



Case study Tender Management

Thames Water increase procurement efficiency using BC Tendering



Thames Water has implemented an e-tendering solution from UNIT4 Collaboration Software Limited that increases AMP5 procurement efficiency and reduces costs by £2K per tender based on 25 tenders per year. In order to meet the company's specific needs, UNIT4 created a SaaS (Software-as-a-Service) solution, leveraging the tried and tested functionality built into their core BC system. Thames Water suppliers tendering for AMP5 related projects, ranging from £1 – 50M, are able to complete their bids quickly and easily using UNIT4's BC Tendering solution.

“Suppliers have sailed through completion of documents without instruction or needing to call in”



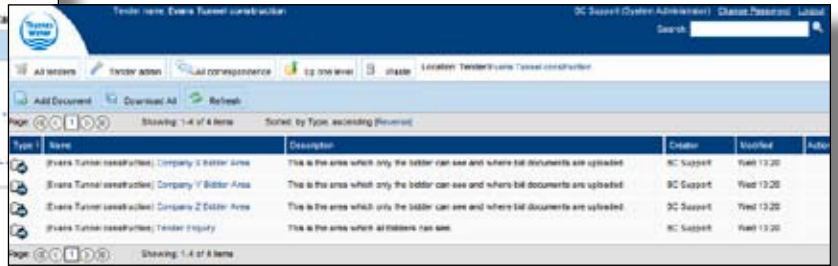
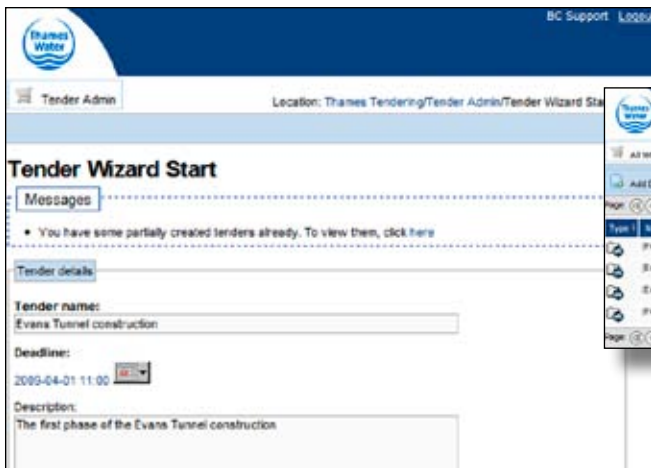
Key Benefits

- All tender communications are submitted to, securely held in, and accessed from one central location
- Improves the 'sealed-bid' process: procurement team are notified of submissions, but are restricted access to submissions until after tender deadlines
- Knowledge of other bidders is withheld from suppliers, whilst the procurement team are given greater visibility of all tender related activity with full audit trails
- Email notifications with direct links to centrally stores files quickly update suppliers of new and updated documents
- BC's ease of use simplifies tender submission making it easier for suppliers to respond faster

Background

The AMP5 Programme due to start in 2010 includes a variety of major civil infrastructure works. With the tendering period fast approaching Thames Water's procurement team recognised the need to improve their processes.

“We used to use paper and apart from being environmentally unfriendly, it was also hugely costly requiring significant print management assets and team resources. One of the consequences of AMP5 is that there are a lot more tenders and we recognised the need to do more with less”, explains Paul Meredith, Principal Project Manager at Thames Water.



The Tender Wizard makes it easy for Thames Water to start the tender process. Each invited supplier has their own secure area to upload documents.

The team had introduced a CD system and although improving communication, it still led to ongoing issues with control and tracking. “Invariably things do get changed as questions are raised throughout the tendering process, which can then lead to synchronisation and control issues,” continues Meredith. The company assessed a number of potential e-procurement solutions including their existing SAP implementation, but the ultimate selection was based on cost, deployment time, fit with IT strategy and certainty of outcome. UNIT4 was able to deliver the right functionality very quickly, whilst reducing both the risks and costs to Thames Water.

The Approach

UNIT4’s consultative approach involved creating a proof of concept that automated the tender creation process, disguising the sophisticated setup behind a user-friendly wizard.

Paul Meredith explains the challenge, “The core BC system is a very powerful solution; we recognised certain key components of its functionality that we needed to incorporate into the e-tendering solution. UNIT4 were able to advise, test and also start to implement changes quickly, which not only meant that we got the right solution, but it was delivered to tight timescales.”

Working with UNIT4’s collaboration consultancy team and following live trials with suppliers, Thames Water also made changes to the way in which they put together tender documents. Presetting the folder structure helps to limit the size of the documents. Previously whole documents were reaching 50 megabytes in size, but are now broken into smaller chunks that are easier to work with and enable suppliers to bid for appropriate project elements.

- Using a secure, online e-tendering solution, such as UNIT4’s, is a proven means to reduce costs, cut tender times and improve procurement efficiency
- Utilise vendor’s consultancy services. Working with UNIT4’s consultants identified that presetting the folder structure helps to limit the size of individual documents
- Storing documents in a centralised environment, a feature inherent to the BC system, enables the use of hot links to different documents within the tender to assist suppliers when completing specific elements

Each supplier’s tender documentation is uploaded into a secure folder. At a later pre-agreed date Thames Water ‘close the gate’ on the document, stopping further amendments. The folder is then ‘weighed’ to estimate its size and completeness before the tender is accepted. “The great thing about BC Tendering is that it is so easy to use. A recent new starter took only 45 minutes to run through the system. Suppliers, similarly new to the system, have sailed through completion of documents without instruction or needing to call in”, says Meredith.

By using the e-tendering solution, initially rolled out to half a dozen suppliers (increasing to 25 over the year), more indirect costs savings are expected to be found in reduced telephone enquiries received by the procurement team.

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