PandaDoc for Construction

Building construction bids
and agreements at scale

CREATED BY:
[SENDER FIRST NAME] [SENDER LAST NAME]
[SENDER COMPANY] [SENDER CONTACT INFO]

PREPARED FOR:
[CLIENT FIRST NAME] [CLIENT LAST NAME]
[CLIENT ADRESS]

CONSTRUCTION PLAN

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2024

Construction industry review

Up to

88 %

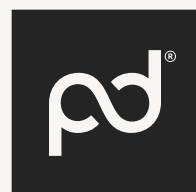of construction firms have experienced major project stalls in the past two years.

Less than

30 %

of contractors complete
construction projects on time.

Up to

57%

of construction companies are using software to manage contracts and organize their business.

Scaling construction bids and agreements with PandaDoc templates

1

Lump sum contract

2

Unit price contract

3

Time and materials contract

4

Cost plus contract

Lump sum (fixed price) contract

Smaller jobs or well-defined projects are best suited to lump sum construction contracts.

If you're in the midst of a construction project and need to get a contractor on board at a set fee, getting started with a lump sum template can help you cut down on resources.

Rather than creating each agreement from scratch, a lump sum template will help speed up the entire process with customized fields and eSignature built in.

Explore PandaDoc lump sum templates

Additional Provisions

5.1. The Contractor will obtain, at its own cost, all necessary permits and permi work required for the Construction Project.

5.2. The Contractor will maintain, throughout the duration of this Construction C required licenses and permissions to perform the work required for the Constru extent it is permitted by law, the Contractor may subcontract portions of work to and licensed subcontractors upon advance notice to the Owner and ensure tha payment is made to such subcontractors as will avoid any liens being placed or

5.3. The Owner will provide the Contractor and its employees, agents, and subo reasonable access to the Property for purposes of conducting work on the Cons

5.4. During the course of work on the Construction Project, the Owner or Owne will have access to the Property for purposes of inspection, appraisal, and work access and inspections will be conducted at reasonable times, with advance no when reasonably practicable, and in a manner not to obstruct the progress of c

5.5. The Parties will purchase and maintain the following insurance policy(ies) work on the Construction Project with duly licensed insurance companies in the than $ (Enter minimum insurance amount) and with reasonable deductibles not deductible amount:

- (Enter insurance policy requirement)

5.6. The Contractor will be responsible for properly disposing of all construction from the Property from the Commencement Date until the date a certificate of o the Owner.

What needs to be included in a lump sum contract?

☐ Parties and property

☐ Lump sum compensation

☐ Project scope

☐ Payment terms

☐ Additional provisions

☐ Specifications and standards

☐ Contingencies and change orders

☐ Liability

☐ Termination clause

💡 Any changes made to a lump sum construction contract, especially if they're related to costs, need to be submitted through a change order. The change order needs to be in writing and signed by both parties to cone into effect.

CONTENT   +   ⚙
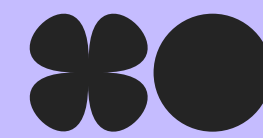
Lump Sum Contract

Unit price contract

Unit price contracts are applicable to projects with varying scope but measurable outcomes. Instead of presenting a bill for the entire construction project, you can present a detailed estimate for a single unit.

With a unit price template, you can quickly plug-and-play the necessary info and send to home owners in minutes. Plus, PandaDoc templates allow you to include a quick, touchless checkout experience by collecting payments electronically.

Explore Unit price templates

≡ **Price quote**

CONTENT   +   ⚙

PRICE QUOTE

[Sender.Company]

MM / DD / YYYY 📅

[Sender.StreetAddress] [Sender.City]
[Sender.State] [Sender.PostalCode]

Quotation No.: *(Quote number)*

Quote Validity: *(Period)*

Prepared By:
[Sender.FirstName] [Sender.LastName]
[Sender.Email] [Sender.Phone]

Quotation for: [Client.Company]

Description	Price	Qty	Subtotal
	$0.00	0	$0.00
	$0.00	1	$0.00
	$0.00	1	$0.00

Tax Rate	**$0.00**
Sales Tax	**$0.00**

This quote is subject to the following terms and conditions:
- Delivery will be made *(Describe delivery)*
- General terms and conditions governing this quotation/contract are provided at *(Describe general terms and conditions)*

Time and materials (T&M) contract

With time and material contracts, you won't need to factor in several variables, delays and changes until the project ends.

Paper contracts or notices can often get lost, so it's always a best practice to have backup copies of all bids and agreements. With a digital template, you'll have a digital trail to easily track each T&M agreement.

Explore T&M templates

CONTENT

Time and Materials Contract

Cost-plus contract

A cost-plus contract is an ideal choice for complex, long-term projects where the scope of work and final cost can change. A crucial component is defining the responsibilities of each party.

With a template, you can create audit trails to create role-based permissions and keep timestamps of contract negotiations.

Explore cost-plus templates

How to set up a cost-plus contract: a 6-step checklist

1	**Agreement and contract terms**
2	**Cost estimation**
3	**Project execution**
4	**Invoice submission**
5	**Payment**
6	**Client review and payment**

Fixed price vs. cost plus contracts: what's the difference?

Fixed-price contracts and cost-plus contracts are two common types of contracts used in various industries. A fixed-price contract is one in which the price is set and predetermined based on estimated costs.

Each type has its own advantages and disadvantages, making them suitable for different project scenarios.

	Fixed price contracts	Cost-plus contracts
Budget	The price agreed upon does not change. The project's final price will be the same as what was originally estimated, regardless of the actual costs.	Uses an estimate of the project's costs rather than a fixed price.
Profit	Does not guarantee a profit for the contractor. Profit is factored into the initial quote for a job, but the contractor covers the difference if actual expenditures are higher than anticipated.	Separates profit and expenses. Profit will often be a fixed fee or a set percentage of the total project cost.
Risk	The contractor bears most of the risk and must keep costs within budget to avoid losing money. Initial miscalculations can hurt the bottom fine later.	Puts the project owner at risk if costs exceed expectations.

How to start winning more bids for your construction business with PandaDoc

1

Leverage existing bid and agreement templates

Get more construction bids off the ground with templates to easily collaborate with stakeholders and ensure a field is never left unfilled.

2

Add built-in eSignature software to each document

Going paperless allows you to collect legally-binding signatures without the need for your construction managers and prospective clients to go anywhere near a printer.

3

Track each project with real-time analytics

Real-time analytics will help you stay up-to-date with your construction proposals, whether you want to receive an instant notification when a proposal is signed or calculate your close rate.

4

Leverage a contract management system

Collaborate with multiple stakeholders, streamline efficiency, create audit trails and ensure your agreements are legally compliant with a proper contract management system.

5

Expedite agreements with online notarization

Connect your signers with a commissioned online notary for building permits, contracts and project bids. Complete nationwide online notarization in minutes with PandaDoc support.

PandaDoc®

1

Leverage existing bid and agreement templates

Boost your close rate

Create and send accurate proposals in a fraction of the time it usually takes with preexisting templates.

Plug-and-play

Generate personalized bids and contracts in half the time and watch your business grow, using our easy-to-use drag-and-drop editor.

Include an executive summary

Summarize all of the most important sections of your agreement, including the project scope, timeline and budget.

PandaDoc®

2

Add eSignature software to each **document**

Agree with fewer delays

Consolidate signing in one single platform to scale more bids and agreements.

Go paperless

Save time by going digital, eliminating the need for printing, faxing and scanning each bid or agreement.

Close more deals

Boost your close rate with quick, legally-binding signatures from all parties.

PandaDoc®

3

Track each project with real-time analytics

PandaDoc real-time analytics helps you clear signing order work to quickly receive the signatures you need to increase your close rate.

Document tracking software will help you:

Track recipient behavior
- Keep timestamps of contract negotiations and signings, generate reports, and track the contracts through various stages, it's much easier to create audit trails with them.

Receive real-time updates
- Set up automated email notifications to stay updated the moment your document is opened and completed by a recipient.

On average, PandaDoc document tracking software drives an **87% increase in completed docs per month**.

PandaDoc®

4

Leverage a contract management system

Collaborate with all stakeholders

Most contract management systems offer collaborative features, allowing multiple stakeholders to participate in drafting and negotiation. With PandaDoc, legal team members can review contracts, leave in-line comments and suggest amendments on deliverables, timeframes and change orders.
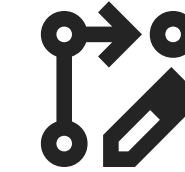
Streamline workflows

You can bid goodbye to those good old days when you needed to manually ship your contracts to get them signed.

In today's day and age, contract management tools like PandaDoc allow easy e-signing, have a library of templates and help you reduce manual data entry errors.
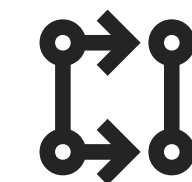
Create audit trails

Since these solutions also offer version control, allow you to create role-based permissions, keep timestamps of contract negotiations and signings, generate reports and track the contracts through various stages, it's much easier to create audit trails with them.

Maintain legal compliance

Good contract management software complies with the E-Sign Act and industry regulations. For example, PandaDoc provides e-signing certificates, uses SOC 2 Type 2 data centers, and complies with HIPAA, GDPR, eIDAS, FERPA and data residency laws in the US and EU.

Stages of contract lifecycle management

Leverage templates

Almost every contract has a templated design that can be customized as per business needs. Your task at this stage is to find a contract template that aligns with your needs.

If you have CLM software, then there's a high probability that they'd have a contract repository of templated options (like PandaDoc does).

Contract creation

During this stage, you ideally begin to work on the KPIs, clauses, conditions, terms, deliverables, liabilities, etc.

If you already have a ready-made template in place, then some CLM software will also allow you to upload them for self-authoring contracts.

Contract review

At this stage, you forward the contract to internal stakeholders or the legal team for review before sending it to the client. This review helps uncover blind spots, ensure accuracy and keep your team informed of obligations and processes.

Having someone else review the document for errors can also speed up the approval process.

Contract approval

Every company has a different approval process. Some take days to run it by multiple stakeholders, whereas others have an account manager responsible for permissions of all types of contract approval.

No matter what kind of company you're dealing with, your end goal should be getting the documents approved asap. Thankfully, since CLM is entirely automated, you don't need to remind the relevant parties via email for updates constantly.

Contract execution

Contract execution brings a sense of accomplishment as you've landed and signed with the client. However, it's also your chance to impress them.

Track all project deliverables to ensure the client wants to renew the contract.

Contract performance KPIs

Order value variance from original contract value (OVV)

Order Value Variance from Original Contract Value (OVV) can help you understand the places where you need assistance with your contract.

With OVV, you can pinpoint the areas where there are inefficiencies in your contract's effectiveness and quality.

Terminated contract remaining value (TRV)

Terminated Contract Remaining Value (TRV) is a KPI that measures outstanding bills and payments that have occurred through the entire contract lifecycle.

The reason why this metric is beneficial is that it helps you in recognizing the financial value of your customers.

Annualized contract value (ACV)

Annualized Contract Value (ACV) is a critical KPI that can measure the revenue every contract will generate within a time span.

For example, if a contract has a value of $15 million for three years, then the ACV is five (15/3). ACV also highlights the point where your customer turns out to be profitable.

Complaints resolved / Quality ensured

This metric helps measure the quality of the product received and determines if the product(s) ever come back with complaints.

Measuring this KPI has proven to be an excellent strategy for manufacturing contracts. However, it may not be so fruitful in measuring the effectiveness of service contracts.

Vendor fraud

This KPI measures if any vendor or contractor has billed you for services/products you didn't ask for.

Using this KPI can help you understand the places where most frauds happen and what strategies you can use to minimize them.
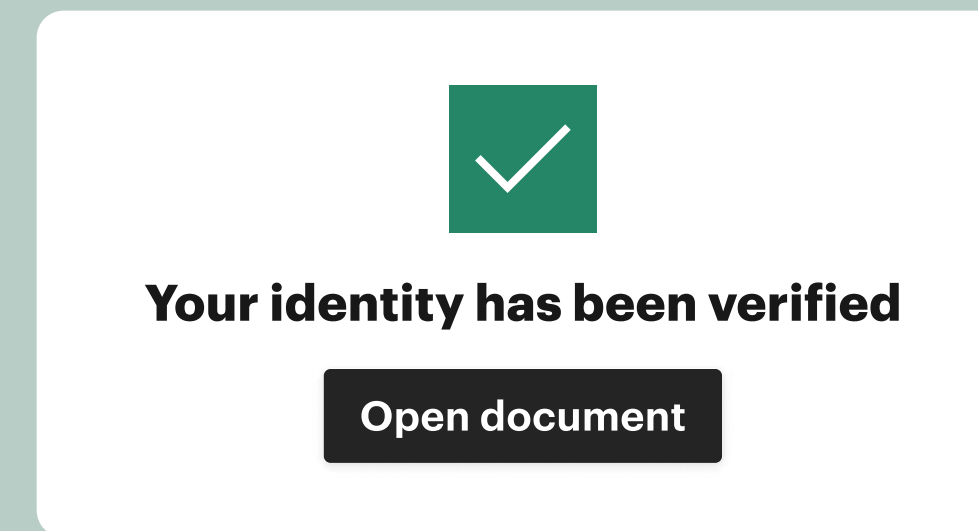
Compliance

Compliance measures external factors of a contract. For example, if your contract is up to date with all the local regulations and policies or not.

You'll also need to update your central repository keeping this KPI in mind.

PandaDoc®

5

Expedite agreements with online notarization

Your identity has been verified

Open document

Eliminate risks with secure ID verification
- Reduce fraud with secure ID verification. Adhere to state standards with KBA questions, ID credential validation or biometrics included in every notarial transaction.

Leverage Mobile eSigning
- Invite signers to join from their mobile or tablet, confirm their ID and sign the document. Offer a fully optimized mobile experience.

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
Make notarization easy and effortless for you and your customers

PandaDoc Notary is secure and legally binding in all states where remote notary is allowed. Use our all-in-one remote notary platform to sign and notarize documents for your business within minutes.

- Secure ID verification through KBA and Biometrics
- Live editing of documents
- Electronic journal
- X509 PKI certificates
- Session recording
- Document bundling
- Mobile app eSign experience
- AI-assisted placement of signature fields
- Session scheduling
- Unlimited eSignatures
- Multiple signers

Discover more features here.

Generate new bids and agreements quickly with PandaDoc

PandaDoc's capabilities go way beyond a contract management solution and instead serve as an all-in-one solution that allow you to manage proposals, invoices, quotes and contracts.

Plus, you can use this solution to:

- Leverage ready-made construction templates for a fast jumpstart.

- Easily access, review and sign any document on our mobile app from anywhere.

- Set yourself apart from the competition with media-rich bids that better position your business.

- Protect your profit margins with fast and accurate quotes, made easy with our dynamic quote builder and product catalog.

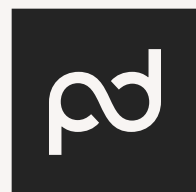- Shift your focus from paperwork to bidding on more projects.
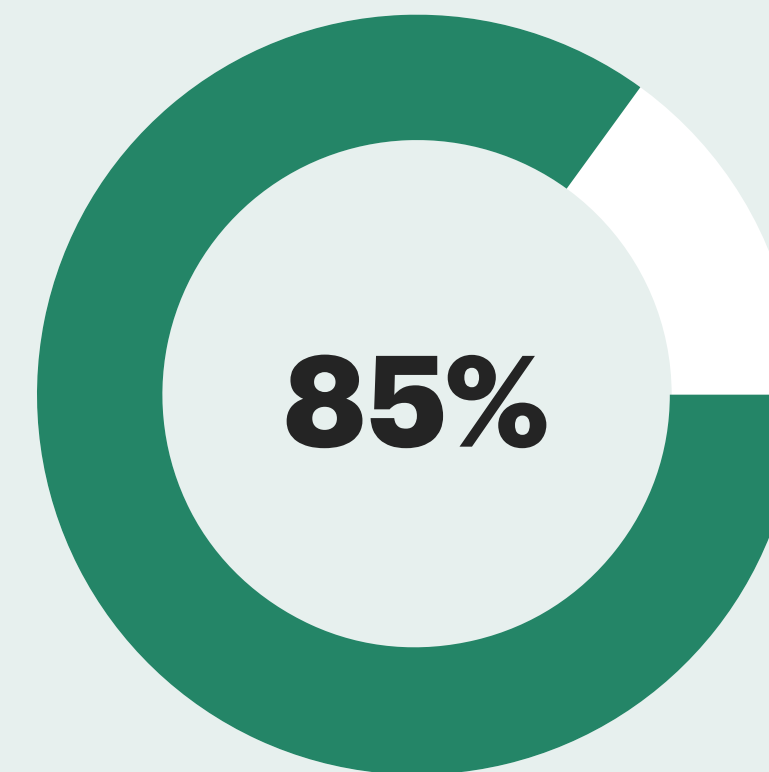
85% Increase in completed docs per month

50% Decrease in document creation time

Delivering more agreements faster

with PandaDoc

Contract lifecycle management at PandaDoc

Close more contracts

Use our software to boost productivity with automated contract drafting, editing and collaboration inside one tab. Build and customize error-free contracts quickly, with pre-approved content you can add to customizable templates.

Minimize expensive errors

Ensure accuracy by standardizing and automating contract terms. Add dynamic rules to populate content based on country, industry and CRM data. Gain peace of mind with recipient verification and legally-binding e-Signatures.

Maximize efficiency

Finding the right paper documents can difficult, especially when you're rushing to a job site. Gain access to digital documents in the field within seconds thanks to our secure mobile view and quick load times.

Unlock endless possibilities for your construction business

Notarize each agreement

PandaDoc Notary connects construction companies with state-commissioned online notaries, ensuring the process is fast and secure.

Access docs on the go

PandaDoc lives in the cloud, giving you the ability to get things done when you leave the office. Create, send and e-Sign documents wherever you have a computer or internet connection.

Contract lifecycle management

PandaDoc has given thousands of hours to our users by helping them create documents in minutes while making it easy to share and collect e-Signatures with homeowners.
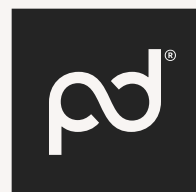
Explore free PandaDoc construction templates

PandaDoc vs. DocuSign

What's the difference?

PandaDoc

✓ Pre-built template library

✓ No limit signature capture

✓ Notarization

✓ Unlimited upload storage

✓ Document creation tools

✓ Reporting and analytics

✓ 24/7/365 support

✓ Dynamic content for pricing tables

DocuSign

✕ Pre-built template library

✕ No limit signature capture

✓ Notarization

✕ Unlimited upload storage

✕ Document creation tools

✓ Reporting and analytics

✕ 24/7/365 support

✕ Dynamic content for pricing tables

Challenge

The company prides itself on building decades-long relationships with companies like Coca-Cola, Southeastern Freight, Penske and many others. Unfortunately, their proposal process didn't reflect their values. The process started with a less than stellar template in Microsoft Word. Then the proposal creator had to wrangle content and info from numerous sources and copy/paste it into the template. Due to these steps, it was nearly impossible to tailor each document they sent out simply because it took too long. End-to-end, the workflow was cumbersome and inefficient.

P.J. Callaghan is a fourth generation general construction firm focused solely on commercial construction. They specialize in pre-engineered metal buildings for a core group of quality clients. Founded in 1948, in addition to pre-engineered metal buildings, they also offer services in general contracting, design-build, architecture, construction management and facility maintenance.

Solution

When Thomas Burket, fourth generation President, went searching for a solution he originally found Proposify and DocuSign. But these tools still weren't the perfect fit. They didn't make his team more efficient because they were still using numerous tools to complete one proposal task. So back to the drawing board he went. After researching competitors of his existing solutions, Thomas came across PandaDoc and ultimately pulled the trigger because of the speed, ease of use and the ability to embed rich media into proposals. Thomas also loves the PandaDoc templates. Now he and his team can create stunning, custom, media-rich proposals in minutes thanks to the templates they've built for every specific type of proposal they send.

> "PandaDoc is not only simple to use but has allowed me and my team to be more efficient and consistent with the proposals we send. We're a fourth generation construction company that has been in business since 1948 and PandaDoc has accelerated us into the digital age."
>
> – Thomas Burket, President - PJ Callahan Construction

PandaDoc®

Explore PandaDoc

Count on PandaDoc to simplify your bidding processes, leading to increased efficiency, faster contract approvals and a more organized document workflow.

BOOK A DEMO →

Sources:

1. Construction Workforce Shortages Reach Pre-pandemic Levels Even as Coronavirus Continues to Impact Projects & Disrupt Supply Chains; 2. 2020 Report: Construction Suffers From Wasted Time & Slow Payment; 3. Top Consumer Behavior Trends for Real Estate; 4. 19 things every construction contract should have; 5. Maximize profitability with different types of commercial construction contracts; 6. The fundamentals of contract lifecycle management.