BuildingEngines

Ebook

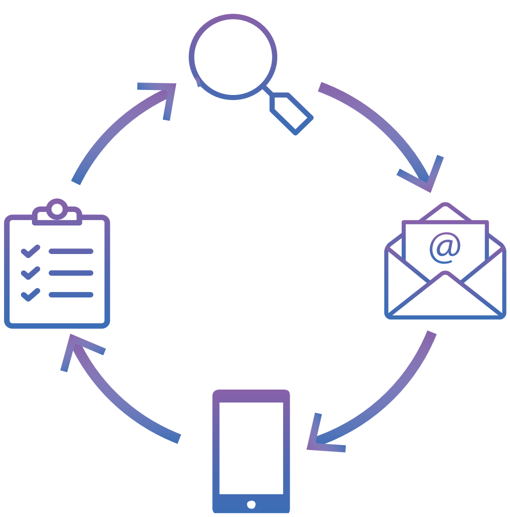
3 Reasons Your Vendor Proposal Process is Broken—and How to Fix it

The vendor bidding process as you know it is broken.

Having the right service vendors is critical for supporting the success of your buildings, which is why spending time ***finding*** the best ones is an essential first step anytime you need work done on your properties. Whether you're looking for someone to fill a service contract, execute a one-time, capital project or perform a "quick fix," it's smart to assess as many options as possible at the start.

Oftentimes however, the process of sourcing new vendors is seen as an inconvenience, and so it falls to the wayside as other, more immediate value-driving tasks take priority. If you're one to immediately call the vendor you've used for years whenever a new project arises simply out of convenience, you could be missing out on opportunities to save money and improve the quality of work being done.

Traditional Process



Modern Process

Think of vendors like assets: you want them to add value to your portfolio, not drain time and money from it—which can happen, if you're not diligent in reviewing contractor terms. Afterall, the right vendor can:

- Impact tenant satisfaction and safety
- Prevent neglected upkeep projects from turning into costly, major repairs down the road
- Perform work that minimizes your property's wear and tear, and preserves your property's value for years to come
- Make or break your bottom line

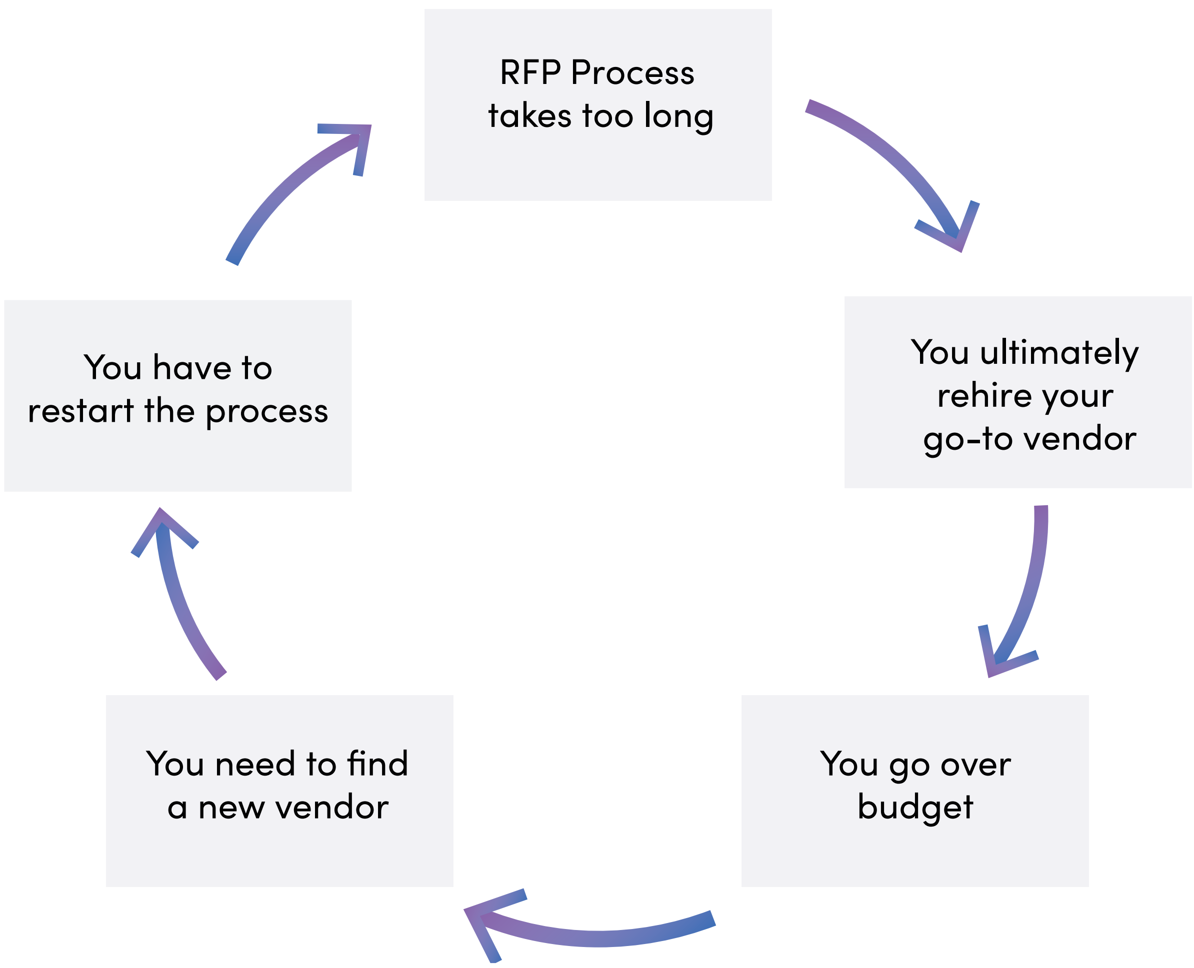
The process of finding and hiring contractors as you know it isn't serving these value points, which is why you should consider an automated bid management platform to ensure you're maximizing your assets. With the ability to monitor vendor relationships at every step of the journey, the task of finding and hiring new contractors becomes far less complicated.

Read on to learn three reasons the traditional vendor proposal process is broken—and how you can fix it by using an automated platform:

1. It's tedious and labor intensive

Traditionally, the vendor proposal process has been a cumbersome undertaking for property managers. It can take several hours to craft each RFP, and then you have to sort through all the inbounds. When every contractor is formatting them in their brand's unique style, this can feel like comparing apples to oranges. Because of this variance, you may end up looking at a smaller pool of vendors to save time—and consequently miss out on the best candidate.

Whether you're planning out project allowances as part of your annual budget or are in need of an emergency service provider, you may default to those vendors whose prices you already have on file to move the process along. But this sidestepping is how you lose value over time—the quality likely won't be improving, but the contracted rates may be increasing.



Fortunately, technology exists to expedite the process so that you can save resources while ensuring better outcomes. With an automated bid management solution, you can build your RFP in a fraction of the time using a customizable template, then instantly distribute it out to as many potentials from the platform's expansive vendor database as you want. All responses then return in your preferred format and are stored in one universal hub.

80%

With an automated bid management platform, your team can reduce operating expenses associated with vendor and project bidding by 80%. [1]

With hours saved in finding the right vendor, you can get the contract underway faster and get to work on other value-adding areas of business. Additionally, with a much more transparent process in place, you're more likely to stay on budget, having all your contractor terms clearly defined upfront.

[1]https://www.buildingengines.com

2. It's skewed toward convenience over value

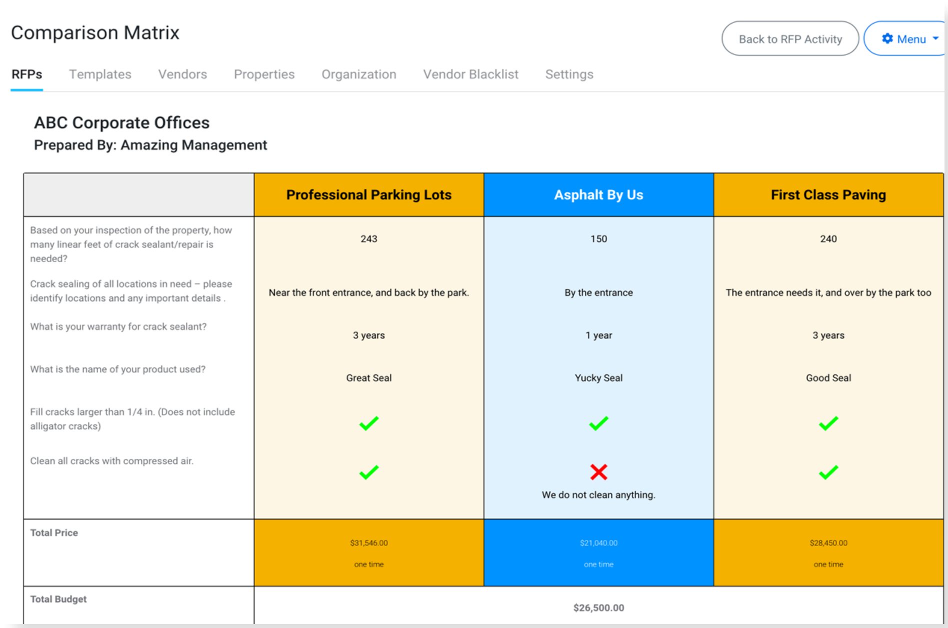
One of the benefits of finding vendors you trust is how convenient it is to rehire them when new projects pop up. For the long-term health of your building, however, convenience shouldn't outrank quality or cost. While re-signing a contract with a friendly face is certainly easier than hosting a competitive bid and reviewing every applicant's terms, you may be shortchanging yourself over time by not looking closely at how a given vendor's quality and price point stack up against others in the industry.

> **Your trusted vendor may be charging more per annual contract than its competitors. While a difference of only 3-5% may seem small at first, that rate can turn into a compounded problem of over 20% after 10 years.**

That's more than the cumulative rate of inflation over any 10 years.

Additionally, choosing a service provider whose quality is subpar just because you'll be able to hire them quickly means you'll likely go over budget down the line, as you'll need to spend more on repair work and aesthetic treatments to correct the original job.

When selecting a contractor—no matter your relationship with them—to a new project, you need to vet the pros and cons. Trust and longevity may be a cornerstone of many commercial real estate relationships, but finding the best vendor at the most competitive price may require you to deviate from your usual roster of candidates. This doesn't have to mean more work on your part; in fact, with the right tools, it can mean much less.


Comparison Matrix

Back to RFP Activity | Menu

RFPs | Templates | Vendors | Properties | Organization | Vendor Blacklist | Settings

ABC Corporate Offices
Prepared By: Amazing Management

	Professional Parking Lots	Asphalt By Us	First Class Paving
Based on your inspection of the property, how many linear feet of crack sealant/repair is needed?	243	150	240
Crack sealing of all locations in need – please identify locations and any important details .	Near the front entrance, and back by the park.	By the entrance	The entrance needs it, and over by the park too
What is your warranty for crack sealant?	3 years	1 year	3 years
What is the name of your product used?	Great Seal	Yucky Seal	Good Seal
Fill cracks larger than 1/4 in. (Does not include alligator cracks)	✓	✓	✓
Clean all cracks with compressed air.	✓	✗ We do not clean anything.	✓
Total Price	$31,546.00 one time	$21,040.00 one time	$28,450.00 one time
Total Budget	$26,500.00		

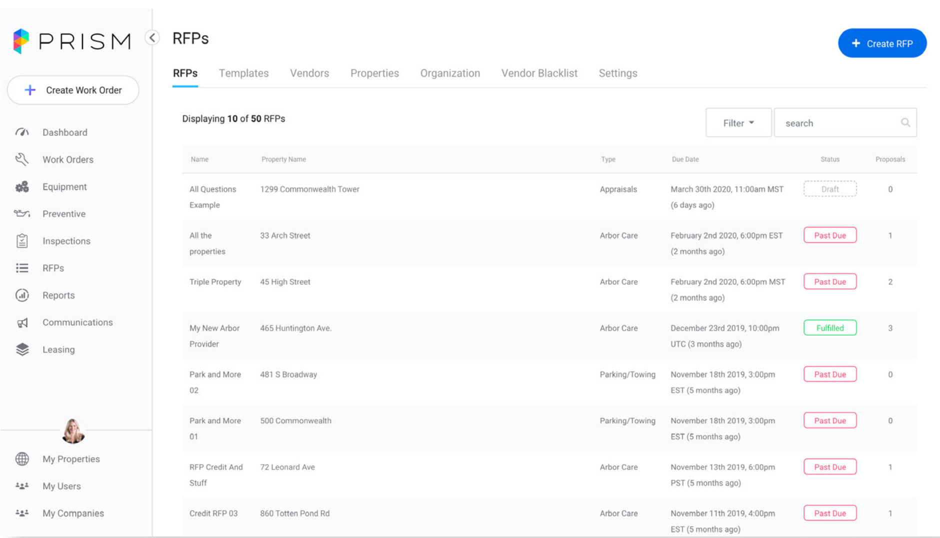
With digital dashboards that do the research on vendors' reputations and costs for you—thereby cutting out the back and forth of the competitive bidding process—automated bid management platforms allow you to quickly look at the offerings of a wide selection of providers to find the one best matched for your property's needs. As you get closer to your final choice, you can compare promising applicants side by side. Even if you want to still move forward with your go-to person after you've done some market research, you now have the information to negotiate the best price for their services, and to justify your decisions later.

3. It's difficult to manage relationships effectively

When managing vendors using pen and paper records (or even disjointed digital files), property teams can quickly become disorganized. During the sourcing period, you lose track of where your preferred vendors are in their RFP process, so you then have to chase them down through whichever avenue they're most responsive on. This process is further complicated if different team members are communicating with contractors through different mediums, as this leads to confusion over terms and agreements.

Then, for all the work that goes into executing the traditional bid management process, you're still only at the start of the relationship once you select a service provider—but you don't have a way to monitor contracts over time. Without a way to easily reference vendor agreements, you overlook price increases and slips in service levels.

A holistic, automated bid management platform, which houses contracts and communications beyond the initial proposal within a centralized, organized system, enables you to track the relationship's logistics and continually evaluate whether it's working as well as it should. Especially once it's time again to either resign old contracts or assess alternative options, you'll have digital records at your fingertips to reference.



Case Study:

Spinoso Real Estate Group

Challenge: Spinoso Real Estate Group's outdated vendor bidding process took property teams 8 to 10 hours per RFP, and, despite the time-consuming and tedious effort, its property teams still weren't finding a quality pool of vendors.

Solution: An automated bid management platform enabled Spinoso to streamline its vendor sourcing process across projects.

Result: Spinoso was able to reduce the time spent per request by 90%—saving operators time and money they could instead dedicate towards more strategic work. Additionally, the company was able to gain access to higher-quality vendors at more competitive prices.

90%

The amount of time Spinoso Real Estate Group was able to cut down their competitive bid process by.

Say goodbye to the vendor proposal process as you know it.

Trusted vendors are critical to the success of property teams, which is why property teams need a management solution that makes engaging with them more efficient. An automated bid management platform—like Prism Bid Management—is the solution property teams need to feel more comfortable and confident sourcing vendors of the highest quality for the best price.

With an automated platform, you can be strategic at every point of the vendor relationship:

- **Save time and money you can dedicate towards more strategic work** by using customizable RFP templates to detail project requirements, instead of building every RFP from scratch.
- **Trust that you're receiving quality service at best rates on the market** by comparing vendors side by side in an easy-to-read digital dashboard that considers public ratings, social profiles and in-module performance ratings from other users.
- **Keep vendors and property teams accountable** by maintaining digital historical records of your partnership that can underscore changes in cost or quality over time, and direct areas for growth on both sides.

With these capabilities, Prism optimizes the bid management process to fit seamlessly within modern property teams' regular operations and empower a future of success.

Get started today.

About Building Engines

Building Engines improves net operating income across the world's most successful Commercial Real Estate portfolios. Our customers increase their revenue, deliver the best occupant experience, and reduce their operating costs using our innovative building operations software platform.

BuildingEngines

ADDRESS

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