

Laing O'Rourke achieves cost savings of 70% on tendering packages for T5

Laing O'Rourke, 1st tier provider of civil engineering on BAA's Terminal 5 project, has achieved savings of 70% on the cost of tendering two packages that were worth in excess of £10m, using Asite's Tendering solution. They have also significantly shortened the duration of the tender programme and approximately halved the amount of paper used.

Laing O'Rourke and the suppliers participating in the tender found Asite Tender "fast and simple to use" and valued Asite's customer support. As a result, Laing O'Rourke and BAA are looking to roll-out the Asite Tender tool further on the Terminal 5 project.

the challenge

Terminal 5 is one of the largest new build construction projects that is currently taking place in the UK, at a cost of £3.7 billion. It will provide Heathrow airport with another passenger terminal, enabling it to accommodate an additional 30 million passengers a year. The project is due for completion in Spring 2008.

Laing O'Rourke is one of the key construction suppliers on T5. The scale of work involved on T5 means that contractors such as Laing O'Rourke are tendering a large number of work packages for the project.

Asite provided Laing O'Rourke with an electronic tendering solution and the support which would meet their requirements to:

- Replicate their existing tender process.
- Provide an electronic tool that was fast and easy to use.
- Benchmark the benefits against their existing tendering process and evaluate the gains obtained by rolling this out across the remainder of T5.

Laing O'Rourke conducted two pilot studies using the Asite Tender tool worth in excess of £10m. In total, seven suppliers took part in the pilot tenders.

the solution

The first step of Asite's engagement was to obtain a clear understanding of Laing O'Rourke's objectives and their expectations for implementing the Asite Tender software. After analysis of their existing tendering process, Asite was able to define user-roles and user access rights. After only half a day's training, Laing O'Rourke's procurement team was ready to use the tool.

No formal training was needed for Laing O'Rourke's suppliers, only an online training guide. All users had access to the Asite Support team throughout the tender process to provide help in the event of any difficulty.

"Asite provided a good service, in terms of hand holding us through the functionality and answering any queries..." **General Manager, Logistics Subcontractor**

The Asite Tender tool provides Laing O'Rourke with the following key features:

- " Centralised tracking of tenders and real-time reporting
- " The flexibility to change users involved in the tender to obtain the best input
- " Document Management enabling version control
- " Electronic communications supporting best practice workflows
- " A highly secure tender environment



"The results from using the Asite Tender tool have demonstrated significant savings in programme and cost. The use of the Asite Tender tool and customer support have exceeded our expectations..."

Gareth John, Project Procurement Manager for Laing O'Rourke at T5.

the benefits

On the strength of the Terminal 5 pilot tenders, both Laing O'Rourke and all the suppliers who took part in the pilot tenders stated that they would use Asite Tender for future tenders.

Laing O'Rourke achieved the following benchmarked benefits using Asite Tender:

- **Time and cost savings** - cost savings of 70% compared with their traditional method of tendering, attributed mainly by a reduction in time required by the Procurement Manager.
- **Environmental benefits** - as the Tender documentation is sent electronically, the bidder can choose which documents to print-out, reducing the amount of paper in the pilot study by 47% - 66%.
- **More efficient communication** - achieving a significant reduction in the length of the tender. This was mainly attributed to improvements in communication during the 'open tender' phase.

There were also the following qualitative benefits:

- **Better control & transparency** - the functionality to better manage the exchange and modification of tender documents; improved tracking of the progress of the tender and a robust audit trail.
- **Tender security** - Asite Tender provides a highly secure environment, providing users with unique log-ins, separate secure bid submission areas and a robust audit trail.

They also found Asite to provide a good level of customer service:

"The use of Asite Tender tool and customer support provided by Asite have exceeded our expectations..." **Project Procurement Manager, T5.**

Whilst the focus of the case study was to identify the quantitative benefits for the buyer, there was positive feedback from suppliers participating in the tenders:

"...Great savings on [use of] paper, more accurate information as all the information is available online." **Director, Haulage Subcontractor no. 1.**

"...In general we found the site fast and simple to use and the staff helpful and attentive. Whilst the concept of e-Tendering is not new, our experience in using e-tendering has demonstrated that Asite can bring some refreshing new ideas and concepts to the process..."

company profile

With the acquisition of Laing Construction, the Laing O'Rourke Group has become one of the most capable and complete forces in the UK construction industry.

The Group develops, designs, builds and manages infrastructure on a global basis. Its interests encompass every aspect of the construction process while it is building many of the country's biggest and most technically challenging projects.

The vision is to be the company of first choice for all stakeholders. Challenging and changing the image of construction worldwide. Lean and agile, by adopting work processes to compete with the world's leading businesses.

contact

If you want to find out how your firm could benefit from Asite's business solutions, e-mail marketing@asite.com or call **+44 (0)207 749 7880**.



"The use of the Asite Tender tool made a significant and positive difference compared to the traditional tender methods. The RFI component of the Asite Tender tool was excellent and I would not hesitate to use the tool again..."

Craig Murphy, Procurement Manager, Laing O'Rourke.

"...we found the site fast and simple to use and the staff to be helpful and attentive.... using e-tendering has demonstrated that Asite can bring some refreshing new ideas and concepts to the process."

Director, Haulage Subcontractor no. 3