



# Towards the Identification of Value-Based Contract Award System

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**Abstract**—The problems of procurement and bid are observed frequently in the construction industry. It is in the interest of the community to improve the procurement, evaluation and awarding of the bid. In the construction industry of Pakistan, contracts of public sector projects are awarded to the lowest bidder. It is universally accepted that the issues of litigation, claims cost, time overrun and are arisen on projects awarded to the lowest bidder. The core objective of undertaking this research is to identify a value-based contract award approach. An extensive literature review is carried out to identify different contract award approaches followed by unstructured interviews with the construction industry experts. Six alternative contract award approaches are discussed and presented in this research. It is concluded that the best value contract awarding method is more effective than low bid award method. This research presents valuable information to the construction industry stakeholders, like client contractor and consultants who want to enhance the bid awarding methods.

**Keywords**—value based, construction, contract award, public sector projects