

CHAPTER IV

RESEARCH OUTCOMES

The research was conducted to national systems of online bidding in four Southeast Asian countries, namely, Indonesia, Republic of the Philippines, Singapore, and Thailand. In case there are more than one systems used in a country, only the widely-used system will be emphasized and other systems will only be discussed.

4.1 National System of Online Bidding

Generally, a country uses one online system to manage all of government agencies' bidding activities in the country. This condition is ruled in the Government Act and Policy. For example, Government of Republic of the Philippines in its Republic Act no. 9184 or Presidential Decree no. 80/2003 of Indonesia rules that all of bidding process must be conducted in fair and transparent. In these regulations, the Government encourages all government agencies to do electronic bidding instead of paper-based bidding.

4.2 Center for Government Procurement Services by National Development Planning Board (BAPPENAS) of Indonesia

4.2.1 Overview of e-Procurement in Indonesia

Indonesia has five methods to select contractors or suppliers for construction projects. Generally, normal open bid is used to select contractors or suppliers, either using pre-qualification or post-qualification method. When the project is complex so that only a few contractors are qualified, a limited bid may be used. Direct selection may be used for project cost up to 100 million Rupiahs (approx. USD 10,000), while direct assignment may be used under these following conditions.

- Urgent work in the national defense and public security including natural disaster,

- Confidential work related to national defense and security based on Presidential Decree,
- Small value project, below 50 million Rupiahs (approx. USD 5,000), as long as the project has small scope of use, low technology, low risk, and the prospective bidders are small cooperative body or self proprietary company

Currently, there is no national system of electronic bidding in Indonesia. Each department may have his own system which may be different from others. This phenomenon is one result of local autonomous policy which has been introduced in Indonesia since 2000. Among all of systems used in Indonesia, the system used in Surabaya City Government is chosen as representative based on these grounds.

- The system has been settled since it has been used for more than three years.
- The system is adopted as the national electronic bidding system which is now under testing.
- Most of interviewed departments refer to this system as a good practice in Indonesia.

4.2.2 Surabaya e-Procurement

In November 2003, President of Republic of Indonesia issued a new Presidential Decree No. 80/2003 regarding procurement of goods and services. In this regulation, two major items are emphasized and being ground of e-Procurement system in Surabaya. First, the new Presidential Decree prevents prospective bidders not attending pre-bid meeting from being disqualified. Second, an application of electronic media for bidding processes is recommended. Based on this regulation, supported by District Decree no. 10/2005, Surabaya e-Procurement system was modified to be full electronic based in 2005. The implementation of Surabaya e-Procurement based on the ground that these following problems exist.

- There were delays in project bidding processes that made projects not finish on time and delayed projects utilization.

- Saving of budget was small because differences between budgets and contract prices were small.
- Bidding processes took long time, and thus they opened possibility for bidders and committee to make price arrangements.

The City Government of Surabaya, therefore, has policies that bidding processes shall follow these criteria.

- Simple. This means the new policy shall simplify and fasten bidding process.
- Professional. This means the new policy shall improve technical capability, autonomy, and responsibility of Bid and Award Committee.
- Transparent. This means the new policy shall discover all information regarding bidding process unless it is confidential.
- Electronic. This means the new policy shall use electronic means in bidding process.

Therefore, Surabaya e-Procurement aims to maintain time schedule in project administration so that project's objectives to serve public needs can be actualized on time. Budget saving is expected to be larger and can be reallocated to other projects. Transparency is expected to enhance fairness and to create bidding process more competitive. Moreover, Surabaya e-Procurement is expected to:

- minimize errors and frauds in bidding and procuring process by involving all parties in the process, including social community,
- increase government reliability for public, and
- help project administration by facilitating bidding process by using IT.

4.2.3 Parties in Surabaya e-Procurement

There are four major parties in the bidding process: the Owner of projects, Bid and Award Committee, Contractors or Suppliers, and e-Procurement Secretariat. The Owner representative shall have at least second level below the Head of Procurement Entity. This officer shall also have sufficient skill in bidding process certified by Central Government in Jakarta. Owner representative has responsibilities to arrange

bidding schedule and coordinate with e-Procurement secretariat about the schedule. Owner representative then assigns the Bid and Award Committee. This officer is also responsible for deciding work packages to be bid, approving Owner Estimate calculation and bidding method prepared by Bid and Award Committee. After bidding process is finished, this officer reports to his Head about the bidding process and the winner. Whenever there is complain from contractors or suppliers, the Owner Representative is responsible for giving respond, assisted by Bid and Award Committee.

A Bid and Award Committee (BAC) shall be formed for bidding project that costs more than 50 million Rupiahs. The team shall consist of three members for projects that cost between 50 million Rupiahs and 500 million Rupiahs or 5 members for projects that cost more than 500 million Rupiahs. For projects that cost up to 50 million Rupiahs, an officer is assigned as Bid and Award Officer. Officers from Procuring Entity cannot be a member of the BAC. Members of BAC or Bid and Award Officer shall have comprehensive understandings of the work and also have high skill in bidding process certified with a certificate from Central Government. There shall be no family relationship between Owner representative and members of BAC or Bid and Award Officer. Competencies in computer and information technology are necessary to members of Bid and Award Committee. Bidding and Award Committee/Officer has responsibilities to prepare detailed schedule and procedure of bidding, to calculate the Owner Estimate, and to prepare bid documents. The BAC is responsible to verify suppliers and contractors eligibility and also to evaluate bids. Moreover, the BAC has authority to propose the winner and shall send a report to the Owner representative about process and result of the bidding. However, the BAC shall not discover confidentiality of information in projects in which they are taking care of.

All contractors or suppliers that want to join the process must register to the system to get user ID and password to access e-Procurement web portal. Registration process can be done online for free because the system belongs to the government. Registration remains valid as long as the respective contractor active in the bidding process. If a contractor has been inactive for one year, its registration is no longer valid and should be renewed. Contractors or suppliers shall provide all information required in the system. Tax ID and valid e-mail address are used to verify the

contractors and suppliers. Other information is not verified at the time of registration but it is checked when the respective contractor is determined as the winner. For construction, supporting evidences from banks or insurance bodies are required. However, for those in construction, the registration information can be linked and updated directly from data of contractor association the contractor belongs to. Thus, only contractors registered in contractor associations are eligible to join the bid.

The e-Procurement secretariat is under Construction Development Division. This secretariat shall provide continuous and high-technology system to ensure a reliable online service for bidding. In performing his job, e-Procurement secretariat has these sections to support application of e-Procurement.

1. Control Section is directly taken care by head of Bagian Bina Pembangunan.
2. Management Representatives Section is responsible for coordinating and ensuring that the application of e-Procurement complies with Quality Assurance and follows ISO 9001:2000. Management representative shall report to the head of Bagian Bina Pembangunan about the system and give suggestion to improve the system.
3. Coordination Section is responsible for coordinating bid preparation in Bid and Award Committee of each department and to report the evaluation results of e-Procurement processes to the head of Bagian Bina Pembangunan. Coordination Section is also responsible for making annual schedule of e-Procurement as well as to estimate its operational costs. Moreover, this section reserves right to decide whether the bid documents from Bidding and Award Committee are complete and sufficient to be bid for particular work package.
4. Information Service Section is responsible for providing related valuable information to e-Procurement users (i.e., Bidding and Award Committee, and Bidders) about facility in e-Procurement website. This section is also responsible for receiving and following up feedback as well as receiving and handling claims from users as long as these claims are in its capacity.
5. Hardware and Data Maintenance Section is responsible for planning and maintaining hardware, software, and e-Procurement system in order to perform bidding process.

6. Administrative Section is responsible for all e-Procurement documents. This section verifies whether bid documents are in conformance to the standard. This section is also responsible for publishing bid information via e-Procurement website and also via mass media. Finally, Administrative Section shall make evaluation report of e-Procurement processes and submit it to the Head of Bina Pembangunan Division.
7. Counselor Section is responsible for introducing rules and regulations of e-Procurement. This section shall give assistance and suggestion to the users if they have problems regarding e-Procurement. At last, this section shall facilitate conflict between bidders and users that is related to e-Procurement processes.

4.2.4 Procedure of Surabaya e-Procurement

As mentioned above, Indonesia uses both pre-qualification and post-qualification method. Based on District Decree of Surabaya No. 10/2005, bidding by pre-qualification method shall have these steps in its process.

1. announcement for pre-qualification,
2. obtaining of pre-qualification documents,
3. submission of pre-qualification documents,
4. evaluation of pre-qualification documents,
5. selection of qualified bidders,
6. announcement of pre-qualification results,
7. complain period for pre-qualification,
8. bid invitation to qualified bidders,
9. obtaining of bid documents,
10. pre-bid meeting,
11. resume agenda of pre-bid meeting and the addenda,
12. bid submission,
13. opening of bids,

14. evaluation of bids,
15. winner selection,
16. announcement of the winner,
17. complain period,
18. winner nomination,
19. contract signing

Timeline of bidding by pre-qualification method is regulated in the District Decree as shown below.

- Pre-qualification shall be announced on public announcement board at City Government offices and web portal of e-Procurement for at least seven work-days.
- Pre-qualification data can be keyed into web portal of e-Procurement from the day of announcement up to one day before due date of submission of pre-qualification.
- Due date for submission of pre-qualification documents is at least three days after the end of pre-qualification announcement.
- There shall be at least seven work-days between the end of announcement and the end of obtaining pre-qualification documents.
- Bid documents can be downloaded from web portal of e-Procurement from one day after bid invitation up to one day before submission of bid.
- Pre-bid meeting day shall be at least seven work-days after the end of bid invitation.
- Bid submission starts from one day up to seven work-days after pre-bid meeting.

Similarly, District Decree No. 10/2005 regulates steps in bidding by post-qualification method as shown below.

1. bid invitation,
2. registration,

3. obtaining bid documents,
4. pre-bid meeting,
5. resume agenda of pre-bid meeting and addenda,
6. bid submission,
7. bid opening,
8. qualification and bid evaluation,
9. winner selection,
10. announcement of the winner,
11. complain period,
12. winner nomination,
13. contract signing

Bidding by post-qualification method shall follow these timelines in its process.

- Invitation to bid shall be posted on the public announcement board and e-Procurement web portal for not less than seven work-days.
- Bid documents can be downloaded from web portal between one day after bid invitation and one day before due date of bid submission.
- Pre-bid meeting day shall be not less than seven work-days after bid invitation.
- Bid submission period is from one day up to seven days after pre-bid meeting day.

4.2.4.1 *Government side*

The Bidding and Award Committee shall prepare bid documents, pre-qualification criteria, weighing in merit point calculation system, and other information required in the online announcement. All information shall have keyed in and all bid data shall have been uploaded to e-Procurement web portal within eight work-days after key-in period is opened. In addition to key in the bid information, the

BAC shall submit documents containing similar information to be checked by Administration Section. The announcement shall consist at least these items.

- Names of work packages to be bid,
- Qualification method used for bid (pre-qualification of post-qualification),
- Overview of the project,
- Owner Estimate,
- General requirements of the bidders,
- Time and place to obtain bid documents as well as to submit bid documents, and
- Terms of Reference and Technical Drawings.

All document including drawings shall be uploaded in PDF or DOC file format. Administration Section checks the documents and makes a summary of projects nominated by Owner and sends the summary to Budget Auditor in Construction Development Division within 2 work-days after closing of information submission. Budget Auditor checks the summary and passes it to Head of Construction Development Division to get approval of which projects shall be bid in this period. Within four days after closing of information submission, Administration Section shall verify whether online information keyed in by Bid and Award Committee is completed. After all information is considered complete, the BAC shall sign the project's minutes of agreement. All modification or cancellation of bid shall be finished at two hours before the minutes is signed. Administration Section is then responsible for uploading information to web portal of e-Procurement and announce the bid opportunities via mass media before 18.00 pm on a day before the scheduled day to announce.

Modification and cancellation of bid either before or after the announcement shall follow these procedures.

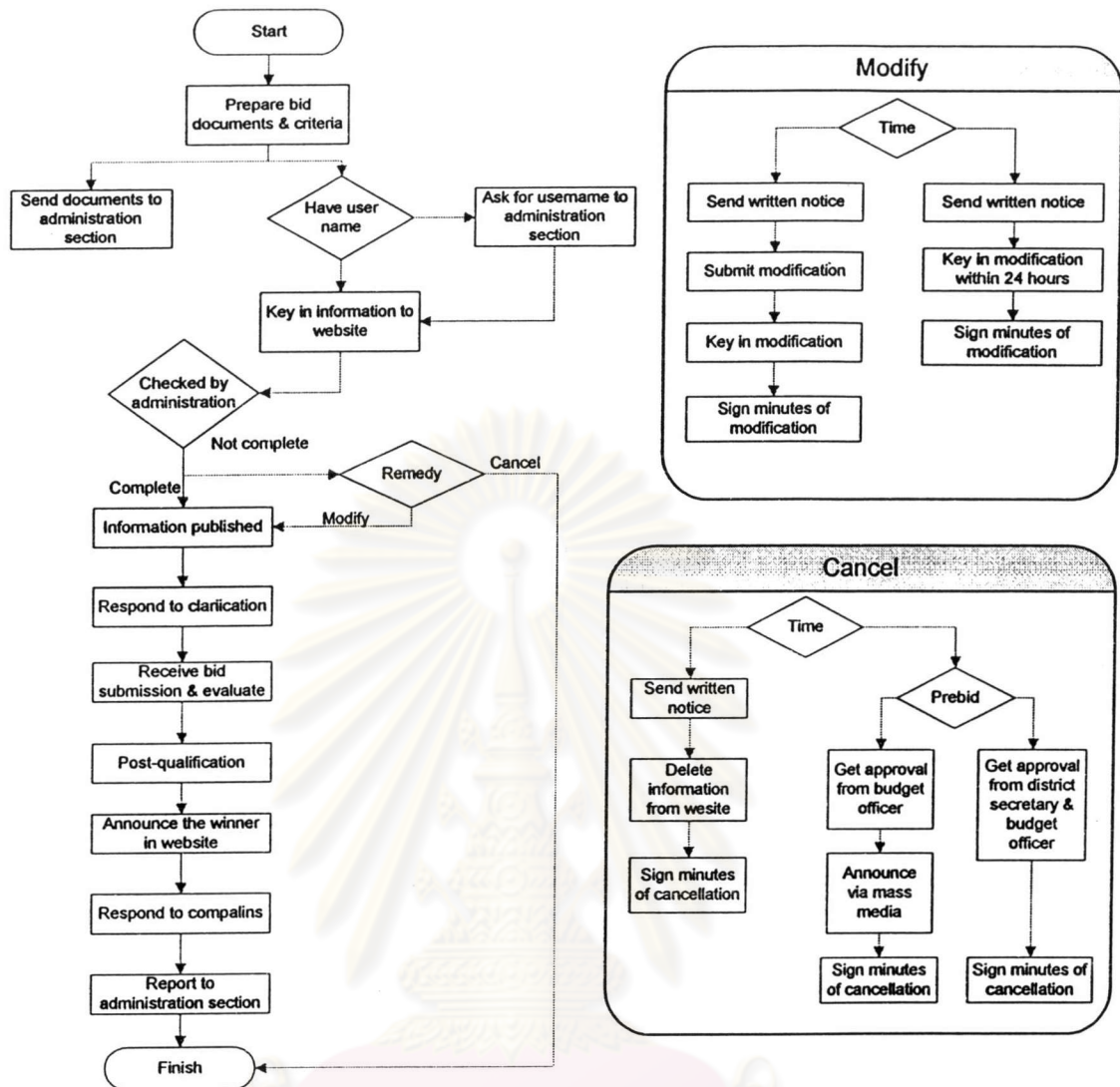


Figure 4.1 Bidding procedures at government side, Indonesia

1. Modification of bid

a. Before announcement time

- If modification is recommended by Bid and Award Committee/ Officer, the Committee shall give written notice about bid modification and modified data. Request for modification shall be submitted 2 hours before the agreement letter is signed. Modified data shall then be submitted to Administration Section. The Bidding and Award Committee then keys in the modification to the website in the presence of Administration Section. Bid and Award

Committee signs a modification report and submit it to Administration Section to be documented. After all data is considered correct and final, the Committee shall sign the minutes.

- If modification is due to incorrect information found from verification by Administration Section, a written notification shall be sent to Bid and Award Committee not less than 2 hours after the mistakes found. Correction shall be made by the Committee within 24 hours after the agreement letter is signed. Bid and Award Committee then keys in the correction in the presence of Administration Section. Resume correction and minutes shall be signed by the Committee after all information is considered correct and final.
- b. If modification occurred after bid announcement but before or at Pre-bid Meeting, all of modification then reported in the minutes of Pre-bid Meeting. Bid and Award Committee shall key in the modification within 4 days after Pre-bid Meeting period is over. Significant modification such as bidding type and bidding method must be finished before Pre-bid Meeting and minutes must be signed by the Committee stating the modification. Modification of bid details can be reported in the minutes of Pre-bid Meeting. If data is modified after Pre-bid Meeting period, the Committee shall get approval letter from Budget Officer, acknowledged by Secretary of District, and submit it to Administration Section. The Committee shall also sign the resume of modification. Administration Section then keys in the modification to the web and the Committee shall announce the modification via mass media.

2. Cancellation of bid

- a. Bid cancellation before announced must be not less than 2 hours before minutes is signed. Data in the web is then deleted by Bid and Award Committee in the presence of Administration Section. The Committee then shall sign resume of cancellation that will be documented by Administration Section.

b. After announcement time

- If cancellation is not exceeding Pre-bid Meeting period, Bid and Award Committee shall sign cancellation report and get approval from Budget Officer and submit it to Administration Section. Cancellation is announced by Administration Section via website and by Bid and Award Committee via mass media.
- If cancellation is exceeding Pre-bid meeting, the resume of cancellation shall get approval from Secretary of District in addition from Budget officer.

4.2.4.2 *Contractor side*

This following figure shows the procedures that shall be followed by contractors or suppliers in joining bidding using Surabaya e-procurement. Contractors then can visit the web portal of Surabaya e-Procurement at www.surabaya-eproc.or.id. Contractors can obtain the details of projects from the website, such as bid type, bid schedule, and bid method. Supported documents can also be downloaded from the website. After evaluating the bid documents, contractors then submit their bids according to the type of bid in electronic format via the same website. All of information can be submitted online; however, price bid shall be submitted by two types, electronic and hard copy. Bid submission electronically can be keyed into web portal of e-Procurement. Hard copy submission means that the bidder shall submit print out of a web page in e-Procurement web portal containing price he offered. This print out shall be certified by bidder signature and stamp.

In Pre-qualification method, after the bidder fills in all information required in the web portal of e-Procurement, except bid price, he must print it out, certify with signature and seal, and submit it to the BAC. BAC then clarifies and verifies the information submitted by bidders. Pre-qualified bidders can proceed to the next step by obtaining documents from web portal of e-Procurement. These bidders may not attend the pre-bid meeting and may ask for explanation of bid documents online. After pre-bid meeting period is over, the e-Procurement secretariat summarizes and sends the minutes of meeting to all of pre-qualified bidders. After evaluating bid documents, bidders can submit their bids online. In case of bid price, the bidder shall submit both electronic and hardcopy of his bid price to the BAC. Otherwise, the

respective bidder is not considered joining bid. The amount written on hardcopy shall be exactly the same as the amount keyed into the web portal. Otherwise, the respective bidder is considered as non-responsive.

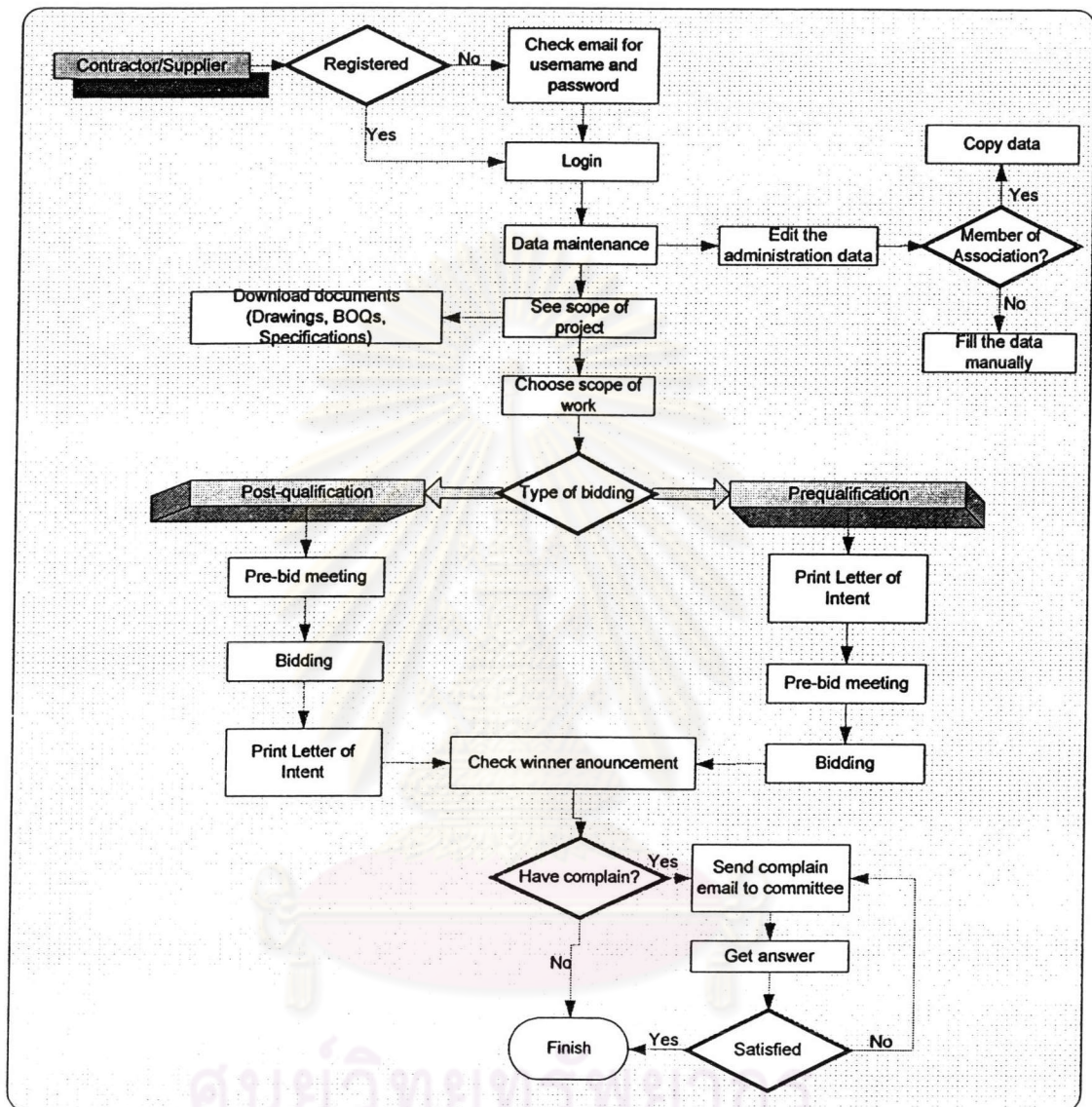


Figure 4.2 Bidding procedures at contractor side, Indonesia

In post-qualification method, bidders shall fill in their qualification data and obtain the bid documents online. Similar to pre-qualification method, bidder may not attend pre-bid meeting but asking for explanation via web portal of e-Procurement. Bidders shall submit his bid documents and bid price via online and print out the same document from web portal of e-Procurement. The hardcopy then shall be certified by signature of bidder and stamp. By not submitting both electronic and hardcopy documents, a bidder is not considered joining the bid.

Table 4.1 Allowable duration for pre-qualification method

Process	Week									
	1	2	3	4	5	6	7	8	9	10
Bid Announcement	↔									
Bidders select project and obtain bid document	↔									
Submission of Pre-qualification requirements	↔									
Pre-qualification			↔							
Announcement of Pre-qualification				↔						
Pre-bid Meeting					↔					
Bid submission					↔					
Opening of technical documents						↔				
Technical evaluation						↔				
Opening of financial documents							↔			
Bid evaluation							↔			
Winner selection								↔		
Announcement of winner								↔		
Contract award, signing LoI									↔	

Table 4.2 Allowable duration for post-qualification method

Process	Week									
	1	2	3	4	5	6	7	8	9	10
Bid Announcement	←→									
Bidders select project and obtain bid document		←→								
Pre-bid Meeting		←→								
Bid submission			←→							
Opening of financial documents				←→						
Bid evaluation				←→						
Check for bidders eligibility				←→						
Opening of technical documents				←→						
Technical evaluation				←→						
Winner selection				←→						
Announcement of winner				←→						
Contract award, signing LoI					←→					

4.3 Current Practice of Philippines Government Electronic Purchasing System (PhilGEPS)

4.3.1 Existing bidding methods

Republic Act 9184 of Government of Republic of the Philippines governs that all Procuring Entities, hereafter called Buyers, shall prepare Annual Procurement Plan (APP) and maintain as well as update the information in the APP. This APP must be approved by Head of Procuring Entity or the 2nd in rank. The APP should include Project Procurement Management Plan which contains:

- type of contract to be employed,
- size of contract,
- procurement methods to be adopted (if the procurement task is conducted by outside entity),
- time schedule of each procurement activity,
- estimated budget for each procurement

Furthermore, the Procuring Entity must establish a Bids and Award Committee (BAC) which will be active for one year period. The BAC consists of at least five members and at most seven members. The BAC chairman have at least 3rd rank of permanent official in the Procuring Entity. An officer who has expertise in procurement and legal or administrative area and an officer who has expertise in procurement and finance area should be involved in the BAC. These officers should have at least 5th rank of permanent official. In case the Procuring Entity is at bureau level, these officers should have at least 3rd of permanent official. The rest two members are provisional members. One should have technical expertise relevant to the procurement on hand while another should have expertise on laws and who has procedures of procurement. BAC has functions to:

- advertise and/or post invitation to bid,
- conduct pre-procurement or pre-bid meeting,
- determine the eligibility of prospective bidders,
- receive bid documents,
- conduct evaluation of bids,
- undertake post-qualification (if applied),
- recommend imposition of sanctions for disobey bidders,
- recommend the use of alternative methods of procurement (if applicable),
- prepare a report approved and submitted by the Head of Procuring Entity to the Government Procurement Policy Board (GPPB)

In addition, BAC secretariat is formed to give main support to the BAC. The functions of BAC secretariat are to:

- provide administration support to the BAC,
- organize and make all necessary arrangements for the BAC meetings,
- attend BAC meetings and prepare minutes of meetings,
- organize all procurement documents and responsible for the sale and distribution of bidding documents to interested bidders,

- assist in managing the procurement processes,
- be a central channel of communications

Currently, the national system of e-bidding for construction and infrastructure projects is still under development. The government plans to launch a pilot project in 2006 until the first quarter of 2007. The government electronic system is managed by Procurement Service of Department Budget Management (PSDBM) by its project called PhilGEPS. PhilGEPS has been started since 2000 and has introduced Electronic Procurement System since the end of 2000. When this research was conducted, PhilGEPS provided these three services.

- Electronic Catalogue, where the government agencies can purchase common goods by searching the matching items and contact the suppliers listed in the catalogue. The suppliers are then evaluated and negotiated by the Purchasing Office of Department Budget and Management. The suppliers have rights to serve particular goods for a particular period of contract. With this system, government agencies do not have to perform bid to select suppliers at every time they need to purchase common goods.
- Electronic Bulletin, where the government can post the availability of work in order to get responses from contractors or suppliers. On the other hand, the contractors or suppliers can easily search for relevant opportunity of works that match with their fields of experiences without going to every government agency office. With a single website, contractors or suppliers can search by keywords or by the owners of projects. An automatic notice is also available which send a notification email to the contractor or supplier whenever there are projects matching to their interests. The notice of opportunity can attach bid documents and notices of awards.
- Electronic Registry, where all manufacturers, suppliers, distributors, contractors and consultants are registered in order to make a supplier database and manage them efficiently.

Therefore, the procedures of bidding in infrastructure project or procurement for infrastructure project are:

- a. Pre-procurement conference,
- b. Advertisement/posting,
- c. Eligibility screening,
- d. Pre-bid conference,
- e. Submission and receipt of bid,
- f. Bids evaluation,
- g. Post-qualification,
- h. Award of Contract

E-bidding process is performed after technical proposal has been evaluated. However, PhilGEPS has not provided the system yet. The e-bidding system discussed in this paper is a system that is implemented by the National Power Corporation of Republic of the Philippines, a state owned corporation in the Philippines, in its Bidding Documents for the Cleaning and Repair of Cooling Tower Basins and Suction Pits of the Tiwi Geothermal Power Plant Units 5 and 6 (2005).

Figure 4.3 and Figure 4.4 show the implemented by government agencies and contractors in the Philippines.

ศูนย์วิทยทรัพยากร
จุฬาลงกรณ์มหาวิทยาลัย

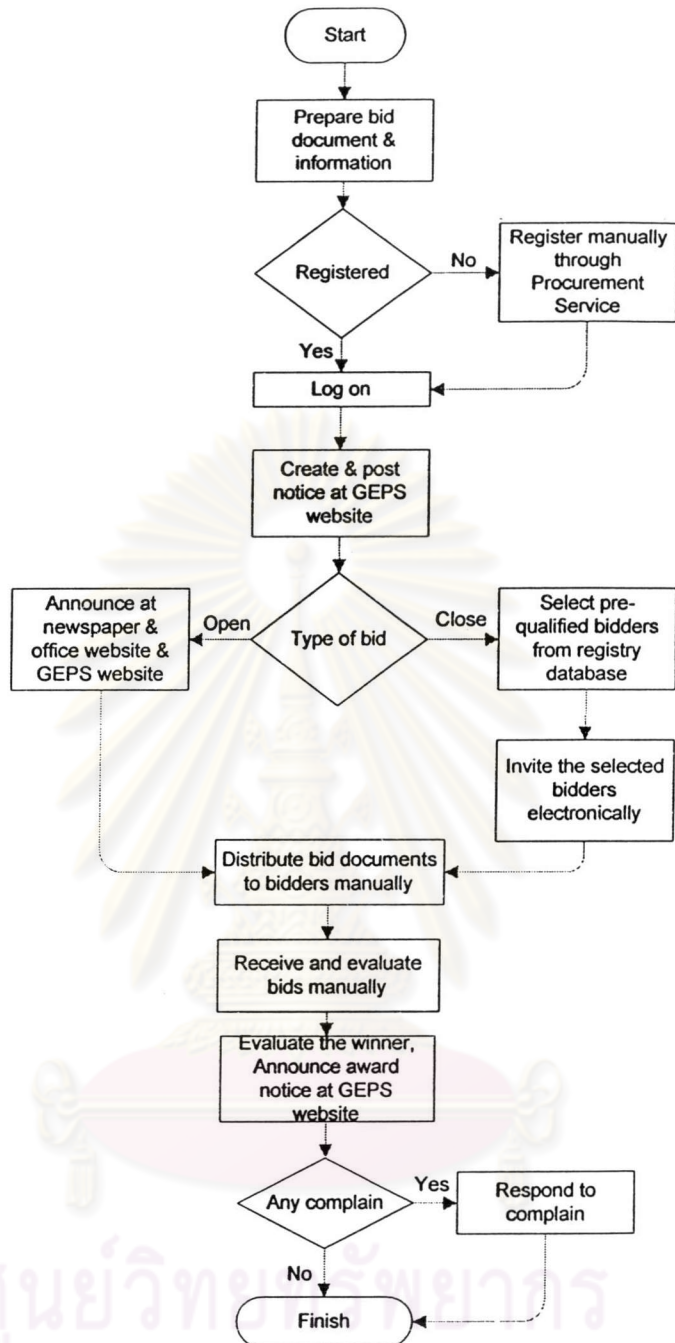


Figure 4.3 Bidding procedures at government side, the Philippines

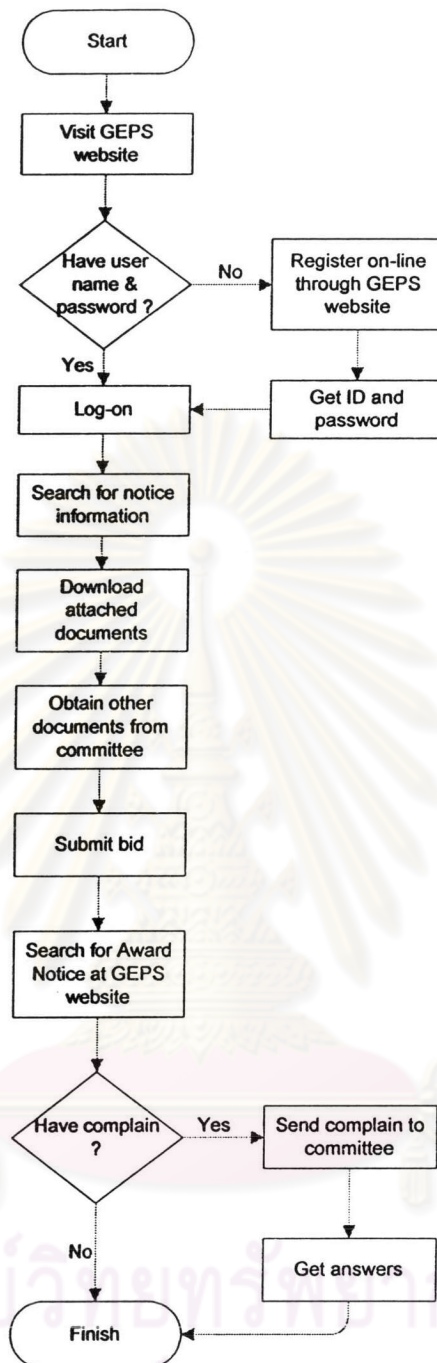


Figure 4.4 Bidding procedures at contractor side, the Philippines

4.3.2 Pre-procurement conference

Pre-procurement conference is necessary to make sure that everything will be bid in accordance with the project and APP. The criteria for eligibility screening and evaluation of the bids as well as specifications and other specified terms are reviewed, clarified and modified. Applicable sanctions and penalties regarding confidentialities and breach of bids are agreed in this conference. However, a pre-procurement

conference may not be required for small projects, i.e., procurement of infrastructure projects costing five million pesos and below.

4.3.3 Advertisement/posting

Advertisement policy is divided into two categories, for contracts above 5 million Peso and for contracts 5 million Peso and below. For contracts above 5 million Peso, the advertisement should be published at least twice in a newspaper which has been regularly published for at least two years before the date of issuance. The advertisement should be published continuously in the website of Procuring Entity and posted in the Phil-GEPS website during two week period. In addition, advertisements can also be posted at any place reserved for this purpose in the premises of Procuring Entity. For the later category, all of the requirements above are applied except for advertisement in a newspaper.

For infrastructure projects, which are normally high cost projects, the bidding documents shall be issued within 30 calendar days from the last day of the period of advertising.

4.3.4 Eligibility screening

In order to be eligible to participate in the bidding for infrastructure projects, these criteria have to be met by the bidders.

- Duly licensed Filipino citizens/ sole proprietorship, or
- Partnership duly organized under the laws of Republic of the Philippines which at least 75% of the capital stock belongs to the citizens of Republic of the Philippines.
- Persons/ entities forming themselves into a joint venture.
- Cooperatives duly registered with Cooperatives Development Authority.
- Must have a license from Philippines Contractor Accreditation Board.
- The approved budget of the project must be less than 50% of bidder's largest contract for similar projects (in case the bidders have experiences in similar project) or must be less than 50% of particular registration of the bidders (in case the bidders do not have experiences

in similar project). The allowable ranges of contract cost for registration categories are shown in the table below.

Table 4.3 Categories for contractor registration

Category	Allowable Range on Contract Cost (in Million Peso)
Small A	Up to 0.5
Small B	Up to 3
Medium A	Up to 15
Medium B	Up to 30
Large A	Up to 50
Large B	Less than or above 50

- The Contractor Performance Evaluation System (CPES) rating and/ or certification of completion and owner's acceptance of the contract must be satisfactory.
- Net Financial Contracting Capacity (NFCC) must be equal or more than approved budget for the contract to bid. NFCC is calculated by multiplying current assets after deducted by current liabilities with factor K minus the value of all outstanding works and ongoing contracts. Factor K is 10 for a contract with duration less than one year, 15 for a contract with duration between one and two years, and 20 for a contract with duration more than two years.

The determination of eligibility shall be based on the submission of the following documents, called Class A and Class B documents. Class A documents contain:

- Business name registration from Department of Trade and Industry or registration certificate from Securities and Exchange Commission of Philippines,
- Valid and current municipal license,
- Taxpayer's Identification Number,
- Computation for calculating NFCC,
- Statement that the prospective bidder is not black-listed issued by Construction Industry Authority of the Philippines,

- Other appropriate licenses required by Purchasing Entity,
- Statement on the completed and ongoing contracts, including contracts awarded but not yet started,
- Valid license on registration category,
- Statement of availability of key personnel and equipment,
- Audited financial statements that authorized by Bureau of Internal revenue or its authorized institutions,

Class B documents contain valid joint venture agreement, in case of a joint venture, and checklist forms of all submitted documents, authorized by BAC.

The IRR of R.A. 9184 opens the possibility for bidders to submit the eligibility requirements electronically, if provided. However, all of required documents have to be submitted at least seven calendar days before the deadline of submission of eligibility envelopes. Submitted eligibility envelopes should be opened and checked within a period not more than 15 calendar days after the deadline.

4.3.5 Pre-bid conference

At least one pre-bid conference shall be held at least 12 days before the deadline of bid submission. Bidders do not have to attend this conference. For contract costing less than one million Pesos, pre-bid conference may be not necessarily held. However, BAC shall approve the written requests from prospective bidders about holding pre-bid conference. Request for clarification must be submitted at least 10 days before the deadline of bid submission. The BAC shall respond the request at least seven days before the deadline of bid submission.

Minutes of pre-bid conference shall be distributed to the prospective bidders not later than three days after pre-bid conference. Any supplemental information shall also be posted in the website of Procuring Entity and website of PhilGEPS.

4.3.6 Bid submission

The eligible bidders shall submit their bids through their authorized representatives, containing all documents prescribed in Bid Form and Annexes in conformance with bidding documents, before the specified deadline. The bid is

separated into two sealed envelopes, first, containing technical components of the bid, and, second, containing the financial components of the bid.

Technical proposal, typically, contains the following technical information:

- Bid security, amount and validity period,
- Authority of signing official,
- Construction schedule, including manpower and equipment utilization schedule and the construction methods
- Organizations chart for the contract to be bid,
- List of contractor personnel to be assigned to the contract and their qualification and experience data,
- List of contractor equipment units and their availability data,
- Affidavit of site inspection,
- Construction safety and health program of the contractor,
- Other requirements as stated in the Instruction to Bidders

The second envelope is financial proposal which shall contain at least the following information:

- Bid prices in Bill of Quantities as required in bid form,
- Detailed estimates showing summary sheet of unit prices of construction materials, labor rates, and equipment rentals,
- Cash flow by payment schedule,

Bidders may modify their bids before the deadline of the bid submission by sending another sealed bid with proper identity and marked as modification. The replaced bid cannot be retrieved and modified. Bid received after the deadline is not considered and shall be returned to the bidder unopened.

Bidders may also withdraw their bids before the deadline of bids submission. A withdrawal after deadline shall be subject to sanctions. A bidder that withdraws its bids shall not be permitted to submit another bid for the same contract.

4.3.7 Bids evaluation

The BAC shall open the bids at the time, date, and place specified in the Invitation to Apply for Eligibility and Invitation to Bid and the bidding documents. The eligible bidders or their authorized representatives shall attend the opening of bid and sign for registration as evidence of their attendance.

The first envelopes shall be opened in public to determine if the bidders comply with the documents required in the first envelope. At this stage, non-discretionary criteria apply. If a bidder submits the required document, he shall be considered passing the requirements. Otherwise, the bidder shall be considered failed. The second envelope of failed bidders should be immediately returned back by the BAC unopened. When a bidder meets all of requirements for first envelope, he must be considered passing the first evaluation and his second envelope will be opened at the next stage. Otherwise, if a bidder fails to meet all requirements, he shall be considered ineligible to bid.

Only the second envelope of bidders who pass the first envelope evaluation are opened. In case some requirements in the second envelope are missing or incomplete, or if the submitted total bid price exceeds the approved budget for the contract, such bid is declined. Only bids that contain all the bid requirements for both envelopes shall be considered accepted and shall immediately evaluated.

Bids not addressing or providing all of required items in the bidding documents shall be considered non-responsive and automatically disqualified. For example, where a required item is provided but no price is indicated, this bid is disqualified. Minor arithmetical corrections to computational errors in the bidding documents shall be calculated in monetary terms to determine the calculated prices.

BAC shall apply an equal basis in comparing all bids to ensure fairness and competitiveness. In case of discrepancies between: (a) unit bid prices in number and in words; (b) total prices and unit prices; or (c) unit cost in the detailed estimate and unit cost in the bid form, the latter shall prevail. After all of the corrections and modifications are done, BAC shall re-evaluate the bids and rate the bids above budget as disqualified. BAC shall notify all bidders found qualified to participate in the E-bidding on the specified place, date, and time on the conduct of E-bidding. On the

other hand, the BAC shall notify all bidders found not qualified and the grounds of their disqualification.

4.3.8 e-Bidding process

This part has not conducted yet in the PhilGEPS system. However, a system of a state owned corporate is discussed in this sub chapter to give an overview how the government conducts e-bidding process in the Philippines.

Before the E-bidding day, BAC shall schedule a training on e-bidding system and announce the exact date, time, and place for training to the qualified bidders. Bidders shall try the system to make them familiar with the e-bidding process and systems. Each bidder shall also nominate a maximum of three representatives to represent their company in the e-bidding process. The nomination shall be proven by submitting authorized letter containing the names and positions of the representatives to the procuring division in the Procuring Entity. Bidders' representatives shall not be allowed to participate in the e-bidding unless they present their authorization letters before the e-bidding starts.

On the date of e-bidding, qualified bidders are requested to draw their usernames and passwords that can be known only by individual bidder and authorized BAC personnel. Bidders who arrived after Procuring Entity announced the time to start the E-bidding cannot enter the bidding room and join with the e-bidding. These bidders are considered disqualified and cannot proceed to the next stage.

Only the following personnel are allowed to enter the bidding room:

- Maximum of three authorized representatives from each participating bidder,
- At least three representatives from logistic division and one from IT division of Procuring Entity to be assigned as observer and assistant of e-bidding,
- Chairman or member of BAC,
- Chairman or member of BAC secretariat,
- Representative of Commission on Audit (COA),
- Representative of Internal Audit Department (IAD), and

- Representative of purchasing division of Procuring Entity

All bidders enter the bidding room and get into each own space that provides proper partition to ensure confidentiality while e-bidding process is ongoing. After logging into the system, the bidders can see their own initial bids on the screen, which are their last bid prices on the second envelope evaluation. Each bidder shall confirm his initial bid within five minutes. In case there is discrepancy between their initial bid and that shown on the screen, the bidder should call the BAC to check the bid. Bidders who fail to confirm their initial bid within five minutes will be requested to discontinue from participating in e-bidding. Their price in the second envelope evaluation will become their final bid price.

After five minutes have elapsed, the initial lowest bid price is shown on the screen without showing the owner. The bidders then are requested to move to separate room and are given 30 minutes to study their proposal and strategies. After that they go back to the e-bidding room. At this time, bidders are given five minutes to submit their new price which shall be lower than the initial lowest bid price. The system cannot accept new bid submission which is higher than initial lowest bid price. After five minutes have elapsed, the lowest bid price is shown on the screen. This bid price is called the First Call lowest bid price.

The bidders again are requested to move to separate rooms to prepare their strategies for the Second Call. The same procedure applies to the Second Call. However, the Second Call is the last chance for the bidders to modify their bid prices. After five minutes period of the Second Call have elapsed, the Final Lowest bid will be shown on the screen. In case of tie, the procedure is repeated until the tie is broken. Only bidders whose bids are tie in the last call are allowed to participate in the next round.

All of the activities are recorded in the system's log file. The system then generates ranking of the bid price. This ranking shall be validated and signed by the Head of Procuring Entity, and COA and IAD representatives. The contract price of the winning bidder should be its Final Lowest e-bid price. Unit prices of each item in the original proposal shall be calibrated by applying percentage discount resulting from the difference between Proposal Price and Final E-bid Price.

During the period of five minutes, no one from the e-bidding room is allowed to get out except during an emergency situation. A viewing room is provided for those who want to observe the process. However, they need to register and use the ID issued by the BAC. The observer must obey the regulations for the viewing room such as:

- Always using the ID card issued by the Procuring Entity,
- Leave mobile phones, radio pagers, and other communication devices at the security office,
- Keep the viewing room quiet and avoid loud speculations as to the identity of bidders flashed on screen,
- Place their signature on the attendance sheet

Similarly, bidders cannot bring their mobile phones, radio pagers and other communication devices inside the bidding room. They must give the equipment to the security officer. Bidders are not allowed to talk to each other before or during the electronic submission. Any fraud to the system will result in disqualification to the respective bidders and black-listing of the bidders.

4.3.9 Post-qualification

Post-qualification is conducted to the bidder with lowest final e-bidding price. Post-qualification shall verify and validate all statements made and documents submitted by the bidder as stated in the Invitation to Apply for Eligibility and Invitation to Bid, as well as in the Instruction to Bidders. These criteria shall be considered:

- a. Legal requirements: to validate licenses and agreements submitted by the bidder and also the fact that he is not included in any government black list.
- b. Technical requirements: to validate bidder's stated competence and experience including his key personnel, to validate the availability of the equipment, to check bidder's performance in ongoing government projects, and to ascertain the sufficiency of his Bid Security.

- c. Financial requirements: to verify bidder's NFCC, to verify that the required commitment from banks to provide a credit line to the bidder, to validate the original bid price and to apply corresponding percentage discount from the difference between original price and Final e-bid Price.

If the BAC determines that the winning bidder passes all the criteria for post-qualification, this bid shall be considered as the Lowest Calculated and Responsive Bid, and thus the BAC shall award the contract to this bidder. However, if the BAC determines that the winning bidder fails the post-qualification criteria, the BAC shall notify the bidder in writing of his post-disqualification and the grounds for disqualification. The post-qualified bidder is given seven calendar days from the receipt of notification to request the second review from the BAC. If so, the BAC shall evaluate the request using the same criteria.

In case that the lowest bidder is post-disqualified, the BAC shall initiate a post-qualification to the second lowest price bidder using the same criteria within seven days. If second lowest price bidder passes all of the post-qualification criteria, he shall be determined as the winner and awarded the contract. However, if the second lowest price bidder fails in post-qualification process, the procedure shall be repeated for the bidder with the next lowest calculated bid price until the lowest calculated responsive bid is obtained.

4.4 Practice of Government Electronic Business (Ge-BIZ) of Singapore

The government of Singapore set a Government electronic Business Partner (commonly called Ge-BIZ) as a non-profit government agency who runs electronic system of electronic tendering in Singapore. The purpose of this agency is quite similar to Service Provider in Thailand, providing electronic system in tendering processes. However, their functions are different depending on the purposes of government using electronic tender. Ge-BIZ has passive functions in tender processes since bid evaluation is not performed in this agency. In other word, Ge-BIZ seems to be an electronic market where the sellers and buyers can meet each other and match

their interests in specific products. The prices are also quoted electronically via this agency, yet winner selection is not evaluated only based on the quotations.

Ge-BIZ is under supervision of two departments, Ministry of Finance as a control body of procurement system in Singapore and Defence Science and Technology Agency (DSTA) who takes care of information technology development in Singapore. Ge-BIZ does not only support construction industries but also provides services for procurement activities in all fields as long as the projects are owned by government. Thus, Ge-BIZ's buyers come from many government sectors, such as ministries and organization of states, departments, and Statutory Boards (legal entities). The sellers can be either companies or individual.

Ge-BIZ supports five procurement methods in its activities, depends on value of the products and the period of contract. These five methods are as follows.

- Direct purchasing, for product with only small value (up to SGD 2,500);
- Quotations, for products whose values between SGD 2,500 and SGD 70,000;
- Tenders, for purchasing value above SGD 70,000;
- Electronic catalogues, for Period Contracts; and
- Quotations, for Framework Agreement.

In order to be permitted for joining tender, sellers (suppliers) have to be registered in at least one of these two agencies, EPPU or BCA. EPPU is a registration body for non-construction industry while BCA is specialized for only construction industry. The registration as well as membership fee are arranged electronically. The supplier can register online via www.gebiz.gov.sg with processing fees of SGD 50 per supply head. Then, suppliers are classified according to financial grade. To qualify for a particular financial grade, suppliers must pass financial criterion that required a supplier a positive net worth at least 5% of the financial grade applying for. The license will be valid up to three years and can be renewed.

To be able to involve in Ge-BIZ transactions, suppliers have to register as Ge-BIZ Partners. Registration is electronically arranged at www.gebiz.gov.sg. Supporting documents are required to be submitted manually as well as annual subscription fee of SGD 320.

4.4.1 Direct purchasing

Direct purchasing method aims to handle small value purchase up to SGD 2,500. The suppliers can search directly from Ge-BIZ web site about business opportunity that matches their interests. Then, suppliers send its quotation electronically during quoting period. It is encouraged that suppliers quote more than one price since high competition is existing due to small differences between quotations.

Buyers can not see the quotation until quoting period is over. Then, buyers can select the winner and issue electronic Purchase Order directly to this supplier. All of these services are provided in Ge-BIZ web site even though the buyer can use their own format of Purchase Order and send it to supplier. However, creating Purchase Order may take a week. Therefore, the successful supplier will get notification by e-mail before getting the Purchase Order.

When the transactions finish, the supplier can easily send an invoice to the buyer using service provided in Ge-BIZ web site. Then, again, all processes are electronically performed.

4.4.2 Quotation

Quotation provides a system for purchase value of SGD 70,000 or below. There are two type of quotation, open and limited quotation. Open quotation can be seen by and open to all suppliers. On the other hand, limited quotation is used in situation where there are only few selected suppliers who are suitable, or there is a great urgency. However, electronic open quotation is the default of the system.

Different from direct purchasing, buyer only have to prepare Invitation to Quote (ITQ) and send it to Ge-BIZ, attached by relevant requirements and specifications. Ge-BIZ, then, publishes it on its web site and waits for response from suppliers. Minimum three quotes are required to be processed as quotation. The quotation after closing period will not be considered. After closing time, all of quotation will be announced in the web site so that the buyer can see and select the winner.

In quotation method, Ge-BIZ provides space for suppliers to send supporting files to the buyers. However, the size of file is limited to 3 MB per file. This limitation

is a problem when the document sizes more than 3 MB and cannot be divided (such as CAD drawing). In this case, documents can be submitted manually to the buyers (government agencies).

Quotation still remains another case. The buyer may not require the documents submitted in electronic format, and therefore all documents may be in the paper-based forms and have to be submitted directly to the buyers' department. Yet, suppliers quote electronically. Therefore, winner selection is considered from combination of documents evaluation and price quotation.

4.4.3 Tender

Tender is Ge-BIZ service for purchase value of more than SGD 70,000. Similar to quotation, there are three types of tenders:

- Open tenders: open to all suppliers;
- Selective tenders: only shortlisted suppliers are invited by e-mail to submit tender proposals; and
- Limited tenders: used in situation where only few suppliers who are suitable, or in case of urgency.

Unlike in the quotation method, in tender method, Public Sector Agency as the buyer issues Invitation to Tender and publishes Tender Notice on Ge-BIZ Partner web site. Invitation period is inclusive in the Invitation to Tender, normally not less than 14 days. When suppliers find the invitation, they can search for related Tender Notice. Suppliers may download some information provided in the Tender Notice.

After preparing tender, suppliers can response the tender within submission period by sending tender proposals electronically to the buyers. There are some cases that the documents should be submitted in paper format directly to buyer's office. The buyer, then evaluate tender proposals. When submission period is over or tender proposals are evaluated, the buyer issues Tender Schedule which contains time to quote the prices. Tender Schedule is published in Ge-BIZ web site so that all suppliers can notice and join tender process on the specified time.

At the specified time, all suppliers can quote their prices. Only one quotation is allowed. In this method, the suppliers can also give "No quote" response when they are not sure or give up. If the suppliers need more time, they can ask for time

extension to the buyer. But, late submission due to bandwidth problem is not accepted. When a quotation is accepted by Ge-BIZ, Ge-BIZ system issued a reply message containing response number and price quoted to the supplier to verify that quotation has been accepted.

The quotations are secured by Ge-BIZ system and cannot be viewed until price submission time is closed. A summary of all quotations and the supplier quoted will be published in Ge-BIZ web site 3 hours after closing time. The summary is developed for suppliers to check and confirm their quotations. If there is any mistake, supplier can complain to Ge-BIZ by showing the replied message from Ge-BIZ system.

The interesting cases in both quotations and tenders method are that the winner is not always the lowest quoting supplier. The system only gathers the quotations and makes summary so that the buyers can easily evaluate. The winner is decided by manual judgement of the buyer. Sometimes the winner is not the lowest quotation; therefore buyer should provide an acceptable reason to other suppliers. In case the losers find the reason unsatisfying, they can sue this case to Ministry of Finance as a control body of procurement in Singapore.

4.5 Current Practice of Thailand Electronic Purchasing System

4.5.1 Existing bidding methods

Implementation of online bidding in Thailand has started since three years ago when the Minister of Finance issued a Regulation dated on December 9, 2002 regulating government offices to use electronic system in their purchasing activities. At that time, the regulation is valid only for government offices in the area of Bangkok Metropolitan. This regulation was replaced with new Memorandum dated on January 21, 2004. Later, on January 13, 2005, Minister of Finance issued another Regulation regulating that every purchase with value more than 2 Million Baht have to be under electronic system of purchasing called e-auctions.

The last regulation adds one more type of purchasing to the system in Thailand. Before that, there were five methods that were commonly used for

purchasing purpose of Government of Thailand. The six methods and their explanations are discussed below.

1. Price Agreeing Method.

This method is used when the purchasing value is not more than 100,000 Baht. In this method, the Government Office as the buyer directly selects and negotiates the price with the seller. Selling price is obtained when the buyer and seller agree each other.

2. Basic Competitive Bidding.

This method is used when the purchasing value is between 100,000 Baht and 2 Million Baht. In this method, the buyer announces the open invitation to the sellers. Interested sellers can then join the process by fulfilling the requirements from the buyer. The sellers also quote their price confidentially during specific period. After the closing period of submitting prices, the buyer opens the price quotations and evaluates the sellers to get the winner.

3. Competitive Bidding Method.

Competitive Bidding Method is used when the purchasing value is more than 2 Million Baht. This method is similar to the Basic Competitive Bidding Method but the announcement time is longer in each stage; at least seven days instead of three days. This method is also used when the prequalification stage in e-auctions remains not more than two qualified sellers. Moreover, total duration of this method is usually longer than 2 months.

4. Special Method.

Special Method is used when purchasing value is more than 100,000 Baht, yet the items cannot be purchased by using other methods. The examples of purchased items in this method are food, vegetable, meat, and other fresh items that cannot stand for a long time. This method is also used for purchasing advertisement.

5. Special Case.

Special case is only used in emergency case. The purchasing value is not limited.

6. E-auctions Method.

This method is used for purchasing value more than 2 Million Baht. This method is similar to Competitive Bidding Method but using electronic system instead of paper-based. Normally, after prequalification stage, the qualified sellers can join with price quotation. However, if there are only two qualified sellers, the bidding committee must select whether to continue using e-auctions or change to Competitive Bidding method.

4.5.2 *e-Auction practice*

The Government role in e-auctions is as regulator of the process. The Government prepares the regulation and guidelines of e-auctions applications in Thailand. Moreover, the Government takes care of Service Provider qualification and selection because there are more than one private Service Provider in Thailand. Currently, there are nine private Service Provider companies and three other companies are applying to be authorized as Service Providers. The Government of Thailand prefers using private Service Providers because this increases competitiveness between Service Providers.

In order to take care of the application of electronic purchasing system, the Government of Thailand formed a committee that consists of:

- Governor and one representative from Ministry of Information and Communication Technology (ICT),
- Governor of Ministry of Finance, as the head of the Committee,
- A representative from Department of Business Development,
- A representative of Department of Comptroller General.
- Director of the Office of Procurement Management, as the Secretary of the Committee, and two representatives of this office, and
- Two consultative members: a senior in Law and a senior in ICT. These consultative members cannot be appointed for more than two years.

This committee has responsibilities as follows.

- Set the regulations and conditions of using electronic purchasing system by Service Providers,
- Issue the conditions of using Service Providers in the electronic purchasing system,
- Qualify, select and register the eligible Service Providers,
- Monitor and evaluate System Provider Performance,
- Give consideration and approval to the government office for using or not using the electronic purchasing system.

Some criteria applied in Service Provider qualifications are:

- The company must have cash flow between 2 Million to 5 Million Baht.
- It can be foreign company; with 3/4 of the Board of Director is Thai.
- The company must have experience in the computer systems and IT.
- The company must have reliable software for running on e-auctions.
- The company's staffs have to be sufficiently capable for the works.

Nowadays, this committee hires a Thai consultant company named PA Associates Consulting. The task of this consultant company is to form a standard for evaluating Service Providers. The criteria for evaluation are in discussion between PA Associates Consulting and Office of Procurement Management with the approval from Ministry of Finance.

There are two methods used for purchasing by electronic system: Reverse Auction and Sealed Bid Auction. In Reverse Auction, basically the bidders can see the prices quoted by other bidders without knowing the identity of bidders quoting these prices. The Reverse Auction is used when there are more than two bidders quote the prices. Whilst, in Sealed Bid Auction, the bidders can see the lowest-price bidder at particular time but they cannot know the price. The Sealed Bid Auction is used for bidding process when there are only two bidder quote prices against each other. These two methods have to be used for purchasing with purchasing value of more than 2 Million Baht, or if the owner wants to use this electronic system.

4.5.2.1 *Prior to e-bidding process*

Briefly, these stages must be followed by all departments if they want to use electronic purchasing system. Firstly, the government office as the owner prepares detail information of the bidding by electronic purchasing system and decides whether he wants to run the bidding himself or by the services of a Service Provider. If this office prefers the first choice, he must prepare all required staff, software, as well as system and all equipment which comply with the regulations issued by Office of Purchasing Management. Moreover, he must get approval from the Office of Purchasing Management. If the government office wants to use services from a Service Provider, the Head of Department of this office is authorized to select the nominated Service Providers from the list provided by Office of Purchasing Management. Notices to the selected System Provider are then required.

Internally, the purchasing division in the department forms a committee consists of one chairman (at least level-6 officer) and two members (at least level-3 officers). The committee's responsibility is to select a System Provider from nominated list. The committee also has to prepare all contract documents between three parties: the owner, the bidders, and the System Provider. This committee is entitled to decide whether to continue using e-auction or Competitive Bidding method in case there are only two bidders passing the prequalification, or whether to cancel the bidding or to negotiate in case there is only one bidder passing the prequalification.

In case that the owner does not want to use a Service Provider, this committee is responsible for preparing a bidding office that at least follows these criteria.

- Telephone lines, at least 3 lines; and fax machines
- Computers with Windows XP Professional, Internet Explorer 6, modem 56 kbps, and printers;
- UPS and other equipment; and
- LCD Projector

In case that the owner wants to use a Service Provider, the selected Service Provider has to prepare all of systems and equipment at the place specified by the committee.

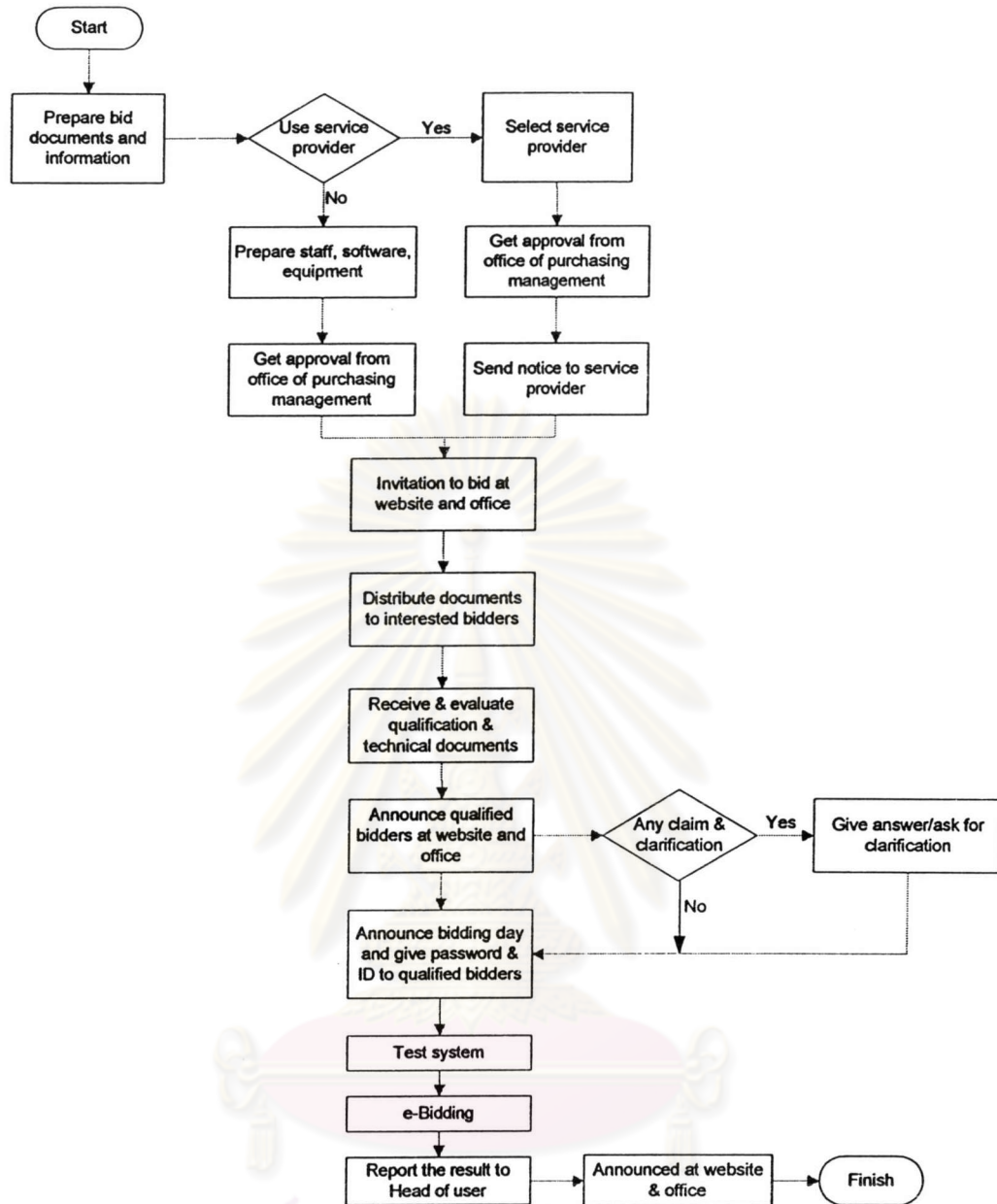


Figure 4.5 Bidding procedures at government side, Thailand

The bidding committee then issues the Invitation to Bidders at www.gprocurement.go.th. He also has to put announcement of Invitation to Bidders on the announcement board of the office of the owner, the Office of Procurement Management and also at the owner's website. The Invitation to Bidders may specify the objective of the project, criteria for prequalification, technical information, samples of agreement, bonds for the project, and invited bidders. A period of more than seven working days is provided for the interested bidders to come to the committee's office and obtain the bid documents. All of bid documents have to be

completely filled in and returned back to the committee within a period of not less than five working days.

The committee then checks all of the technical specifications and selects the qualified bidders who pass the criteria. These short-listed bidders must be reported to the head of department and the head of purchasing division of this office. The committee has to announce the qualified bidders at the owner's office and also the website of www.gprocurement.go.th. Moreover, the committee also has to inform the unqualified bidders and gives reason of their failure.

While waiting for the bidding day, the committee may ask the qualified bidders for detailed explanation if needed. The unqualified bidders are also given rights to ask and claim for their failure to the committee only if they want to get information.

The Service Provider has to announce the training service to the qualified bidders. He also has to give the User ID and Password to qualified bidders at least one day before the bidding day. The committee and the qualified bidders have a chance to test the system to prevent technical problems on the bidding day.

The committee should announce the date, time, place, duration, and conditions of the bidding process. The committee also announces the starting price or the selling price form the owner. The committee and the Service Provider decide whether the bidding will use Reverse Auction or Sealed Bid Auction. They also can decide whether using Sealed Bid Auction or Competitive Bidding method in case there are only two bidders passing the prequalification. In case the bidding process held at a bidding office, the committee should send one member of the committee to observe the bidding process at the bidding office.

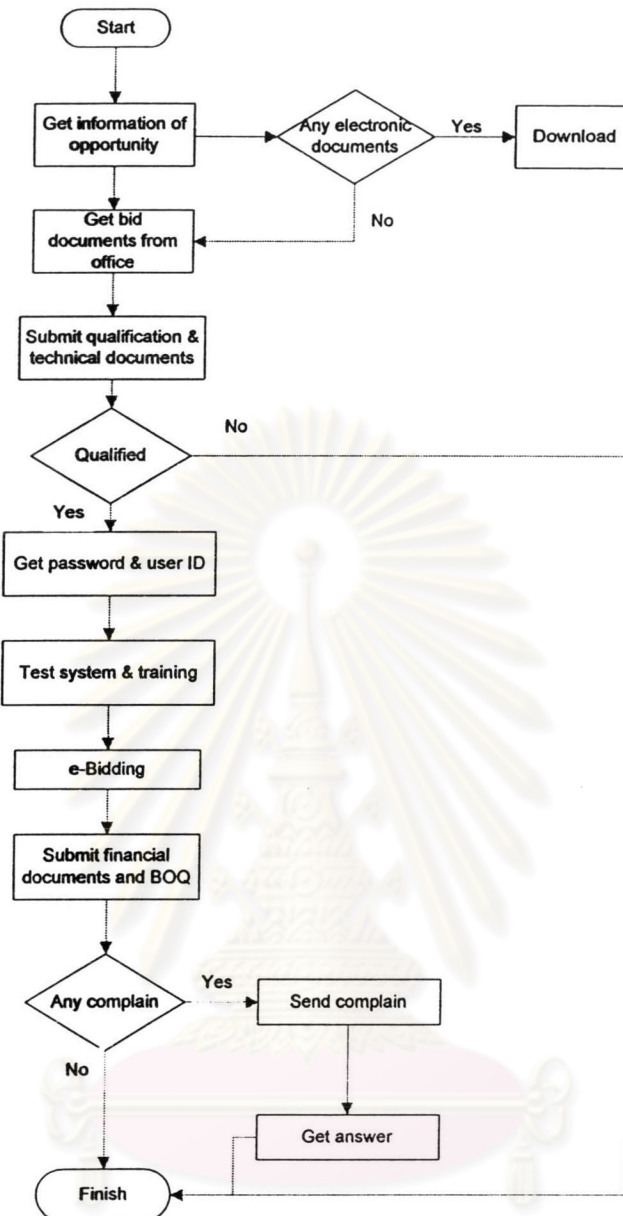


Figure 4.6 Bidding procedures at contractor side, Thailand

4.5.2.2 *e-Bidding procedures*

In the e-bidding process, either Reverse Auction or Sealed Bid Auction can be used. However, this regulation gives a guideline as shown below.

- Reverse auction:
 - a. Selling price can not be more than the allocated budget.
 - b. A minimum sequential decreasing bid amount depends on the project size or depends on suggestion of a Service Provider.

- c. There are two cases of bidding period:
 - i. If extension is given, extension time cannot be more than 60 minutes
 - ii. If no extension time is given, the total time cannot be more than 6 hours
- d. The extension is given in the sequence of 5 minutes.
- e. These information can be seen on committee's computer screen:
 - i. time
 - ii. code of the Bidders (to maintain anonymity during bidding period)
 - iii. log file of the processes
 - iv. lowest price during bidding period
 - v. remaining time
 - vi. final situation of the processes
- f. These information can be seen on bidders' computer screens:
 - i. time
 - ii. bidding detail, owner, items offered, selling price or starting price
 - iii. log file of the bidder
 - iv. lowest price
 - v. remaining time
- g. In case of emergency, an extension of 5 minutes should be added while the bidders have to send fax of price confirmation letter
- Sealed bid auction, (no price is shown, only code and position of the lowest price).
 - a. Selling price can not be more than the allocated budget.
 - b. Duration cannot be more than 6 hours
 - c. No extension time
 - d. There are 2 types to propose the price
 - i. single action
 - ii. multiple action

- e. These information can be seen on committee's computer screen:
 - i. time
 - ii. code of bidder
 - iii. lowest price
 - iv. remaining time
 - v. final situation
- f. These information can be seen on bidders' computer screen:
 - i. time
 - ii. detail of price
 - iii. the lowest bidder
 - iv. remaining time
- g. In case of emergency, an extension of 5 minutes should be added while the bidders have to send fax of price confirmation letter

4.5.2.3 *After e-bidding process*

The lowest price bidder is awarded the project. The committee then summarizes the result, reports the winner and its price to the Head of Department of the owner and announces the winner at the web site of the owner's office. The committee also has to send a report of Service Provider's performance to the Office of Purchasing Management for evaluation purpose. The report consists of the winner, its price, differences between starting price and winner price in percentage, and a name of Service Provider. This report can be sent electronically and will also be reported to the Cabinet.

These phenomena exist in the practice of electronic purchasing system. Several divisions under a Department can combine their items to be offered in one bidding. However, when the winner has been obtained, the contract must be signed separately. If there is any government office that cannot follow this regulation and wants to use other method, this office must get an approval from the Office of Purchasing Management.

The regulation also provides a guideline for premium to Service Providers. This premium is at cost of the winner. It should be notice that the premium is only calculated and paid if the bidding obtaining a winner. This premium is calculated by the Service Providers and consists of two items: premium rate and transportation rate.

- a. Premium rate:
- i. If budget < 2 Million Baht, the premium rate < 6,000 Baht per project.
 - ii. If 2 Million Baht < budget < 10 Million Baht; the premium rate cannot be more than 0.4% or more than 10,000 Baht per project.
 - iii. If 10 Million Baht < budget < 25 Million Baht; the premium rate cannot be more than 0.15% or more than 20,000 Baht per project.
 - iv. If budget > 25 Million Baht, the premium rate cannot be more than 0.1% or more than 30,000 Baht per project.
- b. Transportation fee is divided into 4 ranges from Bangkok:
- i. If the distance < 150 km; no transportation fee.
 - ii. If the distance between 151 and 250 km (7 provinces), the transportation fee cannot be more than 2,500 Baht.
 - iii. If the distance between 251 km and 500 km (16 provinces), the transportation fee cannot be more than 5,000 Baht.
 - iv. If the distance > 500 km (33 provinces) the transportation cannot be more than 10,000 Baht.