Five Primary Methods for Construction Contracting/Bidding

1. **Single-prime:** All components of construction (heating, ventilating, and air conditioning; plumbing; electrical; and general construction) are bid together. One contract is awarded to the “lowest responsible bidder” who subcontracts with other contractors and is responsible for the entire scope of construction work. This method is how Chatham County has bid projects in the past.

   **Pros:** Competitive process, so generally results in lower bid than pre-qualification or construction manager at risk. One contractor is responsible and accountable for the entire project, which makes it easier for the County and/or architect to manage.

   **Cons:** General contractor usually “marks up” costs of subcontractors, so not usually as cost-effective as multi-prime. The incentive to be competitive may result in important items being left out of the bid. What is low-cost on the front end may result in higher costs through change orders. If relationship with subcontractors is poor, the county has no direct means for addressing this. Awarding a bid to the “lowest responsible bidder” can sometimes place the county in the position of awarding to a contractor who does not have the best experience and track record, since these are not factors that can be considered in the bid award. Generally, the county can only exclude the lowest bidder if he is deemed not responsible through demonstrated, specific problems, which can be hard to document.

2. **Multi-prime:** Major components of work (heating, ventilating, and air conditioning; plumbing; electrical; and general construction) are bid separately. Contracts are awarded to each “lowest responsible bidder.” The County and/or architect is responsible for overseeing the entire scope of construction work.

   **Pros:** Most competitive process, so generally results in lowest bids.

   **Cons:** No one contractor is responsible for the project, so requires the most project management of the bid methods. Can result in finger-pointing between contractors, since no one contractor is responsible. As this process has become less common, it may exclude the best general contractors from bidding (do not want to bid because they have no control over other contractors). Otherwise, same cons as single-prime, except there is no general contractor mark-up on subcontractors.
3. **Dual bidding**: Combining the two methods above, the county may bid the project both as single-prime and as multi-prime and accept the “lowest responsible bidder.”

*Pros and cons* depend on the method of contracting selected. However, may also exclude the best general contractors from bidding to avoid a multi-prime situation.

4. **Prequalification of bidders**: Prior to bidding the construction project under one of the three methods above, contractors are deemed “eligible to bid” on the project through a qualifications-based process. Similar to the selection process for architects, contractors are asked to submit information such as background, similar work performed, change orders, adherence to schedule on previous projects, etc.

*Pros*: Only contractors who are deemed eligible to bid may bid the project, so the county is assured that a qualified contractor will be selected.

*Cons*: Since the process is limited to a more narrow field of contractors, the bids are not generally as competitive as when all bidders are allowed to participate.

5. **Construction Manager at Risk**: Authorized by the General Assembly in 2001, this method of contracting allows the County to select a construction manager at risk through a qualifications-based process. The construction manager at risk works with the architect and owner through the design process and performs the following services:
   - Preparation and coordination of bid packages
   - Scheduling
   - Cost Control
   - Value engineering
   - Preconstruction services
   - Construction administration.

The CM at risk guarantees the project cost and bids the project, similar to how the county would bid under multi-prime.


*Cons*: Early cost estimates and maximum cost might be high. Less competitive than public, open bidding process. The county has no direct relationship with subcontractors.