

Task Force on Electronic Tendering

by Irs Raymond WF Ho and KH Tao¹
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Works Bureau is actively pursuing electronic tendering for public works projects in collaboration with the private sectors of the industry. The new mode of tendering will foster tighter collaboration between project participants and will contribute towards improving the productivity and quality of construction projects.

Electronic tendering will be implemented in two stages, electronic dissemination of tender documents and electronic submission of tender returns. As the framework for electronic dissemination is ready, electronic dissemination will start on 25 August 2000. Under the proposed electronic dissemination scheme, electronic files containing the contents of tender documents will be issued to tenderers. The scheme will initially cover the in-house contracts managed directly by the seven Works Departments under Works Bureau² and will be extended progressively to contracts managed by consultants.

Electronic dissemination is delivered through the deliberation of the Task Force on Electronic Tendering, an ad-hoc working group formed under the Contracts Committee of the Construction Advisory Board. The task force consists of members from Works Bureau, government departments, professional institutions and trade associations. It serves as a forum through which the public and private sectors of the industry collaborate on the electronic tendering initiative.

Electronic dissemination is the answer to the industry's request for a formal mechanism for issuing soft copies of tender documents. The soft copies will be used to streamline tender preparation and to improve the collaboration between project participants. To facilitate the achievement of these objectives, the electronic dissemination scheme fulfils three essential requirements: *convenience*, *openness* and *continuity*.

Convenience means the use of streamlined procedures to distribute electronic tender documents to tenderers. Under the proposed scheme, the

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² The seven departments are- Architectural Services Department, Civil Engineering Department, Drainage Services Department, Electrical and Mechanical Services Department, Highways Department, Territory Development Department and Water Supplies Department.

electronic version of the tender documents will be distributed in electronic dissemination packages (or "EDP") hosted on CD-ROM's. EDP's will be bundled with the hard copies of tender documents and tender addenda. All eligible tenderers will receive EDP's, without going through any application procedures.

The second essential requirement is openness, which is the use of industrial data formats for the EDP files. Data in the EDP's may be processed using hardware and software that are commonplace in the industry, obviating the need for investment in specialized equipment and avoiding the creation of any entry barriers for electronic tendering. Data in open format may be imported into the specialized computing applications used for tendering and construction planning, which will preserve the value of the investments in these systems.

The final essential requirement is continuity, which is the smooth migration to the electronic regime. The players in the industry have different readiness for and desire to participate in electronic tendering. To ensure that they may migrate to electronic tendering at their preferred tempos, we have preserved the whole of the existing tendering procedures. The distribution of hard copies of tender documents will continue. Tender returns will still be in hard copy format. The net result is that those who do wish to embark on electronic tendering at a later stage may continue to work with the hard copy system for the time being.

The detailed arrangements for electronic dissemination have been promulgated in a Works Bureau Technical Circular issued on 5 July 2000. Those who are interested in these details may obtain the soft copy of the circular at the following Internet address-

<http://www.wb.gov.hk/circulars/index.htm>.

The initiative for e-tendering of works projects was firmly supported by the construction industry with a justifiable business case. In November 1999, the task force appointed Hong Kong Productivity Council to conduct a questionnaire survey for gauging the industry's support for electronic tendering. A total of 1,099 questionnaires were issued to consulting engineers, architects, quantity surveyors and contractors. Out of the 50% of the firms responded, about 83% of them support electronic tendering mainly because of productivity increase and savings in operational cost. A copy of the survey report is available on our web pages <http://www.wb.gov.hk/etender>.

Electronic submission is the final and yet the most challenging task for the task force. The task force has agreed on a structured methodology for formulating a framework for electronic dissemination. The framework will define the requirements of the various stakeholders including contractors, consultants and the concerned government departments. It will also outline

broadly the technical options for serving these requirements. The framework is scheduled for delivery in early 2001. The development of the detailed implementation will follow.

We have published the papers submitted to the task force on the above-captioned web pages for e-tendering.

Work Bureau welcomes comments and enquiries on the works of the task force. Our contact information is as follows-

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