MENG LIU

CONTACT INFORMATION

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PERSONAL INFORMATION

Date of Birth: 06/01/1987
Citizenship: China (F-1 Visa)

Gender: Female

EDUCATION

Ph.D. Economics, Clemson University, Clemson, SC, May 2015 (Expected)
M.A. Economics, Clemson University, Clemson, SC, May 2011
B.S., Mathematical Economics, *Magna Cum Laude*, Ball State University, Muncie, IN, July 2009

FIELDS

Industrial Organization, Applied Microeconomics, Applied Econometrics and Labor Economics

JOB MARKET PAPER

"When Incentives Meet Uncertainty: A Structural Investigation in A+B Auctions on Highway Projects"

Highway construction projects serve as a good example where society can benefit from fast completion. A+ B auctions, a type of innovative scoring auctions, try to address this concern by incentivizing timely delivery through scores that combine price and time incentives. In this paper, I investigate in A+B auctions by building a theory of A+B bidding that incorporates incentives and production uncertainty, as well as structurally estimating bidding behaviors and auction performance using data from the California Department of Transportation (Caltran). I find that, in equilibrium, bidders skew the days bid below the true planned construction target days to raise the price bids. Moreover, self-selected construction time that is different from the expected social-optimal time causes *ex-post* efficiency loss (on average $1.73 million per contract or 7.9% of estimated private construction costs) and the auction mechanism can fail at picking the socially-efficient bidders *ex-ante* (estimated at 25% of the time with this set of data). Counterfactual analysis suggests that procuring schemes with lower incentives or even conversion back to traditional contracts are likely to yield better social outcomes with lower private construction costs and less government budget pressure.

TEACHING EXPERIENCE

Clemson University, Instructor of Record
Principles of Microeconomics — Fall 2013, Spring 2014

Clemson University, Instructor
Ph.D. level Comprehensive Exam Review Class — Summer 2011

Clemson University, Teaching Assistant
Graduate-level Econometrics II, Prof. Thomas Mroz — Spring 2012
Principles of Microeconomics, Prof. Charles Thomas — Fall 2010, Fall 2011
Principles of Macroeconomics, Prof. Scott Baier — Spring 2011, Spring 2013

SKILLS

Computer skills: STATA, Matlab, LaTeX, and Microsoft Office
Languages: Chinese (native), English (fluent)

WORKING PAPER

"Cheap and Fast at the Same Time? Evidence from A+B Auctions on Highway Projects"

A+ B auctions, a type of scoring auctions that awards projects based on the lowest combination of price offers and construction time externalities to public, is designed with the goal of incentivizing timely completion. Contractors differ in their material costs as well as costs from acceleration, and using a structural two-stage estimation of the bids, I am able to fully recover the costs. The powerful and yet general specification of the cost function enables me separately estimate the two cost

parameters and find little correlation between being cheap and being fast. Thus, A+B procurements might not actually yield as much of a welfare gain as Lewis and Bajari (2011) suggests where a positive correlation is observed.

HONORS AND AWARDS

Clemson University Graduate Assistantship, 2009-present
Departmental Summer Comprehensive Exam Review Fellowship, 2010, 2011

REFERENCES

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