



INDUSTRY SECTOR: TRANSPORT
SOLUTION: TENDERLINK E-PROCUREMENT PORTAL

CAIRNS AIRPORT PUTS PROBITY ON AUTOPILOT WITH TENDERLINK



If you've been to the Great Barrier Reef or the Daintree Rainforest, there's a good chance you've passed through Cairns Airport, the gateway to some of Australia's most popular tourist attractions.

Cairns Airport had more than 4.6 million passengers pass through the gates during financial year 2015. Not bad, considering the population of Cairns is just over 140,000.

As such, the airport is effectively Cairns - indeed Australia's - front door to some of the world's greatest natural attractions. The work needed to keep it running smoothly is significant, with many of the tasks large in scale, requiring them to be tendered.

The challenge for Cairns - and for that matter, many organisations - lies in the tender process itself, which is traditionally slow, lacks automation and requires the recording and subsequent dissemination of all communications manually. Additionally, a manual process means that the potential for error and probity failures is ever-present.

Recognition of these issues resulted in the airport searching for a more efficient and failsafe method for undertaking its intensive procurement process.

Putting a Lid on Risk

"We'd undertake, on average, one or two tenders a month for our larger-scale projects," said Floyd de Kruijff, Manager Projects Department at Cairns Airport. "In the past, we've generally undertaken the entire process primarily by email. So if a contractor had a question, they would email, and we'd have to collate that into a document, together with any verbal requests received, and send that out to everybody. It took up a lot of our time.

"This process also meant that we were at risk of not capturing all the data completely; a risk no organisation can afford, especially an organisation as busy as ours. From an administration and documentation perspective, we needed to ensure we could make the whole tender process more

transparent and easier to record so we'd avoid any issues in the future.

"We saw TenderLink's e-Procurement toolset being demonstrated at a conference late 2014 and it ticked all the boxes we needed."

Efficiency Assured

"The time it takes to inform tenderers, to distribute questions and answers, to inform all parties regarding addenda, send out tender documents... basically, all the steps in the tender process have become much easier to navigate," he said. "It's a central, digital space where all parties have access to the same data and receive clarity about the current tender in progress. It also allows us to set supplier expectations in a consistent and uniform manner."

"We use TenderLink for the whole tender process: to invite and select the tenderers, to receive and send tender documents and for all aspects of the process up until the closing date of the tender. All questions and answers are asked and received through the portal's forum."

"Any good e-Procurement toolset should take care of the routine administrative tasks inherent to the procurement process," said Darrin Stollznow, Australasian Business Development Manager for TenderLink. "For instance, our system electronically receipts and time-stamps submissions to the electronic tender box - no pen, paper or lists are required.

"Because every organisation has different procurement processes, it's hard to put an exact savings figure on the efficiency gains across the board. But one clear example is that our clients can publish a notice to the market

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- start to finish - in about three minutes flat. And that includes sending an optional print advertisement summary to an ad agency of their choice.

"But the benefits are multi-layered. Sure, system automation provides efficiency gains, but it also removes the prospect of human error or oversight, the consequences of which can be very time-consuming and costly."

Benefits Accrue – Whether Large or Small

"We are now aiming to use TenderLink for more than just works valued at over \$100,000," said de Kruijff. "I've asked the Projects team to use this as much as possible, because it's a transparent, ethical way of tendering for all parties involved, including us. So we intend to use TenderLink for anything where we don't go sole source, or any job valued at over \$20,000, where we are seeking two or three quotes."

"It's only natural that clients want to focus on big ticket items first," said Stollznow. "But over time, we see a growing understanding that the benefits offered by our solution apply equally to smaller jobs that don't necessarily warrant a full tender process. Our system enables organisations to find efficiencies in all areas of their purchasing requirements, regardless of spend size."

Facts over Feel: An Ethical Way to Tender

"For many organisations that partake in procurement processes, transparency is critical to maintaining the integrity of the process," said de Kruijff. "For instance, if a supplier appears to win a lot of work, this can lead to a perception that there is somehow a preference towards that supplier, which may not be the case. And that's another reason to go down the e-Procurement path."

"The TenderLink portal ensures every step of the process is automatically

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recorded and available to all parties that participate in the process. Every email, question and answer is recorded and available, and any addenda are automatically sent out through the system. Even the time the documents are downloaded from the portal by suppliers and the time they are uploaded and received is time-stamped. We haven't had any issues to date, and TenderLink's portal ensures we won't get any in the future."

"It's reassuring to see that the motivations are not just about money," said Stollznow. "Just because a job doesn't classify as 'large' doesn't mean organisations should relax their probity or ethical standards."

"We are seeing more and more organisations striving for best practice in these areas. In terms of system usage patterns, we see evidence of this with a 17 per cent growth in the number of select notices being published through our system. Previously, these types of jobs may have gone 'under the radar' but now our clients are looking for increased visibility over all the types of jobs they put to market, whether large or small, public or select."