

Q&A: RFPs, contracts and more

BY RICHARD D. ARLINGTON III, CSP

Do you have questions about snow and ice management? You're not alone. This business isn't easy—no matter how long you've been working in it. Beginning with this issue of *Snow Business*, I will answer contractors' questions on a variety of topics; and I want to hear from you. If you have a question (remember, there's no such thing as a stupid one), e-mail it to snowbusiness@questex.com and I—or a fellow certified snow professional—will answer it in an upcoming issue. Please note that these answers are based on how I run my business in Erie, PA. Production rates and contracts are variables that will be affected by your location.

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Q: Are there steps sales people take to get invited to bid on snow removal services?

A: First and foremost, build a relationship with the prospective client. This might mean sending holiday cards (beyond Christmas: Try Valentine's Day, Labor Day and other occasions); donating lawn flags for Independence Day; or mailing a newsletter or special promotions throughout the year. Relationships are 12-month commitments. Don't just talk with clients, or potential clients, September through November.

Q: I would like some tips on bidding large parking lots such as big-box retailers. How are they different from smaller-lot bids?

A: They really aren't. The only difference is you need the ability to use larger

equipment. Using snow boxes saves truck hours. This normally results in lower costs for you, which in turn reduces your bid to the client. Visit www.sima.org to learn how to calculate production rates by trucks, loaders and different size snow boxes.

Q: For very large accounts, is it better to bid on a per-plow or an annual price basis?

A: There are different variables that go into determining how to bid a project. It depends on your current financial goals and structure, and on your knowledge of the snow data for your area. In my company, I have one-third of all my accounts seasonally priced. This allows me to cover overhead when it does not snow. The other two-thirds are per-time and per-hour, depending on the customers' preferences. Per-hour only represents 11% of my customers.

I have data going back 15 years, which allows us to find the true average snowfall, the number of plowing events, salting events and sidewalk events. It is only with this type of data that I would even consider bidding accounts seasonally—unless you have unlimited funds in the bank and can absorb a loss year.

Q: I need help estimating exact salt usage from a large spreader. Is there a way to tell exactly how much salt I used for a single property, in case the client asks?

A: Technology is available that can monitor usage. If you don't have access to that technology, try this: Weigh your truck empty, then weigh it full. Run the spreader at different speeds for five minutes. Reweigh it after each run. This will tell you how much salt was put down in five minutes. You can figure each minute as an average of the total.

Q: To cover an area of 192,814 sq. ft., how many pounds of salt would you need?

A: Again, visit SIMA's web site for production data. I use roughly 600 lbs. per acre; however, Erie gets a lot of lake effect snow. Your location may be different.

Q: Why does it seem that my competitors are so cheap, and how do I compete?

A: First you need to decide if they are cheap, or if you are including more service than they are. A contract is only bid based on what the client is willing to pay for—not what they say they want. You must be able to get the answer to these questions. I always ask for their budget, keeping in mind I don't always get it. If they are not willing to give me a budget, then I will break the contract down into all aspects of the scope of work (plowing, salting, sidewalks, stacking and removal). I ask them to choose what they want included. From personal experience, it might take four to five years until you finally get the pricing right.

Q: What is the best system for in-season maintenance of my salt truck?

A: Everyone has their own system, but the one we use is pretty basic. After each snow event ends, (in Erie, that could be four days later), we wash down the hopper, the bed and the underside of the trucks. We pay attention to the inside of the cab as well, because the driver will bring salt in from his boots.

We have full-time maintenance mechanics on staff who grease all areas of the truck and hopper monthly. Even if you don't have dedicated maintenance staff, make sure you wash as much of the salt off as possible, to prevent corrosion and damage. **SB**

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