



Best Practices for SNOW REMOVAL – CONTROLLING LAIBILITIES THROUGH PROPER RFP CREATION AND MANAGEMENMT.

As the seasons turn to winter, it is vital to begin preparations for your winter snow service. Knowing your exact snow service needs and preparing to budget for those needs is the first step in creating a practical, understandable, and directed RFP (Requests for proposal). Sourcing and selecting a partner, or partners, to provide your business locations with top level service is a critical initiative, and must be designed, charted, planned, and plotted.

PLANNING:

To deliver a proper RFP that can be competitively bid on by vendor partners is vital to the success of the RFP and the project. The goal of the RFP is to select the most qualified partner for your needs. All of your company's objectives must be clearly identified in the RFP process. Creating apples to apples RFP's removes miss communication and provides accountability for the company requesting the RFP.

RFP GOALS:

- Determine an exact scope of work for each location.
- Identify the square footages of work to be performed.
- By determining the biddable square footages RFP bidding errors can be omitted and you are protected against inflated or under measured snow removal areas.
 - Identify the square feet of sidewalks, cart corrals, loading dock areas, the main lot areas, and city owned sidewalk areas for each parking lot will be important as the main lot will be biggest expense in the RFP.
 - Identify the linear footage of broken curbing to be replaced is important because once the plowing season is over it is important to know what was damaged during the season and what was preexisting.
 - Identify the square footage of the total parking lot are to be serviced.
 - Having an engineer's estimate created prior to sending out the RFP will insure costs will be controlled and your company will be protected from gouging.
 - Having engineers estimates broken down by region to reflect work style and cost of living for particular areas this will provide a safety net for your company and will provide transparent accountability across the board.
 - The engineer estimate will give you a valuation of the services before bidding and will protect you from sticker shock. It will give you a target of where the numbers need to be and will help you weed out underbidding contractor and overpriced contractors.



Best Practices for SNOW REMOVAL – CONTROLLING LAIBILITIES THROUGH PROPER RFP CREATION AND MANAGEMENMT.

- Creating a line itemed bid sheet identifying partner square footage pricing will be extremely valuable in comparing like quotes and identifying possible over charges before they arise.
- Know what you want to pay before you pay it.
- Looking at the history of what you have paid in the past will also be a key to creating your budget.
- Knowing the approximate or average snow fall history will also be important in determining your budget for your yearly snow expenses.
- Look for a company with technological advancement in tracking and recording work performed.
- Set standards to insure all work is complete.
- Creating a site map with the exact requirement of the project is a must in receiving apples to apples quote.
- Determining the best pricing model for your company's geographical area will be vital to the cost control of your snow removal services.

PRICING MODELS:

There are 4 main pricing models to work with in the snow removal industry.

1. Per event pricing. Per event pricing is snow service based on accumulated snow fall within a specific period of time. As an example you would pay per inch when snow is falling continually. When the snow stops falling for a period of four hours for example a new event starts when the snow starts falling again and the cycle continues. This is a cost effective snow removal plan as your company is not paying per push but per inch.
2. Seasonal pricing is the most effective snow pricing model for locations which experience heavy snow fall. A seasonal price is a dollar amount paid out evenly over a 5 or 6 month period. The dollar amount paid is paid out no matter how much snow falls or how little snow falls. This is great for budgeting your annual snow fall expenses. It also ensures you will not blow your snow budget too early in the season!
3. Per push pricing is typically based on plowing 1-3 inches of snow each time the snow hits a predetermined trigger, usually 1 inch. This can be a more expensive servicing model as the company does not have control over the frequency of services.



Best Practices for SNOW REMOVAL – CONTROLLING LAIBILITIES THROUGH PROPER RFP CREATION AND MANAGEMNT.

4. Hourly pricing is the last of the 4 pricing models. It is also the most expensive. Snow service per hour range from \$150 per hour to \$350.00 per hour. The company has no control over the expense as snow pushing can get expensive quickly especially with untrained or new snow plow drivers.

SCOPE OF WORK:

The success of the RFP will be derived from the detail in the scope of work and RFP requirements. Identifying your needs and putting plans in place that reduce snow piling and over servicing is crucial to your RFP initiative. Understanding the snow pricing models above will give you a greater advantage when allocating service plans across geographical borders. The cost of snow plowing and deicing, depending on where you are across the United States varies from .002 cents a square foot to upwards of .015 cents per square foot. Putting specific pricing plans in place will save your company's bottom line thousands of dollars in snow removal costs. A snow removal site which has a planned pricing model can be very cost effective versus having to contact an emergency vendor during a snow storm and pay a high hourly rate for an emergency service. An example is if your lot is 150,000 sq. ft. and you have a "event pricing" model and let's say you're paying \$1800.00 for 1-3 inches you know exactly what you are paying and can budget based on ten year or one hundred year forecasts.

Setting the standard in your scope of work is vital. Identifying your exact cost is crucial to minimizing project cost overruns. Identifying project material types and quantities provides accountability across the board. The scope of work should be as clear and concise as possible. Implementing predetermined materials, quantities, de icier types, manufacture specifications, and work flows will prevent inadequate materials or installation methods from being utilized by partner vendors. Thus, it will raise the bar and set the standard for the work that will take place on your properties. This will also enhance the safety of the cliental at each location. The other benefit is that all locations will have the same quality of service. And thus protect your brand across the board.

TIMELINES:

Once all of the information has been gathered and the RFP is ready for release, it is important to set a realistic time line for the vendor partners you have chosen to prepare an adequate proposal. Most companies will have feet on the ground at each location, verifying square footages and reviewing the areas for potential pit falls. While most companies use a mixture of technology and feet on the ground bidding strategies to determine their final price, it is imperative they have the time they need to provide



Best Practices for SNOW REMOVAL – CONTROLLING LAIBILITIES THROUGH PROPER RFP CREATION AND MANAGEMENMT.

adequate proposals. A range of 3 to 6 weeks should be allotted from the date of RFP release to the final bid opening. This is a common time frame for portfolios that number locations in the thousands.

By allowing partners to thoroughly review the sites on which they are bidding, costly mistakes can be avoided by rushing proposals. It is never in your best interest to make a rushed decision. It is better, if needed, to extend the RFP date, or to take longer than expected in making a final vetting decision. Finding the right partner can save thousands in a rushed decision.

Once the right partner has been vetted and the project awarded a 30 day implementation, time should be allowed to properly set the project in place. The projects should then be scheduled sequentially as their needs require. It is key to start the process of the RFP early enough to make sure your partner vendors can provide the work in the predetermined time frame. Because snow removal work is extremely sensitive to weather requirements, having the right plan in place will save thousands in scheduling conflicts and issues. In our experience it is vital that the snow removal partner be selected by August 1st. What this means is that the vetting process and RFP must happen during the Months of June and July.

THE RFP:

Creating the RFP is a key to getting the project started right. Make sure the RFP template is straight forward and simple to read.

It is important that all pertinent site information is included in the RFP packet. This includes addresses and scope of work for each location. This should also include a site contact with whom to touch base in case there are any site specific restrictions or needs that may not be transposable in the RFP packet. An example would be an area of the parking lot sectioned off for container storage. Having the pricing broken down by service type is important so you can see exactly what you are paying for. Another key to a successful snow RFP is to have employee parking and loading dock requirements broken out as key points on the site map so all bidding partners have the exact service expectations at their fingertips.

Every piece of the project comes at a cost. But by being prepared and having an easy-to-use, straight forward, concise RFP can save thousands of dollars. When using an RFP properly, you can adequately budget and prepare for the needed services for years to come. Your dollars can be maximized and you will know exactly where they are going. One thing to also keep in mind is that the lowest bid price often comes at the highest cost. Under bidding can result in having to removing an under qualified contractor and having to take costly steps backwards in the process and possibly affect next year's budgeting process. Budgets can be affected when slip and falls occur. Many retail locations are charged high



Best Practices for SNOW REMOVAL – CONTROLLING LAIBILITIES THROUGH PROPER RFP CREATION AND MANAGEMNT.

dollars to their operation budget when slip and falls occur at their store locations. Many managers receive their yearly bonuses based on a store closing budget. Slip and falls can easily cost more than a missed service.

RISK MANAGEMENT:

It is important to look at snow removal and deicing services as “liability control.” Property owners are obligated to provide “reasonable care” in providing a safe working environment for your clients and employees. Liability control will give you the upper hand in defending lawsuits and will give you the opportunity to decrease insurance costs associated with your facilities snow removal services.

Slip and fall injuries are extremely common in and around facilities.

- According to the US department of labor the cost for a slip or trip and fall is \$28,000.00 in medical expenses.
- The national safety council estimates that approximately 8.9 trips are made to emergency rooms annually from slips, trips and falls.
- Secondly they report that slip and trip falls resulted in 25,000 deaths in 2009 and is listed as the second leading cause of accidental death.
- Slip and falls can lead to increased insurance premiums or cancellations of policies. Slip and falls can result in lost sales and damage to the stores bottom line. Slip and falls can also lead to the loss of Key employees during critical industry time frames.

It is important to look for companies which have Risk Management plans in place to help protect your brand during the winter season. You want a company that is large enough to have in house insurance advisors to handle claims if they arise. It is important to tender the claim to the appropriate parties the first time.

It is also very important when utilizing a national firm that contracts to local vendors that they have a very strict vendor approval process. Your partners should review the service they are providing for you have their insurance teams reviews the Certificates of insurance, insurance limits, endorsements, and policy exemptions of their third tier contractors. By doing this, you will be ensure that all partners up and down the board have all the coverage needed to defend you.



Best Practices for SNOW REMOVAL – CONTROLLING LAIBILITIES THROUGH PROPER RFP CREATION AND MANAGEMENMT.

REGIONAL VARIABLES

Many companies have portfolios that cross North America. What this means is that each region will have different requirements and accommodations. It can be a challenge to meet the requirements of each of your locations within the proper time frame. In different markets you will want to utilize different triggers for service and different pricing models. It will be extremely beneficial to your brand to use a mixture of seasonal pricing and per event pricing. This will position your company for maximum cost savings.

Traditionally, snow removal and deicing maintenance work occurs when temperatures are 32 degrees and below and weather patterns hold for several days. Watching and know weather patterns in vital to a successful RFP. Knowing that in the west cost areas like Seattle, WA you will have minimal snow services during the year. But directly across the country in the east coast areas like Rochester, NY you can easily top 115 inches of annual snow fall. Knowing those difference will speak volumes to your brands bottom line.

The best way to manage your snow removal services is by weather region. In some states there may be several regions; in other cases there may be weather regions which cover several states. Working with a proven vendor partner can help identify these snow removal specific regions. In many cases a RFI (request for information) may be released to vendor partners up to a year in advance to gain area specific knowledge of areas requiring specific treatment or service. This valuable information can then be used in creating the RFP. It can be reviewed by stake holders, regional managers, corporate staff, and facility managers. This information helps your facility team to make educated decisions regarding the regional projects. They can remove items out of the particular project budgets by region, state, or market. This will help your company deliver an RFP that is designed to fit your needs for years to come.

IMPLEMENTATION:

A service meeting should be held to go over company expectations and implementation methods. Service requirements and scheduling conflicts should be identified during this meeting. Daily reports and Quality assurance expectations should also be identified at this meeting. As the snow removal services need to happen quickly, there should also be a quick approval process identified and put in place so time is not wasted waiting to approve or deny a service for any on call sites.

A schedule to store managers should also be developed and should include customer and employee parking areas as well as any scheduled delivery dates. A snow emergency plan should be posted in the



Best Practices for SNOW REMOVAL – CONTROLLING LAIBILITIES THROUGH PROPER RFP CREATION AND MANAGEMENT.

manager's office and the break room, with the phone number of the service provider encase of a weather emergency or slip and fall.

For proper implementation and a successful RFP to take place, site plans must be accurate. This provides an environment that will breed project success. This helps to minimize the project impact and maximize the brands goals and objectives.

A successful best-in class project will consist of the following components.

- Detailed RFP.
- Properly vetted and awarded partner vendor
- Proper project planning and scheduling
- Proper field management
- Weather monitoring
- Adapting to scheduling changes due to weather constraints.
- Project communication
- Proper project close outs and finalizations.

Daily service updates are important to a large snow removal production. The more engagement in the daily progress of the project, the more successful the project will be. Open communication allows you to report on exactly where the status of the project is and where it is going. As they say "knowledge is power."

Understanding the time table and scope of work set out before your partner vendor is a key to the success. Working together with open lines of communication and strategy will produce greater results than you could ever expect. Appointing key points of contact will prove invaluable and will be a blueprint for the success of the project.

As we bring this best practices piece to an end, please consider: What servicing model are you moving from or transitioning to? If your current model is location-based, or if you are moving from one national provider to another, then there are many critical functions to consider in this process. Once you have chosen a vetted vendor partner, it is their responsibility to provide a comprehensive project management plan. It is also their responsibility to complete the RFP to the end, whatever that takes and entails.



Best Practices for SNOW REMOVAL – CONTROLLING LAIBILITIES THROUGH PROPER RFP CREATION AND MANAGEMENMT.

Once you have created an RFP and implemented the Best Practices that fit your organizational needs, you have positioned your company for a successful RFP. Once the projects have been awarded, it is up to the expertise of your vendor partner to position themselves to succeed and use their business policy and procedures to bring the project through implementation to completion. Choosing the right partner is crucial to this final success.

Choosing the right partner with the right experience can save your company up to 30% of project costs and costs associated with the project. Some of those attributes which allow you to harness such savings are the use of modern technology, scheduling and logistics, project management tracking, project and field management, billing, point of contact, project completion, and close out. Choosing a company without these attributes can be disastrous, these potential savings can be lost, and the cost of the project can actually become more than what was originally budgeted. This can cause a loss of credibility for all parties. Before you make your final vendor partner selection, make sure they are the best fit for your company, and you have the confidence they can deliver on the RFP you have designed and implemented.

By implementing some of these best practices, you will give your company commanding control over your RFP and the costs associated with the project. By staying the course, your company will end up in the position you want it to be in. Your stake holders and corporate officers will be pleased with the outcome, and you will guarantee a much better chance of sourcing and delivering a successful snow removal RFP program. Good luck this summer season with your RFPS and invitations.

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