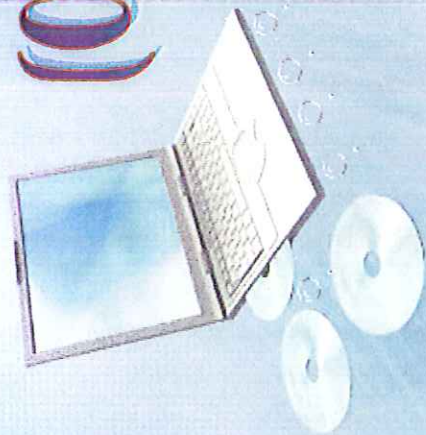


PUBLIC SECTOR TRANSFORMATION

E-Auction Overview

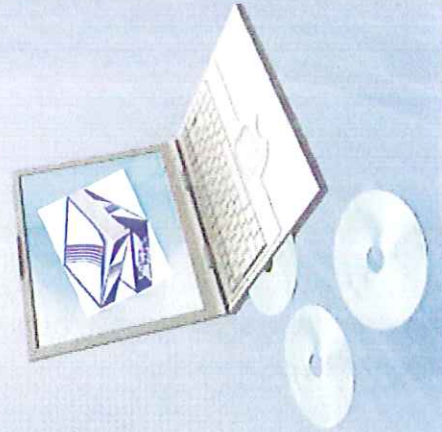
(Computer and Paper Event)



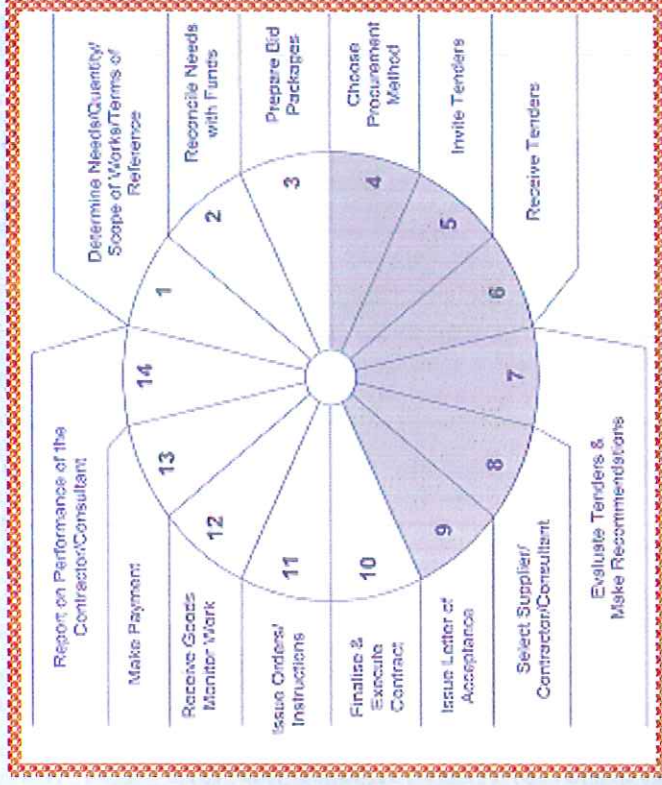
FRIDAY 17TH JULY, 2009

INTRODUCTION

THERE ARE MANY STEPS IN THE
PROCUREMENT LIFE TO BE
FOLLOWED IN ORDER TO ACQUIRE
GOODS & SERVICES AT THE BEST
POSSIBLE COST OF OWNERSHIP.



PROCUREMENT 360 DEGREE CYCLE



PROCUREMENT REFORM

IN ALL CASES WHERE PUBLIC FUNDS ARE BEING USED FOR PROCUREMENT THERE IS NEED FOR THE PROCURER TO SECURE BETTER GOODS AND SERVICES AT A LOWER COST, AIMED AT OBTAINING BETTER VALUE FOR MONEY. IN LIGHT OF THIS FACT, THE GOVERNMENT HAS DECIDED TO REFORM THE PUBLIC PROCUREMENT SYSTEM.

REFORM SEEKS TO INCORPORATE STRINGENT MEASURES ON:

- ➔ **TRANSPARENCY**
- ➔ **ACCOUNTABILITY**
- ➔ **VALUE FOR MONEY**

THESE PRINCIPLES ENVISAGE THE USE OF TECHNOLOGY FOR SUCCESS.



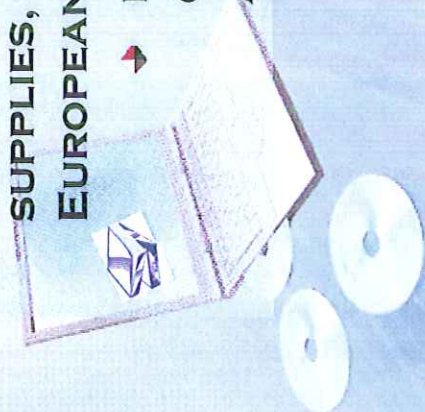
E-PROCUREMENT IN TODAY'S ENVIRONMENT

THE CHILEAN MODEL --

- * A COMPREHENSIVE PROCUREMENT SYSTEM REFORM WAS INTRODUCED IN CHILE GIVING RISE TO:
 - RECOGNITION OF THE POTENTIAL BENEFITS OF IT
 - INCREASED TRANSPARENCY
 - REDUCTION IN FIRMS' TRANSACTION COSTS
 - INCREASED OPPORTUNITIES FOR FEEDBACK & COOPERATION BETWEEN FIRMS AND PUBLIC AGENCIES
 - SHARPLY REDUCING OPPORTUNITIES FOR CORRUPT PRACTICES

THE EUROPEAN MODEL --

- * A CENTRALIZED SYSTEM OF NOTIFICATION OF PUBLIC PROCUREMENT OF ALL SUPPLIES, SERVICES, AND WORKS BY GOVERNMENT BODIES IN THE EUROPEAN UNION
 - ENABLING CITIZENS/BUSINESSES TO BENEFIT FROM SECURE, CONVENIENT AND AUTHENTICATED E-PROCUREMENT SYSTEM ACROSS EUROPE.



E-PROCUREMENT IN TODAY'S ENVIRONMENT

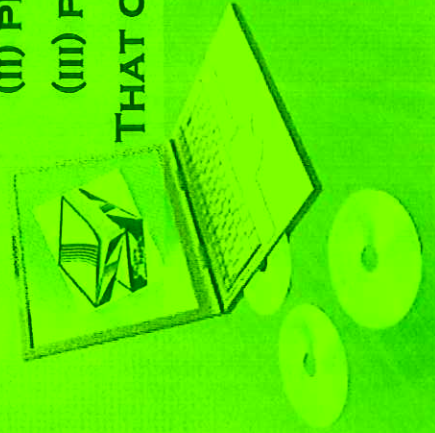
THE AUSTRALIAN MODEL -

- * THE GOVERNMENT INTRODUCED A NEW ONLINE PROCUREMENT SYSTEM WITH THE EXPECTATION THAT:
 - THE TECHNOLOGY BE USED TO PROVIDE STANDARDIZATION FOR E-PROCUREMENT OPERATORS
 - THE INFORMATION BE IN THE PUBLIC DOMAIN

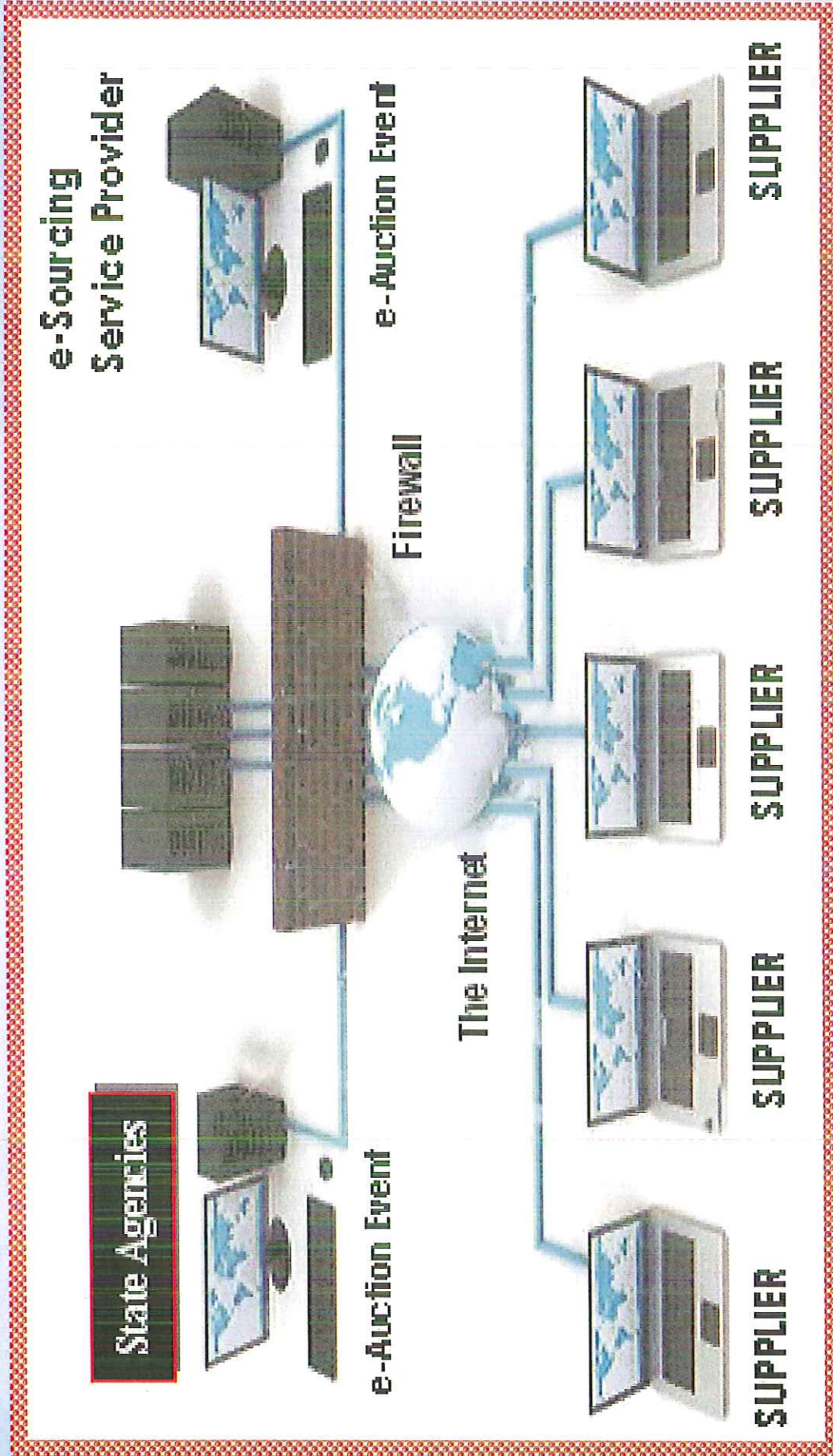
THE SCOTTISH MODEL -

- * THE SCOTTISH GOVERNMENT BELIEVE THAT:
 - BENEFITS CAN BE REALIZED BY ADOPTING:
 - (I) A SINGLE SYSTEM
 - (II) PROCESS
 - (III) PROCEDURES

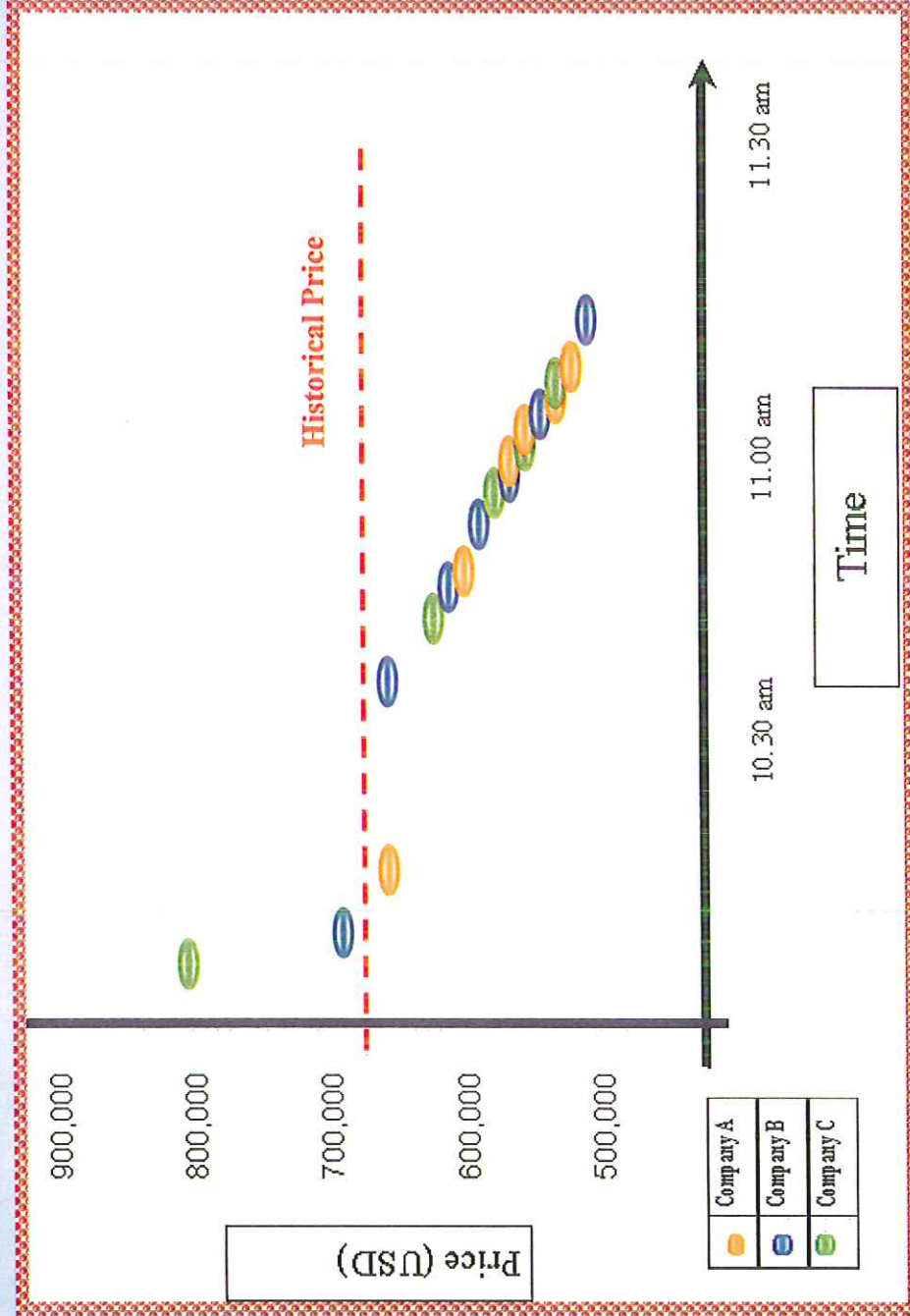
THAT CAN BE USED BY ANY ORGANIZATION IN THE PUBLIC SECTOR



A REVIEW OF THE E-AUCTION PROCESS



AN ACTUAL E-AUCTION EVENT



- Quick Synopsis:**
- Historical Price = US\$685,000.00
 - Total Lots = One (1)
 - Currency = US\$
 - No. of Suppliers Invited = five (5)
 - No. of Bidders = three (3)
 - Event started at 10.30 am
 - Running time for the Lot = 30 minutes
 - Bid rank that triggers OT = 3
 - Overtime period = 3 mins
 - Number of overtimes = Four (4)
 - Percentage savings 25.54% (US\$175,000.00)
 - Leading bid = US\$510,000.00
 - Bidding end time = 11.15 pm

FULL SOURCE BID HISTORY – LOT 6 – SERVICE FITTINGS
DATED JULY 11TH 2006 AT 10.30 AM

WHERE ARE WE NOW?

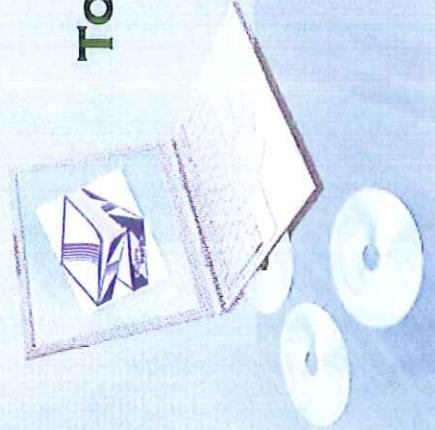
 **IN 2006 SAVINGS OF APPROX. TT\$20 MILLION, FOR:**

- * **PIPES AND FITTINGS**
- * **CHEMICALS (LIQUID ALUMINIUM SULPHATE)**
- * **COMPUTERS**

 **IN 2007/2008 - SAVINGS OF APPROX. TT\$33 MILLION:**

- * **PIPES AND FITTING, CHEMICALS**
- * **GENERATORS, EQUIPMENT RENTAL SERVICE**
- * **COMPUTERS, GAS FUSE TANKS, PAPER**
- * **DATA LOGGERS, FLOW METERS, HARD NOTE BOOKS**
- * **DUMP TRUCK, BACKHOES, FORKLIFTS, STEEL PRODUCTS**

**TOTAL SAVINGS FOR THE YEAR 2006-2008 REGISTERED
AT APPROXIMATELY TT\$53 MILLION**



PARTICIPATING COMPANIES

- ➔ EDUCATION FACILITIES COMPANY LIMITED (EFCL)
- ➔ EVOLVING TECHNOLOGIES AND ENTERPRISE DEVELOPMENT CO. LTD (E-TECK)
- ➔ THE TRINIDAD AND TOBAGO ELECTRICITY COMMISSION (T&TEC)
- ➔ NATIONAL ENTREPRENEURSHIP DEVELOPMENT CO. LTD (NEDCO)
- ➔ PHOENIX PARK GAS PROCESSORS LIMITED (PPGPL)
- ➔ THE PETROLEUM COMPANY OF TRINIDAD AND TOBAGO LTD (PETROTRIN)
- ➔ THE WATER AND SEWERAGE AUTHORITY OF TRINIDAD AND TOBAGO (WASA)
- ➔ THE NATIONAL PETROLEUM MARKETING COMPANY (NP)
- ➔ PUBLIC TRANSPORT SERVICE CORPORATION (PTSC)
- ➔ NATIONAL HELICOPTERS (NHSL)
- ➔ NATIONAL SCHOOLS DIETARY SERVICES LTD. (NSDSL)
- ➔ NATIONAL GAS COMPANY (NGC)
- ➔ LAKE ASPHALT OF TRINIDAD AND TOBAGO

OVER ONE HUNDRED AND FIFTY (150) SUPPLIERS WERE TRAINED IN THE PROCESS

BENEFITS THAT CAN BE DERIVED BY USING AUCTIONS

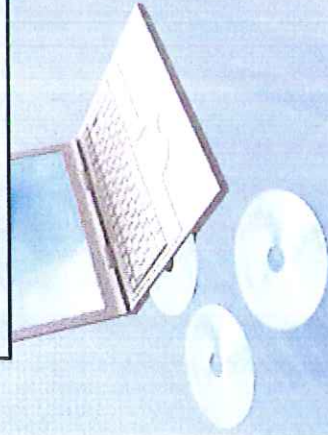
BUYER-SIDE BENEFITS	SUPPLIER-SIDE BENEFITS
This part of the procurement cycle can be shortened for both the buyer and suppliers	Technology provides for better decision making
Creation of new markets	Transparency with regards to having historical information available on-site enabling the suppliers to access the reason for award
Development of improved specification	Increased visibility
Standardize data to increase understanding of the purchase	Supplier quoting in a short space of time
Reduce administration cost and source processing time	It is a real-time event that occurs on-line allowing all suppliers regardless of their geographical location to place and modify bids simultaneously
Improve communication between organizations and contractors	Suppliers would be placed on a database for future auctions
Select the lowest bidder by price comparison	Provides opportunities for business

IDENTIFICATION OF THE BENEFITS APPROACH

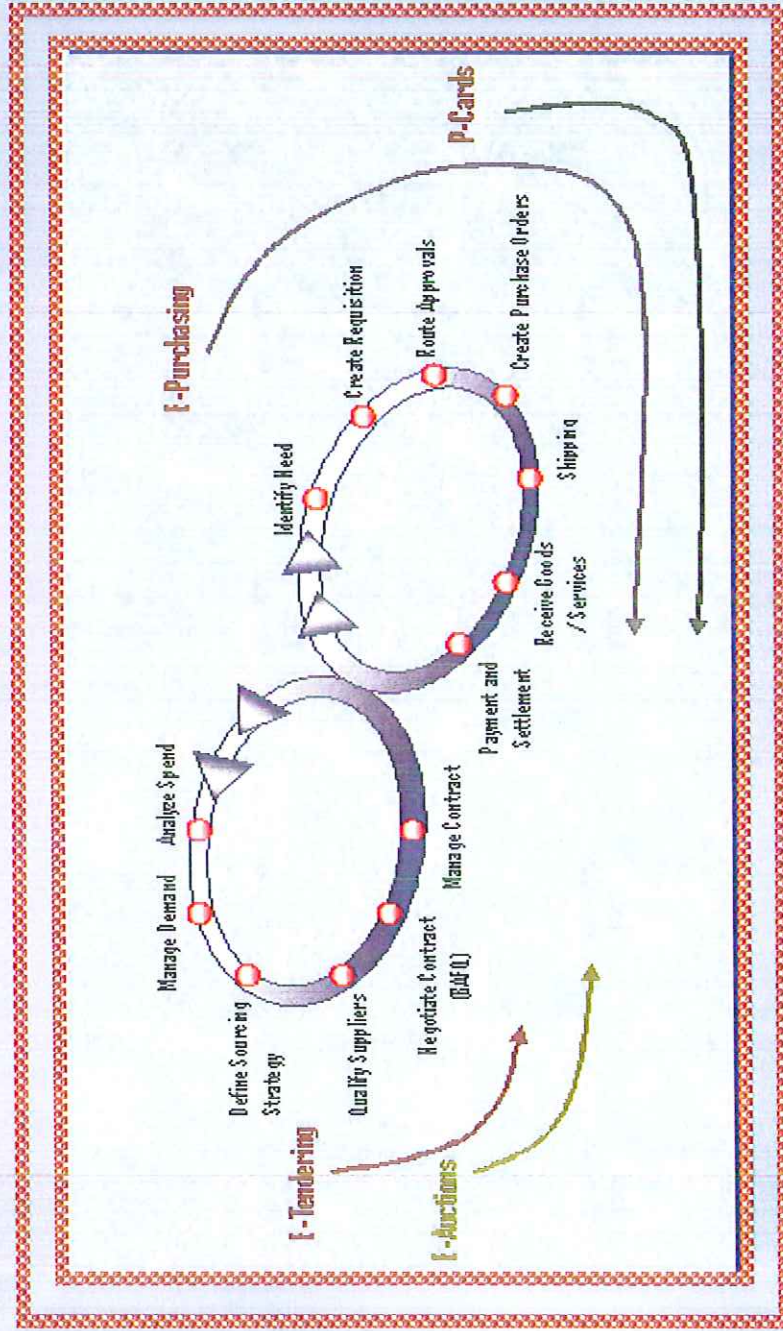
STATE ENTERPRISES SHOULD FOCUS ON SIMPLE, KEY MEASURES THAT PREDICT AND TRACK THE BENEFITS ATTRIBUTABLE TO THE E-TENDERING SOLUTION ITSELF. THE PROPOSED KEY PERFORMANCE INDICATORS (KPI):

TYPE OF BENEFITS	KPI
TIME SAVINGS	REDUCTION IN TIME SPENT TO TENDER
ADVERTISING COST SAVINGS	REDUCTION IN ADVERTISING COST
OVERHEAD COST SAVINGS	REDUCTION IN TOTAL OVERHEAD COSTS
PROCESS COMPLIANCE	% OF TENDERS THROUGH E-TENDERING SYSTEM

WEIGHTED METHOD TO DETERMINE KPI'S



E-PROCUREMENT



E-AUCTION PAPER EVENT FOR WASA AND OTHER STATE COMPANIES (AUGUST 2008) (8.5 X 14)

NO	STATE COMPANY	STATE COMPANY COST PER REAM \$TT	E-AUCTION COST PER REAM \$TT	SAVINGS PER REAM \$TT	SAVINGS %
1	NGC	\$28.00	\$24.00	\$4.00	14%
2	E-TECK	\$28.95	\$24.00	\$4.95	17%
3	LAKE ASPHALT	\$29.00	\$24.00	\$5.00	17%
4	NP	\$28.50	\$24.00	\$4.50	16%
5	PTSC	\$31.50	\$24.00	\$7.50	24%
6	NSDSL	\$28.00	\$24.00	\$4.00	14%
7	WASA	\$26.45	\$24.00	\$2.45	9%
8	PPGPL	\$27.00	\$24.00	\$3.00	11%
9	PETROTRIN	NIL	NIL	NIL	NIL
10	NATIONAL HELICOPTERS	\$28.00	\$24.00	\$4.00	14%

ITEM	HISTORICAL PRICE	LEADING PRICE	SAVINGS (US\$ & TT\$)	SAVINGS %
PAPER (8.5 X 14)	US\$ 53,086.65	US\$ 38,606.97	US\$ 14,479.68 TT\$ 91,656.37	27.28%

E-AUCTION PAPER EVENT FOR WASA AND OTHER STATE COMPANIES (AUGUST 2008)

(8.5 X 11)

NO	STATE COMPANY	STATE COMPANY COST PER REAM \$TT	E-AUCTION COST PER REAM \$TT	SAVINGS PER REAM \$TT	SAVINGS %
1	NGC	\$22.00	\$16.84	\$5.16	23%
2	E-TECK	\$22.50	\$16.84	\$5.66	25%
3	LAKE ASPHALT	\$22.00	\$16.84	\$5.16	23%
4	NP	\$21.50	\$16.84	\$4.66	22%
5	PTSC	\$22.50	\$16.84	\$5.66	25%
6	NSDSL	\$22.00	\$16.84	\$5.16	23%
7	WASA	\$19.35	\$16.84	\$2.51	13%
8	PPGPL	\$23.50	\$16.84	\$6.66	28%
9	PETROTRIN	\$20.50	\$16.84	\$3.66	18%
10	NATIONAL HELICOPTERS	\$22.00	\$16.84	\$5.16	23%

ITEM	HISTORICAL PRICE	LEADING PRICE	SAVINGS (US\$ & TT\$)	SAVINGS %
PAPER (8.5 X 11)	US\$ 13,321.19	US\$ 8,955.32	US\$ 4,365.87 TT\$ 27,635.96	32.77%

E-AUCTION PAPER EVENT FOR WASA AND OTHER STATE COMPANIES (AUGUST 2008)

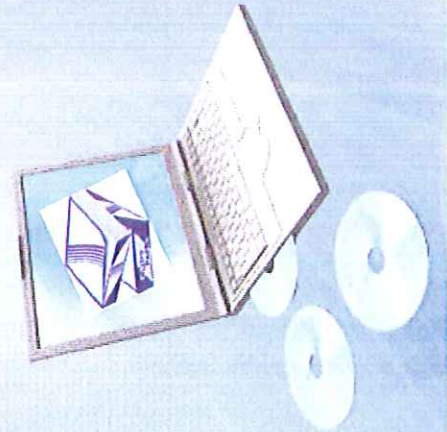
(11 X 17)

NO	STATE COMPANY	STATE COMPANY COST PER REAM \$TT	E-AUCTION COST PER REAM \$TT	SAVINGS PER REAM \$TT	SAVINGS %
1	NGC	\$49.00	\$37.35	\$11.65	24%
2	E-TECK	\$55.00	\$37.35	\$17.65	32%
3	LAKE ASPHALT	\$33.00	\$37.35	< \$4.35 >	< 13 > %
4	NP	\$43.95	\$37.35	\$6.60	15%
5	PTSC	\$55.00	\$37.35	\$17.65	32%
6	NSDSL	NIL	NIL	NIL	NIL
7	WASA	\$48.95	\$37.35	\$11.60	24%
8	PPGPL	\$55.00	\$37.35	\$17.65	32%
9	PETROTRIN	NIL	NIL	NIL	NIL
10	NATIONAL HELICOPTERS	NIL	NIL	NIL	NIL

ITEM	HISTORICAL PRICE	LEADING PRICE	SAVINGS (US\$ & TT\$)	SAVINGS %
PAPER (11 X 17)	US\$ 1 62,539.92	US\$ 100,225.64	US\$ 62,314.28 TT\$394,449.39	38.34%

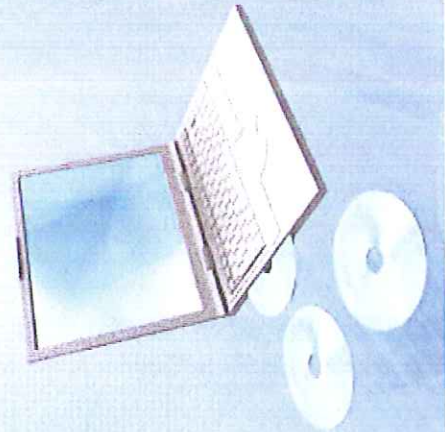
E-AUCTION COMPUTERS EVENT FOR WASA (APRIL 2009)

ITEM	HISTORICAL PRICE	LEADING PRICE	SAVINGS (US\$ & TT\$)	SAVINGS %
COMPUTERS	US\$ 309,524.00	US\$ 172,000.00	US\$ 137,524.00 TT\$ 869,151.68	44.43%



SUMMARY

- MAKE SURE THAT ALL PARTICIPANTS AGREE ON THE RELEVANT SPECIFICATIONS FOR BOTH COMPUTER & PAPER
- DELIVERY
- LIST OF SUPPLIERS
- AGREEMENT SIGNED OFF
- ENSURING PAYMENT



**THANK
YOU**

ANY QUESTIONS

