

Bidding and Award of Specialty Contracts

An important part of the construction procedure is the bidding and award of specialty contracts for various portions of the project. Specialty contractors perform essential and vital portions of the project.

If a Prime Contractor is to be completely responsible to the Owner for the execution of all the operations essential to the construction of the project, he requires the authority to engage the services of the necessary specialty contractors and to coordinate their work.

It is obvious that the bidding and award of such contracts should be done ethically and in accord with sound business practices.

The operations of the Contractor are made possible through the functions of those agencies which furnish him with service or products, and in contracting with them he is rightfully obligated by the same principles of honor and fair dealing that he desires should govern the actions toward himself or the Architect or Engineer and Owner.

In furtherance of this principle, it is recommended that:

1. Proposals should not be invited from anyone who is known to be unqualified to perform the proposed work or to render the proper service.
2. The figures of one competitor shall not be made known to another before the award of the subcontract, nor should they be used by the Contractor to secure a lower proposal from another bidder.
3. The contract should be awarded to the lowest bidder if that bidder is qualified to perform the contract. If the award is made to another bidder, it should be at the amount of the latter's bid. (The statement "latter's bid" meaning the next higher bid.)
4. When the contractor has been paid by an Owner for work or material he should make payment promptly, and in just proportion, to subcontractors and others.
5. It is unethical and detrimental to good competition for a Contractor, prior to the opening of bids or the awarding of the contract, to disclose the amount of a sub-bid or quotation obtained in confidence for the preparation of his bid.