



# Construction Bid Documentation

NEIGHBORHOOD OPPORTUNITY FUND  
ONLINE TOOLKITS

# What are construction bids?

A 'construction bid' is an official document from a contractor that outlines the potential cost, timeline, and scope of work for a construction project. Before construction begins, a bid allows the project owner to get an idea of what their project would entail.

## Important Notes:

- It's a good idea for project owners to 'shop around' for a contractor, meaning the project owner reaches out to multiple contractors to compare differences in cost, timeline, and scope of work between their bids. **Be aware that a bid is not a contract;** the project owner is not obligated to work with a specific contractor until the project owner has selected the contractor's bid and a formal agreement has been signed.
- In order to give an accurate estimate, the contractor should conduct a walkthrough of the project property before submitting their bid to the project owner. Once work commences, however, the actual needs of the project may differ from the bid's predictions.

**This toolkit will walk you through the documentation you are required to submit with your NOF grant application to prove that you have secured at least one bid for the proposed work to be done at the physical location where your project is situated.**

**NOF applications  
must include  
*at least one (1)*  
substantial and  
complete general  
contractor bid.**

## NOF Requirements:

- ✓ The bid must be on the contractor's official company letterhead
- ✓ The contractor must be licensed and insured *in the City of Chicago*
- ✓ All proposed expenses must be presented as their own individual line item
- ✓ The address on the bid must be consistent with the project address listed on your application
- ✓ The bid must include an estimated total project cost

## Important Notes:

- If accepted into the NOF program, you will not be required to use the contractor/bid submitted with your application.
- If accepted into the NOF program, you will have to submit *at least two* contractor bids to ensure you are receiving market-rate pricing on materials and labor.



# Smith & Smith CONSTRUCTION

November 20, 2024

## Project Owner Information

Name: John Jones  
Address: 123 W. Main Street  
City, St, Zip: Chicago, IL, 60620  
Phone: (312) 555-5678  
Email: john@jonesbakery.com  
Project Name: Jones Bakery

## Contractor Information

Company: Smith & Smith Construction  
Address: 567 S. Side Avenue  
City, St, Zip: Chicago, IL, 60620  
Phone: (312) 555-1234  
Email: sally@smithandsmith.com  
Completion by: 2/28/2025

## Description of Services

Item	Cost	Notes
Demolition	\$39,700	Remove interior non-load bearing finishes
Masonry	\$36,100	Shoring, scaffolding, sawcutting
Carpentry & Drywall	\$86,000	Excavate and remove spoils, install foundations
Concrete	\$14,750	
Doors/Frames/Hardware	\$37,800	8ea D1; 1ea D2; 1ea D3
Flooring	\$41,945	
General Conditions	\$6,693	Part-time supervision, cleaning labor, temporary facilities
Insurance & Fee	\$4,150	
<b>Total Project Costs</b>	<b>\$267,138</b>	

## Company Proposal

We, Smith & Smith Construction, propose the scope of work referenced above for the total amount of \$267,138.

*Sally Smith*

Submitted by (Company Representative)

11/20/2024

Date

## Owner Acceptance

We, Jones Bakery, accept the above scope of work, proposed to be completed by 2/29/25 for the estimated amount of \$267,138.

Submitted by (Owner or Authorized Representative)

Date

Official company letterhead

Address consistent with project property address on NOF application

Expenses presented as individual line items with associated cost

Estimated total project costs included

Date of bid clearly visible

NOF applicant verified that the contractor is licensed and insured in the City of Chicago by searching for them with the [Contractor License and Insurance Lookup](#) tool.

## Construction Bid Example

*Note: there is no standard construction bid format and your document will vary per contractor*



# Tips & Resources

# Tips on obtaining contractor proposals

## 1. Ask about the GC's prior experience with *waivers of lien* and *sworn statements*.

Misunderstandings about paperwork can cause significant delays for NOF projects. In order to streamline the process and help everyone to get paid on time, ask your potential contractor(s) if they have prior experience with the documents they will be required to submit to the NOF if they are contracted onto your project. Ideally, they will even have a 'back office' devoted to this kind of administrative work.

## 2. Get line item pricing – *lump sum pricing is not sufficient!*

The bids should be broken out into categories of work (such as "HVAC, Plumbing, Rough Carpentry, Masonry," etc.) with good description of that work provided in each category along with its pricing. Without line itemed pricing (or at least pricing by category) you don't know exactly how your money is being spent.

## 3. Acquire architectural drawings before hiring a GC.

Architectural drawings, created by an architect's analysis of a project site, are technical illustrations of a space that typically include precise details, such as measurements and placements of permanent fixtures. Many GCs base their construction bids on architectural drawings, so it's more efficient to have them prepared.

## 4. Get "apples-to-apples" estimates.

Make sure that you have contractors bid on the same scope of work. Contractors can create their own interpretations of the project and you may end up with two very different options otherwise. If you don't have the assistance of an architect, write down your detailed scope of work for the contractors to go off and do the walk through of the property with them.

# Tips on obtaining contractor proposals (cont.)

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## 5. Work with a local delegate agency

If you are looking for some very local and hands on help for this part of the project, you may want to reach out to a local City of Chicago delegate agency for assistance. These organizations may have relationships with locally based contracting companies and designers, too.

## 6. Use the City's Minority and/or Women Owned Business Enterprise ("M/WBE") certified contractor firms

If you're not sure where to begin in calling upon contractors to come bid for your project, this portal is a good starting point. MWBE firms have been vetted and certified by the City of Chicago and likely have the experience and capacity to participate in larger projects. Learn more about the City's M/WBE Program at [chicago.mwdbe.com](http://chicago.mwdbe.com).

## 7. Work with an architect up front

Depending on the scale and complexity of the project, it may be best to hire an architect before bidding it out. Contractors can give more accurate estimates when construction specifications are done (and sometimes they require it). Make sure you save all invoices and payment records for up front architectural work. While NOF funds aren't provided up front for architectural work, these "soft costs" can be included as eligible project costs when it is time to disburse NOF funds.

## 8. Ask for referrals

A reputable contractor will gladly tell you about previous projects they've worked on. You may want to consider viewing these properties and reaching out to the former clients to discuss their experience with your prospective contractor. Understanding their experience will give you confidence (or not) that they have the capacity to pull complete your project.



# What to ask a GC?

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## Before selecting a GC for your project, you may want to ask about:

- **Compatibility with NOF Expectations** – Ask your potential GC if they have prior experience with the two main documents they would be required to submit for the NOF: 1) *sworn owner's statements* and 2) *waivers of lien*. Ideally, they will even have a 'back office' devoted to this kind of administrative work.
- **Money** – What will you, the project owner, be required to put down? It's important to discuss budgets and expenses straightforwardly.
- **Leadership Team** – What's the contractor's policy regarding on-site supervision and using subcontractors? You'll want to discuss who will supervise your project as well as who will be doing the actual labor.
- **Timing and Execution** – Timing is important for everyone involved. Ask your potential GC to provide a timeline with a start date and completion date as well as any factors (weather, change orders) that have the power to impact the timeline.
- **Business History** – You can request a list of references so you can talk to others who have worked with the GC. Don't be afraid to ask former clients about any challenges they faced during the project, the punctuality of workers, etc.

# What to ask an architect?

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## Before selecting an architect for your project, you may want to ask:

- Considering size and type of building, what is your experience with comparable projects?
- What sets your firm apart from other architects with similar experience?
- What do you see as important issues, challenges, or considerations in my project?
- Can you outline the steps of the design process for me?
- What do you think is an appropriate schedule for my project?
- What do you think I should budget for construction cost and for all the costs of the project, including fees and all contingencies?
- What form of agreement do you propose to use?
- What is included in your basic services and what falls under additional fees?
- What is your role during construction? Are you expected to work directly with the contractor?

# Resources

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01

## [Contractor License and Insurance Lookup](#)

Search by company name to ensure that the contractor is licensed and insured in the City of Chicago.

04

## [Disadvantaged Business Enterprises \(DBE\) firms](#)

Searchable directory of City of Chicago certified DBE vendors. DBE certification is a federal program that helps small businesses owned by socially and economically disadvantaged individuals compete for contracts.

02

## [NOF-Approved TA Providers](#)

Stay tuned for a list of technical assistance (TA) providers that NOF clients have worked successfully with in the past. Please be aware that NOF does not officially endorse TA providers.

05

## [NOF Community Partners](#)

NOF community partners are neighborhood and development organizations which support NOF applicants. You can reach out to community partners for word-of-mouth recommendations.

03

## [Minority- and Women-owned and BEPD firms](#)

Searchable directory of City of Chicago certified MBE, WBE, and BEPD vendors. You may search using multiple criteria and download the results to Excel.

06

## [Neighborhood Business Development Centers](#)

Neighborhood Business Development Centers (NBDCs) provide no-cost hyper-local business development assistance to entrepreneurs and business owners throughout the city. Get in contact with your local NBDC to see what resources they are able to offer.





# Thank you!

*If you still cannot find the answers you're looking for, don't hesitate to contact us at [NOF@cityofchicago.org](mailto:NOF@cityofchicago.org).*