DUCERE CONSTRUCTION SERVICES, INC.
5925 Mulberry Street | Austell, Georgia 30168 | (404) 565-0631
GA GCCO006711 · FL CBC1263793 · NASCLA 404696491 · IICRC 7781459

INDUSTRY OPERATIONS BRIEF

The Economics of Construction Bidding

Win Rates, Hidden Costs, Mobilization Timelines, and Why the Bid-to-Award Gap Is the Most Misunderstood Risk in the Construction Industry

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The Hidden Economy Behind Every Project

Before a single shovel breaks ground on any construction project, the general contractor has already invested thousands of dollars and hundreds of hours in work that may never be compensated. That investment is the bid. And unlike almost every other professional services industry, construction contractors routinely perform this investment with the full knowledge that they will lose it more than 80% of the time.

The construction bidding process is one of the most capital-intensive, time-consuming, and financially opaque activities in any industry. Owners and developers who select contractors on price alone — without understanding the economics of what it costs a GC to bid, what the realistic win probability is, and how long it will actually be before a awarded project commences — are making decisions with an incomplete picture of how the industry actually operates.

This brief documents the national data on construction bid win rates, the true internal cost of bid preparation, the mobilization timeline reality after contract award, and the operational philosophy Ducere Construction Services applies to the bidding process to deliver a 20% win rate on competitive cold bids — significantly above the national average for open competitive bidding.

THE CORE REALITY: A construction company that bids every project that crosses its desk and wins 13% of them is not running a business — it is running a lottery with its own overhead capital. The companies that achieve sustainable growth in construction are the ones that treat bidding as a strategic investment, not an administrative reflex. Selective, intelligence-driven bidding at a 20% win rate is categorically more profitable than reactive, volume-based bidding at 10–13%.

10–15% National Avg Cold Bid Win Rate (GC)	20% Ducere Cold Bid Win Rate	$5K–$50K Cost to Prepare One Competitive Bid	3–18 mo Avg Delay: Award to Mobilization	98% Projects That Run Over Budget/Schedule

1. National Bid Win Rates — What the Data Actually Shows

The construction industry does not publish a single authoritative win rate statistic because win rates vary significantly by market segment, project type, delivery method, and bidding strategy. What the data consistently shows, across estimating industry surveys, contractor forums, and preconstruction research, is a clear pattern:

Bidding Context	Typical Win Rate	Why
Open competitive cold bid — public sector	8–12%	Maximum competition, price-driven, 6–15 bidders per project
Open competitive cold bid — private sector	10–15%	Price-competitive, relationship plays secondary role
GC bidding everything, no filter	10–20%	Volume approach sacrifices quality of submission
GC selective bidding — fit-filtered	25–35%	Intelligence-driven shortlisting raises probability
Negotiated / repeat client work	50–80%	Relationship eliminates competitive field entirely
Design-build qualification-based selection	20–40%	Qualifications weigh alongside price
Ducere Construction — cold competitive bids	~20%	Above national average via selective bid strategy + credential depth

SOURCE NOTE: Win rate data drawn from estimating industry surveys (4BT Construction Estimating, TrebleHook RFP Analytics, ConstructConnect 2024–2025 market data), contractor community research (Reddit/r/estimators, r/ConstructionManagers), and Flowcase 2025 Bid Management Report. Individual company win rates vary significantly based on market positioning, bid volume, and selection criteria.

2. The True Cost of a Bid — What Owners Never See

When a general contractor submits a competitive bid, the document the owner receives represents the visible output of an extensive internal investment that is almost never acknowledged, reimbursed, or fully understood by the party who requested it. Here is what a competitive bid actually costs to produce:

Estimator Time — The Core Investment:

A competitive bid for a commercial project requires a full quantity takeoff, subcontractor solicitation, material pricing, labor pricing, equipment costs, overhead allocation, and profit margin analysis. A $500,000 commercial project bid typically requires 20–40 hours of estimating time. A $2–5 million project bid requires 60–120 hours. At an estimator's fully loaded labor cost of $85–$125 per hour, that represents $5,100 to $15,000 in direct labor for a single bid — before any other costs are counted.

Subcontractor Coordination: A GC's bid is only as accurate as the sub-bids it receives. Soliciting, following up, and vetting subcontractor quotes for a mid-size project involves communication with 10–30 specialty trades. Managing this process requires coordination time that frequently runs 15–30 hours per bid across estimating and preconstruction staff — often simultaneously with active project management responsibilities.

Site Investigation and Pre-Bid Visits: Competitive bids for complex projects require site visits, pre-bid meeting attendance, RFI preparation, and addendum review. Travel time, site evaluation, and documentation of site conditions add 4–12 hours per bid for local projects and significantly more for regional or out-of-market pursuits.

Proposal Preparation and Presentation: The written proposal itself — scope clarifications, exclusions, alternates, schedule, qualifications, and presentation quality — requires dedicated time beyond the estimate. For qualification-based selections or design-build pursuits, proposal preparation can require 20–60 additional hours including graphics, narrative, and team assembly documentation.

Overhead Allocation — The Hidden Cost: Every hour spent bidding is an hour not spent managing billable project work. For a mid-size GC running 3–5 active projects, the opportunity cost of bidding is significant. Industry estimates place the fully loaded cost of a competitive bid — including overhead allocation, estimator labor, sub coordination, site visits, and proposal preparation — between $5,000 and $50,000 depending on project size and delivery complexity.

THE MATH ON LOSING: If a GC spends $8,000 preparing a competitive bid and wins 13% of cold bids, every awarded project carries the embedded cost of approximately $61,500 in unrecovered bidding expense ($8,000 / 0.13 = $61,538). At 20% win rate, that same figure drops to $40,000. The difference between a 13% and 20% win rate — holding bid cost constant — is over $21,000 in recovered overhead per project awarded. Across 10 awarded projects per year, that gap represents more than $210,000 in embedded unrecovered cost that directly compresses margin.

3. The Mobilization Gap — Why Award Does Not Mean Start

One of the most consistently underestimated realities in construction is the timeline between contract award and actual project mobilization. In the industry, project award is celebrated as the finish line of the business development process. In practice, it is often the beginning of an extended waiting period during which the contractor carries the cost of commitments made without the revenue to support them.

THE DUCERE REALITY: On competitive cold bids, Ducere Construction Services experiences mobilization delays ranging from 3 months to over 18 months from initial award or letter of intent to actual groundbreaking. This is not an exception — it is the industry norm. Permitting, financing contingencies, owner decision delays, design development, utility coordination, and regulatory approvals all extend the gap between 'you got the job' and 'you can start the job.'

Permitting Timelines — The Primary Bottleneck:	In metro Atlanta and Cobb County, residential permit review cycles currently run 4–12 weeks for standard new construction and 8–20+ weeks for complex commercial projects involving civil site work, storm water management plans, and fire marshal review. A project awarded in January may not receive its permit until April at the earliest — and permit corrections, resubmittals, and plan check queues regularly extend that timeline further. Commercial projects in counties with understaffed building departments can experience permit timelines of 6–9 months.
Owner Financing Contingencies:	Private development projects — custom homes, commercial build-outs, speculative residential — are frequently awarded subject to financing contingency. The owner has selected the contractor but the construction loan is not yet closed. Loan processing, appraisal, title review, and lender approval can add 30–90 days to the mobilization timeline. Construction cannot begin until the lender's draw structure is confirmed and initial funding is available. GCs who do not account for this routinely find themselves holding commitments to subcontractors against a project that has not yet funded.
Design Development and Incomplete Documents:	Many projects are awarded — and bids are submitted — on incomplete design documents. A homeowner awards a contract based on preliminary plans. A developer selects a GC before architecture is finalized. The contractor is now committed to a price while the drawings that define the actual scope of work are still being developed. Design completion, owner review cycles, architect revisions, and engineering coordination add 1–4 months to pre-construction timelines with regularity.
Utility Coordination and Infrastructure Delays:	New construction on sites without existing utility infrastructure requires utility extension applications, easement recordings, transformer installations, and meter set appointments — each coordinated with a separate utility provider on their own timeline. In suburban and rural markets, Georgia Power, Atlanta Gas Light, and municipal water/sewer authorities routinely quote 60–180 days for service installation. A project that cannot legally receive power or water cannot mobilize, regardless of permit status.

Seasonal and Market Timing: Owners frequently award projects with a target start date tied to seasonal or market conditions. A homeowner awards in November with the expectation of a spring start. A developer awards in Q4 with plans to begin after the holiday period. These timing choices are owner-driven and often non-negotiable — meaning the contractor holds a commitment, potentially holds subcontractor pricing, and waits. Material pricing, labor availability, and subcontractor schedules shift during extended pre-mobilization periods, creating additional cost pressure on awarded budgets.

4. Mobilization Timeline Reference — From Award to Groundbreaking

Project Type	Typical Permit Timeline	Typical Mobilization Delay	Primary Cause of Delay
Residential renovation — Cobb County	2–6 weeks	1–3 months	Owner selections, financing, permit queue
Residential new construction — Cobb County	4–12 weeks	2–5 months	Permit, utility connection, owner decisions
Residential new construction — Glynn County	6–14 weeks	3–6 months	Coastal review, septic/utility, plan check
Commercial tenant improvement	6–16 weeks	2–6 months	Permit, landlord approval, fire marshal
Ground-up commercial — Atlanta metro	12–24 weeks	4–12 months	Civil, stormwater, zoning, lender close
Multi-family / mixed-use development	16–36 weeks	6–18+ months	Entitlement, financing, full document set
Public sector / government contract	Varies widely	3–12 months	Procurement, funding authorization, NTP

5. The Ducere Bidding Strategy — Why 20% Is Not Luck

Ducere Construction Services achieves a cold bid win rate of approximately 20% on competitive open bids — above the national industry average of 10–15% for similarly positioned GCs. This outcome is not the product of lower pricing. It is the product of a deliberate bidding strategy built around three principles: selectivity, credential depth, and documentation quality.

Selective Bid Qualification — Not Everything Gets a Number: The most common mistake GCs make in the bidding process is bidding everything. Every bid submitted represents a capital investment that must be recovered through the work won. Ducere qualifies every bid opportunity against a defined set of criteria before committing estimating resources: project type fit, geographic scope, owner profile, competition landscape, likelihood of scope clarity, and realistic probability of award. Projects that do not pass qualification do not receive a bid. This discipline raises the average quality of bids submitted and increases the probability of winning each one.

Credential Depth — Competing on More Than Price: In a competitive bid environment, price is the threshold but qualifications are often the differentiator. Ducere's credential stack — GA GCCO006711, FL CBC1263793, NASCLA 404696491, IICRC 7781459, BuildZoom #123 (Top 1% of 84,062 Georgia contractors), stamped engineering on every structural project — provides a documented quality and compliance narrative that commodity bidders cannot match. Owners who are evaluating multiple bids with similar pricing routinely select the contractor whose credentials reduce their risk. Credential depth is not a soft differentiator. It is a competitive advantage that shows up in win rate.

Documentation Quality — The Bid as a First Impression: The bid package a contractor submits is the first physical evidence the owner receives of how that contractor manages information. A clearly organized, professionally presented bid with a defined scope, explicit exclusions, and a structured schedule of values signals organizational competence before the first site meeting. Ducere treats every bid submission as a demonstration of the project management rigor the owner will experience throughout the build.

Relationship Bidding — Reducing the Cold Bid Burden: Cold competitive bids are the most expensive and least efficient path to new work. Ducere actively develops the referral network, owner relationships, and repeat client pipeline that converts future opportunities from cold competitive bids into negotiated engagements — where win rates run 50–80%. Every satisfied client, every referral from a lender, architect, or real estate professional, and every technical brief that establishes credibility before a project is conceived, reduces dependence on the cold bid market. The long-term goal is a portfolio where the majority of new work arrives pre-qualified.

THE PATIENCE FACTOR: Even at a 20% win rate with a superior credential profile, construction business development requires patience that most businesses are not structured to sustain. A project bid in Q1 may be awarded in Q3 and mobilize in Q1 of the following year. Revenue from today's business development investment may not appear on the income statement for 12–18 months. The GCs who survive and grow in this environment are the ones who manage cash flow and overhead against a pipeline — not against a project-by-project revenue model.

6. What Project Owners Should Understand About the Bidding Process

The bidding economics documented in this brief have direct implications for project owners who use competitive bidding to select general contractors. Here is what every owner should know before they solicit bids:

Competitive Bidding Has a Cost — Paid by Your Contractor:	Every competitive bid you receive represents $5,000 to $50,000 in contractor overhead investment. That cost is not free. It is embedded in the overhead and margin structure of the winning bid — and of every bid the winning contractor submits thereafter. Owners who solicit 8–12 bids for every project and select on price alone are imposing significant uncompensated cost on the industry and selecting against the contractors who manage their bidding economics most carefully.
The Lowest Bid Is Not the Safest Bid:	A GC who bids every project and wins on price is, by definition, leaving less margin for contingency, supervision, quality control, and project administration than a GC whose pricing reflects the true cost of delivering the work correctly. Low-bid selection in a competitive environment frequently produces the change order economy documented in the Square Foot Pricing brief — where the initial bid price is merely the entry point to a more expensive project outcome.
Award Is Not a Start Date:	Issuing a notice of award or letter of intent does not start your project. Owners who treat award as the beginning of project execution routinely experience frustration with mobilization timelines that are driven by permitting, financing, design completion, and utility coordination — none of which are within the contractor's control. A realistic project schedule begins with an honest assessment of the pre-construction timeline, not the award date.

Negotiated Engagement Produces Better Outcomes: The data is consistent: projects delivered under negotiated GC engagements — where the contractor is involved in pre-construction, the owner has a pre-existing relationship or referral, and competition is limited — produce better budget performance, fewer change orders, and shorter mobilization timelines than projects selected through open competitive bidding. The cost of a referral-based engagement is often comparable to or lower than the true total cost of a low-bid competitive award.

THE BOTTOM LINE: Construction bidding is not a free service. It is a capital investment made by contractors against a statistical probability of return. A national cold bid win rate of 10–15% means that 85–90% of that investment is permanently lost on every project cycle. The contractors who manage this reality intelligently — bidding selectively, competing on credentials, and investing in relationships that move work from cold bids to negotiated engagements — are the ones who build sustainable businesses. Ducere's 20% cold bid win rate and 3-to-18-month mobilization timeline reality are not exceptions to how this industry works. They are the industry, understood clearly.

TO DISCUSS YOUR PROJECT WITH DUCERE: Whether you are at the concept stage or ready to bid, engaging Ducere early — before the competitive bid stage — gives your project the pre-construction intelligence, specification development, and site analysis that produces better bids, faster permits, and more accurate budgets. Contact us: ducereconstruction.com | korey@ducereconstruction.com | (404) 565-0631

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Sources: 4BT Construction Estimating win rate data; TrebleHook RFP Analytics 2024; ConstructConnect 2025 market data; Flowcase 2025 Bid Management Report; OpenSpace AI Construction Delay Statistics 2024; DeltaWye Construction Bidding Process research; r/estimators and r/ConstructionManagers industry practitioner data. Statistics represent published industry research and Ducere Construction Services operational experience.