

DUCERE CONSTRUCTION SERVICES, INC.

Technical Brief — How Construction Pricing Works

Prepared July 09, 2026 | For Website FAQ / Knowledge Catalog Use

1. The Question

“How do you price a project, and why do bids from different contractors vary so much?”

2. Why This Question Matters (Research Basis)

Pricing is consistently the #1 point of confusion and #1 source of dispute between owners and contractors — not because contractors are dishonest, but because most bids are not built or presented the same way. Two GCs can quote the same project \$150,000 apart and both be “correct,” because one is bidding a fixed scope with allowances and the other has quietly excluded site work, permitting, or contingency. Consumer protection guidance (NARI, BuildZoom, Angi's contractor-hiring research) consistently flags large bid spreads and unusually low bids as the single biggest predictor of change-order disputes, underinsured subs, and project abandonment — which is exactly the failure pattern this brief is meant to help an owner avoid.

3. What a Complete Answer Should Contain

- A breakdown of what actually makes up a price — not just “labor and materials,” but the specific cost categories a scope-of-work should itemize.
- An honest explanation of why estimates vary between contractors bidding the identical project.
- Clear guidance on how to compare bids apples-to-apples, not just by the bottom-line number.
- A direct answer on where contingency and change orders fit, since this is where most post-signing disputes originate.
- Red flags that a bid is priced to win the job, not to complete it — tied to the same licensing/insurance verification standard already covered in Ducere's licensing brief.

4. Ducere Construction Services, Inc. — Answer

A construction price is not one number — it's the sum of several categories, each of which can legitimately swing 10-30% depending on site conditions, material selections, and market timing. Ducere itemizes every estimate across the following categories rather than presenting a single lump sum:

Materials	Market pricing/volatility (lumber, steel, concrete), selection tier (builder-grade vs. custom), lead times	35-45%
Labor	Trade availability in the local market, project complexity, crew size/schedule compression	25-35%

Site Conditions	Soil/grading, drainage, tree removal, utility tie-ins, slope — largely invisible until excavation begins	5-15%
Permits, Fees & Engineering	County/city permit fees, PE-sealed structural drawings, inspections, impact fees	3-8%
Overhead & Insurance	GC/EPLI/GL insurance, bonding (if required), licensing, project management staffing	8-12%
Contingency	Reserve for unforeseen conditions (concealed damage, code changes, price escalation)	5-10%
Profit	Margin required to remain in business — the category most often cut in a lowball bid	8-15%

Why bids vary between contractors on the identical project: the categories above are rarely defined the same way twice. The most common sources of a large bid spread are (1) scope exclusions — site work, permits, or utility tie-ins quietly left out and treated as a later change order; (2) allowance levels — a low fixture/finish allowance keeps the headline number down but shifts the real cost to change orders after signing; (3) contingency — a bid with zero contingency looks cheaper on paper and is the single strongest predictor of a mid-project cost dispute; and (4) overhead structure — a contractor without proper GC licensing, insurance, or bonding can underprice by simply not carrying those costs, which is a liability transfer to the owner, not a discount.

How to compare bids apples-to-apples: request an itemized breakdown by the categories above from every bidder, confirm the allowance amounts for fixtures/finishes explicitly (not just “allowance included”), and confirm in writing whether site work, permits, and engineering are included or excluded. A bid that is 20%+ below the others on an identical scope is not a better deal — it is missing a category, and that category will resurface as a change order.

Ducere prices every project against this same category breakdown regardless of project size, ties contingency explicitly into the written contract rather than leaving it implied, and — consistent with Ducere's licensing and insurance standards (NASCLA 404696491, GA GC GCCO006711, FL GC CBC1263793) — carries the full overhead of proper licensing, GL/EPLI insurance, and bonding on every bid, which is reflected transparently in the estimate rather than hidden or omitted to win the job.

5. Suggested Public-Facing FAQ Copy (FINAL)

Q: How do you price a project, and why do bids vary so much between contractors?

A: Every Ducere estimate is broken down into the same categories — materials, labor, site conditions, permits and engineering, overhead and insurance, contingency, and profit — so you can see exactly what you're paying for, not just a single bottom-line number. Bids from different contractors often vary widely because one may have quietly excluded site work or permits, used a low fixture allowance to keep the headline number down, or built in no contingency at all. We price transparently against every category up front, including the full cost of our licensing, insurance, and bonding — so the number you see at signing is the number that holds up through the project, not a placeholder that grows through change orders.

Prepared for internal use — cost-category share ranges reflect general residential/light-commercial construction industry norms (NARI, BuildZoom, Angi contractor-hiring research) and are illustrative, not project-specific quotes. Ducere licensing references: NASCLA 404696491, GA GC GCCO006711, GA RLQ RLQQA005251, FL GC CBC1263793.