

Graduate Student Research Abstract – Construction Practice (Non-Pedagogical Content)

## **Contractor Prequalification Practices in Developing Countries: A Bangladesh Case Study**

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Like many developing economies, the construction industry in Bangladesh is vital to its economic development and growth. However, the Bangladeshi construction industry is plagued by numerous unethical and corrupted practices such as: incapability of good governance; not disclosing the secret evaluation process/criteria to the bidders, media, and general public; poor advertising and contract documents; awarding contract by a lottery to the favorable parties; influence of the outside political power practices and biases; and delayed processes and inefficiencies of attaining final approval. Moreover, in addition to the unethical and corrupt practices, sub-standard construction work demonstrated through recent collapses of building structures, and the inability of local contractors to partake in internationally funded (lucrative) contracts (as general contractors), a contractor prequalification process is proposed to address these problems facing the industry. In this regard, the research methods used to accomplish the specific research outcomes include the following techniques: an extensive review of the literature related to contractors' bid prequalification; a questionnaire survey used to gather data; a detailed statistical analysis; a determination of the relative importance index and rank; determination of a mutual agreement index between project owners and consultants; a comparison of results obtained in Bangladesh with results from the United States and Saudi Arabia; and the development of a decision-model hierarchy framework. The targeted population for the research survey consisted of experts, engineers, project designers, and project managers from diverse organizations (public, semi-public, private, and others) who have experience with contractor selection projects in Bangladesh. The review of published literature from 1985 to 2012 revealed that a total of 18 major factors, containing a total of 165 minor factors, are used during the contractors' bid prequalification evaluation and selection process by the construction industry, researchers, and practitioners. However, data obtained from the questionnaire survey revealed a significant difference in the responses between the owners and consultants for each individual factor, and therefore, an association of agreement index between the owners and consultants was developed for the three groups. Studies showed that there was a significant difference between the relative importance index and ranking in the results obtained from the Bangladeshi studies when compared to the results obtained from Saudi Arabia and the United States. Again, the analytical hierarchy process weighted cluster model; a five-level framework, which includes regulatory verification, project specific validity, performance evaluation, and state-of-the-art best practices; and a capacity assessment was developed to address the problem. This research developed standard practices that could be used for the prequalification of construction contracts in Bangladesh and developing countries and developed a methodology for implementing the recommendations for the system for evaluating contractors.

**Key Words:** Contractor Prequalification, Bid Evaluation, Tender, Contractor Selection, Construction Contracting