

Believe in the Value You Offer

By Steven E. Schaefer, P.E.

Numerous articles in this column have stated that you must keep the services your firm offers from being perceived by potential clients as a commodity. You must sell the value your firm will provide the client, otherwise the client will select an engineer solely on the basis of price. If you bid your services, the client will know that you don't see any additional value in what you have to offer. Thus, you should decline to bid. By refusing to bid, you show that you believe in the value your firm offers the client. As more firms take this action, we take a big step in upgrading the image of structural engineers and the quality of services structural engineers provide.

The following letter was written by Howard Dutzi, P.E., of Colorado Springs, a number of years ago and offered as an example to others as a way to respond to requests for a bid. Other variations of this letter have circulated in various newsletters and other publications.

In a number of instances when our firm has been asked to respond to an RFP with a bid, we have declined and explained our reasons either in a letter similar to the example below or just verbally. In many of the cases, the client has come back to us stating that price would not be the primary selection criteria and asked us to respond by providing them our qualifications. At that time we also describe our approach to the project and how our higher level of service will benefit the client. In most of these instances, we were awarded the project.■

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Sample Letter for Declining to Bid

"Thank you for your kind invitation requesting that our firm submit a proposal for providing structural engineering services for the above-referenced project. This is a project which we feel highly qualified to perform.

Unfortunately, we must decline your offer. Our firm has a policy not to submit a fee as part of the selection criteria. Although we feel that fee is important, we have found it difficult to arrive at a number at such an early date, without a discussion with clients to determine their precise needs and expectations. Even though your RFP does a better than average job of outlining the scope, there are still many unknowns.

Several years ago we discovered that one's professional approach to a project changes when fee becomes a criterion for selection. We soon realized that firms were submitting low fees necessary to get them the job. This led to engineers finding ways of cutting their time on a project, which they accomplished by minimizing the level of service such as:

- 1. Selecting the structural systems that are easiest to design as opposed to selecting those that are the most economical to the owner.*
- 2. Leaving much of the engineering work up to the contractor.*
- 3. Designing the more heavily loaded members and repeating throughout.*
- 4. Minimizing details and leaving it up to the contractor to develop them.*
- 5. Not providing checking during and at the end of preparation of the contract documents. Failure to do so leads to more errors and coordination problems.*
- 6. Providing minimal review of shop drawings.*

This list could go on and on. While we all need to be conscientious as to how we spend our time, doing so by the methods indicated in this list is, in our opinion, foolhardy, does not serve the best interest of the client, and leads to a building costing more than necessary.

In the past we considered going after projects based on price, but in discussing what we needed to do to develop a low fee, soon realized we were primarily representing our own best interests and not those of the client. We were talking about methods of short-cutting rather than concentrating on how we could, to the best of our ability, serve the client. We recognized that we had to be responsive to our clients' needs; produce an economical structural design; and provide documents that were complete, clear, which would lead to more competitive pricing and also minimize the time of the people who had to interpret and work off of them. It is our philosophy that we must represent the best interest of our client.

It has been our feeling that we should first be selected on the basis of our qualifications, our ability to do the job, and how we can fit in and be a viable member of the team. If we meet these criteria, we should then discuss everyone's expectations. If a fee cannot be agreed on, we shake hands, part as friends, and hope we will be invited for consideration on your next project.

We hope you understand our position. Perhaps in the future we can be of service. Meannhile, best of luck on this project. It sounds exciting and is the type of project we would have enjoyed being a part of. It should be a real asset to the community."