

Bid-awarding systems: An overview

[Assaf, Sadi A.](#) (King Fahd Univ of Petroleum & Minerals); [Bubshait, Abdulaziz](#); [Aitah, Redha](#) **Source:** *Cost Engineering (Morgantown, West Virginia)*, v 40, n 8, Aug, 1998, p 37-39

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Abstract: Construction work is usually initiated by an owner who signs a contract with a contractor. This contract fully describes the nature of the work to be carried out and the contractor is entitled to payments as per the agreement. An owner may select a contractor through competitive bidding, negotiation, or a combination of these methods. There are different types of competitive bidding, such as the lowest-bidder system and the non-lowest bidder system: the latter includes the nearest to the average of all bids, limited to the owners estimate bid, and weighted average bids. Different bid-awarding systems available worldwide were presented with special emphasis on the systems used in Saudi Arabia and Germany. (7 refs.)