

BCCA Looks at On-Line Bidding

The construction procurement “transaction chain” includes a series of components:

- Directories of clients and sub-contractors
- Product information
- Invitations to bid
- Bidding documents
- Submission of bids
- Award of Contracts
- Progress Claims
- Change Orders

With the exception of bidding documents and the submission of bids, these components of the “transaction chain” are all being managed or can potentially be managed through on-line systems currently in use through established technology. In an effort to ‘close the loop’ BCCA has embarked on the creation of that last piece of the on-line “transaction chain” with the creation of on-line bidding.

Bidding electronically through the internet is available in North America. However, bidding for construction projects has yet to be undertaken extensively. This is not surprising given the complexities and potential risks that are inherent in the bid process. For example:

- Besides the bid price being collected at the time of bid closing there is also a need for bid bonds, lists of alternative prices and allowances.

- Bid closings on the internet can add complexities if they are not managed correctly, particularly in regards to maintaining security of the documents and creating redundancy in case of a server failure.

Private companies would be slow to wade into such potential difficulties, nor do they necessarily have the solid reputation of fairness and transparency that has been established by the Construction Associations over the years. The BCCA Board of Directors felt, therefore, that it was appropriate for the Construction Associations to take the lead.

Notwithstanding the inherent complexities of the bidding system we believe that solutions are achievable. We foresee that any IT on-line bidding application must mirror the existing business rules rather than adapting the business rules to the technology. BCCA intends to proceed with the development and modernization of construction bidding into an on-line service through beta testing and, ultimately, to transfer this technology to our Pan Western partners (Alberta, Saskatchewan, Manitoba and Northwest Territories).

To begin the process, we will work towards the modernization of our Bid Depository system into an on-line service. Bid Depository is the area where we are most knowledgeable and where

Inside this Issue:

- BCCA Looks at On-Line Bidding
- Mexico Job Fair

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we are trusted as the authority. Currently there are eight bid depository locations covering the general geographic area of BC. Bids are collected for general contractors from trade contractors, bidding mostly on publicly funded construction projects. In order to maintain the sanctity of the bid, the Bid Depository requires the submission of bids in sealed envelopes. This requires the trade contractors to physically deliver bids to the bid depository and general contractors to then collect them. This is similar to the way all bid depositories in Canada operate. Such a process is considered time consuming in an era where information exchange is more readily done by the internet or facsimile. The current system is a manual system and as such is viewed as outdated and inconvenient. Automation of the system will allow modernization of the Bid Depository while contributing to increased exposure by contractors to on-line technologies that will increase efficiencies in the transaction chain.

The on-line bidding system being planned would tie in to the database of information that is already being collected through the BCCA affiliated plan room services in BC, currently operated through Infinite

Source. However, the option also exists to operate it independently, depending on the platform that would be available to an Association.

The electronic bidding system envisioned will add value by making the collection of information more responsive and less time consuming to the users. The resulting improved business flow, technology transfer and application of innovative business practices will make contractors more efficient and profitable.

It is anticipated that the eventual development of an efficient on-line bid depository system will evolve into a general system for the collection of bids from general contractors to owners. The true benefits of an on-line bidding system will be felt by the contractor members of the BCCA as well as other associations from across Canada and its development will forge the way for creating the last piece of the on-line "transaction chain".

Development of the on-line Bid Depository System is expected to be complete towards the end of this year and ready for use to replace the existing envelope system early in 2008.

Mexico Job Fair

BCCA is planning a job fair in Guadalajara in early December aimed especially at recruiting Drywall Installers, Roofers, and Carpenters. It will be most beneficial for companies that have already applied for a labour market opinion.

If you are interested in joining the group of companies that have already committed to going, or would like further information/assistance on recruiting skilled workers, please call Regina Brodersen at 250 475-1077 or email: regina@bccassn.com



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The mission of the BCCA is to provide leadership and excellence in the representation of and service to British Columbia's construction industry