

## Inside Information

*Topic:* Bidding Process Irregularities

*Characters:* Tom Jones, New salesperson for Wood Truss commercial building supply firm  
Mark Smith, Tom's boss at Wood Truss

Tom Jones has recently joined the sales force of Wood Truss, a manufacturer of wooden structural parts for commercial buildings. Large contractors issue requests for bids for a bill of materials required to construct a commercial project. Tom's job includes reviewing the bill of materials and developing his firm's bid.

Tom's new boss, Mark Smith, gave Tom a request for bids from Strong Built, a commercial contractor. The request involved the construction of a 300,000 square foot warehouse. Tom immediately set about costing out the materials specified in the bill.

The day before the bid was due, Mark came in and handed Tom two brown envelopes. Mark said the envelopes, which contained copies of the bids from Wood Truss's two main competitors, had just been received from their inside man at Strong Built. He also said that the Wood Truss bid must be just under the lowest bid from the competition. Wood Truss was always the lowest bidder on major jobs; competitors were allowed to win a few of the smaller jobs so as not to arouse suspicion.

When Tom protested that using the information was not right, Mark said that this is the way things are done in the construction industry. The firm with contacts stays in business. He said Tom is now working for a winner and should be glad that he signed on with the right company.

*Author:* David J. Fritzsche, Visiting Professor, University of Washington