

Business Proposal Comparison Report

Prepared by Proposal Compare

BUSINESS DECISION

The buyer is a restaurant owner looking to replace two existing 12.5-ton rooftop HVAC units. The buyer's primary concern is reliability, followed by installation disruption, warranties, initial cost, maintenance, life of the equipment, and operating costs.

PROPOSAL COMPARISON

FEATURE: Equipment & Operating Efficiency

Proposal A — Offers two 12.5-ton ACME RTU-125 commercial rooftop units with gas heating and an efficiency rating of up to 11.2 EER.

Proposal B — Offers two 12.5-ton Carrier commercial rooftop units in a high-efficiency configuration with variable-speed indoor blower motors and electronic controls. Specific EER ratings are not stated.

SIGNIFICANCE: Equipment make, variable-speed technology, and efficiency ratings directly impact long-term equipment life, reliability, and operating costs (energy bills). Proposal B explicitly includes variable-speed motors and high-efficiency configuration, whereas Proposal A lists a specific EER cap of 11.2.

FEATURE: Installation Disruption & Schedule

Proposal A — Estimates 2 working days for installation, strictly performed during normal business hours.

Proposal B — Estimates 2-3 working days for installation, with the explicit option to schedule work outside normal restaurant operating hours.

SIGNIFICANCE: For a restaurant, performing installation during normal business hours can severely disrupt operations, customer dining experience, and revenue. Proposal B's flexibility to work outside operating hours directly addresses installation disruption, while Proposal A's restriction to normal hours may cause operational friction.

FEATURE: Warranties

Proposal A — Manufacturer warranty covers 5 years on the compressor and 1 year on parts. Labor warranty is 1 year.

Proposal B — Manufacturer warranty covers 5 years on the compressor and 5 years on parts. Labor warranty is 2 years.

SIGNIFICANCE: Longer parts and labor warranties protect the buyer against unexpected repair costs and serve as an indicator of manufacturer and contractor confidence in long-term reliability. Proposal B provides significantly more extensive coverage for parts and labor.

FEATURE: Scope of Work & Controls

Proposal A — Connects to existing ductwork without modifications and reconnects existing electrical power and controls. Includes basic operator orientation.

Proposal B — Modifies existing duct connections as required, replaces existing thermostats with digital programmable controls, integrates controls with existing building management systems (where compatible), and includes formal staff training.

SIGNIFICANCE: Scope differences regarding duct modification and advanced controls affect how well the new system integrates with the building, impacting comfort, operating efficiency, and initial setup completeness.

FEATURE: Ongoing Service & Support

Proposal A — Commercial HVAC service provided in the local area. Emergency service is available during normal operating hours, with after-hours emergency response subject to technician availability.

Proposal B — Provides 24/7 emergency commercial HVAC service, with priority service available to customers holding active service agreements.

SIGNIFICANCE: Reliability heavily depends on prompt post-installation support. Proposal B guarantees 24/7 emergency coverage, whereas Proposal A limits after-hours emergency response based on technician availability.

PRICE AND SCOPE

- Proposal A Total: \$68,500 (50% deposit, 50% upon completion).
- Proposal B Total: \$82,900 (30% deposit, 40% upon delivery, 30% upon completion).
- Price Difference Analysis: Proposal B is \$14,400 higher than Proposal A. This higher price is partially accounted for by tangible scope additions: higher-tier Carrier equipment with variable-speed motors, duct connection modifications, digital programmable thermostats, building management system integration, doubled labor warranty (2 years vs. 1 year), longer parts warranty (5 years vs. 1 year), 24/7 emergency service availability, and the operational flexibility to perform installation outside normal restaurant hours. Both proposals include permits and crane service, and both exclude major roof, structural, and electrical service upgrades.

IMPORTANT UNCERTAINTIES

- Proposal B does not state the exact energy efficiency metric (e.g., EER or SEER) for the Carrier units, making a direct operating cost comparison difficult.
- Proposal A does not clarify whether its standard controls will seamlessly integrate with the restaurant's existing setup or if additional control accessories will be needed.
- Proposal B's exclusion notes that building management system upgrades are excluded if the existing system is incompatible, leaving a potential unpriced variable.

QUESTIONS FOR THE VENDORS

- To Proposal A: Can installation be scheduled outside normal restaurant operating hours, and if so, what is the additional cost?
- To Proposal B: What are the specific energy efficiency ratings (EER/IEER) for the proposed Carrier units, and what is the cost if our existing building management system requires upgrades for compatibility?

- To Both: What is the expected lifespan (in years) of the proposed rooftop units under normal commercial restaurant operating conditions?

BOTTOM LINE

The two proposals present distinct operational and financial tradeoffs. Proposal A offers a lower initial investment (\$68,500) with standard business-hour installation and basic 1-year parts/labor warranties. Proposal B requires a higher initial investment (\$82,900) but provides higher-specification Carrier equipment with variable-speed motors, extended parts and labor warranties, digital controls, 24/7 emergency service commitments, and the crucial flexibility to perform installation outside normal restaurant operating hours to minimize business disruption.