

# Bids

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administrative costs. The appropriate portion of overhead costs should be allocated to the job on which you are bidding.

Finally, profit must be added into the bid. Even if your margin is slim, you must figure in a profit. Profits are essential to the continued success of your

new construction products and techniques.

"The single major factor contributing to the production of a bad estimate is its preparation by the inexperienced," said Charles Munroe, certified professional construction estimator and member of the

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**"Even if your margin is slim, you must figure in a profit. Profits represent your return for bearing risk."**

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business and represent your return for bearing risk. Profit generally should be in line with the going rate in your area and for the type of contracting work to be done.

"Putting pencil to paper and accurately figuring actual job costs will prevent you from being forced to dip into your profits to pay for unplanned extra costs," said Jesswein.

The basis for your bid is the estimate. The American Society of Professional Estimators states that construction estimating requires keeping abreast of the latest costs for labor, material and equipment, as well as developing a familiarity with

American Society of Professional Estimators.

ASPE offers seminars suitable to both full-time construction estimators and the single-person contracting business.

Entire books and complete seminars are devoted to the art and science of estimating and bidding. Contact your trade association, local builders exchange, trades guild, builder's bookstore, or college for detailed information on this important topic.

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