



M-Co Construction employee unloads steel encasement pipe for bores on 24" water line project

CITY OF FORT WORTH

HARD HAT ZONE

BUILDING CONTRACTOR CAPACITY

CRANES & BACKHOES

To access the City's Purchasing Web site for advertisement and bid schedules, see: www.fortworthgov.org/purchasing

Sharpening Your Tools: Ten Helpful Hints for Successful Bidding

Over previous issues we filled your toolbox with tools to assist you with effectively pursuing and submitting bids for contracts in the City of Fort Worth.

We encourage you to use these tools while *Toolin Around'* when you check out the City of Fort Worth's Integrated Program Management (IPM) six-month look-ahead schedule to identify future projects. The three-month look-ahead for City of Fort Worth projects and projects advertised for bid are on the [Purchasing Division's web site](#).

Now that you have been using your tools we think it may be time for *Sharpening Your Tools*.

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Face2Face

WITH RICKY JAMES MAIN, PRESIDENT



COMPANY NAME M-Co Construction, Inc.

YEAR ESTABLISHED 1983

NUMBER OF EMPLOYEES 36

CORE COMPETENCY Underground utility contractor. Specializing in water, wastewater, and storm sewer reconstruction for the City of Fort Worth, other area municipalities and with TXDOT.

TYPICAL PROJECT SIZE A single service to multimillion dollar projects.

CITY OF FORT WORTH PROJECTS COMPLETED OR IN PROGRESS The new 121T Southwest Parkway water and sanitary sewer relocation project is the latest of numerous projects we have undertaken in the last 27 years.

PROUDEST CAREER ACHIEVEMENT Making our twenty-five year milestone with most of our original employees.

BEST CAREER ADVICE Do the best you can regardless of the project and treat your employees like a working family.

MENTOR My father, James Main, co-founder of our business.

EMAIL Ricky@mcoconst.com

WEBSITE www.mcoconst.com



HEADS UP!

Contractor Training Information Sessions

The last issue covered how the City uses Buzzsaw to share critical project information (e.g. design drawings, specifications, project documents, correspondence, invoices, etc.) in a secure environment with consultants and contractors. The focus of this collaboration is to speed up project delivery while getting consultants and contractors paid faster and more efficiently. To get a Buzzsaw login for your company, contact **Fred Griffin** by email or call 817.392.8868.

Many consultants are posting their design drawings and specifications on Buzzsaw. Contractors need to be prepared to download project bid documents. Consultants are also using the CFW Bidtools application to prepare forms to facilitate contractor's bids in a consistent manner. As bid opportunities are displayed on the City's Purchasing web site, the notices will show whether the bid information is on Buzzsaw with a link to the bid documents and any addenda.



Stay tuned. The City is planning to hold several training and information sessions for contractors in August/September. The sessions will address accessing documents on Buzzsaw, using the new bid forms, and initiating requests for payment.

The City is performing a long-overdue overhaul and update of its standard construction specifications. The effort is scheduled for completion in early 2011. For more information contact **Dena Johnson** by email or call 817.392.7866.

Finally, many of the City's new construction contracts are including an enhanced requirement for the development and submittal of schedules. The requirement was developed in 2008 and 2009 with significant review and input from the contracting community. If you are a successful bidder, make sure you clarify any questions you have on schedule requirements with the City Project Manager or the City's Program Management Office. Project controls specialists are available to help your staff get up to speed to efficiently meet these requirements. ■

The Corporate Financial \$\$\$tatement

Important financial information reported using General Accepted Accounting Principles (GAAP) and structured in an organized, easy to understand format is called the corporate financial statement.

There are four basic areas within your financial statement:

<p>BALANCE SHEET or STATEMENT OF FINANCIAL POSITION OR CONDITION includes an itemized report of your company's assets, liabilities and ownership equity.</p>	<p>PROFIT AND LOSS STATEMENT (P&L) is a record of your company's income and expense for the period reported. The P&L provides information such as your company's sales; other income, expenses incurred and the profit or loss attained at the end of the reporting period.</p>	<p>STATEMENT OF RETAINED EARNINGS is an explanation of the changes that took place in your company's retained earnings from the beginning to the end of the reporting period.</p>	<p>STATEMENT OF CASH FLOWS describes the sources and uses of cash for a reporting period, i.e., where a company's cash came from (receipts) and where it went during the period (payments).</p>
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Banks and surety companies use the financial statement as *the* tool to grade your ability to repay and the risk you represent. It is very important that you understand what they look for when underwriting your company.

CURRENT ASSETS – CURRENT LIABILITIES = WORKING CAPITAL

The formula that allows financial institution to grade your cash availability is known as *Working Capital*. A bonding company multiplies your working capital times 10 to set your single bond limit. Current assets are the assets that can be converted into cash within a 12 month period. Current liabilities are the obligations of your company within a 12 month period.

TOTAL ASSETS – TOTAL LIABILITIES = NET WORTH

The formula that allows financial institutions to determine your company's value is called *Net Worth*. A bonding company will look at this number to set the overall bond line for your company.

MONEY MADE – MONEY SPENT = PROFIT

We are all probably too familiar with the *Profit* formula and we all calculate it the same way. Bonding companies use this number to ascertain the success of your company.

When you meet with your accountant or CPA, get involved and review your financial statement before it is issued. Request a draft prior to issuing the final report. There are ways of recording transactions that affect the outcome of your financial statement and the ability to get bank financing and surety bonding (making less profit will require you to pay less taxes but will adversely affect your surety bond line).

There are different levels of financial statement and basis for accounting. In the construction field, prepare a financial statement every six months. Your fiscal year end should be a review and your interim a compilation, both on an accrual basis of accounting. ■

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A strategy for *Sharpening Your Tools* is Helpful Hints for Successful Bidding.

1. *Identify potential bid opportunities preferably three months before a project is scheduled for bid.* Most entities have a future projects bid schedule. Request a copy of the successful bid for a similar project. Ask questions about current projects and proposed projects.
2. *Monitor the future projects advertisement schedule* to determine if a project is advertising ahead of schedule, on schedule or behind schedule.
3. *Keep your Statement of Qualifications (SOQ) and contact information current.* Update your SOQ and vendor registration information immediately after any changes, especially new projects and your email address. You will not receive bid solicitations promptly if your contact information is not current.
4. *Read the instructions to bidders thoroughly.* It is extremely important to understand bid instructions. A thorough understanding of bid instructions serves to minimize or eliminate errors while preparing your bid.
5. *Review bid specifications closely.* Determine if you are able to complete the project independently as a prime contractor or a portion of the project as a subcontractor. Prepare questions to ask at the pre-bid meeting.

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6. *Attend the pre-bid meetings.* Identify and meet key personnel involved in administration (purchasing or contract compliance) and/or operations (user department) for the project. Identify and meet your competitors. Identify and meet subcontractors if you are a prime, or identify subcontracting opportunities if you are a subcontractor.
7. *Monitor the bid schedule and read all addenda promptly.* Addenda answers questions asked by interested bidders, may alter bid specifications, or may change the bid date.
8. *Prepare a checklist for your bid response.* List all required documents in the same order with the same title as described in the bid specifications. Check your calculations for any and all quantities required by the bid specifications. Ensure that you are using the requested unit of measure and extend the cost estimate. Check your calculations again!
9. *Review your completed response and submit all required and supporting bid documents in the order listed in the bid specifications.* Plan to submit your response during the morning of the response date or the day before.
10. *Attend the bid opening.* Record the name of the firms bidding and the bid amount. Congratulations! You are the successful bidder!

If you are not the successful bidder schedule a debriefing. Request a copy of the successful bid and compare with your bid response. Prepare to be the successful bidder on the next project.

Remember, visit the [City's Purchasing web site](#) for information on current and future bid opportunities.

LinkingYouIn

AMERICAN INDIAN CHAMBER OF COMMERCE
www.aicct.com

CITY OF FORT WORTH MINORITY/WOMEN
 BUSINESS ENTERPRISES
www.fortworthgov.org/mwbe

FORT WORTH BUSINESS ASSISTANCE CENTER
www.fwbac.com

FORT WORTH HISPANIC CHAMBER OF COMMERCE
www.fwhcc.org

FORT WORTH INDEPENDENT SCHOOL DISTRICT
www.fwisd.org

FORT WORTH METROPOLITAN
 BLACK CHAMBER OF COMMERCE
www.fwmbcc.org

NORTH TEXAS TOLLWAY AUTHORITY
www.ntta.org/WorkingWithUs/

TARRANT COUNTY
www.tarrantcounty.com
(click on Bid Opportunities)

TARRANT COUNTY ASIAN AMERICAN
 CHAMBER OF COMMERCE
www.tcaacc.org

TRINITY RIVER VISION AUTHORITY
www.trinityrivervision.org
(click on Contracting)



City of Fort Worth – A Look Inside The Tool Box

The City of Fort Worth strives to obtain the best firms, at the best prices to deliver the best quality services for its citizens. The City has collected an array of tools to provide assistance and support to small, minority and women-owned businesses. Take a look inside the City's tool box:

- 1) An effective **M/WBE Ordinance** to create a level playing field for diverse businesses.
- 2) The **Business Assistance Center (BAC)** offers classes on various relevant business topics, a computer-based Business Information Center and more.
- 3) The City's **Small Contractor Development Program (SCDP)** provides technical assistance and support to diverse businesses in the construction industry.
- 4) The **Fort Worth Metropolitan Black Chamber of Commerce (FWMBCC)** and the **Fort Worth Hispanic Chamber of Commerce (FHWCC)** have contracts with the City to provide business services to diverse businesses. Through its contract, the FWMBCC provides access to construction estimating software iSQft, state-of-the art software that assists contractors to formulate bids. The FWHCC uses its City contract dollars to provide one-on-one M/WBE and DBE certification assistance and a menu of business related services to diverse businesses.
- 5) The **City's Purchasing Division's web page** includes general procurement opportunities and a "Capital Projects" three-month look-ahead of construction and professional services opportunities. This is a useful tool to assist construction companies identify future opportunities.
- 6) On-going or future tools include the continued / expanded use of City construction project documents access through Buzzsaw (when designated in the bid solicitation document), uniform bid specifications, the required use of Primavera 6 or Microsoftproject by prime contractors and consultants for standard and complex projects, enhanced City project and program management delivery and much more.

The City has a full tool box and constantly looks for more and better tools. Please help yourself to these useful tools and, as always, **Happy contracting!** ■



Hard Hat Zone is produced in support of the City's effort to build contractor capacity. For more information about the Contractor Capacity Program, please contact Elvenn Richardson at The Burrell Group via elvenn@theburrellgroup.net or 817.350.4449.