

CHAPTER 10

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CHAPTER 10

ELECTRONIC TENDERING SYSTEM

Objectives

This Chapter provides an overview of the functionality of the NSW Government and Department of Technology, Services & Administration (DSTA) *eTendering* System, and how it is to be used in accordance with tender process requirements.

Principles

- The NSW [Electronic Transactions Act 2000](#) allows tenders to be invited, offers to be made, and contracts to be formed, wholly by electronic communication.
- All competitive 'tender' processes conducted by DSTA must use the Internet based *eTendering* System
- All contract award information disclosure must be lodged on the *eTendering* System.
- All officers and others with access rights to the *eTendering* System must adhere to the NSW *Government Code of Practice for Procurement*.

Context

The key objectives of electronic commerce are to achieve:

- Better value for money outcomes for the procurement of goods and services, construction and Information Communication and Technology
- Reduced cost of doing business for both government and industry
- Reduced duplication and more efficient purchasing within and between agencies and service providers
- Increased ability to capture strategic information and data on procurement purchasing patterns
- Greater access for regional and small to medium enterprises

A key element of electronic commerce is the *eTendering* System that allows businesses to download tender documents and lodge their tender response electronically.

Validity of Tenders and Contracts Formed by Electronic Communication

This Manual and DSTA's standard Conditions of Tendering for electronically submitted tenders are consistent with the principles of the NSW [Electronic Transactions Act 2000](#).

This Act allows tenders to be invited, offers to be made, and contracts to be formed, wholly by electronic communication.

In accordance with the Act:

- Transactions taking place by electronic communication are valid;
- An electronic communication is a communication in writing; and
- A requirement for a signature is taken to have been met if, in an electronic communication, any reliable and appropriate method is used to identify the person and indicate the person's intention in respect of the information communicated.

In essence tenders lodged electronically are the same and treated in the same manner as tenders lodged by other means.

Signature

Signatures are not required on tenders submitted electronically. Tenderers must ensure that electronically submitted tenders are authorised by a person or persons who may do so on behalf of the tenderer, and identify the person and their official position with the tendering entity, and indicate the person's intention in respect of the information communicated.

The eTendering System

The *eTendering* System is an Internet based IT business process application that has successfully been in operation since 2000. It is used to advertise an RFT, provide the RFT documents files, receive and help to process tender responses at the Close of Tender.

It is also licensed to other NSW Government agencies to manage their tender processes and the technology is also used by the Commonwealth Government AusTender *eTendering* System.

Overview of Main Functions

The eTendering system supports DSTA and the NSW Government's tendering processes.

Major functions include-

- Advertising of an RFT– public disclosure of specific minimum RFT details
- Immediate access to RFT information and RFT documents
- Immediate notification to participating parties in an RFT of amendments & addenda
- Public registration with notification of new RFT opportunities that are posted on the web site
- A secure and confidential "electronic" tender box
- A controlled process for opening and extraction of responses received
- Provision for public disclosure of the names of legal entities submitting responses to an RFT
- Provision for disclosure of Contract Award details.

The *eTendering* System has a number of 'views' of its contents based on the access rights of the user:

- The public 'view' – This is what public users can access through the [eTenders website](#). RFT documents can be viewed and/or downloaded without registration. Once the user is registered in the System, they can use the other public side functions outlined in this Chapter.

- The 'admin console' or agency 'view' – This is what is seen by the internal agency user.
- E-mail 'view' – E-mails are used extensively by the System (generated automatically in most cases) to provide information to the recipient. It is essential that correct e-mail addresses are recorded in the console for agency notifications.

Relationship with Traditional Tender Processes

The *eTendering* System basically mirrors the 'hard copy' tender process. The *eTendering* System meets all standards of probity and transparency in the tender process and is a tried and tested technology.

Where the *eTendering* System and a traditional paper based tender process are run in parallel they must be coordinated.

For example, tender advertisements in a newspaper and on the *eTendering* System web site for an RFT are published as close to the same time as practical. The web page however, contains all the necessary advertisement information whereas the newspaper or other publications contain brief details and usually reference the web site for more details.

Similarly the distribution of RFT documents must occur in tandem. The hard copy RFT documents are printed from the same controlled document (or 'exhibited copy') as for the soft copy files loaded onto the web site for potential tenderers to download. Addenda are also issued simultaneously in hard and soft copy. Users that have registered and downloaded documents for an RFT on the *eTendering* system, will receive an automatic email advising of addenda.

Closing tenders received through the *eTendering* System are also stored until the RFT closing date and time in a secure 'virtual' electronic tender box under a 'two key' system. A Tender Opening Committee (TOC) opens the tender boxes and the tenders at the same time as they open the paper or facsimile tenders.

Security and Probity with the *eTendering* System and Lodged responses

The *eTendering* System is a fully secure and proven technology widely utilised by both the NSW and the Commonwealth Governments. The *eTendering* System ensures an RFT response received successfully is:

- encrypted for greater security;
- securely stored in an area of the *eTendering* System designated for receipt of tenders;
- routinely and securely copied to a backup facility for added security;
- unable to be accessed by the DSTA or agencies prior to close of time of the RFT;
- only accessible after close of the RFT through a controlled and auditable process; and
- not corrupted during transmission.

Generally the *eTendering* System will accommodate most size documents and drawings however the larger the file the longer it will take to download.

Prospective tenderers may be limited by their Internet Service Provider (ISP) and/or other equipment that they use for downloading and reproduction.

Please consult with [Tender Management Services](#) when preparing larger size RFT files for publishing.

All lodged responses are encrypted and stored after receipt and cannot be accessed before the close of the tender period. Also details of who has lodged a response or tender can only be obtained after the close time of the RFT.

Probity requirements are met by the Tender Opening Committee (TOC) after the close of tenders in the following way:

- System access controls ensure the received responses are only accessible after the closing date and time of the RFT via 'passwords' held separately by three officers of the TOC;
- A TOC opens and witnesses the tenders held in the area of the *eTendering* System designated for receipt of tenders;
- TOC members must be currently registered in the System, as an opener and as a witness;
- TOC members must be logged or log into the System; and
- TOC members must enter the preset unique encryption passphrase for each RFT to be opened. This secret passphrase is provided and held securely by Tender Management Services.

The responses received are then identified and details recorded on a Schedule of Tenders.

Distribution and Evaluation

Responses for each RFT are generally copied to 'write only' CD-ROM. A copy of the CD-ROM is made available to, and signed for, by the Contact Officer for the RFT or the officer(s) responsible for tender evaluation.

A master copy is securely archived by the Secretary of the TOC to enable most verification issues that may arise during evaluation to be dealt with without re-accessing the *eTendering* System.

Archiving

All RFT responses must be stored in a secure place for the minimum period required by legislation (statute of limitation may be 7 years for some information records). Data must be accessible during this time in case of disputes that may arise.

The same applies to hard copy documents that have been issued.

Agencies and Non Government-Agencies

The *eTendering* System is used (for a fee) by NSW Government agencies and other non Government agencies. These users maintain ownership of their tender processes even though they are managed through the *eTendering* System. DSTA provides technical support and maintenance services that allow other users to operate the system.

Agency branded web sites, self-managed electronic tender distribution and collection models (such as operated by DSTA) and an online tender advertising service cater for the diverse needs of users.

All RFTs loaded on the various agency specific web sites appear on <https://tenders.nsw.gov.au>, so that potential tenderers can access/browse/search all tenders from the one web site.

Supplier View or Public Side

The information provided through the *eTendering* System web site is in the public domain and the disclosure of RFT information is part of the formal tender process. Care must therefore be taken in preparing and publishing such information to ensure it is accurate, correct, clear and factual.

More information is available on the generic functions of the eTendering System under [Help](#).

eTendering System Use by Prospective Tenderers / Public

The public including prospective tenderers are able to do some or all of the following:

- View information notices on proposed Request For Tender RFT(s) expected to be issued in the near future This is an option that is not often used by DSTA;
- Search for RFT(s) currently open, through a listing sorted by various criteria including category, date of publishing, closing date, last updated etc;
- Read the RFT advertisement/invitation, view more detailed RFT information, download a soft copy of the RFT documents or order a hard copy of the RFT documents on-line;
- Use a unique Access Code to restrict access to the RFT files. The RFT files are locked away from the general public and only accessible by use of the special Access Code issued by the Project Officer to the invited tenderers;
- Use an electronic 'payment gateway' and receive a Tax Invoice by e-mail for hardcopy and/or softcopy RFT documents provided for a price; (DSTA does not charge for softcopy RFTs)
- Receive automatic email notifications of amendments i.e. addenda, extensions of tender period or other special communications/notices;
- Lodge a tender response in electronic form into the *eTendering* System's electronic tender box and receive an on-screen courtesy acknowledgement message and an e-mailed official receipt of files received successfully; and
- Receive courtesy notification e-mails of the advertising of new RFT on the web site, based on the user registration and their areas of interest.

Tenderers are fully responsible for lodging their tender on time, having allowed for and acknowledged all amendments, into whatever available tender boxes they choose from the options specified in the RFT Conditions of Tender document.

Tenderers should not rely on the ability of their own IT system, ISP, communications carriers, and the Internet to deliver their tenders to the *eTendering* System in time especially shortly before tender closing time.

Tender Form Text

DSTA standard Conditions of Tendering oblige tenderers not to change existing text in electronic tender forms and tender schedules and to only insert the required information.

As part of the initial assessment of electronically lodged tenders, officers evaluating tenders should check, including using a computer file comparison utility, that there is no change in the text of electronic tender forms and schedules provided to tenderers other than by the insertion of the required information by tenderers.

DSTA or Agency Side - Internal Users

Administration Console

The *eTendering* System has an [Administration console](#) ('Admin Console') with various menu items on the agency side for activities such as the loading of RFT advertisements/invitations, the loading of RFT documents and amendments, 'publishing' to public view, opening RFTs, publishing contract award information, *eTendering* System user maintenance and generating a range of reports.

Officers are specially trained and accredited in the use of the Admin Console to suit their function and the level they are assigned. Most screens have on-line help facilities.

To load and publish RFT documents in the *eTendering* System, they must be loaded against one designated *Department* (e.g. DSTA, Sydney Water, Railcorp etc) or another designated *Agency*.

Each Agency has an e-mail address to which designated system generated e-mails are sent depending on the tenderer's transaction (for example downloading RFT documents or addenda, lodging a tender, etc.).

Reports can be generated based on users' access rights, giving information such as:

- Summary Report - Management overview of RFT processes, sales and public interest;
- Transaction Report - Record of a Payment Gateway activity;
- Reconciliation Report - Report on logins, downloads, orders, and sales with each RFT;
- RFT Report - Snapshot of fields and activity on individual RFT, or by wider selection; and
- Distribution & Responses Report - Comprehensive outline of who has obtained documents distributed through the *eTendering* System and (after close) who has responded for each RFT.
- Audit Tracking reports which track and record change to various data fields in the system

More information can be obtained on the generic functions of the *eTendering* System Admin Console by contacting the Support Centre on 1800 679 289

Application Management

DSTA controls, maintains and provides ongoing system development of the *eTendering* System application. That is, the base system and functionality which each agency is licensed to use.

DSTA has special access rights to the *eTendering* System that allow additional changes to be made to the configuration and/or to data. Special access rights allow changes in the 'back-end' to be made and data altered by specialist programmers.

All officers and others with access rights to the System or to operate in the 'back-end' must sign the *Code of Conduct for the Tendering Process*, and adhere to the NSW Government [Code of Practice for Procurement](#) and the other requirements for tender processes.

Electronic File Formats

RFT documents (including drawings) are generally prepared in electronic formats that can be automatically loaded into the *eTendering* System to address:

- The requirements of the tender process (such as the format required for tenders), tender response & evaluation tools, spreadsheets, databases, and the like involved;

- Specific RFT issues that ensure the document is in a readable and consistent format, and to inhibit tenderer modification of content of the RFT documents. The document may be loaded in Adobe Acrobat 'PDF' or another secure format, and CAD drawings could be in native format and/or Adobe Acrobat 'PDF' format;
- Size and number of files where it is necessary to break up documents, or to zip together files;
- What the expected tenderers can download, and handle with associated activities like printing;
- Business unit decisions about standard file formats; and
- Availability of client or reference material in electronic format.

File formats are generally tailored to suit each RFT. The system will generally take any file format type and there is no restriction from the *eTendering* System operational view point.

Standard Conditions of Tendering normally require that electronically lodged tenders to be lodged in a file format that can be read, formatted, displayed and printed by Microsoft Word 2003. Other formats may be specifically required but these need to be specified in the RFT documents.

The most important consideration is that any files received as part of the RFT response must be able to be opened, read and or printed by the TOC and later by the tender evaluation team or project manager. Therefore, the acceptable file formats to be used in a response must be specified up front in the RFT Conditions of Tender document as a requirement for a conforming RFT.

Consideration must also be taken of the current DSTA software and its versions so that any files received can be easily opened and read. As an example DSTA does not use Microsoft Vista so files in this format can not be easily opened and read.

Conditions of tendering normally allow tenderers to compress electronically submitted tenders in any format that can be decompressed by WinZip, but not submit self-extracting (*.exe) zip files or zip files that are locked with a password. WinZip is a common file compression utility (loaded on most DSTA PCs) that is capable of decompressing most files.

Most tenders are lodged using files in Microsoft Word or Excel formats, or other commonly used software that can be converted. Agencies must use reasonable endeavours to decompress, convert and read common format files.

If any CAD files are to be lodged with an electronically lodged tender, conditions of tendering normally require that they are in a particular format compatible with DSTA software.

Other approved formats that are used and specified in the RFT documents must not provide an unfair advantage to one tenderer over another.

Please consult with Tender Management Services with respect to any of these issues.

DSTA eTendering Administrators, Local eTendering Administrators (LeTA), Loaders & Publishers

All these roles are critical to the eTendering process and can either be performed individually or as part of the same role. Generally anyone undertaking these functions should have a thorough knowledge of how to use the *eTendering* System as well as a clear understanding of tender processes and procedures.

The typical role of **DSTA eTendering Administrators** includes:

- Logging issues into an issues database' and 'change control' system to assist in identifying solutions, modifications or enhancements;

- Managing an expert external customer and internal user Help Desk service;
- Providing advice to local *eTendering* Administrators, Contact Officers and others responsible for an RFT;
- General problems related to RFT processing;
- 'Training the trainer' and training other users as appropriate;
- Assisting with the identification, definition and documentation of user requirements for change, and user acceptance testing;
- User access control and reports;

The **Local eTendering Administrator (LeTA)** responsibilities include:

- Identifying, analysing, prioritising and resolving problems related to RFT processing;
- Training users and briefing RFT Contact Officers as appropriate;
- Advising Contact Officers and others responsible for an RFT on the requirements of the *eTendering* System and how to prepare RFT documents;
- Arranging the timely and correct loading of RFT advertisements/invitations, RFT documents and addenda into the System, and sending them for publishing;
- Generating, handling, communicating and keeping secure '*restricted access*' passwords;
- Providing an internal help service;
- Assisting coordinating hard copy with soft copy tender processes;
- Inputting into the identification, definition and documentation of user initiated change, and assisting with user acceptance testing;
- Generally assisting with defining tender process practice and procedures.

Loaders main responsibilities are:

- Loading of RFT advertisements/invitations, RFT documents and amendments into the System, and checking them and submitting them to a Publisher for publishing;
- Securely storing the controlled copies of the files that are loaded to the web site in a central location. In addition storing all other relevant information to do with the RFT e.g. email correspondence, submitted files, Loading Data form, transaction emails;
- Advising Contact Officers and others responsible for an RFT on how to prepare advertisements /invitations information and RFT documents;
- Generating and appropriately handling, communicating and keeping secure '*restricted access*' Pass codes, when required;
- Loading approved proposed RFT information; and
- Crosschecking and updating related CCMS data, amending this data as appropriate and liaising with the relevant CCMS Administrator.

Publishers have a vital role in ensuring the accuracy in the tender process with:

- The public side - reviewing and checking loaded RFT web page advertisements and addenda prior to publishing 'to public view', and spot-checking other material; and rejecting (or amending) material that is not to standard or erroneous;
- Feedback – providing timely and constructive feedback to LeTA, loaders and Project Officers; and
- Tender opening RFT '*encryption key*' passphrase creation and security.

Their main responsibilities also include:

- Reviewing, before publishing, the general accuracy of RFT advertisements/invitations, RFT documents, and addenda that have been loaded into the System, and 'sent for publishing';
- Note it is at all times the responsibility of the project officer/contact officer etc to ensure the accuracy of documentation. Promptly publishing for public view RFT advertisements/invitations, RFT documents and addenda, including rejecting (or amending) material that is not to standard;
- Determining, generating and appropriately handling, communicating, and keeping secure 'encryption key' passphrases, and any associated 'restricted access' passwords; and
- Ensuring 'encryption key' passphrases are passed over to the control of the Tender Closing Office promptly to ensure they are available for tender opening.

Opener's responsibilities are to support the TOC by:

- Commencing and closing the electronic tender opening session with the System, as part of a TOC;
- Ensuring that the witness username and passphrase has been provided to the witness, the witness authorises their use, and that they are only used for the purpose of that opening; and
- Using the RFT passphrase to un-encrypt and download tenders.

An **Opening Witness** in the TOC is generally involved as rostered members and main responsibilities are:

- Witnessing the authorised opening for each RFT and the listing of tenderers that is generated in that process;
- Authorising and witnessing the use of their username and passphrase (provided to them for the purpose of the TOC), to be used in the electronic tender opening session;
- Signing a printed copy of the listing verifying what was witnessed at the time of opening and any subsequent notations made by the TOC in confirming the legal entity of firms tendering.

eTendering User Training

Training for users (in any of the above roles) consists of a full day, interactive face-to-face course covering administration, tender advertising, downloading supplier responses, tender opening processes, award and disclosure.

For additional information please contact:

P: 1800 003 985

E: nswbuy@services.nsw.gov.au

Feedback

Feedback and suggestions are welcomed to be provided to the Support Centre on 1800 003 985.

Acronyms

CCMS	Contractor & Consultant Management System
ISP	Internet Service Provider
IT	Information Technology

LeTA	Local eTendering Administrator/s
RFT	Request for Tender
TIO	Tender Issuing Office
TCO	Tender Closing Office
TOC	Tender Opening Committee