

# Analysis of Existing Problems with Management of Construction Projects Bidding and Solutions to the Problems

Meili Wu

Xi'an Aeronautical University, Xi'an 710077, Shaanxi Province, China

**Abstract:** Bidding is a key link during the implementation of a construction project. For the same construction project, there are usually multiple construction companies bidding together to obtain the right to contract for the project. However, there are still various irregularities in the bidding stage. This article analyzed the above problems and proposed a management strategy for the optimization of bidding, looking forward to improving the quality of bidding management of construction projects, solving various illegal bidding problems, and purifying the environment of bidding management.

**Key words:** Construction engineering; Bidding management; Problems; Solutions

**Publication date:** March, 2021

**Publication online:** 31 March, 2021

**\*Corresponding author:** Meili Wu, meiliwu@sina.com

## 1 Introduction

In the construction project management stage, bidding management is the key link. However, judging from the current bidding management status of the project, there are still many problems such as malicious bidding, irregular bid evaluation, disturbing bidding, and imperfect review. In this regard, it is necessary to conduct standardized management of the bidding process, use scientific methods, strengthen supervision, purify the environment of bidding market, and lay a good foundation for the sound development of the construction field.

## 2 The problems of bidding management in construction projects

### 2.1 Malicious bidding

If the bidding company maliciously bids, it will have a serious impact on the bidding price, and it will also affect the development of the company<sup>[1]</sup>. The so-called malicious bidding is to increase the quotation in order for certain companies to win the bid, which can increase the bidding price and cause a blow to the enthusiasm of other bidding subjects. Generally speaking, in order to improve their own interests, bidding companies want to control the bid price through low-price competition and reduce the bid price to the lowest level, which may also cause loss-making quotations. If the winning bid price is 7% higher than the expected quotation, it can be regarded as a loss-making quotation, which is extremely detrimental to the development of the bidding company and will also affect the bidding order. After bidding companies bid successfully, in order to reduce construction costs, they may modify bids, or even cut corners, which is not conducive to the guarantee of the quality of the project, and also restricts the development of construction companies to a certain extent.

### 2.2 Unreasonable bid evaluation

In the bidding management process of construction projects, bid evaluation is at a critical link. The bidding companies mainly screen many companies participating in the bidding, and choose a more suitable company as the main body of responsibility for project implementation. The selection process

should follow the principles of the best quality, the least investment, and the shortest construction period. However, in the selection of bidding companies, some tenderers did not take into account the comprehensive capabilities of the tenderors, and selected the construction party according to the bidding price. At this time, if the construction technology level of the construction company does not meet the standard, it will affect the efficiency of the bidding party. The bid evaluation process needs to be based on the bidding materials provided by the construction party. And the bidding companies should follow the principles of objectivity and fairness. Combined with specific needs and under the premise of ensuring the quality of project construction, the bidding companies should control the construction cost, make a reasonable selection of bidding schemes, and improve the quality of bid evaluation<sup>[2]</sup>. After the most suitable bidding plan is selected, the bidding company needs to carefully calculate the cost of the bidding plan from the actual situation, so as to prevent violations and to ensure the rationality of the bid evaluation stage.

### **2.3 Disturbing bidding**

In the bidding process, the construction company is the main participant, and its behavior has a greater impact on the bidding process, especially the bidding price. If the construction company uses special means to disrupt the bidding process, it may cause the bidding price to be depressed, mainly in the following aspects. (1) The construction party maliciously expands the profit margin of the company in order to win the bid at a low price. After winning the bid at a low price, it will cut corners and materials in order to obtain benefits, which will affect the quality of project construction and engineering safety. (2) Construction companies that have not obtained bidding qualifications borrow names of other companies to participate in the bidding process to increase the competitive pressure of bidding companies, and have an impact on other bidders, resulting in an increase in bid prices. (3) The construction company may use legal loopholes with other bidders to generate collusion behaviors, causing disturbance to the bid price, in order to achieve the purpose of winning the bid at a low price<sup>[3]</sup>.

### **2.4 Supervision and review**

The workload of the bidding management process

is relatively large, and the review process is complicated. Professional guidance is needed to effectively supervise the bid evaluation process. However, in the bidding process, some supervision departments failed to play their supervisory role, and even hinder the bidding behavior of foreign companies in order to protect the development of local industries. There are loopholes in the supervision and review, which allow illegal companies to interfere in the bidding process. These seriously affect the bidding price, and will also make qualified companies lose bidding opportunities, which is not conducive to the management and may disrupt the market order of bidding. Therefore, relevant departments need to do a good job in supervision work<sup>[4]</sup>.

## **3 Solutions to the problems with construction engineering bidding management**

### **3.1 Standardize market management**

In order to ensure the smooth progress of bidding and bidding work, it is necessary to improve market management through the following aspects. First, pay attention to the integrity management of enterprises during the period of participating in bidding projects to prevent them from untrustworthy behaviors. A management platform can be established to enter corporate information and share it among the same industry to regulate companies' participation in bidding. Second, the supervision departments need to conduct a comprehensive review of the bidding process to ensure the fairness of the bidding process. If violations are found, they should be strictly prohibited to improve the market system<sup>[5]</sup>. Third, at the stage of signing the bidding contract, the construction company should ensure that there are more than three people on site. Before the contract is signed, a comprehensive review of the construction site is required to ensure the effectiveness of the bidding plan. After the contract is signed, it is transferred to the supervision agency and managed by a third party to better regulate the behavior of both parties.

### **3.2 Evaluate bids scientifically**

At the bidding stage, the bid evaluation work should be paid attention to and carried out in accordance with the construction engineering bid evaluation process, and the the personnel of bid evaluation

should have high professional quality to deal with the problems existing in the bid evaluation process. If the traditional bid evaluation method is used, the budget quota is mainly used as a reference, and the bidders may quote according to the budget quota, and provide an opportunity for some companies to disrupt the bidding process. In order to solve this problem, it is necessary to innovate the bid evaluation model, evaluate bids with the physical bill of quantity, no base bid and with the base bid, and optimize the bid evaluation model, which will help maintain the fairness of the bidding environment. In addition, owners can also be invited to serve as bid assessors to maximize the fairness of the management of bidding process<sup>[6]</sup>.

### 3.3 Punishment of violations

In order to regulate the behavior of the construction party, it is necessary to increase punishment and maintain the order of bidding management in the construction market. During the bidding period, the companies participating in the bidding need to sign a contract with the bidding party in order to clarify the rights and responsibilities of both parties, guarantee the interests, and lay a good foundation for the smooth progress of the bidding-related work. The bidding parties must strictly follow the requirements of the contract and participate in the bidding in accordance with the corresponding laws and regulations. If violations occur, the relevant departments can punish them in accordance with the law to maintain the order of the bidding management<sup>[7]</sup>. In addition, to make it serious, the punishment process can go public, and the information of companies that violate the regulations will be disclosed to restrict their future participation in bidding, improve the quality of the bidding management process, ensure that the bidding process is open and fair, and standardize the violations of bidding companies.

### 3.4 Strengthen supervision

To improve the effectiveness of bidding management and attract other enterprises to participate in bidding, it is necessary to strengthen the supervision of the bidding process<sup>[8]</sup>. For the supervision of the bidding process, the following measures can be taken. First, intensify the review of bidding companies. If the company does not have the bidding qualifications, it needs to punish such companies in accordance

with the corresponding regulations. Second, if the company has obtained the qualification to participate in bidding, it must also register information with relevant departments to provide information for the management and supervision of its participation in the bidding process to prevent unqualified companies from entering the bidding site. Third, to ensure the fairness of the bidding process, it is also necessary to strengthen supervision and execution, publicize the bidding plan, and all participating bidding companies can browse information, give full play to the mutual supervision function of enterprises, and ensure that the entire bidding process is open<sup>[9]</sup>. Fourth, during the bidding, the tenderers' information must also be effectively verified, and enterprises are strictly prohibited from participating in bidding as agents<sup>[10]</sup>. Through the above methods, the supervision and management during the bidding period will be strengthened, so that the bidding management can proceed smoothly.

## 4 Conclusion

In short, the development of the construction industry needs to rely on standardized management. In view of the various problems in the bidding management of construction projects, it is necessary to proceed from reality, find solutions, strengthen punishment, standardize bidding behavior, so as to maintain the smooth progress of the bidding process, and lay a good management foundation for the smooth construction of construction projects.

## References

- [1] Liu MS, Chen AD. Analysis on the risk management of construction engineering bidding [J]. *Economic and Trade Practice*, 2017, 000(017): 169.
- [2] Liu YQ. Research on effective measures to strengthen the management of construction engineering bidding[J]. *Modern Property (Mid-term)*, 2019(05):157-157.
- [3] Zhi B. Research on the application of construction engineering bidding management information under the background of "big data"[J]. *Journal of Electronic Engineering Institute*, 2020, 009(004): P.194-194.
- [4] Yang F. Discuss the contract management strategy of the construction project bidding stage [J]. *China Interior Decoration World*, 2020, 000(005): 98.
- [5] Lu DW. Research on the teaching reform of the course "Construction Bidding and Contract Management" based on

- the BIM electronic bidding system[J]. Technological Wind, 2020.
- [6] Liu XL. Analysis of the strategy of standardized management of construction project bidding [J]. Bricks, 2020(7).
- [7] Zhao ZJ. Problems in the bidding management of construction projects and their solutions[J]. Management and Technology of Small and Medium-sized Enterprises (Mid-Term Issue), 2020, No.605(03):18-19.
- [8] Sun XM, Xing SL. Standardized management strategy of construction project bidding[J]. Mingchenghui, 2019(5):0027-0027.
- [9] Duan N. Development characteristics and management measures of construction engineering bidding[J]. Building Development, 2020, 4(7):33-34.
- [10] Cui FY. Research on the application level of electronic bidding for construction projects [D]. 2019.