## Different Bidding Processes and Contract Types

<table>
<thead>
<tr>
<th>Bidding</th>
<th>Explanation</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
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| Competitive Bid          | Provide specifications of the work to several GCs. Each responds with a bid indicating how much they will charge if selected. | ▶ Encourages lower prices  
▶ Allows price comparison  
▶ Gives more GCs an opportunity to win your business | ▶ GCs may underestimate costs to win the bid  
▶ Oversight of the bidding process can be a lengthy process |
| Negotiated Bid           | Select a GC you want to work with and negotiate the price of the work (no bidding). | ▶ Faster than competitive bidding  
▶ More likely to receive realistic final cost | ▶ Doesn’t allow price comparison  
▶ May not receive lowest cost |
| Stipulated Sum Contract  | GC submits a fixed price for the contracted items. Any changes are billed separately. | ▶ You can plan for a basic price for the majority of the work, then approve unanticipated changes | ▶ If your original contract was not complete or specific enough, you could incur significant additional costs |
| Cost Plus Fee or Guaranteed Maximum Price Contract | GC submits a maximum price for which they will complete the whole job, and may include built-in allowances. | ▶ Allows more negotiation over what work will be completed  
▶ Gives you greater control | ▶ May be more expensive |

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