

## BCCA Introduces Electronic Bidding System

Submitted by Manley McLachlan, President, B.C. Construction Association

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Since the early days of Building Exchanges, facilitating and managing public construction bids has been a focal point for construction associations. The BC Construction Association (BCCA) and VRCA, its Regional partner, are no exception to this rule. For many years the BCCA and the VRCA have operated a bid depository system for the reception of sealed bids from bondable trade contractors interested in work on major building/construction projects. The system is widely used in the public sector for such projects as educational facilities, hospitals and other public buildings. While the rules and procedures for the use of Bid Depository are frequently updated, the system has operated much as it always has since its inception decades ago. All of that is about to change.

Bid Depository is going high tech. In September of this year the BCCA launched the BCCA Electronic Bidding System. The Electronic Bidding System is a system for the reception of secured bids from trade contractors to enable those receiving the bids to obtain firm quotations in writing and in adequate time to compile their general contractor bids completely and accurately. It is anticipated that after a reasonable transition period this system will replace the archaic Bid Depository and all bids will be submitted electronically. The System was developed in concert with our technology partner, Infinite Source and it is an adjunct to the Electronic Planroom services offered through the Regional Construction Associations.

Previous to the launch, there were eight physical bid depository locations covering the general geographic area of BC. In order to maintain the sanctity of a bid, the Bid Depository required the submission of envelopes with bids, which required the trade contractors to physically deliver bids to the bid depository and general contractors to collect them. This process was considered time consuming in an era where information exchange is more readily done by the Internet or facsimile. The BCCA Board of Directors recognized that something had to be done to modernize the system.

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

- Directories of clients and subcontractors
- 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 embarked on the creation of that last piece of the on-line “transaction chain” with the creation of the new BCCA Electronic Bidding System.

After conducting research into the possibilities, it was clear that bidding electronically by Internet was in use in North America, however, the bidding for construction projects had yet to be undertaken extensively. That was likely due to the complexities that are inherent in the process; besides the bid price being collected at the time of bid closing there are also bid bonds, lists of alternative prices and allowances. Closing via the Internet would also add some complexities if not managed correctly – maintaining security of the documents and redundancy in case of a server failure. These are two areas of risk that a private company may be less likely to assume nor, would they have the established reputation of fairness and transparency that has been established by the Construction Associations.

What the BCCA set out to do was to develop an electronic bidding system for bid depository that would give it more appeal by making the collection of information more responsive and less time consuming to the users. The hope was that the development of an efficient bid depository system would evolve also into a system for collection of bids from general contractors to owners.

The on-line system was developed to provide a number of advantages to the industry:

- Substantially reduce the potential for bidders to submit non-compliant bids.
- Have general contractors receive the bids in an efficient electronic format that allows a quicker more reliable method of analyzing the bids.
- Reduce the impact on the environment by decreasing the use of paper and the carbon foot print from vehicles used to transport bids.

After significant development time and intensive testing of the system, the BCCA Electronic Bidding System will be implemented on several public projects already specifying its use on jobs closing in late October. The E- Bidding System provides buyers of construction services with a sustainable business practice which will enhance their ability to “green” their operations. Public bodies will soon recognize E-bidding as a means of addressing the pursuit of lowering greenhouse gas emissions and a practical approach to mitigating risk to the environment.

Warren Perks, BCCA Bid Depository Administrator, is excited about the new direction. “The Electronic Bidding System has the capability to revolutionize bidding in the industry,” he says. “BCCA along with Infinite Source Systems have built a seamless system that has the capability to eventually include everyone in the bidding chain from material suppliers bidding to sub-subcontractors through to the general contractors bidding to owners.”

The BCCA Electronic Bidding System is currently only being used where it has been specified in the project documents. However, we anticipate the value of the System will

quickly become apparent and expect to see its use on many public projects in BC into the future. As for the BCCA Bid Depository? While still operating as needed, it is anticipated that the old system will gradually be phased out completely. Out with the old and in with the new.

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