BIDINTELL

Why Good Contractors Bid Bad Jobs

(and how to stop)

A short, honest guide to bid selection
for specialty subcontractors, distributors, and reps

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1. The Confession

I ran a specialty subcontracting division for about ten years. We built it from nothing to roughly $8 million in annual revenue. Division 10 and 12 work — the stuff most GCs barely think about until it's late.

Then I shut it down.

Not because the crews weren't good. Not because we couldn't build. We shut it down because, for years, we said yes to the wrong jobs — jobs that looked fine on paper, that fit our trade, that came from GCs we mostly liked — and the accumulated weight of bad bid selection finally caught up with the business.

That's not a story I tell at industry mixers. It's not on my LinkedIn banner. But it's the reason I built BidIntell, and it's the reason this guide exists. I'm not writing this as someone who read a study about bid selection. I'm writing it as someone who lost a company to it.

> *The judgment to avoid a bad bid usually exists somewhere in the company. The problem is getting it into the room before the decision gets made.*

This guide is the short version of what I wish someone had handed me fifteen years ago — not a sales pitch, just the framework I built after the fact, the hard way.

2. The Real Cost of a Bad Bid

Every estimating hour spent on a bid you were never going to win — or never should have chased — is an hour not spent on a bid you could have won. That's the whole cost, and it's easy to underestimate because it never shows up as a line item.

Industry-wide, the numbers aren't kind. The average commercial contractor wins somewhere around one in four bids submitted — roughly 25%. For subcontractors bidding public work specifically, the ratio of bids submitted to bids won typically runs between 7-to-1 and 11-to-1. Most of the bids that go out the door don't come back as work.

Here's the math that matters for your business:

Weekly waste = (bids per week) × (hours per bid) × (loaded estimator rate) × (share you never had a real shot at winning)

Run your own numbers. Say your team reviews 15 invitations a week, spends 3 hours triaging each one before deciding whether to fully estimate, at a loaded estimator rate of $65/hour. If even a third of those were never realistic — wrong GC, wrong size, wrong location, wrong timing — that's roughly 15 hours a week, $975 a week, or close to $50,000 a year spent chasing bids that were never going anywhere.

That number doesn't include the opportunity cost — the well-fit bid that got rushed or missed entirely because the team was busy running numbers on a job it had no business chasing.

> *The real cost of a bad bid isn't the job you lose. It's the estimating capacity you burn getting there.*

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3. The Knowledge Is There — It's Just Not Written Down

Walk into any subcontractor's office and ask the senior estimator why they passed on a bid last month. They'll tell you. Right away. This GC pays slow. That neighborhood's a nightmare for parking and staging. We've never made money on anything under $500K for this client. The judgment is there — it's sharp, it's earned, and it's usually right.

The problem isn't that the knowledge doesn't exist. It's that it lives in one person's head.

It doesn't show up on a scorecard. It doesn't get written into a file. It doesn't transfer when that estimator takes a vacation, gets pulled onto a big job, or eventually retires. Every time a company adds a second estimator, that person starts from zero — re-learning the same lessons about the same GCs, the same neighborhoods, the same red flags, one bad bid at a time.

This is why bid selection gets worse as a company grows, not better. More bids come in. Less of the decision-making is in the room with the person who has the scar tissue. The instinct that used to catch a bad job before it ate three weeks of estimating time quietly stops being in the loop.

And this isn't just anecdotal. In a survey of more than 2,000 general contractors, subcontractors, and design-build firms, fewer than one in ten could even say what their own bid-hit ratio was — let alone track the reasons behind their wins and losses. It's not that the industry lacks judgment. It's that almost nobody is capturing it.

None of this is a people problem. It's a structural one. The judgment was never designed to be shared — it was designed to live in a person, and people are a single point of failure.

> *What if the knowledge in your best estimator's head didn't have to stay there?*

4. The Five Signals That Actually Predict a Win

When an experienced estimator looks at a bid invitation and gets a gut feeling — good or bad — that feeling isn't random. It's a fast, informal calculation running on a handful of consistent inputs. Write those inputs down and you get something close to this:

Location Fit

How far is this from your actual service area, and how well does it match where you're already working and staffed to work?

Keywords & Contract Terms

Does the scope match your trade? Are there contract red flags — pay-if-paid clauses, aggressive liquidated damages, unusual bonding requirements — buried in the fine print?

GC Relationship

Have you worked with this GC before? Did they pay on time? Were change orders a fight? Relationship history is one of the strongest predictors of both winning and of the job going well after you win it.

Trade Match (subs) / Product Match (distributors & reps)

Is this squarely in your wheelhouse, or are you stretching into scope you don't do often — and therefore can't price with confidence?

Competitive Pressure

How many other bidders are likely chasing this one? A great-fit job with fifteen competitors is a different decision than the same job with three.

Individually, none of these five signals is a secret. Good estimators weigh some version of all of them, instinctively, every time an invitation lands. The value isn't in discovering something new — it's in making the calculation explicit, consistent, and repeatable across everyone on the team, every time, instead of only when the most experienced person in the room happens to look at it.

5. A Simple Framework You Can Use Tomorrow

You don't need software to start. You need a habit. Before your team commits real estimating hours to a bid, run it through these five questions. Score each one honestly — Strong / Neutral / Weak — and don't move to a full estimate on anything that scores Weak on more than one.

- ☐ Location Fit — Is this inside our real service area, not just our stated one?
- ☐ Keywords & Contract — Does the scope match our trade, and did we actually read the risk clauses?
- ☐ GC Relationship — Have we worked with this GC before, and was it good?
- ☐ Trade / Product Match — Is this squarely what we do, or are we stretching?
- ☐ Competitive Pressure — Roughly how many other bidders are we up against?

This won't catch everything, and it isn't meant to replace judgment — it's meant to make sure judgment gets applied consistently, before the estimating hours are spent, by whoever is triaging the inbox that day, not just by the one person who's been doing this the longest.

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6. What This Looks Like in Practice

Same bid invitation. Two different subcontractors. Same five signals, applied honestly, produce two very different — and correct — decisions.

The Bid: $3.2M office build-out, Denver, CO. GC: a national contractor. 14-day turnaround.

HVAC Sub — Denver-based, $2–5M sweet spot	
Location Fit	23 miles from home office — well inside service area
Keywords & Contract	Standard terms, no red-flag clauses found
GC Relationship	Worked with this GC twice before, both paid on time
Trade Match	Squarely HVAC, typical scope
Competitive Pressure	4 known bidders — moderate
GO — STRONG FIT	

Electrical Sub — Phoenix-based, $500K–2M sweet spot	
Location Fit	780 miles away — outside any real service area
Keywords & Contract	Scope matches trade, but travel overhead not priced anywhere
GC Relationship	No prior history with this GC
Trade Match	Right trade, wrong geography

Competitive Pressure	Unknown — no local relationships to gauge it
PASS — UNLESS EXPANDING MARKETS	

Same bid. Same five signals. Two completely different, completely correct answers — because the score reflects the business looking at it, not a generic read of the project.

7. It's Not Just "Should I Bid It" — It's "Can I Staff It"

Here's the part of my own story I don't tell as often: a good bid can still sink you if you win it without the labor or the margin to carry it. At Facility Systems, we could pick genuinely good jobs — right trade, right GC, right price — and still get into trouble, because we had no clear, quantifiable way to know whether we had enough work lined up to justify hiring, and whether that work was throwing off enough gross margin every month to cover the people we'd need to carry.

A profitable project can still create a company-level labor problem. Bid selection and staffing capacity are two sides of the same discipline — one tells you what to chase, the other tells you whether you can actually afford to win it.

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8. Where to Go From Here

None of this requires software. The checklist in section 5 works on a legal pad. What it requires is making the decision the same way every time, by everyone doing the triage — not just when the most experienced person in the building happens to look at the invitation.

BidIntell is the tool I built to do this automatically — score every bid invitation against these same five signals, personalized to your service area, your GCs, and your trade, and learn from what you actually win and lose over time. It's not required to use this framework. It just makes it faster, and it gets sharper the more your team uses it.

If you want a free read on a real bid — no signup, no commitment — send one bid invitation to ryan@bidintell.ai and I'll send back a scored one-pager myself.

> *Confession, not résumé. I built this because I lived the alternative.*

TEAR-OUT REFERENCE

The Five-Signal Bid Checklist

Print this page. Tape it above the estimating desk. Run every invitation through it before committing real hours.

- ☐ Location Fit — Is this inside our real service area, not just our stated one?
- ☐ Keywords & Contract — Does the scope match our trade, and did we actually read the risk clauses?
- ☐ GC Relationship — Have we worked with this GC before, and was it good?
- ☐ Trade / Product Match — Is this squarely what we do, or are we stretching?
- ☐ Competitive Pressure — Roughly how many other bidders are we up against?

The Rule

Weak on more than one signal → don't move to a full estimate. Strong across the board → estimate with confidence. Everything in between → a five-minute conversation before the clock starts.

> *BidIntell runs this same calculation automatically, personalized to your service area, your GCs, and your trade — and gets sharper with every bid you log.*

About the Author

Ryan Elder has been in commercial construction since 2003. He left a senior role at a large construction management firm to take over his family's facility services business, then built a Division 10 and 12 specialty subcontracting division from the ground up to roughly $8 million in annual revenue over about a decade — before shutting it down when years of poor bid selection finally caught up with the business.

That experience is the reason BidIntell exists. Ryan founded BidIntell to build the tool he wishes he'd had: a way to bring the judgment that lives in an experienced estimator's head into a system the whole company can use, learn from, and improve over time.

BidIntell is built for specialty subcontractors, distributors and suppliers, and manufacturers' reps who are tired of burning estimating hours on bids they were never going to win.

Sources

Industry win-rate and bid-hit ratio data referenced in this guide comes from Engineering News-Record (ENR) and 4BT (Efficient Construction Project Delivery). Figures are presented as general industry benchmarks; your own numbers are what matter for your business.

This guide contains no fabricated statistics, testimonials, or performance claims about BidIntell specifically. Every industry figure cited is sourced from public industry reporting available at the time of writing.