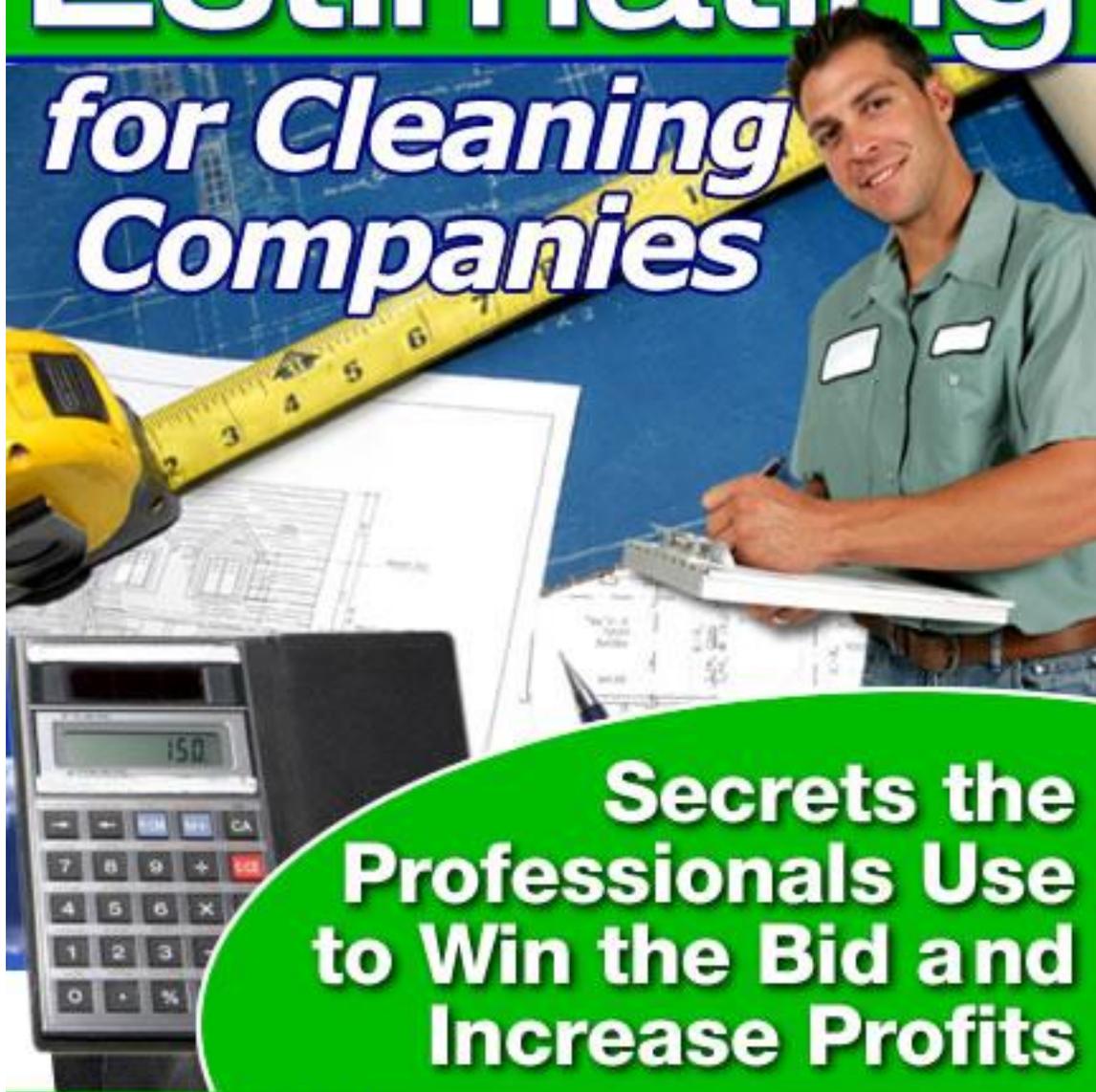


# Bidding & Estimating

*for Cleaning Companies*



**Secrets the Professionals Use to Win the Bid and Increase Profits**

*The* Janitorial *Store*

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# Bidding & Estimating for Cleaning Companies

## *Secrets the Professionals Use to Win the Bid and Increase Profits*

By Steve and Jean Hanson, The Janitorial Store™



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## About the Authors



Steve and Jean Hanson are Co-Founders of TheJanitorialStore.com, an online community of cleaning business owners that provide education, training and resources to the commercial cleaning industry. They have also owned two successful cleaning companies in the past 25 years. The first was located in Boise, Idaho and sold in 2001 and the most recent was located in Brainerd, Minnesota and was sold in 2009.

The Janitorial Store™ is a vibrant community for those who want to build a more profitable and successful business. The discussion forum is packed with extremely helpful, real world advice and tips straight from successful cleaning business owners. The site provides members with all the tools and resources needed to achieve their dream of running a successful cleaning business -- without having to learn it all the hard way.

Why not have the profitable cleaning business you've been dreaming of? You can struggle, or succeed. The decision is obvious... [Join Us Now!](#)

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*Steve and Jean Hanson*

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You may also be interested in our DVD,  
**["How to Walk Through and Measure a Building for a Cleaning Proposal"](#)**



## Bidding and Estimating: Introduction

You've done the marketing and research, and even managed to get a meeting with the decision-maker. Now you have the opportunity to submit a proposal on a new cleaning account. So how do you prepare yourself for a building walk-through and putting together a winning proposal?

The entire bidding and estimating process has an enormous impact on the success of your cleaning company, especially for those just getting started in the industry. Too many new cleaning company owners worry that they'll price too high and not get the account, so the temptation is to price low to ensure they'll win the proposal. But this can be a dangerous situation because you may not be allowing for enough profit, which will quickly become apparent. Remember, **winning the bid for a cleaning contract doesn't necessarily mean that you have to be the lowest priced, so it pays to do your homework and present the best proposal possible, offering both value to your customer and profit for your business.**

The trick is to communicate well with the building owner or manager in order to create a set of standard expectations and specifications for the job. That way, the proposal you make will cater precisely to what your prospective client wants and expects, and will justify your proposal price.

If you're looking for a cookie cutter formula for bidding and estimating, you won't find it here. No two jobs are the same no matter how you slice it. There are just too many variables to consider, which we'll get into a bit later. Besides, if there were cookie cutter formulas for bidding and estimating, how in the world would you differentiate yourself from the competition? Every cleaning company is unique and every proposal is unique. Make your company stand out from the competition by following the proven steps outlined in this Ebook and you'll find yourself becoming a pro at bidding and winning the account!

### *How Do I Know What to Charge?*

This is the million dollar question to which, unfortunately, there is no easy answer. There are just too many variables to consider. Depending on the type of facility you're bidding on, the square foot rate, or hourly rate you charge will vary (office building, educational, medical, industrial, retail, etc.). And depending on where you are located and the size of the building, you may price a building serviced 5 days per week anywhere from \$.05 to \$.21 per square foot. Typically, the larger the building the lower the square foot price. For example, if you're bidding on an 8,000 sq ft building, you may be able to get \$.16 per sq ft, whereas if you're bidding on a 100,000 sq ft building you may only be able to get \$.07 per sq ft. And when the 2009 recession affected change in the industry, pricing became even more unpredictable.

Pricing also varies depending on a number of other factors such as frequency of service (twice a month, once a week, five times a week), specifications (what quality standards is the client looking for), style of building (Class A, B or C), location, number of occupants, and more. Prices vary around the country so do some research to see if you can find out what other contractors are charging in your area. There are no statistics available for pricing by city or state so it's up to you to do the research and determine what you need to charge to make a profit for your business.

If you're bidding on a smaller sized building serviced less than 5 days a week, it's usually better to estimate your time by work loading the location and then multiply by your hourly rate. You'll need to decide what hourly rate you can make a profit with, and that will depend on your location and your expenses. If you price your services too low, then it will be difficult for you to make a profit.

If you price your services too high, then you take a chance on losing out on contracts to a lower bidder. Most commercial cleaning contractors charge between \$20 and \$40 per hour, however large commercial contractors bidding on very large buildings may charge as low as \$12 to \$15 per hour due to large volume contracts and added profit they're able to make from project work.

## ***The Walk-Through: How to Do a Site Inspection***

If you want to bid accurately, then you need to do a complete site inspection with the prospective client. You don't want to "wing it" or do a quick walk-through without taking notes and measurements, and then discover you under-bid and can't make a profit.

You'll also want to see the condition of the building in order to determine what you'll need to charge for the initial cleaning. If the building needs to be brought up to higher standards of cleanliness then you'll need to charge extra for this service. You may choose to charge a one-time fee for the initial clean or spread the cost out over a couple of months. Either way, inform the prospect of this when presenting your proposal to them.

## **Be Prepared for the Site Inspection**

**Dress appropriately for the building walk-through.** If your appearance is sloppy and you show up in worn out jeans, a sloppy shirt, and ratty shoes you'll probably lose the bid before you even get started. A suit may be acceptable for any size of account but is necessary if you are performing a site inspection with a Mega account of 100,000 to 500,000+ square feet and government buildings.

Dressing professionally in slacks and a dress shirt for medium size accounts of 30,000 to 100,000 square feet should be acceptable. Slacks with a shirt with your company logo

should be appropriate for small accounts of 2,500 to 30,000 square feet and micro accounts of 2,500 and less square feet.

Pay attention to your personal grooming as well. Are you freshly showered, hair combed and is your breath fresh? Are your hands clean and nails groomed? Do you smell like cigarette smoke? Many people take offense if they detect cigarette smoke lingering around you, and they just might take you out of contention for the bid.

**Your personal presentation.** You want to project confidence when greeting your potential client. You don't want to greet them with a wet noodle handshake, eyes looking downward, and stumbling over your words. Having good communication skills is important -- you need to be able to build rapport with your prospective customers. This goes a long ways towards inspiring confidence in your ability to handle the job. One way for you to build rapport is to do research on the company and person you will be meeting with. People will not do business with someone who is not confident in their presentation and ability to convey that they provide a superior cleaning service.

**Think about what you're going to say before you blurt out something you'll regret later.** For example, you don't want to make negative comments about the current cleaning service, even if the prospect makes comments about the service. Rather than saying something like, "this restroom is filthy", you might say something like, "I see some areas that can be improved upon". Then let them know you'd like to work with them to bring the building up to their standards of cleanliness.

**Be prepared for the walk through.** Bring a bid walk-through worksheet, measurement/supplies work sheet, a list of specifications (if they have not sent you one) and measuring wheel so you can make notes and record measurements.

**When walking through the building, consider the following:**

1. **Cleanliness of the building.** What is the existing level of cleanliness? Is the quality of cleaning acceptable to the prospective client? Or are they looking for a new cleaning contractor because the quality of cleaning is below their expectations? Your proposal will depend on the prospect's expectations.

You may also need to charge a "First-Time Cleaning Charge". This is typically an hourly rate you'll apply to the first-time cleaning to get the building up to standard. If there is excessive dust and soil build-up then extra time will need to be taken and you should charge separately for this service.

2. **Square Footage.** When determining your price, you'll need to know the cleanable square footage of the location so you can estimate your production rates accurately. If your square footage is off, your time estimates will be wrong.

It is best to measure the square footage yourself, rather than taking someone's word for it, as their numbers may not be accurate. You'll also need to know the square

footage by type of flooring (carpet, ceramic tile, VCT tile, marble, etc.). Those items will be listed separately as special services offered per service.

It is also important to understand square footage terminology:

**Gross Square Footage or Building Footprint** -- measuring the outside walls. This is not the most accurate measurement because it includes non-cleanable square footage.

**Net Cleanable Square Footage** -- this is the most accurate measurement because it includes only the areas you'll be cleaning. To estimate net cleanable square footage you'd measure the inside dimensions of the areas, minus wall square footage and areas you won't be cleaning.

**Net Rentable Square Footage** -- this only includes rentable space, not public areas (or common areas). You may be asked to bid common areas separately.

Typically, the higher the square footage, the lower the price per square foot. For example, your square foot price on a 50,000 square foot building may be lower than your square foot price on a 10,000 square foot building.

To measure a room, multiply the width times the length. For example, a room that is 20 feet wide by 40 feet long is a total of 800 square feet. Add up all your measurements to get the total square footage of the building. Also add up total carpeted square footage and other floor surface square footage.

You'll need this information to estimate production rates for vacuuming, sweeping, and mopping. You may also need this information to give prices for carpet cleaning and hard floor care services such as stripping and waxing, burnishing, and buffing.

If possible, ask to do your measuring when the walk through is complete. This way, the property owner or manager doesn't have to waste their time waiting for you to measure. (We will be discussing how to measure a building in more detail in an upcoming section of this Ebook.)

3. **Number of Occupants and Public Foot Traffic.** The more people that work and visit the building, the more time you'll need to clean. Ask your prospect if they have an idea of how many people occupy and visit the building each day.
4. **Building Layout.** Is the building one story, or is it multiple levels with stairwells and elevators? The layout is also an important consideration. Some buildings may have dozens of cubicles completely filling the floor space that will impede your movement through the building, while others might have more open floor space and wide aisles.
5. **Number of Restrooms, Kitchen Areas and Fixtures.** Inspect the restrooms carefully, noting how many fixtures in each (toilets, urinals, sinks). Also note the

supplies being used - type of hand towels (multi-fold, roll towels), toilet paper (single rolls, extra large rolls), soap (boxed, foam, gallon). You'll need this information to estimate your production rates for cleaning and stocking the restrooms. You'll also need it if you're asked to provide restroom supplies. In kitchen and coffee centers, note the sinks, drinking fountains, appliances, and type of paper towels used. Also make note of what the sinks are made of - stainless steel or porcelain, etc.

When the walk through is complete, check your notes to make sure all your questions have been answered, and then set up a time to return and present your proposal. Be sure you have all the contact information you need from your prospect to complete your proposal. Following these procedures for site inspections will give you all the information you'll need to make an accurate and thorough proposal.