Bid Express®

What to know about Internet Bidding

Internet-based bidding for general procurement and construction made its debut soon after the birth of the Internet. Over the years, this technology has seen proven results, increasing adoption, and greater maturity in security and flexibility. Owner-agencies seeking to procure construction, goods, and services typically request bids, proposals, and quotes competitively from an open or select pool of vendors. Today, agencies employ a variety of methods when receiving bids and proposals depending on the type of solicitation. Based on the options available, what are the most efficient, cost -effective, and low risk approaches?

Paper Bidding vs. Internet Bidding

Over the years as we have spoken with owner-agencies about bidding on paper, many have shared the inefficiencies of processing and receiving paper bids.

By adopting an internet bidding process, owner-agencies:

+ **Lower administrative costs** by eliminating manual creation of bid tabulations, comparison reports, summaries, results, bidder lists, status reports, etc. With paper bidding, the cost of storing, entering, tracking, sharing, and searching paper bid data also increases with the volume of bid activity.

+ **Ensure the best solicitation pricing and value** by eliminating common mistakes on requirements, allowing last minute price or proposal updates, and increasing competition. A bidder's mistake, which can lead to a low or best value response being deemed non-responsive, causes the owner-agency to either lose the savings by going with the next bidder, delaying the award, or dealing with potential protests.

+ **Save vendors time and money** by simplifying common steps like filling out and signing required forms, following a predefined format/structure, obtaining bid bonds (if relevant), and submitting sealed bids or proposals by a predetermined deadline. Submission costs for vendors quickly accumulate when considering the time and expenses involved in preparation (printing copies/binders) and delivery of the paper response. Submittals on paper are often delivered directly to the owner-agency's office via a courier or representative of the bidding firm, incurring time and travel expenses, or are sent via an overnight delivery service. Internet bidding also reduces risk of late bids and disqualification due to mistakes which is seen as a major value for vendors

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Types of Internet Bidding

Once owner-agencies understand the value of an internet bid and proposal process, they are confronted with various options: submission via email, FTP sites, or a designated online service. Owner-agencies who use the options of email or FTP run into security concerns of bids being easily hacked, intercepted, altered, or lost, while having no ability to enforce a rigid deadline. These options do not guarantee accountability from the owner by preventing any viewing before the deadline. Other disadvantages of these or similar methods when Internet bidding is reduced to a scan and upload process include providing no mistake prevention, no data collection for reports, no auto-price calculation, and requiring large storage capacities depending on what is being uploaded.

Internet bidding via a cloud-based intelligent system that is designed with encryption technology, ensures that no response can be intercepted, lost, or seen by unauthorized parties and prevents the owner-agency from viewing information before the deadline. This option automatically collects data for reporting, and enforces consistency with the use of online intelligent forms preventing mistakes or omissions.

Electronic Signature vs. Digital Signature

Internet transactions are "signed," just as paper transactions are signed. The difference is merely that the "signature" is electronic. However, Internet bidding should provide more assurances to the receiving party than a simple electronic signature can provide. That's why digital signatures are a central component of the Bid Express® Service. Digital signatures are encrypted messages which can only be decrypted with the use of a specific, unique electronic "key." A digital signature, by its very operation, identifies the sending party with certainty, guarantees the integrity of the contents of the message (the message has not been altered or tampered with since it was signed), and creates a presumption of non-repudiation in the receiving party's favor. Because these transactions are typically not face-to-face, all three of these concepts provide crucial assurances for the parties to an electronic transaction. Info Tech believes that digital signatures are an indispensable component to the Internet bidding process, and that digital signatures provide the most responsible form of online security and user identification.

In conclusion, when examining paper bid submission compared to Internet bidding it's always important to understand why owner-agencies would adopt and what options will best fit their goals. Here at Infotech, we designed the Bid Express® service (bidexpress.com) to be flexible enough to mimic unique solicitation requirements through custom online forms, minimizing mistakes, collecting data for reports, enforcing consistency, and creating a greater convenience for vendors. Our strive for simplicity - achieved through nearly 20 years of feedback - and our focus on security - via digital signatures - have made us a widely used and reliable service.