



Smoother flow: Thames Water has reduced the mounds of paperwork that used to be needed to support contracts like these

Bids in, quids in

The tendering process for Thames Water's multi-billion pound investment programme used to be labour-intensive. Now an electronic system has made the operation slick and efficient, as Lee Hibbert explains

Thames Water is about to embark on the latest phase of its asset management investment programme for its water and sewer network. And that could be very good news for industry.

The scope of the work is truly staggering: a multi-billion pound outlay over the next five years, to be spent on a range of maintenance activities such as the replacement of worn-out pumps and pipes through to the construction of new treatment plants. Spending on such a scale represents an enormous opportunity for engineering companies across the country. But it also presents Thames Water with a logistical nightmare – how to manage a tendering process that will involve dozens of suppliers bidding for hundreds of different contracts.

The solution is an innovative e-tendering system developed for the water company by software specialist Business Collaborator. The system enables all tender material to be managed in a secure location, automatically notifying the supply chain when documents are updated, while also providing a full audit trail. Its introduction promises to provide Thames Water with significant savings on each tender invitation it issues, by cutting response times, simplifying the document change process, and reducing the reliance on printed material.

“The e-tendering system has the potential to make our procurement processes a lot slicker and more efficient,” says Paul Meredith, client project manager at Thames Water. “Suppliers will also benefit. They will be able to work right up to tender deadlines, and they can have a much improved dialogue with us. And they are guaranteed to be working on the correct tender documents, so there is no wasted work.”

Traditionally, issuing tender documents has been a costly, time-consuming and labour-intensive process. A few years back, Thames Water – like many other large utilities companies – used a print room to run off masses of paper documentation which would then be sent by post to firms interested in bidding for work. If any details on the tender documents needed to be changed, the entire printing and distribution process would have to be started again. More recently the company started burning tender documentation onto CDs, but there was still the need to control the

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process to ensure that the latest version was being sent out to all the bidders. “The system provided a lot of opportunities for confusion,” says Meredith. “It became clear that we needed a new approach – so we looked at e-tendering.”

Thames Water had an existing relationship with Business Collaborator, which was responsible for developing the utility company's project and document management repository as an extranet system. A series of workshop sessions including Thames' contract engineers and selected suppliers led to the development of a proof-of-concept e-tendering system.

This was thoroughly tested through dummy runs before it was used to issue a proper tender invitation with real money on the end of it. The emergence of no serious technical glitches or user difficulties during testing encouraged Thames to give the go-ahead for the development of a fully working system which will be used to issue all contracts on the current asset management programme, called AMP5.

“The system is really easy to use,” says Meredith. “Suppliers are given a password and are allowed access to the tenders once they are issued. Each bidder can see the tender, but they cannot see each other or find out who else has been reading the documents. They all have their own workspace, which we can't look at, where they can start to build their response.”

The system allows requests for information, where Thames Water can respond on a one-to-one or one-to-many basis. There's also an addendum function which automatically informs the suppliers of any changes made to the tender details. Once the tender period is closed, it becomes an internal process and the submissions are reviewed by Thames' internal contract engineers. “It's an intuitive approach which is done in a totally secure environment where neither the bidders nor us require access to each other's IT systems,” says Meredith.

The benefits of e-tendering, says Meredith, are numerous. It has provided a greater discipline in the tendering process, giving Thames comfort in the knowledge that all bidders are working on the correct documentation. Its structured set-up minimises the chances for bidders to make mistakes such as mixing technical information in with commercial aspects of the contracts. Making amendments to documentation is cheap, quick and easy, he says, and bidders can work right up to the tender deadline without having to leave time to manually print off, package up and despatch their responses.

“The feedback from our suppliers who have used the system has been very good,” insists Meredith. “No one has said they can't understand how to use it. It's important for the suppliers to understand how the software works because, if they are successful with their bid, they will be expected to use the existing project and document management software.”