

FACTORS INFLUENCING THE PROBABILITY OF WINNING A BID IN THE SRI LANKAN CONSTRUCTION TENDERING PROCESS

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ABSTRACT

Winning construction bids is essential for construction organizations to maintain business continuity, profitability and market competitiveness, particularly in developing economies where competitive bidding is the primary procurement method. In Sri Lanka, contractors operate in a highly competitive environment characterised by cost volatility, resource constraints and market uncertainty. This study aims to identify the critical factors influencing bid winning probability in the Sri Lankan construction industry. A structured two stage quantitative methodology was adopted. Initially, factors identified from the literature were validated through a preliminary survey involving 12 highly experienced industry professionals. Subsequently, a questionnaire survey was conducted among 100 construction practitioners, including quantity surveyors, engineers and architects, to evaluate the relative importance of the validated factors. The collected data were screened using an outlier test and mean score analysis was performed. A cut-off mean value of 4.0 on a five-point Likert scale was used to identify critical factors. The results revealed seven critical factors: financial stability, past performance, availability of resources, technical proposal quality, bidding strategy, expected profitability and market conditions. The findings provide practical guidance for contractors to make informed bid decisions and improve competitiveness, while offering a systematic methodology that can be applied in other developing construction markets.

Keywords: Bid Winning; Competitive Bidding; Construction Industry; Contractor Decision Making; Procurement.

1. INTRODUCTION

The construction industry plays a vital role in global economic development by enhancing infrastructure, creating employment and contributing significantly to national GDPs (Pheng & Hou, 2019; Puci et al., 2023; Weerakoon et al., 2023). Construction projects generally progress through several structured phases, including inception, feasibility analysis, design, pre-construction, construction and post construction, with the pre-

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construction stage serving as the formal starting point of project execution (Mohemad et al., 2010).

Bidding is one of the critical processes conducted during pre-construction phase. The bidding process determines the most suitable contractor for awarding the contract (Rashidi et al., 2023; Uduwage et al., 2024; Uduwage et al., 2026). Contractors rely on continuous bidding to ensure business continuity, sustain profitability and reinforce market presence in a competitive environment (Ahmed & El-Adaway, 2024; Ghodoosi et al., 2021; Temu et al., 2025). Competitive bids must balance pricing precision with profit margins, while simultaneously demonstrating technical capability, past experience and credibility to clients (Aznar et al., 2017; Chen et al., 2024; Fawale & Dada, 2017).

Selecting unsuitable bids can lead to significant financial losses because bid preparation requires substantial time, resources and expertise (Hwang & Kim, 2016; Sonmez & Sözgen, 2017). Missing suitable opportunities similarly limits a contractor's growth prospects, weakens long term positioning and reduces the ability to maintain a consistent project pipeline (Aznar et al., 2017; Chen et al., 2024; Oo et al., 2022).

Winning bids is therefore essential for contractors, as it directly influences business continuity, profitability, workforce stability and future market opportunities. Successful bids help strengthen financial security, enhance reputation, promote innovation and foster long-term client relationships (Oo et al., 2022; Temu et al., 2025). In contrast, repeatedly losing bids can create financial strain due to accumulated bid preparation costs, reduce competitiveness, damage market visibility and in severe cases threaten overall business sustainability (Ahmed & El-Adaway, 2024; Chen et al., 2024).

In Sri Lanka's highly competitive construction environment, understanding the factors that influence the likelihood of securing a bid is critically important, as contractors face tightening profit margins, fluctuating material costs, and increasing competition from both local and international firms (Hanák et al., 2021; Whang et al., 2022). These factors directly shape decisions related to pricing, resource allocation, and submission strategies. Therefore, contractors' performance in competitive bidding is significantly affected by how well they understand and respond to the determinants that influence bid success. Although the bidding process is intended to promote fairness, transparency, and healthy competition, many contractors continue to rely on intuition or past experience when estimating their chances of success. This dependence on subjective judgement arises partly because they lack structured knowledge of which factors genuinely influence bid winning.

Existing research in Sri Lanka has examined certain aspects linked to bidding performance, such as price competitiveness, contractor experience, and financial capacity. However, these studies have generally focused on individual variables without providing a comprehensive assessment of the full range of factors that influence the likelihood of winning a bid (Weerakoon et al., 2023).

Unlike previous studies that have focused on individual determinants or general bid/no-bid frameworks in international contexts, this study provides the first empirically validated and ranked list of critical bid-winning factors specific to the Sri Lankan construction industry. By adopting a two-stage quantitative methodology that combines expert validation with a broader industry survey, the study offers both methodological novelty and practical value for contractors operating in competitive developing-country construction markets. Since previous research has not sufficiently addressed the broader

range of factors influencing bid success in Sri Lanka, a significant gap remains in understanding which determinants exert the strongest influence on project acquisition. Addressing this gap is essential, as identifying and prioritising these factors enables contractors to make more rational bid/no-bid decisions, improve the quality of tender submissions, manage resources more effectively, and enhance competitiveness in an increasingly demanding construction market.

The aim of this research is to empirically identify and analyse the critical factors that affect the probability of winning bids in the Sri Lankan construction bidding process, in order to provide a structured understanding that supports more effective and competitive bidding decisions.

This study empirically examines the critical factors influencing the probability of bid winning in Sri Lanka through the following objectives.

1. Identify the factors affecting bid winning in Sri Lankan construction industry.
2. Scrutinize the critical factors that have the highest impact on probability of bid winning.

2. LITERATURE REVIEW

2.1 BIDDING IN THE CONSTRUCTION PROJECT LIFECYCLE

Construction bidding is a structured procurement process that enables clients to allocate projects through competitive contractor selection (Jiang & Holubava, 2023). It serves as the principal gateway between project planning and execution, directly influencing project cost, quality and scheduling outcomes (Hanák et al., 2021). Among these stages, bidding is concentrated within the pre-construction phase, where strategic decisions regarding procurement method, contractor selection and risk allocation are finalised (Mohemad et al., 2010). These early decisions establish the contractual framework that governs project delivery and significantly affect downstream performance (Abbas et al., 2016).

2.2 IMPORTANCE OF WINNING A BID

Construction bidding is the formal procurement mechanism through which contractors compete for project awards based on price, technical capability and compliance with client requirements (Jiang & Holubava, 2023). In this competitive environment, winning a bid is fundamental to a contractor's business viability because project acquisition, revenue generation and long term sustainability rely heavily on securing new work through bid submissions (Temu et al., 2025). In construction markets, particularly in developing economies where competitive bidding is the dominant procurement method, contractors must consistently win bids to maintain operational continuity, retain their workforce and preserve their market presence (Oo et al., 2022).

The decision making process during bid evaluation is not solely determined by price, although lowest price selection remains common in public sector procurement (Ghodoosi et al., 2021). Clients increasingly assess multiple criteria, including a contractor's experience, technical expertise, equipment capacity, past performance, financial stability and ability to deliver quality within time and cost expectations (Hanák et al., 2021). As a

result, a contractor's success depends on a combination of pricing strategy and organisational strengths rather than cost alone (Aznar et al., 2017).

Winning bids brings several advantages, including improved cash flow, better resource utilisation, stronger client relationships and enhanced market reputation. These outcomes contribute directly to business stability and strategic growth. In contrast, failing to win bids can reduce a contractor's project pipeline, weaken financial performance and increase the risk of downsizing or losing skilled personnel. Repeated bid losses also reduce market visibility, lower confidence among clients and create uncertainty in long term planning. Furthermore, each unsuccessful bid carries sunk costs associated with bid preparation, which can accumulate and place financial pressure on the organisation (Ahmed & El-Adaway, 2024).

Research shows that contractors who adopt systematic bid or no-bid decision making processes achieve higher success rates than those who rely solely on intuition or experience based judgement (Ahmed & El-Adaway, 2024). This indicates that the probability of securing a bid is not random. It is influenced by a set of identifiable factors that shape how clients evaluate contractors and decide award priorities (Temu et al., 2025). When these factors are not understood, contractors submit bids with lower chances of success, misallocate resources and expose themselves to unnecessary financial risks.

2.3 FACTORS AFFECTING BID WINNING IN THE CONSTRUCTION INDUSTRY

Winning bids is not only a means of winning projects but also a strategic imperative that shapes contractors' survival, growth and long term competitiveness (Hanák et al., 2021). Successful bidding strengthens profitability, optimises resource utilisation and enhances a contractor's reputation by maintaining a consistent project pipeline (Temu et al., 2025). Conversely, repeated bidding failures result in financial instability, resource wastage and reputational damage, which can threaten organizational sustainability (Ghodoosi et al., 2021).

In the Sri Lankan construction context, bid decisions largely rely on traditional project management and financial assessments, where cost estimation accuracy and client relationships play dominant roles (Arifuddin et al., 2025). Recent evidence highlights the increasing importance of risk management practices in improving the quality and reliability of bid submissions (Chen et al., 2024). Globally, however, studies reveal broader determinants such as market competition, client behaviour and technological readiness that influence the probability of winning a bid (Jiang & Holubava, 2023).

Based on the existing literature, Table 1 summarizes the major factors affecting bid winning in construction projects, grouped under five key categories: contractor related, client related, project related, market and external environment related and bid specific factors (Ahmed & El-Adaway, 2024).

Table 1: Factors influencing bid winning

Contractor Related Factors	Project Related Factors
• Availability of Resources [1], [2] • Financial Stability [2], [3], [4] • Current Workload [2], [3] • Past Performance [1], [5] • Bidding Strategy [6]	• Size of Project [2], [12] • Type of Project [12] • Project Location [1], [4] • Accessibility of Project Location [1], [4] • Site Conditions [13], [4]

Contractor Related Factors	Project Related Factors
• Use of BIM [6], [7] • Integrating Value Engineering Concepts [8] • Joint Venture/Subcontracting [9]	• Procurement Method [3], [9] • Project Delivery Method [8], [9]
Client Related Factors	Bid Specific Factors
• Type of Client [2], [10] • Client's Reputation on Payment History [11], [4]	• Bid Preparation Time [1], [12] • Bid Submission Period [1], [12] • Bid Price Deviation from Cost Estimate [14], [15]
Market & External Environment Factors	
• Market Conditions [13], [4] • Number of Competitors [1], [3] • Funding Source [10], [4]	• Technical Proposal Quality [11], [8] • Expected Profitability [1], [16]

[1] (Ahmed & El-Adaway, 2024), [2] (Chen et al., 2024), [3] (Muhammed et al., 2022), [4] (Tessema et al., 2022), [5] (Arifuddin et al., 2025), [6] (Hanák et al., 2021), [7] (Kusumarukmi et al., 2018), [8] (Emere et al., 2025), [9] (Memić et al., 2023), [10] (Oo et al., 2022), [11] (Aldossari, 2024), [12] (Leśniak, 2021), [13] (Binshakir et al., 2023), [14] (Ghodoosi et al., 2021), [15] (Jefferies & Schweber, 2022), [16] (Mahamid, 2022)

Table 1 synthesizes key findings from the literature on factors influencing the likelihood of securing construction bids. The factors are organised into five distinct categories, which were developed through a thematic review of prior studies. Previous research has similarly grouped determinants of bid performance into contractor related, client related, project related, market related and bid process factors, demonstrating that these categories reflect established patterns in bid/no-bid and bid evaluation literature (Ahmed & El-Adaway, 2024; Aznar et al., 2017; Hanák et al., 2021). During the literature synthesis, similar variables discussed by multiple authors were clustered based on whether they originated from the contractor, client, project, industry environment, or the bidding mechanism itself.

Contractor related factors reflect internal organisational capabilities, including resource availability, financial stability, past performance and technological capacity, all of which directly affect a contractor's ability to submit competitive and compliant bids (Ahmed & El-Adaway, 2024; Chen et al., 2024). Client related factors highlight the role of client characteristics, particularly payment reliability and client type, which influence contractors' strategic interest in bids and their pricing and submission approaches (Aldossari, 2024; Tessema et al., 2022).

Project related factors encompass the inherent characteristics of construction projects, such as size, type, location and delivery method, which determine technical requirements, cost structure and overall bid competitiveness (Binshakir et al., 2023; Leśniak, 2021). Market and external environment factors capture broader industry conditions, including market competition, availability of funding and economic context, which shape contractors' pricing behaviour and competitive positioning during bidding (Ahmed & El-Adaway, 2024; Muhammed et al., 2022). Bid specific factors relate directly to the preparation and submission of bids, including bid preparation time, pricing strategy, expected profitability and technical proposal quality, all of which have a direct influence on bid evaluation outcomes and success rates (Emere et al., 2025; Ghodoosi et al., 2021).

Collectively, these factors demonstrate that winning a bid in construction is influenced by the interaction of contractor capabilities, project attributes, market conditions, client

characteristics and bid preparation quality, highlighting the need for structured and informed approaches to improve bidding effectiveness and bid success.

Understanding the factors that influence winning a bid is therefore essential for contractors to make informed decisions about resource allocation, pricing strategies, risk assessment and project targeting (Aznar et al., 2017). When these factors are clearly identified and prioritised, contractors can optimise their bid/no-bid decisions and avoid submitting bids with low chances of success (Ahmed & El-Adaway, 2024). Clear prioritisation also helps reduce unnecessary bid preparation costs and ensures that resources are directed toward more competitive and strategically aligned opportunities (Sonmez & Sözgen, 2017). Furthermore, recognising the most influential determinants allows contractors to enhance the quality of their bid submissions and strengthen their competitiveness in both public and private sector markets (Chen et al., 2024). Although several studies discuss these determinants internationally, very few have systematically analysed or ranked their relative significance within the Sri Lankan construction context (Weerakoon et al., 2023). This lack of structured evidence highlights the need for research that clarifies which factors matter most, enabling contractors to improve their bidding strategies and increase their likelihood of securing projects (Hanák et al., 2021).

3. RESEARCH METHODOLOGY

This study adopts a quantitative research approach supported by an initial expert validation stage to examine and prioritise the critical factors affecting winning a bid in the Sri Lankan construction bidding process. A quantitative approach is appropriate as it enables the statistical evaluation, comparison and ranking of factors based on numerical data obtained from industry professionals, thereby supporting objective decision-making and empirical validation of the research objectives (Nufus, 2023).

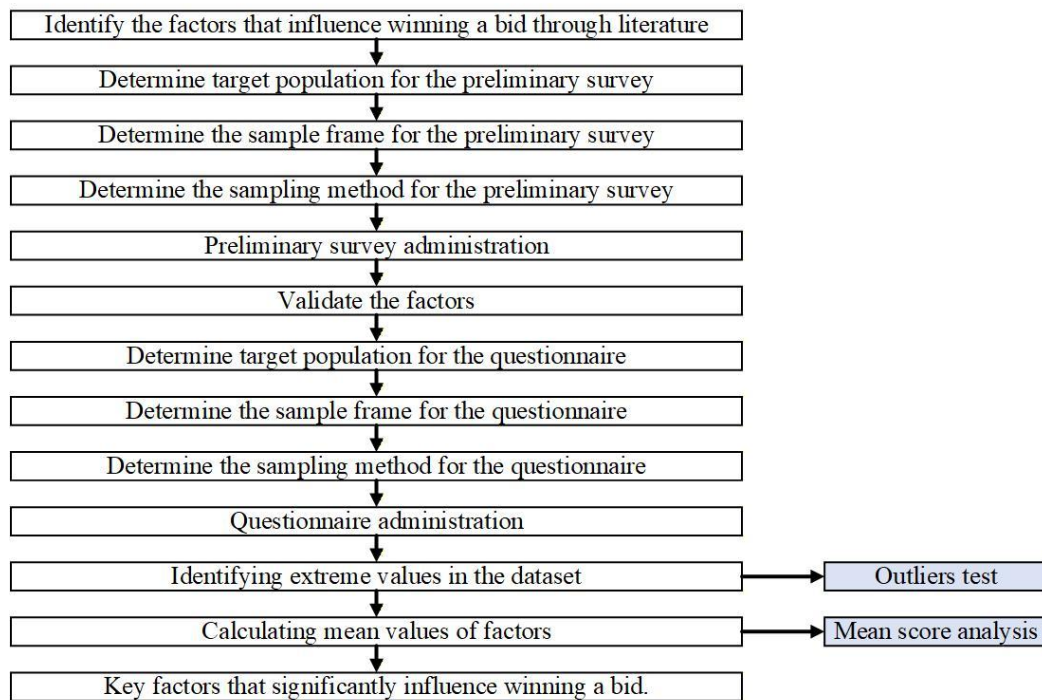


Figure 1: Research design

The research was conducted in two stages, as illustrated in Figure 1. In the first stage, an expert-based preliminary survey was conducted to validate whether these factors are applicable to the Sri Lankan construction context. This study focuses on competitive open and selective tendering, which represent the dominant procurement methods used across both public and private sector construction projects in Sri Lanka. Negotiated contracts and other non-competitive procurement forms are outside the scope of this study. In the second stage, a questionnaire survey was administered to statistically evaluate and prioritise the validated factors based on industry perceptions. This design ensured both contextual relevance and statistical robustness of the identified bid winning factors.

These factors formed the basis for the preliminary survey, which was conducted to validate their relevance and applicability to the Sri Lankan construction industry. For the preliminary survey, the target population consisted of highly experienced construction professionals who had direct involvement in bid preparation, evaluation and procurement decision making. A purposive sampling approach was adopted to ensure that only individuals with substantial expertise in bidding practices were included. The sample frame was developed using professional networks and industry affiliations to identify suitable respondents. A total of 12 experts, each possessing more than 15 years of industry experience, were selected. This sample size was considered appropriate because expert validation studies rely on depth of knowledge rather than large numerical representation. The selected experts represented the major professional disciplines in the construction industry, including quantity surveyors, engineers and architects and were drawn from contractor, consultant and client organisations. This ensured a balanced and comprehensive perspective on bidding practices.

During the preliminary survey, respondents were requested to assess the applicability of the factors identified through the literature review and to suggest any additional factors that might influence bid winning within the Sri Lankan context. The feedback obtained from this stage was used to validate, refine and finalise the list of factors to be examined in the subsequent stage of data collection.

The second stage of data collection involved administering a structured questionnaire to a broader group of construction professionals. This stage aimed to evaluate the relative importance of the validated factors using a larger and more diverse sample. The target population for this stage consisted of quantity surveyors, engineers and architects working in contractor, consultant and client organisations across the Sri Lankan construction industry. Only professionals with a minimum of 3 years of industry experience were considered, ensuring that respondents had adequate exposure to bidding procedures and bid preparation activities. Priority was given to professionals who are directly engaged in bid preparation and procurement decision-making processes, including estimating engineers, quantity surveyors responsible for pricing and cost planning, and senior professionals with bid/no-bid decision-making authority. This ensured that the ratings reflected practical, first-hand experience with bidding outcomes.

A purposive sampling technique was again employed to select respondents from recognised industry bodies and professional networks. A sample size of one hundred respondents was adopted for this stage. This sample size was considered sufficient to obtain a reasonable representation of the industry, achieve a reliable response distribution and enable meaningful statistical analysis in construction management research. The questionnaire was designed to collect both demographic and factor related data. The first

part gathered background information such as profession, organisational role and years of experience, while the second part required respondents to rate the importance of each identified factor influencing bid winning using a five-point Likert scale.

Following data collection, the dataset was screened to ensure accuracy, completeness and consistency. An outlier test was conducted to identify and remove extreme values that could disproportionately influence the results. This step enhanced the reliability and robustness of the dataset before the main statistical analysis. After removing outliers, mean score analysis was performed to calculate the average importance rating for each factor. This analysis enabled the identification and ranking of factors based on their perceived influence on bid winning probability. Factors exceeding the predetermined cut-off value were subsequently classified as critical factors affecting bid winning.

3.1 MEAN SCORE ANALYSIS AND IDENTIFICATION OF CRITICAL FACTORS

Mean score analysis was employed to evaluate the relative importance of each factor influencing bid winning. Respondents rated each factor using a five-point Likert scale, where higher values indicated greater perceived importance. The mean score for each factor was calculated to determine its overall significance within the dataset.

A cut-off value of 4.0 was adopted to identify critical factors. On a five-point Likert scale, a score of 3 represents a neutral or moderate level of importance, while a score of 4 indicates that a factor is considered important by respondents. Therefore, a threshold of 4.0 represents the transition from moderate importance to a clearly important or influential level. Selecting this value ensures that only factors perceived as important or very important by the majority of respondents are classified as critical.

In addition, the use of a cut-off value of 4.0 aligns with common practice in construction management research, where factors with mean scores at or above this level are considered to have a meaningful influence on project or procurement outcomes. This approach provides a logical and statistically sound basis for distinguishing critical factors from those with lesser impact. Accordingly, factors with mean scores equal to or greater than 4.0 after the outlier test were classified as critical factors affecting bid winning probability, while those below this threshold were excluded from further consideration.

4. RESULTS AND DISCUSSION

4.1 DEMOGRAPHIC DATA

The results of this study are derived from a two stage data collection process comprising expert validation and a broader industry survey. In the first stage, preliminary data were collected from 12 highly experienced construction professionals. These experts possessed more than 15 years of industry experience, with an average experience of approximately 30 years. Such extensive experience was essential at this stage to ensure that the factors identified through the literature review were critically evaluated by individuals with in depth practical knowledge of bid preparation, bid evaluation and procurement decision making within the Sri Lankan construction industry.

The professional composition of this group consisted of 75% Quantity Surveyors, 16.7% Engineers and 8.3% Architects. In terms of organisational representation, 50% were from consultant organisations, 25% from contractor organisations and 25% from client organisations. All respondents satisfied the minimum academic and professional

qualifications required for recognised practice in the Sri Lankan construction sector. The purpose of this stage was to validate the contextual relevance of the identified factors.

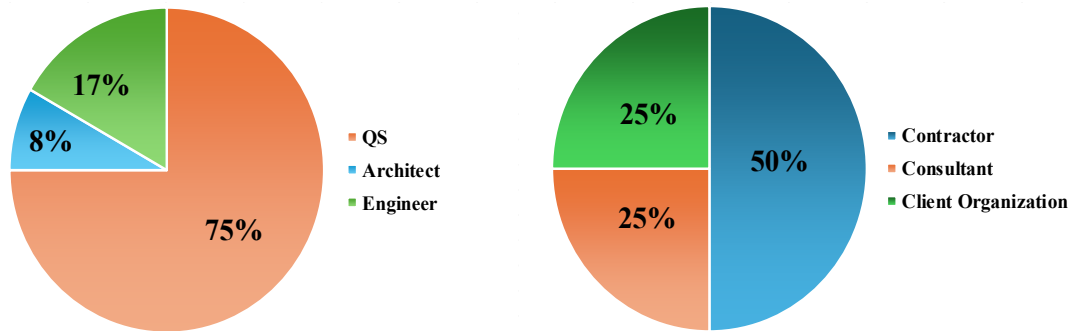


Figure 2: Respondent's profession & organization type

In the second stage, questionnaires were distributed to 125 construction professionals who met the minimum requirement of three years of industry experience. A minimum of 3 years of experience was considered necessary to ensure that respondents had sufficient exposure to bidding procedures, bid documentation, pricing strategies and procurement practices. This threshold ensured that participants possessed practical familiarity with bid related decision making rather than purely theoretical knowledge.

Out of the 125 distributed questionnaires, 100 valid responses were received, resulting in a response rate of 80%. A response rate of 51% is generally considered sufficient for business and management related studies. Since the response rate of this study (80%) significantly exceeds the recommended threshold of 51%, it can be considered adequate and satisfactory for reliable statistical analysis in construction management research (Thiruchelvam & Uduwage, 2025).

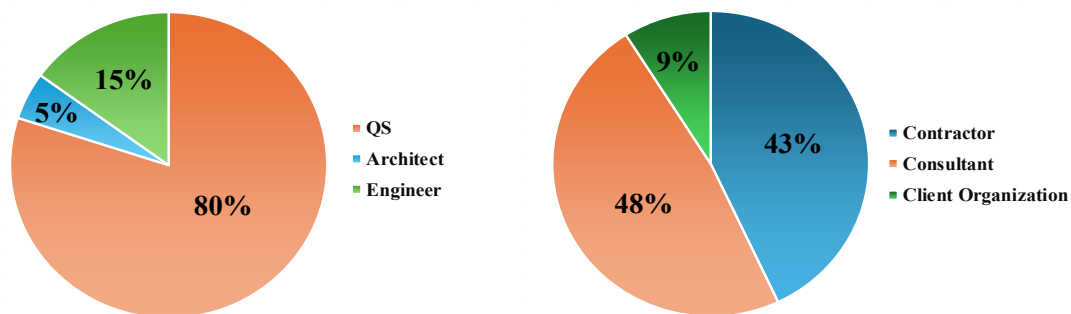


Figure 3: Respondent's profession & organization type

The respondents in this stage had an average industry experience of 13.89 years (approximately 14 years), indicating a well experienced sample. The professional distribution comprised 80% Quantity Surveyors, 15% Engineers and 5% other professionals, including project managers, contracts managers, planning engineers, architects and contract experts. In terms of organisational background, 48% of respondents were from consultant organisations, 43% from contractor organisations and 9% from client organisations. This distribution ensured representation across the key stakeholder groups involved in construction bidding, thereby enhancing the reliability and balance of the findings.

4.2 DATA SCREENING AND FACTOR SELECTION

Prior to conducting the main statistical analysis, the collected data were screened to ensure completeness, consistency and suitability for analysis. An outlier test was performed using SPSS to identify and address extreme response values that could potentially distort the mean scores and influence the interpretation of results. This procedure strengthened the robustness and reliability of the dataset before proceeding to factor evaluation.

Following data screening, mean score analysis was conducted to determine the relative importance of each of the 26 identified factors influencing bid winning. Respondents rated each factor using a five-point Likert scale and the mean value for each factor was calculated. In line with the methodology, a cut-off mean value of 4.0 was adopted to identify critical factors. This threshold represents the level at which respondents collectively perceive a factor as important or highly important. Therefore, only factors with mean values equal to or greater than 4.0 were classified as critical factors affecting bid winning probability.

Based on this criterion, seven factors were identified as critical. These factors demonstrated strong perceived influence on bid winning within the Sri Lankan construction industry. Table 2 presents the mean values of all 26 factors and highlights those exceeding the adopted cut-off value.

Table 2: Factors affecting bid winning and their mean values

Rank	Factor	Mean Value	Critical Factor (≥ 4.0)
1	Financial Stability	4.552	Yes
2	Past Performance	4.438	Yes
3	Availability of Resources	4.292	Yes
4	Technical Proposal Quality	4.253	Yes
5	Bidding Strategy	4.196	Yes
6	Expected Profitability	4.050	Yes
7	Market Conditions	4.010	Yes
8	Number of Competitors	3.960	No
9	Bid Price Deviation from Cost Estimate	3.920	No
10	Size of Project	3.875	No
11	Accessibility of Project Location	3.854	No
12	Client's Reputation on Payment History	3.820	No
13	Bid Preparation Time	3.806	No
14	Type of Project	3.800	No
15	Procurement Method	3.800	No
16	Type of Client	3.790	No
17	Current Workload	3.781	No
18	Funding Source	3.771	No
19	Bid Submission Period	3.750	No
20	Project Delivery Method	3.735	No
21	Site Conditions	3.729	No
22	Contract Type	3.700	No
23	Project Location	3.688	No
24	Integrating Value Engineering Concepts	3.465	No
25	Joint Venture or Subcontracting Involvement	3.406	No

Rank	Factor	Mean Value	Critical Factor (≥ 4.0)
26	Use of BIM or Technology Tools	3.140	No

4.3 DISCUSSION OF CRITICAL FACTORS

The analysis identified seven factors with mean values equal to or greater than the cut-off value of 4.0. These were financial stability, past performance, availability of resources, technical proposal quality, bidding strategy, expected profitability and market conditions. These factors are considered critical as respondents collectively perceived them to have a strong influence on bid winning probability.

Financial stability recorded the highest mean value (4.552), indicating that contractors' liquidity, cash flow strength and creditworthiness are decisive in bid evaluations. It is noteworthy that financial stability includes sub-components such as working capital availability, advance payment capacity and plant ownership status, all of which directly affect a contractor's ability to price competitively and secure bids in the Sri Lankan market. This finding is consistent with previous studies that identify financial capacity as a key determinant of contractor selection and bid success (Oo et al., 2022; Tessema et al., 2022). Financial stability also ranked highest in studies conducted in Ethiopia (Tessema et al., 2022) and Taiwan (Chen et al., 2024), indicating that financial capacity is a key determinant of bid success across different contexts.

Past performance (mean 4.438) was the second most critical factor, reflecting the importance of a contractor's track record in terms of quality, timeliness and successful project delivery. Similar findings are reported by Ahmed and El-Adaway (2024) and Ghodoosi et al. (2021), who highlighted the role of historical performance in reducing client risk and improving bid competitiveness. Availability of resources (mean 4.292) indicates the importance of having sufficient labour, equipment and management capacity to execute projects. Technical proposal quality (mean 4.253) reflects the need for clear, compliant and well structured submissions. Bidding strategy (mean 4.196) and expected profitability (mean 4.050) emphasise the strategic nature of bidding decisions, where contractors balance competitiveness with acceptable returns. These factors were similarly highlighted in studies from Australia (Aznar et al., 2017) and the UAE (Aldossari, 2024), confirming their broader relevance across construction markets.

Market conditions (mean 4.010) show that external factors such as competition level and economic climate also affect bid winning (Binshakir et al., 2023; Hanák et al., 2021). However, market conditions ranked lower than in European studies (Hanák et al., 2021; Jiang & Holubava, 2023), possibly due to the relatively stable competitive environment in Sri Lanka. Overall, the results suggest that bid winning probability is influenced by a combination of financial strength, operational capability, strategic decision-making and market dynamics rather than a single factor. The remaining factors did not reach the cut-off value of 4.0, indicating that they were perceived as moderately influential compared to the critical factors. Some of these may represent standard requirements that most contractors already meet, while others may have indirect or context specific impacts that are less decisive in determining bid winning.

5. CONCLUSIONS AND RECOMMENDATIONS

For contractors, winning construction bids is crucial as it directly impacts market competitiveness, profitability, and business continuity. Therefore, understanding the key factors influencing bid winning probability is important, especially in competitive environments within developing countries. The aim of this study was to identify and analyse the critical factors that affect the probability of winning bids in the Sri Lankan construction bidding process. A two-stage research methodology was adopted, where factors identified from the literature were first validated by experienced professionals and then evaluated through a questionnaire survey. The collected data were screened using an outlier test and mean score analysis was conducted to determine the most critical factors. The results identified seven critical factors, with financial stability, past performance and availability of resources emerging as the most influential. The findings show that bid success depends not only on price but also on financial strength, technical capability, strategic decisions and market conditions. The study is limited to the Sri Lankan context and to competitive bidding forms; other procurement forms such as negotiated contracts have not been examined. Furthermore, factors such as scope misinterpretation and bid pricing errors, which may counterintuitively increase win probability through underpricing, were not examined in this study and are recommended for investigation in future research. This study relies primarily on mean score analysis. However, the methodology used in this research can be adopted by other developing countries to identify factors influencing bid winning probability in their own construction industries. It is recommended that contractors improve financial management, maintain strong performance records, ensure adequate resources and adopt strategic bidding practices to enhance their chances of winning bids. Future research could extend this study by employing advanced multivariate techniques such as factor analysis or structural equation modelling (SEM) to explore the interrelationships among the identified critical factors. Longitudinal studies tracking bidding outcomes over time would help validate these findings under dynamic market conditions. The seven critical factors identified in this study can be practically integrated into contractors' bid/no-bid decision-making processes as a structured checklist. By systematically assessing financial stability, resource availability, past performance and strategic alignment prior to bid submission, contractors can make more informed decisions, improve submission quality and enhance their overall competitiveness in the Sri Lankan construction market.

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