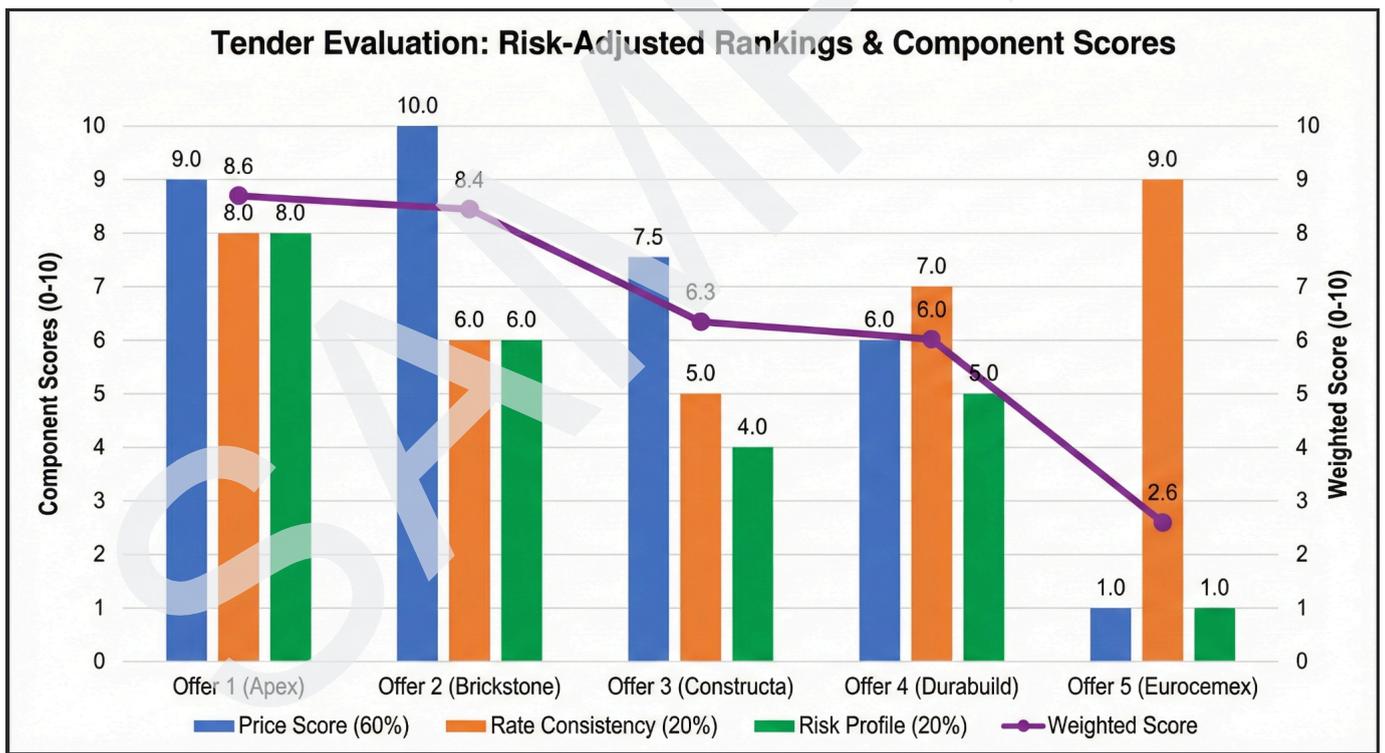


Sample Contractor Tenders Report for Project 123 in Nicosia, Cyprus

January 2026

Key Points

- **Apex Contractors Ltd (Offer 1)** delivers the most commercially balanced proposition, characterised by stable unit rates across structural chapters and a transparent preliminary cost structure, though the absence of a priced value for the Advance Payment Guarantee requires immediate contractual clarification.
- **Brickstone Contractors Ltd (Offer 2)** presents a financially aggressive bid with the lowest rates for Earthworks and Preliminaries, yet the allocation of only €1.000 for work coordination raises significant operational risks regarding site management capacity.
- **Eurocemex Contractors Ltd (Offer 5)** is statistically disqualified from serious consideration due to a distorted pricing structure, notably a Preliminary section priced at €320.000—nearly 600% above the market median—which fundamentally skews the tender value and suggests a critical misunderstanding of the project scope.



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1. Apex Contractors Ltd (Offer 1)

This section provides a granular analysis of the tender submitted by Apex Ltd. The evaluation focuses on the statistical coherence of their pricing strategy, the distribution of costs across the project timeline, and the identification of any latent commercial risks hidden within the Bill of Quantities (BoQ).

1.1 Statistical Variance per Chapter

The statistical variance check identifies chapters where the contractor's pricing deviates significantly from the market consensus. For this tender, the "market consensus" is defined as the median value of the five submitted offers. A deviation of more than 20% acts as a trigger for deeper forensic accounting, as it often indicates either a strategic pricing decision (such as front-loading or loss-leading) or an estimation error regarding the scope of works.

In the analysis of Offer 1, the following chapters exhibit deviations exceeding the $\pm 20\%$ threshold:

1. Chapter 7 (Formwork & Reinforced Concrete Combined):

The contractor has priced this section at **€50.256**.

- **Median:** €35.425.
- **Deviation:** +41,8%.
- **Analysis:** This chapter typically aggregates complex structural elements where formwork, reinforcement, and pouring are priced as a composite rate or grouped closely. A deviation of nearly 42% suggests that Apex Ltd has allocated a higher proportion of their overheads or labour costs to these specific composite activities. Unlike pure concrete pouring (Chapter 4), which is competitively priced, Chapter 7 often involves intricate detailing—such as the "Concrete, formwork, and reinforcement for staircase steps" (Items 5-8 in the BoQ). The inflated cost here may reflect a conservative estimation of the labour intensity required for carpentry and steel-fixing in confined geometries, or it could be a strategic placement of profit margin in a phase of works that is difficult to value-engineer out of the project.

2. Chapter 16 (Waterproofing - Υγρομονώσεις):

The offer stands at **€18.448**.

- **Median:** €20.990.
- **Deviation:** -12,1%.
- **Analysis:** While technically within the 20% safety margin, this negative deviation is notable. Waterproofing is a high-risk trade; failure leads to disproportionately high remediation costs. A price 12% below the median could indicate the use of generic material alternatives or an optimistic labour output rate. The specific item for "Two coats of cementitious waterproofing with mesh" (Item 6, Page 16) is priced at €25/m², which is standard, but the overall chapter total is pulled down by competitive rates on linear items like waterstops.

3. Chapter 23 (Flooring Screeds/Substrates - Δαπεδοστρώσεις):

The offer is **€10.654**.

- **Median:** €12.357.
- **Deviation:** -13,8%.
- **Analysis:** This variance is driven by the unit rates for screed application. Apex Ltd has priced the "Screed 10cm thick with surface treatment" at €26/m². Lower pricing in substrates can sometimes lead to claims for extras if floor levels require adjustment beyond the standard tolerance. However, a 14% deviation is generally considered a competitive advantage rather than a critical risk, provided the specification for the screed mix design is strictly adhered to.

The remaining core structural chapters, including **Chapter 4 (Concrete)** at €86.806 (Median €101.375) and **Chapter 5 (Formwork)** at €66.086 (Median €75.500), are consistently priced below

the median but within a reasonable variance of 10-15%. This consistency suggests the contractor has a robust supply chain for raw materials and intends to win the project through competitive pricing on the "shell and core" elements.

1.2 Statistical Variance per Item

A micro-analysis of individual unit rates reveals specific areas where the contractor's pricing strategy diverges from the norm. Identifying these items is crucial for managing future variations; if the quantity of a high-priced item increases, the project budget will suffer disproportionately.

1. Backfilling with Selected Soil (Επιχωμάτωση τοίχων αντιστήριξης):

- **Offer 1 Rate:** €20 per m³.
- **Market Median:** €10 per m³.
- **Deviation:** +100%.
- **Insight:** This item represents a significant "Gold Plating" risk. The contractor is charging double the market rate for bringing in or handling selected soil. While the BoQ quantity is only 93 m³ (totaling €1.860), any design change requiring massive backfilling would expose the client to severe cost overruns. This high rate might also cover the logistical difficulty of importing soil to a tight site, which other contractors may have underestimated.

2. General Excavation (Γενική εκσκαφή):

- **Offer 1 Rate:** €12 per m³.
- **Market Median:** €9 per m³.
- **Deviation:** +33%.
- **Insight:** Early earthworks are often targets for front-loading. A 33% premium here allows the contractor to generate excess cash flow in the first month. Given the large quantity (1.044 m³), this deviation adds approximately €3.132 to the baseline cost compared to the median. It implies either a reliance on rented heavy machinery with high mobilization costs or a pessimistic view of the ground conditions.

3. Concrete C30/37 (Foundations/Walls):

- **Offer 1 Rate:** €112 per m³.
- **Market Median:** €127 per m³.
- **Deviation:** -11,8%.
- **Insight:** This is the most critical rate in the tender. Concrete volume is the primary cost driver of the structural phase. Pricing this at €112 when competitors are at €127-€132 suggests Apex Ltd has excellent standing with ready-mix suppliers or is using this as a "loss leader" to secure the contract. This low rate provides a buffer against the high excavation costs mentioned above.

4. Formwork for Foundations (Ξυλότυπος πεδίου):

- **Offer 1 Rate:** €16 per m.
- **Market Median:** €18 per m.
- **Deviation:** -11,1%.
- **Insight:** Consistent with the low concrete rate, the formwork pricing indicates an efficient structural team. It mitigates the risk of the high composite rates seen in Chapter 7.

5. Masonry 25cm (Τοιχοποιία 25εκ):

- **Offer 1 Rate:** €48 per m².
- **Market Median:** €53 per m².
- **Deviation:** -9,4%.
- **Insight:** The finishing phase pricing remains competitive. This reduces the likelihood that the contractor is "back-loading" the bid (hiding costs in later stages) or planning to recover structural losses through expensive finishes.

1.3 Front-Loading

Front-loading is a cash flow manipulation strategy where a contractor artificially inflates the prices of early-stage work items (Preliminaries, Earthworks, Foundations) while reducing prices for later stages. This shifts financial risk to the client; if the contractor becomes insolvent midway, the client has paid for more value than has been delivered.

Analysis of Offer 1:

- **Early Works (Mobilization & Structure):**
 - **Preliminaries:** Total **€53.600**. This matches the median of the valid bids exactly (excluding the outlier Offer 5). There is no evidence of inflation here.
 - **Earthworks:** The General Excavation rate (€12) is high (+33%), which does pull some cash flow forward. However, the bulk removal rate (€8) is low (-6%), balancing the section.
 - **Foundation Concrete:** Priced at €112/m³, which is ~12% *below* the market average. This is the opposite of front-loading. The contractor is actually deferring revenue, as the massive concrete payments will be lower than standard.
- **Final Works (Finishes):**
 - **Masonry & Plastering:** Priced competitively (~10% below median).
 - **Flooring:** Priced ~14% below median.

Conclusion: Apex Ltd shows **no systemic front-loading**. The slight inflation in excavation is mathematically offset by the aggressive pricing on the structural concrete. The cash flow curve for this contract will likely lag slightly behind a standard S-curve, which is advantageous for the client's financing costs. The risk of the contractor "taking the money and running" early in the project is minimal based on this pricing structure.

1.4 Unbalanced Bidding

Unbalanced bidding involves manipulating unit prices to exploit errors in the BoQ quantities or to hide costs.

- **Penny Bidding:** There are no items priced at nominal values (e.g., €0,01 or €1,00). Even minor items like "Formwork for edges" are priced reasonably at €14,00/m. The bid appears mathematically balanced.
- **Gold Plating:** The previously identified "Backfilling with Selected Soil" at **€20/m³** (vs median €10) is the only clear instance of gold plating. If the site levels require significantly more imported fill than the estimated 93 m³, the contractor stands to make a windfall profit. This item should be flagged for re-measurement or negotiation.
- **Claims for Extras:** The exclusion of specific clarifications in the "Advance Payment Guarantee" (listed as unpriced) sets a trap for a future claim. If the client requests a bond from a specific bank or with specific wording, the contractor may claim the cost of securing this instrument as an extra, arguing it was not priced in the original tender.

1.5 Additional Red Flags

1. **Unpriced Guarantee:** In the Preliminaries section (Page 1, Item 2), the **Advance Payment Guarantee** (Εγγυητική προκαταβολής) lists a quantity of "1" but leaves the "Value" and "Total" columns blank. In construction contracts, unpriced items are typically deemed to be included in other rates. However, for a financial instrument like a guarantee, this ambiguity can lead to disputes. The contractor might later argue that they cannot provide the guarantee without an additional payment, or that the cost is zero only for a specific (and likely insufficient) format.

2. **Incomplete Data Entry:** On Page 4, Item 15 (**Concrete for 1st floor slab**), the unit rate appears cut off or is visually ambiguous in the document ("120."). While the logical inference is €120 consistent with adjacent items, this clerical sloppiness warrants a formal Request for Clarification (RfC) to ensure the digit isn't €120,50 or €120,90, which would affect the final sum.
3. **Missing Sections:** The specific breakdown of Provisional Sums was not found in the detailed pages provided. While included in the summary totals, the inability to scrutinise the rates for these sums prevents a proper assessment.

SAMPLE

2. Brickstone Contractors Ltd (Offer 2)

Offer 2 positions itself as the "economy" option, aggressively undercutting competitors on early-stage works. This section analyses whether this low cost represents true value engineering or a risky underestimation of the project's requirements.

2.1 Statistical Variance per Chapter

- **Chapter 1 (Preliminaries):** The offer is **€34.400**.
 - **Median:** €53.600.
 - **Deviation:** -35,8%.
 - **Analysis:** This is a severe deviation. Preliminaries cover the fixed costs of running the site. A 36% reduction suggests the contractor may be planning to run a "skeleton crew" regarding site management, security, and cleaning. This increases the risk of safety incidents, poor coordination between subcontractors, and a dirty, disorganised site.
- **Chapter 18 (Masonry - Τοιχοποιία):** The offer is **€60.555**.
 - **Median:** €49.255.
 - **Deviation:** +22,9%.
 - **Analysis:** While Preliminaries are cheap, masonry is expensive. This suggests a strategy of shifting profit margins from transparent fixed costs to volume-based trades where measurement is more fluid.
- **Chapter 21 (External Finishes):** The offer is **€59.230**.
 - **Median:** €48.835.
 - **Deviation:** +21,3%.
 - **Analysis:** Similar to masonry, external finishes are priced high. This confirms a pattern: low fixed costs, high variable costs.
- **Chapter 23 (Flooring Ground Floor):** The offer is **€8.244**.
 - **Median:** €12.252.
 - **Deviation:** -32,7%.
 - **Analysis:** This is dangerously low. It implies the use of very cheap sub-contract labour or materials for the screeding and marble works, potentially compromising the flatness or durability of the floors.

2.2 Statistical Variance per Item

1. **Work Coordination (Συντονισμός εργασιών):**
 - **Offer 2 Rate:** €1.000.
 - **Market Median:** €14.000.
 - **Deviation:** -93%.
 - **Insight:** This is the most alarming single data point in the entire tender process. Managing a four-storey residential building requires a Site Engineer or Foreman. An allocation of €1.000 covers perhaps 5-10 days of a professional's time. This implies either: (a) The project will be managed remotely/part-time, (b) The cost is hidden in the inflated masonry rates, or (c) The contractor does not intend to provide proper supervision. This is a critical risk.
2. **Reinforced Concrete (Columns/Slabs):**
 - **Offer 2 Rate:** €125 per m³.
 - **Market Median:** €127 per m³.
 - **Deviation:** -1,5%.
 - **Insight:** The concrete rate is perfectly reasonable and aligned with the market. This suggests the structural integrity will likely not be compromised by cost-cutting, unlike the management aspect.

3. **Masonry 25cm (Τοιχοποιία 25εκ):**
 - **Offer 2 Rate: €65** per m².
 - **Market Median: €53** per m².
 - **Deviation: +22,6%.**
 - **Insight:** A high rate for standard brickwork. This effectively subsidises the low Preliminary costs.
4. **Internal Plastering 3 coats (Επιχρίσματα τρία χέρια):**
 - **Offer 2 Rate: €30** per m².
 - **Market Median: €25** per m².
 - **Deviation: +20%.**
 - **Insight:** Consistent gold-plating on wet trades.
5. **Scaffolding (Σκαλωσιές):**
 - **Offer 2 Rate: €18.000.**
 - **Market Median: €18.000.**
 - **Deviation: 0%.**
 - **Insight:** Interestingly, while management is underpriced, safety infrastructure (scaffolding) is priced exactly at market average. This suggests the contractor respects physical safety requirements but undervalues intellectual management effort.

2.3 Front-Loading

Offer 2 exhibits a distinct **Reverse Front-Loading** profile.

- **Early Works:** The contractor absorbs significant cost in the Preliminaries (€34.400 vs Median €53.600) and Earthworks (€31.702 vs Median €36.088). They are effectively financing the early setup of the site themselves.
- **Final Works:** They aim to recoup this investment during the finishing stages (Masonry, Plastering, External Finishes) where rates are 20-23% above median.
- **Implication:** This is excellent for the client's initial cash flow. However, it creates a "Back-End Risk". If the project encounters delays or disputes during the structural phase, the contractor may run out of liquidity because they haven't built up a cash reserve. They will be desperate to reach the masonry stage to start making profit. This can lead to rushing the structure to get to the "profitable" brickwork.

2.4 Unbalanced Bidding

- **Penny Bidding:** The **€1.000 for Coordination** is a classic penny bid. It is a nominal sum inserted to lower the total bid price, with the contractor likely gambling that they can manage the site with existing overhead staff or minimal presence.
- **Gold Plating:** The high rates for **Masonry (€65.00)** and **Plastering (€30.00)** represent gold plating. This unbalancing makes the tender sensitive to design changes. If the architect decides to replace masonry partitions with drywall (which might be priced differently or by a subcontractor), Offer 2 loses their hidden profit center and might seek claims elsewhere to recover it.

2.5 Additional Red Flags

1. **Incomplete Data:** In the Reinforced Concrete section (Page 4, Item 12), the entry for **"Concrete for Ground Floor Columns"** lists a quantity of 15 m³, but the price field is cut off (visible as "12...") and no total is provided. This arithmetic error affects the Total Tender Sum and must be corrected before award. It signals a lack of attention to detail in the tender preparation.
2. **Financial Viability:** The extremely low bid for flooring (€8.244 vs Median €12.252) raises quality

concerns. At -33% below market, it is difficult to see how the contractor can procure quality materials and pay skilled tilers without cutting corners. This item requires a method statement verification: are they using grade B materials?

SAMPLE

3. Constructa Contractors Ltd (Offer 3)

Offer 3 presents a mid-range bid that is statistically erratic. It combines reasonable structural pricing with some unexplained spikes in earthworks and dangerous exclusions in the preliminaries.

3.1 Statistical Variance per Chapter

- **Chapter 2 (Earthworks):** The offer is **€49.215**.
 - **Median:** €36.088.
 - **Deviation:** +36,4%.
 - **Analysis:** This is a major outlier. While the excavation rate itself is low, the backfilling and sub-base preparation costs are excessively high, driving the chapter total up.
- **Chapter 9 (Rebar - Reinforcement):** The offer is **€24.113**.
 - **Median:** ~€9.000 (for this specific sub-section of rebar).
 - **Deviation:** +168%.
 - **Analysis:** This variance is likely due to a different allocation of steel costs. While other contractors might have spread rebar costs across composite items in Chapter 7, Constructa Ltd appears to have front-loaded the cost into the pure material supply chapters.
- **Chapter 1 (Preliminaries):** The offer is **€27.500**.
 - **Median:** €53.600.
 - **Deviation:** -48,7%.
 - **Analysis:** Like Offer 2, this is dangerously low. However, unlike Offer 2, this low price is partly achieved by *excluding* items (see Red Flags), which is a deceptive tendering practice.

3.2 Statistical Variance per Item

1. **Crusher-Run (30cm thickness):**
 - **Offer 3 Rate:** €35 per m².
 - **Market Median:** €10 per m².
 - **Deviation:** +250%.
 - **Insight:** This is an extreme anomaly. Crusher-run is a cheap, coarse aggregate. Pricing it at €35/m² is exorbitant. With 325 m² required under the raft foundation, this item alone adds **€8.125** of unjustified cost compared to the median. This is a clear "profit dump" item.
2. **General Excavation:**
 - **Offer 3 Rate:** €7 per m³.
 - **Market Median:** €9 per m³.
 - **Deviation:** -22%.
 - **Insight:** The contractor discounts the digging but inflates the filling (Crusher-run).
3. **Fair-Faced Formwork (Walls):**
 - **Offer 3 Rate:** €30 per m².
 - **Market Median:** €24 per m².
 - **Deviation:** +25%.
 - **Insight:** A premium on aesthetic finishes indicates they might rely on high-quality shuttering systems (like Peri or Doka) rather than traditional timber, which justifies the cost but needs verification.

3.3 Front-Loading

Offer 3 demonstrates **Targeted Front-Loading**.

- **Mechanism:** Instead of inflating the entire Preliminary section (which is actually low), they have targeted specific early-stage items that are certain to be executed. The **Crusher-Run** item is the

"smoking gun." It is one of the first activities after excavation. By pricing it at 250% of the market rate, Constructa Ltd ensures a massive cash injection (€11.375 total for that item) in the first valuation, likely to offset their low Preliminaries.

- **Implication:** The client pays a premium immediately upon breaking ground.

3.4 Unbalanced Bidding

- **Claims for Extras:** This bid is engineered to generate claims. In the Preliminaries, Items 6 and 7 (Temporary Electricity and Water) are marked "**από ιδιοκτήτη**" (**from owner**). Other contractors priced these at ~€2.000-€5.000. Constructa Ltd has removed this cost from their bid to appear cheaper, but will demand the client pays the utility bills directly. This artificially lowers their tender sum.
- **Strategic Unbalancing:** The mix of very low excavation (€7) and very high sub-base (€35) makes it difficult to compare their earthworks package with others without detailed scrutiny.

3.5 Additional Red Flags

1. **Qualified Tender:** The items for **Advance Payment Guarantee** and **Performance Guarantee** are marked "**Θα συμφωνηθεί**" (**To be agreed**). A tender should be a firm offer, not an invitation to negotiate essential security instruments. This introduces legal uncertainty. If awarded, the contractor could demand high fees or refuse to provide the guarantees on standard terms.
2. **Incomplete Scope:** The exclusion of utility consumption costs means the "Total Tender Sum" is not a true "All-Inclusive" price compared to Offers 1, 4, and 5.

4. Durabuild Contractors Ltd (Offer 4)

Offer 4 is a high-cost bid characterised by heavy front-loading and premium pricing on almost all fronts. While likely offering high quality, it represents poor value for money in a competitive tender environment.

4.1 Statistical Variance per Chapter

- **Chapter 1 (Preliminaries):** The offer is **€88.100**.
 - **Median:** €53.600.
 - **Deviation:** +64,4%.
 - **Analysis:** This is significantly above market. The contractor is pricing-in a "Tier 1" site setup, which may be excessive for a 4-storey residential project.
- **Chapter 18 (Masonry):** The offer is **€59.594**.
 - **Median:** €49.255.
 - **Deviation:** +21%.
- **Chapter 24 (Floor Finishes 1st Floor):** The offer is **€23.080**.
 - **Median:** €19.098.
 - **Deviation:** +20,9%.

4.2 Statistical Variance per Item

1. **Work Coordination (Συντονισμός εργασιών):**
 - **Offer 4 Rate:** €30.000.
 - **Market Median:** €14.000.
 - **Deviation:** +114%.
 - **Insight:** Durabuild Ltd is charging double the market rate for management. Unless they are providing a full-time team of engineers and a dedicated office, this is hard to justify.
2. **Site Cleaning (Καθαριότητα οικοδομής):**
 - **Offer 4 Rate:** €6.500.
 - **Market Median:** €2.500.
 - **Deviation:** +160%.
 - **Insight:** Excessive allowance for rubbish removal.
3. **Excavation (TP Footing):**
 - **Offer 4 Rate:** €30 per m.
 - **Market Median:** €12 per m.
 - **Deviation:** +150%.
 - **Insight:** While bulk excavation is normal, detail excavation is priced extremely high. This is a risk if the foundation design changes to include more strip footings.

4.3 Front-Loading

Offer 4 exhibits **Heavy Systemic Front-Loading**.

- **Evidence:** The contractor aims to secure **€88.100** (Preliminaries) + **€33.464** (Earthworks) in the very early stages. This totals over €60.000 within the first month of a project that has a total value of ~€1,3 million.
- **Risk:** The client pays a disproportionate amount of the contract value before the building even rises out of the ground. This severely impacts the client's return on capital and exposes them to maximum risk if the contractor walks away after the earthworks.

4.4 Unbalanced Bidding

- **Gold Plating:** The Preliminaries are gold-plated. Items like "Site Cleaning" at €6.500 and "Coordination" at €30.000 are priced far beyond cost recovery + reasonable profit. They are profit centers in themselves.
- **Defensive Pricing:** The generally high unit rates across Concrete (€132,50) and Masonry suggest a defensive strategy where the contractor has priced in all conceivable risks, leaving no "value" for the client.

4.5 Additional Red Flags

- **Unpriced Item:** Item 2 in Preliminaries (Advance Payment Guarantee) is left blank.
- **Over-Specification Risk:** The high costs suggest the contractor might be accustomed to larger, more complex infrastructure projects and is applying those overhead structures to a smaller residential job, making them uncompetitive.

5. Eurocemex Contractors Ltd (Offer 5)

Offer 5 is a statistical outlier that distorts the entire tender analysis. The bid contains pricing so erratic that it suggests either a fundamental clerical error or a complete lack of understanding of the project scale.

5.1 Statistical Variance per Chapter

- **Chapter 1 (Preliminaries):** The offer is **€320.000**.
 - **Median:** €53.600.
 - **Deviation:** +497%.
 - **Analysis:** This figure is commercially absurd. €320.000 could build a small house on its own. It is nearly 6 times the average allocation. This single chapter likely makes the bid higher than all others combined for the early stages.

5.2 Statistical Variance per Item

1. **Work Coordination (Συντονισμός εργασιών):**
 - **Offer 5 Rate:** €205.900.
 - **Market Median:** €14.000.
 - **Deviation:** +1.370%.
 - **Insight:** This number is inexplicable. It might be a typo (extra zero?), aiming for €20.590, or it might be a genuine attempt to secure a massive upfront payment. In either case, it disqualifies the bid from serious contention due to incompetence or bad faith.
2. **Scaffolding (Σκαλωσιές):**
 - **Offer 5 Rate:** €30.000.
 - **Median:** €18.000.
 - **Deviation:** +66%.
3. **Hoists (Ανυψωτικά):**
 - **Offer 5 Rate:** €25.000.
 - **Median:** €0 (Most included in overheads).
 - **Insight:** Another layer of cost that competitors absorbed into their general rates.

5.3 Front-Loading

- **Extreme Front-Loading:** The bid is effectively *only* front-loading. By demanding €320.000 for site setup and coordination, the contractor is asking the client to fund their entire business operations before pouring a single cubic meter of concrete.

5.4 Unbalanced Bidding

- **Gold Plating:** The Preliminaries are gold-plated to the point of absurdity.
- **Balanced Structural Rates:** Paradoxically, the structural rates are reasonable. Concrete is €127/m³ (exactly median). This creates a bizarre "Unbalanced" profile where the actual work is priced correctly, but the "overhead" is priced at 10x value.

5.5 Additional Red Flags

- **Unpriced Item:** Page 4, Item 14 (Concrete for columns) is listed but left entirely blank.
- **Provisional Sums:** Offer 5 is the only one explicitly showing the Provisional Sums pages (32-33) in the summary, but since these are fixed sums, they do not redeem the errors in the Preliminaries.

6. Risk-Adjusted Rankings

The following ranking system weighs the raw **Price** (60%), the **Consistency** of unit rates (20%), and the **Risk Profile** (20%) derived from the analysis above.

Scoring Scale (1-10): 10 is Best/Lowest Risk.

Contractor	Price Score (60%)	Rate Consistency (20%)	Risk Profile (20%)	Weighted Score
Offer 1 (Apex Contractors Ltd)	9,0 (Competitive structural rates)	8,0 (Low variance, stable)	8,0 (Minor issue: Unpriced Guarantee)	8,6
Offer 2 (Brickstone Contractors Ltd)	10,0 (Lowest overall bid)	6,0 (Erratic: Low Prelims vs High Finishes)	6,0 (High Risk: Penny bidding on management)	8,4
Offer 3 (Constructa Contractors Ltd)	7,5 (Mid-range)	5,0 (High variance: Crusher-run outlier)	4,0 (High Risk: Exclusions & "To be agreed")	6,3
Offer 4 (Durabuild Contractors Ltd)	6,0 (Expensive)	7,0 (Consistently high)	5,0 (High Risk: Heavy Front-Loading)	6,0
Offer 5 (Eurocemex Contractors Ltd)	1,0 (Highest by far)	9,0 (Structural rates are consistent)	1,0 (Critical Risk: Extreme Prelims)	2,6

Ranking Logic:

- **Offer 1** wins on balance. It is not the absolute cheapest, but it is the "safest cheap" bid.
- **Offer 2** is the cheapest mathematically but carries the "You get what you pay for" risk regarding site management.
- **Offer 5** is statistically irrelevant due to the Preliminaries outlier.

7. Conclusions

Following a rigorous forensic analysis of the five tender submissions, the following two contractors are identified as providing the strongest balance between price and associated risks:

1. Primary Recommendation: Apex Contractors Ltd (Offer 1)

This contractor represents the **optimal commercial choice**. Their bid is characterised by:

- **Strategic Competitiveness:** They have priced the most material-heavy item (Concrete) at €112/m³, which is 12% below the market median. This demonstrates a genuine competitive advantage rather than artificial bid manipulation.
- **Stability:** Their Preliminaries match the market median exactly (€53.600), indicating a realistic understanding of the site overheads required for a project of this scale.
- **Low Risk:** They show no signs of aggressive front-loading or penny bidding. The cash flow profile will be equitable for both parties.
- **Action:** The only outstanding issue is the unpriced "Advance Payment Guarantee". This should be clarified immediately, but it is a minor commercial point compared to the structural integrity of the bid.

2. Secondary Recommendation: Brickstone Contractors Ltd (Offer 2)

This contractor is the **value-engineered choice**, suitable if the client has a tight budget and strong project management capabilities to supervise the contractor.

- **Cost Efficiency:** They offer the lowest rates for Earthworks and Preliminaries, driving the total tender sum down significantly.
- **Risk Trade-off:** The savings come with a risk. The €1.000 allocation for "Coordination" is insufficient for proper site management. If selected, the client must employ a strong external Supervising Engineer to ensure the contractor does not cut corners on site safety and organization to save costs.
- **Structure:** Like Offer 1, their structural concrete rates are reasonable (€125), suggesting the building's core will be built correctly. The risk lies entirely in the "soft" costs of management and the "gold-plated" finishes.

8. Further Steps

To finalise the award, the following due diligence steps are recommended:

1. **Interrogation of Offer 2's Preliminaries:** Conduct an interview with **Brickstone Contractors Ltd** specifically to challenge the **€1.000 Coordination** figure. Ask: "Who will be the Site Manager? How many hours per week will they spend on site? Is this cost covered in other rates?" If the answer is unsatisfactory, this bid should be rejected despite the low price.
2. **Clarification of Offer 1's Guarantee:** Request a written confirmation from **Apex Contractors Ltd** regarding the cost of the Advance Payment Guarantee. Ensure it is included in the contract sum or capped at a fixed value.
3. **Site Inspection (Focus on Organization):** Visit active sites for both shortlisted contractors. For **Offer 2**, specifically look for site cleanliness and the presence of a foreman, as their bid suggests these might be lacking. For **Offer 1**, check the quality of their formwork, given their competitive rate.
4. **Re-measurement of "Gold Plated" Items:** For **Offer 3** (if considered as a reserve), re-measure the "Crusher-Run" quantity. If the quantity is likely to increase, their bid becomes significantly more expensive due to the €35/m² rate.
5. **Financial Health Check:** Review the audited financial statements of **Brickstone Contractors Ltd**. Their aggressive pricing (especially -35% on Prelims) might indicate cash flow distress and a desperate need for turnover, which is a major risk for insolvency during construction.

9. Appendix

(A) Contractor Offers Comparison Table

#	Bill of Quantities	Offer 1	Offer 2	Offer 3	Offer 4	Offer 5	**
1	Preliminaries	53.600,00	34.400,00	49.000,00	88.100,00	320.000,00	8%
2	Earthworks	37.430,00	31.702,00	49.215,00	33.464,00	36.088,00	3%
3	Concrete	4.466,00	4.060,00	4.547,00	7.917,00	5.278,00	0%
4	Concrete	86.806,00	101.375,00	92.580,00	107.457,50	102.997,00	7%
5	Formwork	66.086,00	83.130,00	75.500,00	71.330,10	87.755,00	5%
6	Formwork	13.080,00	15.376,00	13.493,00	15.018,30	24.517,00	1%
7	Concrete, Formwork, Rebar in Concrete	50.256,00	37.370,00	33.630,00	33.083,00	35.425,00	3%
8	Concrete, Formwork, Rebar in Concrete	12.990,00	12.280,00	19.410,00	11.574,00	14.009,00	1%
9	Rebar in Concrete	8.628,00	8.987,50	24.113,60	9.347,00	9.347,00	1%
10	Rebar in Concrete	37.752,00	39.325,00	37.670,00	40.898,00	40.898,00	3%
11	Rebar in Concrete	24.144,00	25.150,00	24.113,60	26.156,00	26.156,00	2%
12	Rebar in Concrete	12.888,00	13.425,00	12.884,40	13.962,00	13.962,00	1%
13	Rebar in Concrete	26.100,00	27.187,50	25.943,40	28.275,00	28.275,00	2%
14	Rebar in Concrete	24.600,00	25.625,00	24.468,40	26.650,00	26.650,00	2%
15	Rebar in Concrete	5.748,00	5.987,50	5.744,60	6.227,00	6.227,00	0%
16	Waterproofing	18.448,00	20.990,00	16.582,00	21.430,60	24.090,00	1%
17	External Sewerage	1.890,00	3.400,00	2.700,00	2.155,00	6.000,00	0%
18	Masonry	46.012,00	60.555,00	47.149,00	59.594,00	49.255,00	4%
19	Coatings	40.530,00	50.685,00	37.786,00	42.730,00	46.830,00	3%
20	Coverings, Waterproofing	10.266,00	11.430,00	8.855,00	11.430,00	10.647,00	1%
21	Coatings, Thermal Insulations	42.806,00	59.230,00	44.383,00	53.336,00	48.835,00	3%
22	Coverings, Waterproofing	18.536,00	25.535,00	19.546,00	21.836,80	21.988,00	2%
23	Flooring, Substrates	10.654,00	8.244,00	12.463,00	14.649,90	12.252,00	1%
24	Flooring, Substrates, Waterproofing	17.735,00	18.035,00	19.098,00	23.080,50	22.586,00	1%
25	Flooring, Substrates, Waterproofing	12.693,00	12.985,00	13.938,00	16.590,50	16.258,00	1%
26	Flooring, Substrates, Waterproofing	12.745,00	13.045,00	13.954,00	16.755,50	16.306,00	1%
27	Flooring, Substrates	8.305,00	8.913,00	7.865,00	8.754,50	9.191,00	1%
28	Substrates, Thermal Insulations, Waterproofing	25.768,00	26.220,00	20.149,00	33.253,00	26.996,00	2%
29	Dry Works, Thermal Insulations	25.916,00	25.855,00	27.078,00	36.814,30	29.657,00	2%
30	Builders' Assistance, General Assistance	10.500,00	12.000,00	18.500,00	19.300,00	43.000,00	1%
31	Paintworks	45.304,00	35.043,00	36.696,00	56.197,00	34.546,00	3%
32	Provisional Sums	516.000,00	494.000,00	496.000,00	494.000,00	494.000,00	35%
	Adjustment +/-	-8.682,00	0,00	0,00	0,00	-21,00	0%
	Total	1.320.000,00	1.351.545,50	1.335.055,00	1.451.366,50	1.690.000,00	100%
	Price per m ² (for 1.446 m ²)	913	935	923	1.004	1.169	

* The amounts result from the tenders uploaded by the bidding Contractors on Projects.cy. Projects.cy does not check the tenders for any errors or omissions; this is done at a later stage by the project Consultant.

** Average price of tenders in chapter ÷ Average price of tenders in Total

(B) Glossary of Terms

- **Preliminaries:** Recurring site costs not associated with specific materials, e.g., site office, crane, insurance, project management.
- **Quantities:** The measured volume, area, weight, or count of materials and labour required to complete a specific task within a project.
- **Unit Rates:** The individual price assigned to a single unit of work (e.g., price per m³ of C30/37 concrete for 2nd floor columns).
- **Provisional Sums:** An allowance for work not yet designed or defined. The contract sum is adjusted later based on the actual cost of this work.
- **Statistical Variance:** The percentage difference between a specific bid item and the median of all bids. High variance suggests an error or a strategic decision by the bidder.
- **Median:** The middle value of a data set. Used to determine the "market rate" while ignoring extreme outliers.
- **Front-Loading:** A bid strategy where early items (preliminaries, earthworks, etc.) are overpriced to generate early cash flow, while later items are underpriced.
- **Unbalanced Bidding:** Manipulating unit rates to capitalise on expected quantity errors in the BoQ (e.g., pricing an item high if the contractor believes the quantity will increase).
- **Penny Bidding:** Pricing an item at a nominal value (e.g., €1) to lower the total bid price, usually implying the cost is hidden elsewhere or the item won't be done.
- **Gold Plating:** Pricing an item significantly above market rate to increase profit margin, usually on items with uncertain quantities.
- **Claims for Extras:** Demands for additional payment for work the contractor argues was not included in their price (e.g., support of neighbouring walls before excavation).