

The Use of On-Line Bidding for Foundation Contracts

The European Directive defines when electronic (on-line) auctions should and should not be used to procure products and services:-

“...provision should be made for such electronic auctions to deal only for contracts for works, supplies or services for which the specification can be determined with precision.”

“..those aspects of the tenders which imply an appreciation of non-quantifiable elements should not be the object of electronic auctions. Consequently, certain works contracts and certain service contracts having as their subject-matter intellectual performances, such as design of works, should not be the object of electronic auctions”

Extract from: - Directive 2004/18/EC.

The Ground Forum in conjunction with the AGS and FPS agrees with these statements and believes that the design and construction of foundations falls within the definition of non quantifiable elements which ‘should not be the object of electronic auctions’.

Foundation contracts frequently involve a greater or lesser amount of contractor design. As competition is fierce in the sector, companies compete not only on price but also on engineering expertise and experience to present cheaper alternative solutions. These alternatives often present significant overall savings including savings in follow-on works that are not part of the foundation contract. A proper review and reconciliation of these alternatives can never be made on the basis of the lowest cost for a conforming solution.

Design by consultants of specialist foundations and retaining walls, which often comprise part of a wider package of services, clearly 'should not be the object of electronic auctions'.



The Ground Forum



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