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**BENEFITS AND CHALLENGES OF E-TENDERING  
SYSTEM IN CONSTRUCTION PROJECT:  
PERSPECTIVE FROM DEVELOPERS**

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## ABSTRACT

Tendering is the most important part before any construction begins. E-tendering on the other hand is an advanced technology that brings together the idea of entering and conducting a tender or a tendering process electronically. However, it is still in the process of being implemented widely in the construction industry. This method compared to the traditional one is known to be highly effective and efficient. The problems faced by the construction parties throughout the whole process of traditional tendering can be encountered with E-tendering. Issues such as time and cost consumption, less information security, low speed of communication, non-eco-friendly due to a large amount of paper used and the arithmetical errors which causes major inaccuracies in calculation can be overcome with E-tendering. However, the application of E-tendering is still lower than the traditional approach even though many benefits can be gained from this approach. Thus, this study aims to enhance the implementation of E-tendering among developers in the Malaysian construction industry. The research objectives of this study are to identify the challenges as well as benefits of implementing E-tendering focusing on developers. A questionnaire survey was conducted and had been distributed to developers and consultants in Klang Valley. According to the results of the study, E-tendering has the potential to give significant resource savings to a significant portion of the construction supply chain. The primary advantages of this method are improved communication, cost savings, and time savings. However, a sizeable segment of the sector continues skeptical of this new technology adoption with reluctance to change seen as the main obstacle. Findings from this study are beneficial for private-sector construction practitioners to recognize the need for increased implementation of E-tendering, through training, education, and top management support are required for E-tendering

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## CHAPTER 1

### INTRODUCTION

#### 1.1 BACKGROUND OF STUDY

A tender document in a general definition is a submission made by a prospective supplier in response to an invitation to tender. It makes an offer for the supply of goods or services. To prepare the tender documents, traditionally, everything is done manually which can somehow take up so much time as well as cost. In this time of globalisation, it is utterly important to include the latest technology usage especially in works related to construction. This is to increase or improve the profitability of construction company. The use of internet technology in construction industry is being said to have many advantages including speed, real-time data input and availability, centrally located applications, database, and documents; definable user accessibility and increased uptime (Mastor & Azizan, 2012). Almost every single detail or filtration can be applied in preparing these documents. For instance, the specifications, advertising, tender aggregation as well as the evaluation can be done by the system itself. This saves up quite amount of time that is usually needed for tender preparation. Information technology (IT)-based processes are taking the construction industry into new dimensions. The key element of success is accepting change and a new way of working within this traditional and fragmented industry (Blayse & Manley, 2004; Blismas et al., 2004). Organisations need to adapt and explore concurrent changes in today's borderless economy, or risk losing out (Alshawi, 2007; Nitithamyong & Skibniewski, 2007). However, this raises the question, are we ready? How are we able to prepare ourselves for this change? The thought of introducing the industry to the advantages of ICT generated a lukewarm response, especially in trying to