



Government Procurement Guide for SMEs

This guide serves to help you better understand Government Procurement (GP) rules so that you can take part and bid for business opportunities and projects required by Government departments.

GP policies help ensure that goods and services purchased are at the best value for money. As a party to the 1994 Agreement on Government Procurement (GPA) under the World Trade Organization (WTO), we are committed to the following principles:

Openness & Fairness

We will not discriminate in favour of or against any supplier. We treat suppliers fairly. All suppliers are given the same information for them to prepare their bids.

Transparency

The procurement procedures and policies for supplying to the Government are clear and made known to suppliers to help them understand how we buy goods and services. Therefore, we aim to provide all the necessary information, for example, purchase requirements, bid evaluation criteria, etc. in the tender documents.

Value for money

To achieve value for money, we evaluate suppliers' offers not only in terms of price, but also whether they have complied to all the requirements in the tender specifications, quality of the goods and services, timeliness in delivery, reliability and after-sales service.

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Government Procurement – An Overview

Who buys your Goods and Services?

Individual ministries, departments and statutory boards buy goods and services for their use.

For goods and services that are commonly procured by the public sector, sourcing is done centrally by the Expenditure and Procurement Policies Unit (EPPU) under the Ministry of Finance, Defence Science and Technology Agency (DSTA), Infocomm Development Authority of Singapore (IDA), or other suitable agencies.

Examples of common goods and services sourced centrally		
EPPU	DSTA	IDA
Auctioneer services	Courier services	IT security services
Postage-paid envelopes	Office Equipment & Supplies	Cabling & network infrastructure

What do we buy?

What we buy is basically classified into goods, services and construction services.

Goods

- Includes all materials, manufactured items, consumables and non-consumables.

Services

- Includes work of cleaning, maintaining, repairing, overhauling and testing of any goods.
- Also includes consultancy, advice, and/or the dissemination of other information in any form or manner.
- Excludes construction services

Construction services

- Includes construction and construction-related engineering projects, renovation and maintenance works on buildings or permanent structures.
- Also includes the installation and maintenance of electrical and mechanical facilities in buildings or permanent structures.

Examples		
Goods	Services	Construction Services
Computer hardware/ software products, food & beverages, office equipment supplies, computer supplies	Advertising, graphics, consultancy services, supply of manpower	Civil engineering, demolition, plumbing & sanitary works, piling

How do we buy Goods and Services?

Depending on the value, Goods and Services are purchased using one of 3 procedures,

1. Small value purchases – For value up to S\$3,000

We can buy directly from you or off-the-shelf.

2. Quotations – For value between S\$3,001 to S\$70,000

We will post quotations openly on the Government e-Business (GeBIZ) website.

3. Tenders – For value above S\$70,000

We will call for a tender. There are 3 types of tenders: Open, Selective or Limited.

a. Open Tenders

A tender notice will be posted on the GeBIZ website inviting any supplier who may be interested to bid based on the requirements specified.

b. Selective Tenders

Selective tenders are used for more complicated purchases that have sophisticated requirements. This procedure has 2 stages:

- Short-listing of applicants –
We shortlist applicants based on their capabilities via an open pre-qualification exercise.
- Invitation to bid –
The shortlisted applicants are then invited to submit their tenders.

c. Limited Tenders

Such tenders are by invitation only, and may be open to one supplier or a few suppliers. We call for limited tenders when the project concerns national security, or when it is not feasible or practical to call for open tenders, for example, because of intellectual property rights or for works of art.

Where can you find procurement opportunities?

All quotations and tenders (Open and Selective) can be found on the GeBIZ website (www.gebiz.gov.sg). There, you can get information on tender schedules of bids received and tender awards. You will also be able to learn of business opportunities with foreign governments.



Doing Business With Us

To begin supplying goods and services to the Government, you will have to:

- Sign up as a GeBIZ Trading Partner, and/or
- Sign up as an EPPU Supplier or as a BCA Supplier.

What is the difference between a GeBIZ Trading Partner and an EPPU or BCA Supplier?

As a GeBIZ Trading Partner, you can transact on the GeBIZ website. Your account will allow you to respond to all business opportunities offered (quotations and tenders) on GeBIZ. In some cases, the tender will require you to be an EPPU or BCA (Building & Construction Authority) registered supplier.

	Required to be a GeBIZ Trading Partner	Required to be an EPPU-Registered Supplier	Required to be a BCA-Registered Supplier
Quotations	✓		
Tenders for goods or services	✓	✓	
Tenders for construction services	✓		✓

Registering as a GeBIZ Trading Partner

What is GeBIZ?

GeBIZ (www.gebiz.gov.sg) is the Singapore Government's one-stop business centre, where suppliers can transact electronically with all public sector agencies.



GeBIZ Home Page

Who is a GeBIZ Trading Partner?

You are a GeBIZ Trading Partner if you are a supplier who has registered with GeBIZ. As a GeBIZ Trading Partner, you are able to respond to all electronic quotations and tenders posted on the GeBIZ website.

Must I register with EPPU before I sign up as a GeBIZ trading partner?

No, you do not have to be an EPPU registered supplier to sign up as a GeBIZ Trading Partner.

What is the difference between a non-GeBIZ Trading Partner and a GeBIZ Trading Partner?

Non-GeBIZ Trading Partners can only view quotation/ tender opportunities but cannot bid for them. A GeBIZ Trading Partner can view such information and also transact online. You need to be a GeBIZ Trading Partner in order to bid for quotations and tenders.

For a more detailed description of the difference between the two, see table below

S/N	Description of Functions	Non-GeBIZ Trading Partners	GeBIZ Trading Partners
1	View pre-procurement plan	✓	✓
2	View tender notices, schedules and awards	✓	✓
3	View qualification notices and schedules	✓	✓
4	View auction notices	✓	✓
5	View related corrigendum	✓	✓
6	View request for information	✓	✓
7	View quotation notice and brief description of quotation awards	✓	✓
8	View quotation notice and details of awards		✓
9	Submit quotations and tender submissions electronically		✓
10	Download tender documents (With effect from May 05, this function will be extended to non-GeBIZ Trading Partners.)		✓
11	Access all archived notices, schedules and awards		✓
12	Receive electronic purchase orders		✓
13	Receive email notifications when purchase orders are issued		✓
14	Submit electronic invoice		✓
15	View payment status		✓

How much must I pay to become a GeBIZ Trading Partner?

Registration is free, with effect from 1 April 2005, for the first account for your company. However, there will be a charge of S\$ 320 (including GST) per account per year for each additional account after the first free user account.

How do I register as a GeBIZ Trading Partner?

You can register online at www.gebiz.gov.sg. If you have difficulties registering online, you can come personally to register at:

GeBIZ Service Centre (GSC)
1 Maritime Square
#10-40 HarbourFront Centre (Lobby D)
Singapore 099253

Please bring the following supporting documents :

- A photocopy of each representative's NRIC or his/her personal particulars page on his/her Passport
- Company Stamp

Are there any training courses conducted for GeBIZ Trading Partners?

Yes, training for GeBIZ Trading Partners is conducted by the NUS Extension programme. You may contact the NUS Extension at 6338 8400 or 6338 4452 for course registration, details and schedules. Details of such training courses will also be posted on the GeBIZ website.

What are the benefits of signing up as a GeBIZ Trading Partner?

As a GeBIZ Trading Partner, you can:

- Have UNLIMITED access to vast business opportunities available (S\$10B annually) on GeBIZ
- Participate in Invitation-to-Quotes (ITQs) and Invitation-to-Tenders (ITTs)
- Obtain detailed information on ITT and ITQ awards
- Receive purchase orders and submit invoices for purchases electronically
- Discover business intelligence such as knowledge of your competitors' goods and pricing

Registering as an EPPU Supplier

The EPPU evaluates whether suppliers of goods and services have sufficient financial resources to undertake government contracts.

Is it compulsory to register with EPPU?

Registration is not compulsory in order to bid for tenders. However, some tenders may require suppliers to be registered with EPPU in order to qualify.

Must I be a GeBIZ Trading Partner before I register with EPPU?

Yes, you must first be registered as a GeBIZ Trading Partner in order to register with the EPPU.

How do I register as an EPPU Supplier?

You can register online at www.gebiz.gov.sg.

EPPU has a list of category of Goods and Services, which we refer to as Head of Supply. Your business will come under a specific category, depending on the type of goods and services provided by your company. You will be able to obtain more information on EPPU Head of Supply from GeBIZ.

Registration under each 'Head of Supply' may be for one of the following financial grades:

Financial Grade	Tendering Capacity (S\$)	Net Tangible Asset (NTA) (S\$)	Turnover/Sales /Revenue (S\$)
S2	100,000	5,000	100,000
S3	250,000	12,500	250,000
S4	500,000	25,000	500,000
S5	1,000,000	50,000	1,000,000
S6	3,000,000	150,000	3,000,000
S7	5,000,000	250,000	5,000,000
S8	10,000,000	500,000	10,000,000
S9	>10,000,000	1,500,000	>10,000,000 Paid-up Capital must be at least \$1.5m
S10	>30,000,000	4,500,000	>15,000,000 Paid-up Capital must be at least \$2m

How do I qualify as an EPPU supplier?

You must have a positive Net Tangible Assets (NTA) of at least 5% of the financial grade which you are applying for, and a turnover/sales/revenue that is at least equivalent to the tender capacity¹.

Example:

To apply for a Financial Grade of S4 with a tender capacity of S\$500,000, your NTA must be at least S\$25,000 and your company must be generating an annual turnover/sales/revenue of S\$500,000.

¹If the Turnover/Sales/Revenue does not meet the minimum value for a financial grade, the financial grade eligibility will be based on the NTA but rounded down to fit to the next lower financial grade.

What is NTA (Net Tangible Asset)?

For Companies, NTA is the sum of paid-up capital, revenue reserves, preference/premium shares plus accumulated profit or less accumulated losses.

For Businesses, NTA is the sum of cash in the working capital/partners account that is currently allocated for the applicant's business under reference, plus profit or less total liabilities (i.e. accumulated losses or withdrawal).

For newly formed Companies/Businesses, NTA will be based on the paid-up capital or cash in the working capital/partners account.

Can a consortium made up of SMEs take part in public tenders?

Yes, a pool of smaller suppliers can form a consortium to take part in higher value government tenders. The combined financial health and turnover of the members in the consortium will be considered.

What are the evaluation guidelines for consortia?

We will evaluate the NTA and turnover/sales/revenue of a consortium based on the individual member's EPPU registration. The guidelines are as follows:

Evaluation criteria	Evaluation guideline
NTA of consortium	NTA of the member with the highest NTA among the consortium members + 50% of the sum of NTAs of the remaining members
Turnover/Sales/Revenue of consortium	Turnover/Sales/Revenue of the member with the highest Turnover/Sales/Revenue among the consortium members + 50% of the sum of Turnover of the remaining members

For example, Consortium A is made up of 3 companies: Company A-1, A-2 and A-3

Coy	Paid-up capital	Net profit (loss)	NTA	Turnover/ Sales/ Revenue	EPPU financial grade
A-1	S\$100,000	S\$(50,000)	S\$50,000	S\$1,000,000	S5
A-2	S\$250,000	S\$150,000	S\$400,000	S\$3,000,000	S6
A-3	S\$500,000	S\$(200,000)	S\$300,000	S\$8,000,000	S7

Calculation for NTA of Consortium A

- = NTA of the member with the highest NTA among the consortium members + 50% of the sum of NTAs of the remaining consortium members
- = \$400,000 + 50% of (\$50,000 + \$300,000)
- = \$575,000

Calculation for Turnover/Sales/Revenue of Consortium A

- = Sales Turnover of the member with the highest Turnover/Sales/Revenue among the consortium members + 50% of the sum of Turnover of the remaining consortium members
- = \$8,000,000 + 50% of (\$1,000,000 + \$3,000,000)
- = \$10,000,000

Hence, based on EPPU registration guidelines, the financial grade eligibility of Consortium A is S8 with a higher tendering capacity of up to S\$10,000,000.

Do I have to pay to be registered as an EPPU Supplier?

For new applications and upgrading, the processing fee per supply head is S\$50.00, subject to a maximum of S\$500.00 (for 10 Heads of Supply, or more).

For renewals, the processing fee is S\$50.00 per supply head, subject to a maximum of S\$90.00 (for 2 supply heads or more).

Example (For new applications and upgrading)

Fee for One Supply Head is S\$50.00

Fee for Two Supply Heads is S\$100.00 (or S\$50 x 2)

Fee for Ten (10) Supply Heads is S\$500.00 (or S\$50 x 10)

Fee for Eleven (11) Supply Heads is S\$500.00 (Maximum amount for 10 Heads of Supply and above.)

How long is the registration valid?

The validity of the approved registration is three years or shorter, depending on your eligibility in meeting the registration criteria.

Registering as a BCA Supplier (for construction and construction-related projects)

The BCA registers suppliers of a construction and engineering nature. In order to take part in construction or construction-related government projects, you must be a registered supplier with the BCA, unless otherwise specified in the tenders.

Must I be a GeBIZ Trading Partner before I register with BCA?

You do not have to be a GeBIZ Trading Partner in order to register with BCA. However, you will need to be registered as a GeBIZ Trading Partner in order to submit your quotations or tenders via GeBIZ.

How do I register as a BCA Supplier?

You can download application forms from BCA's website at www.bca.gov.sg. BCA also has a list of registration heads and financial grades for which you can apply. There are six major groups of registration heads that you can apply for. The heads are – Construction Workheads (CW), Construction Related (CR) Workheads, Mechanical & Electrical (ME) Workheads, Supply (SY) Workheads, Maintenance (MW) Workheads and Regulatory Workheads (RW).

What criteria does BCA use to evaluate suppliers?

BCA will look at your company's track record and performance, financial capacity, personnel resources and company status with the Accounting & Corporate Regulatory Authority. More details on evaluation can be found in the 'Terms of Registration' link on BCA's website.

How much must I pay to sign up as a BCA Supplier?

Please refer to table below:

PROCESSING FEES (per workhead)	
Grade	Amount (Inclusive of GST)
L1, Demolition	S\$ 360
L2 – L3	S\$ 450
L4 – L5	S\$ 600
L6	S\$ 1,200
C3	S\$ 450
C2 – C1	S\$ 600
B2 – B1	S\$ 900
A2	S\$ 1,800
A1	S\$ 3,000

How long is the registration valid?

Registration is valid for a period of 3 years.

Who can I contact if I have questions?

You can call the Contractors Registry at 1800-221-2242.

Benefits of registering as an EPPU / BCA Supplier

The two central Government Registration Authorities (GRAs) are the EPPU, for general goods and services suppliers, and the Building & Construction Authority (BCA) for construction and construction services contractors.

These two GRAs help to reduce the administrative work for you when you bid for different government projects. Instead of going through an evaluation and registration process with every public agency for every tender, you only need to submit your business's financial documents once to the appropriate GRA to register.

Once your business is registered with the GRA, we will have a record of your business and you can now take part in tenders called by any public sector organisation, according to the appropriate financial grade and supply head.



Government Procurement Opportunities

The Pre-procurement Plan

What is the pre-procurement plan?

It is a listing of potential procurements which the public sector is likely to conduct in the next 6 months. The plan was first launched in October 2003. As a guide, purchases exceeding the value of S\$200,000 will be shown in the plan. The pre-procurement plan for the new financial year of Government (1 April to 31 March) will be published in April every year.

The plan is only indicative of what government agencies intend to purchase in the next work year. This means we may or may not proceed with the procurement indicated in the plan, depending on the actual requirements during the year.

Where can I find the pre-procurement plan?

You can view the pre-procurement plan, free of charge, on GeBIZ at www.gebiz.gov.sg.

How does the pre-procurement plan apply to me?

By using the brief descriptions given, you will be able to tell if you are interested in bidding for the purchase. You can also search purchases that are of interest to your business by searching by:

- a. Type - IT, Goods & Services or Building & Construction
- b. Supplier Category (BCA / EPPU) or
- c. Financial Category.

You can also seek clarification from the officer responsible for the procurement from the contact details provided.

How do suppliers benefit from the pre-procurement plan?

The pre-procurement plan allows you to identify, in advance, potential opportunities that may be of interest to you. You will be able to gain some lead time to source for your own supplies, partners and prepare your proposals.

Quotation opportunities

Registration as an EPPU supplier is not compulsory. However, you must be a registered GeBIZ Trading Partner in order to bid for electronic quotations invited through GeBIZ.

Where can I find quotation opportunities?

We will publish an Invitation to Quote (ITQ) on GeBIZ.

Some useful tips when responding to quotations:

- Submit your offer, including prices before the closing date and time stated on the invitation. It is best to submit your price quotes early so as to avoid last-minute rush.
- Submit your offer on time. We will not accept late submissions, regardless of how late you are. We ensure equal treatment of all bidders, by rejecting submissions after the closing date and time. (Time as reflected on GeBIZ)
- Check your prices to make sure that they are correct before submitting. We do not allow changes to prices after the closing date and time.
- Submit offers through GeBIZ. Only offers submitted through GeBIZ are valid. We do not accept offers sent through non-GeBIZ means such as fax or email.
- Make sure you receive a system-generated response number. Print out the response number as evidence that you have successfully submitted your quote.

Tender opportunities

Unless clearly stipulated, you do not need to be registered as an EPPU supplier to take part in the tenders. However, you must be a registered GeBIZ Trading Partner in order to bid for all tenders published on GeBIZ.

Where can I find tender opportunities?

You can find tender notices on GeBIZ.

Some useful tips when responding to tenders:

- Submit your tender proposals through GeBIZ. We may allow voluminous catalogues and supporting documents (that are too large to be attached electronically) to be submitted physically (hardcopy) at the office designated in the tender. Please read the Instructions to Tenderers section carefully for details on what are the requirements. You will still need to submit your bid price for the tender through GeBIZ even if you submit physical (Hardcopy) copies.
- Check your prices and make sure they are correct before submitting. Bids can be prepared and saved in GeBIZ. You can retrieve and amend your bids even after submission as long as the tender has not closed. No changes are allowed after the tender closes.
- Submit your price quotes early so as to avoid last-minute rush. GeBIZ does not allow submissions after the closing date and time. We do not accept late submissions.
- Make sure you receive a system-generated response number. Print out the response number as evidence that you have successfully submitted your tender prices.



Evaluation Process

How do we evaluate your bids?

We evaluate your offers based on whether they meet our specifications and criteria. Value for money is our key consideration.

Evaluation follows strictly the criteria set forth in the tender document. We do not change criteria or waive essential requirements or contractual terms during evaluation.

We evaluate your offer in two ways. We base it on:

- a) Critical criteria –
those that you must fulfill, failing which you will not be awarded the tender.
- b) Non-critical criteria –
criteria that are optional.

Your company must meet all the critical criteria in order to be eligible for award.

Who evaluates your bids?

A Tender Evaluation Committee (TEC) comprising procurement officers and representatives from user departments and technical specialists will evaluate your offer. Other than pricing, the TEC will also evaluate if your offer complies with the specified criteria, conditions and specifications stipulated in the tender document.

Who approves your bids?

Each Tender Approving Authority (TAA) comprises no less than three senior officers. The TAA members will consider, approve or reject recommendations on tenders. All members in the TAA will be different from those in the TEC.

TAA members can recommend to:

- award the tender to one or more tenderers,
- not award the tender, or
- abort the tender.

TAA considers the recommendation and justifications, and may seek clarifications from the procuring agency before accepting the recommendation.

Once the TAA approves a tender, we will publish an award notice on GeBIZ (www.gebiz.gov.sg) informing all tenderers of the outcome. The name of the tenderer awarded the contract and the contract sum awarded will also be announced.



Security Deposits

As the awarded tenderer, you may be required to give a security deposit. The amount of the security deposit will be indicated in the tender document using the estimated value of the purchase. The table below serves as a guide on the amount of security deposit required.

	Goods/Services contracts equal to or less than S\$500,000	Goods/Services contracts more than S\$500,000	Construction contracts
Quantum of security deposit imposed	Waived	Generally 0% - 5%	Generally 0% - 5%

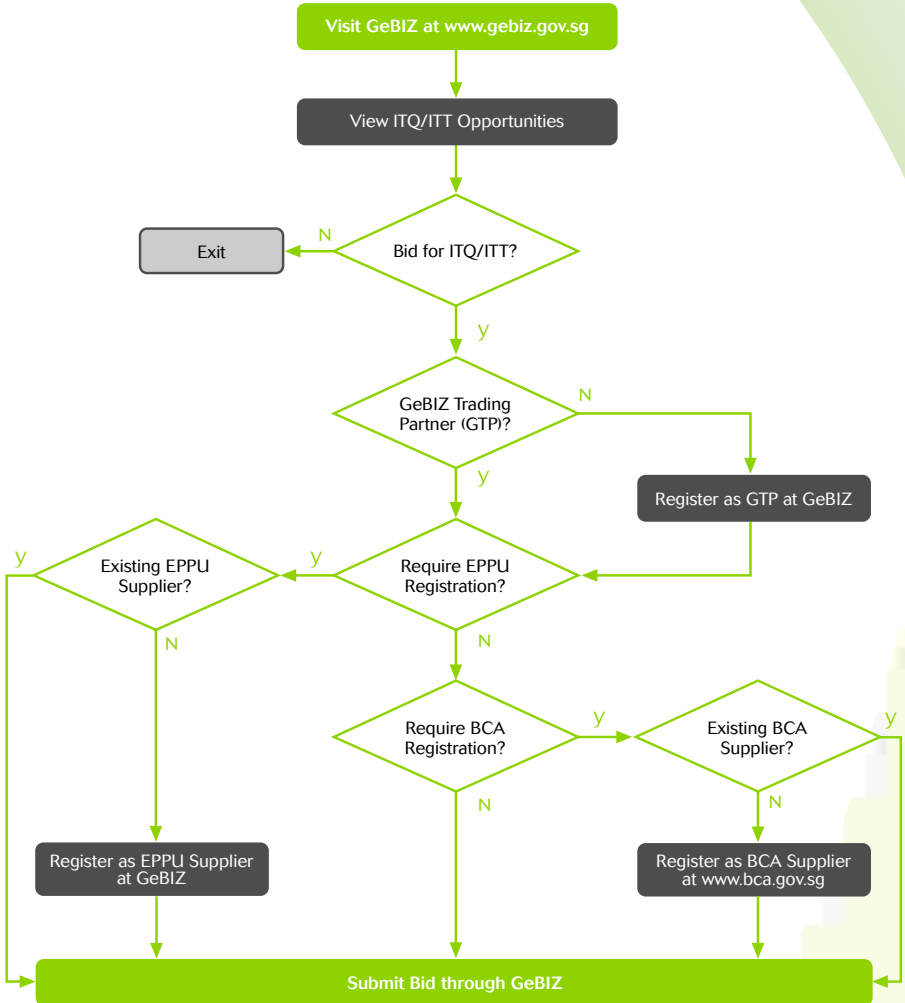
We accept security deposits in the form of:

- Cheques
- Insurance performance bonds
- Banker's guarantees
- A guarantee from a MAS-approved finance company for a deposit not exceeding S\$300,000

You will get a refund on the security deposit or any balance due to you when the contract expires. This will be in accordance with the terms in the contract.



Getting Started



Note:

ITQ – Invitation to Quote

ITT – Invitation to Tender

EPPU – Expenditure & Procurement Policies Unit

BCA – Building and Construction Authority

More Information

GeBIZ website

<http://www.gebiz.gov.sg>

GeBIZ and GeBIZ Trading Partner enquiries

GeBIZ Service Centre

Tel: 6274 5717

Fax: 6274 1321

Email: gebiz@d-s-t-a.gov.sg

EPPU Registration enquiries

Tel: 6333 3428

Government Procurement enquiries

Email: mof_pdg_secy@mof.gov.sg

SPRING Singapore

SME First Stop

Email: firststop@spring.gov.sg

Tel: 6898 1800

Source: Ministry of Finance and Building & Construction Authority
Information is correct as at time of publication (March 2005)

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