SIPA True Cost Bidding Tool (STCBT) – User Tips



November 7, 2024

• Preparation:

- Download the STCBT 'Checkist' included in 'Helpful Documentation'.
- Complete the checklist for each project before using the STCBT.
- The checklist aligns with the STCBT steps for entering bid information which makes it easy to enter inputs.
- Download the STCBT 'Input Guidance' included in 'Helpful Documentation' as a resource for estimating inputs.

Researching Inputs:

- The best option for inputs is to ask builders for actual costs and values. A pre-meeting before using the tool to get this information is the best way to do this. However, recognize this will often be too much burden or the builder will not know the inputs to use.
- The next best option for inputs is to use builder cost references such as:
 - NAHB Cost of Constructing a Home special-study-cost-of-constructing-a-home-2022-february-2023.pdf
 - HomeGuide
 How Much Does It Cost To Build A House In 2024?
 - RSMeansRSMeans Online
- Use the STCBT 'Input Guidance' for default input recommendations.
- Perfection is the enemy of the good; rough estimates and educated guesses are great placeholders where costs are not available.
- Tap into the wisdom of internal and external experts for recommended inputs.
- Invest in ongoing research for key default values on SIPs, framing, and related construction costs because it is critical to be the cost expert when selling any product.
- Stay tuned in the future as SIPA uses analytics on the growing data base of costs and values generated by users to create a powerful resource for cost and added value.

• Preparing a True Cost Bid:

- Note there is a progress bar at the top of the page that shows all the steps for completing the true cost calculation and the step you're working on highlighted with a blue dot.
- Fill in the tool step-by-step starting with 'Project Information' and 'Home Details'. To assess
 whether a project is 'SIPs-Optimized' or 'Not SIPs-Optimized, refer to the 'SIPs Optimization'
 guidance provided in 'Helpful Documentation'.
- Use your completed project checklist to complete the key 'Bid Information' steps that align with the checklist (Structure, Insulation, Air Flow Control, Finishes, MEP, QC and Lean Construction, and Added Value).



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- Note that at the top of each input page there is a 'Project Dashboard for SIPs vs Traditional Framing' that keeps a running tabulation for 'Net SIPs Cost Savings' and 'Added Value Using SIPs' that are added together for a 'Total True Cost.'
- The 'Summary' tab automatically calculates the final tabulated results for the project once all the input sections are completed. Where the 'Total True Cost' is negative, that represents a SIPs cost premium compared to traditional framing.

• Integrating in Sales/Marketing:

- Use the STCBT on with as many bids as possible. The time to complete true cost bids for projects will reduce singificantly with experience including building a library of proven cost metrics.
- Use the summary results showing a significant cost advantage to generate interest in an inperson or virtual meeting with the builder to review and fine tune all inputs. Use STCBT at this meeting to integrate any edits in real time and instantly generate new results. The goal is to have the builder 'own' the STCBT results because they are based on approved inputs.
- Recognize the STCBT results are likely to significantly reduce the SIPs cost premium with non-SIPs-optimize projects and show a significant cost advantage for SIPs-optimized projects. This means you'll often be selling the superior quality for a smaller cost premium for non-SIPs optimized projects and selling a faster, better, and greater value enclosure for SIPs-optimized projects.
- Feature projects with impressive cost advantages in marketing materials.