contact more subs and able to get subs to look at plans online. You're not spending all that money copying and shipping plans. It's those ancillary costs that come with inviting subs to bid that add up."

Naturally, some subs are not computer savvy and want to come into Wadman's office to review paper drawings. But Bradley thinks those throwback subs are diminishing.

"The industry is shifting. Once subs realize this software is saving them money and they're not having to go and find plans somewhere, they come around," he said. "After all, they realize they can bid more jobs and save money bidding them."

mikeg@sltrib.com