

Proposal Terms and Conditions

Executive Summary: Submitting a clear and concise proposal is an important step in getting the project off on the right foot. An ambiguous proposal welcomes dispute. Be complete in the listing of terms and conditions in your proposals.

What are terms and conditions? Terms and conditions are provided in a proposal and meant to further define the scope of work. They also define the business end of the agreement: the payment schedule.



What are some sample terms and conditions? After listing the bid items and prices, contractors should consider a minimum of three sections in their proposal: inclusions, exclusions, and conditions.

Inclusions and exclusions modify the descriptions used in the lump sum or unit pricing. Here are some suggestions and it obviously depends if this is in your scope, or not, on whether it's an inclusion or an exclusion:

Inclusions and Exclusions

- | | | |
|---------------------------|--|---|
| • Excavation/backfill | • Dewatering | • Rock excavation |
| • Survey/layout | • Hoisting | • Trade organization fees |
| • Rebar for masonry walls | • Mobilizations (# provided and additional cost per) | • Minimum of 1,000 sf of subgrade available |
| • Testing | • Samples | • Subgrade within 0.1' |
| • Overtime | • Plan sets | • Toilets |
| • Dumpster waste | • Permits | • Safety Officer |
| • Bond | • Specific insurance limits | • Builder's Risk insurance |

Following the items above, the proposal can close with conditions/payment terms such as:

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|---------------------------------|--|
| • Not subject to paid when paid | • Not subject to paid if paid |
| • Not subject to retention | • Discount terms if paid early |
| • Net 30. | • Cost per hour when we're standing by |

Where can I get a full list, or a sample of Ts and Cs? Your attorney can provide a great list, but that's going to cost you a lot of money. Do some research on line. Also look at the

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quotes that you get from your subcontractors; the reason your older and more mature subs and suppliers have three pages of terms and conditions is because they've likely gotten burnt on each item on each of the three pages. Here's another great source:



My story. I always tried my best to think of every possible option where I could get in trouble. And there are plenty of great ideas above to get you started in this exercise. But, the big stinky here is that just because you wrote it on your quote, that's only half the battle. Now you have to make sure that all that work you did in preparing your quote is included in your contract. Many clients will not attach your quote to their standard subcontracts, and often times they aren't willing to take all of your terms and transcribe them into their document. This is on purpose. I was one of those guys – sometimes I only included subs' terms when they asked. Just keepin' it real.

