CONTRACTORS’ SELECTION CRITERIA: OPINIONS OF PALESTINIAN CONSTRUCTION PROFESSIONALS

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Abstract
Bid awarding practice in Palestine suffers from a myriad of problems. The aggressive competition, as well as the selection of the lowest bidder, may be considered as the major causes of such problems. The aim of this paper is to investigate the opinions of Palestinian construction professionals concerning contractors’ evaluation and selection criteria. A questionnaire survey was adopted for this study, incorporating 38 factors that are believed to be related to contractors’ selection. These factors were identified through a rigorous literature review, and grouped into 10 classes. The results show that the financial evaluation of the bid is considered as the most important class, being ranked in the first position, with a weight equal to 40.10%. The remaining nine classes are all related to technical criteria, with a total weight of 59.90%. The respondents placed a very low emphasis on the health and safety criteria, indicating a substantial lack of awareness of the importance of health and safety. There needs to be a paradigm shift in selecting contractors based upon lowest price to multi-criteria selection. Such a process can be implemented by establishing alternative methods to select the contractors, based on technical and financial criteria. Local official authorities need to make legislative changes on related statutes/law, so that the awarding committees can lawfully consider the only cost, as well as technical factors that are useful to predict the quality of the construction. The findings offer local clients some assistance with reviewing their process when assessing bids received from contractors. Further, the findings also help contractors to improve their bid preparation so that their bid more closely aligns with factors considered important by the clients.

Keywords
Contractors, construction industry, Palestine, awarding, selection criteria.

INTRODUCTION
Competitive bidding, where the project is awarded to the lowest bidder, is a routine practice within the construction industry worldwide. This practice is designed to promote healthy competition and ensure the lowest contract price for the project is achieved. While private construction organization may choose a range of ways to award contracts, most public agencies are legally required to award the project to the lowest bidder (Moore 1985a, b). Indeed, public construction procurement, the process by which contractors are chosen for public construction projects, has traditionally been based on selecting the lowest bidder.