This thesis investigates the distributive effects of a public agency's contract decisions in order to answer the question: "Who wins government contracts and why?". In the thesis, I develop a multivariate regression model to provide an in-depth analysis of the economic and political factors that may influence government officials when they make contract award decisions. I use a general research model to investigate two competing explanations: (1) the policy model where the low-bidder wins the contract or (2) the self-interest model where a politically favored contractor wins the contract. Twenty-one variables measure the influence of the policy model's five economic factors: financial aspects of the firm and contract, low-bid position, price and CPI, competition, and the firm's pricing tactics. Twenty-seven variables measure the influence of the self-interest model's five political factors: ward location, political value of era, change in elected and appointed officials, administrative review time, and contract justification.

The model explains change in contractor, incumbent versus challenger, for a sample of 800 contracts awarded by the Chicago Transit Authority from 1981 to 1992. The period includes four different city of Chicago mayors: Byrne, Washington, Sawyer, and Daley, and the model analyzes the agency's contract decisions during each mayoral term and for three different types of contractors. The model's foundation is developed from several disciplines: government procurement, distributive politics and urban politics, normative expectations of political and bureaucratic actors, and cozy relationships expressed as consensus and conflict among the actors.

I found that political influence was selective rather than systemic, and I found that the following four relationships explained change in contractor: firm size explained 6%; price and market competition explained 38%; administrative discretion explained 8%; and selective economic and political intervention explained up to 20%.