



The Tender Distribution Service: The Impact at a Glance

What is the Tender Distribution Service?

The Tender Distribution Service (TDS) is one of the core services provided by the Peace Dividend Marketplace Timor-Leste (PDM-TL) created by Peace Dividend Trust (PDT) in late 2007. It collects national and international tendering information in Timor-Leste and disseminates it to locally based businesses on location at the PDM-TL Tender Distribution Center and sends out alerts via SMS and email.

This helps local businesses by informing them of opportunities to bid for tendered contracts. It also assists buyers by ensuring that the tendering process remains competitive and transparent across the country and gives them access to over 3,000 businesses registered on PDM-TL's BuildingMarkets.org web portal, which gets over 2,000 hits a day. As a result, more money goes into the local economy.

TDS Results to Date

- ◆ Dispersed **over 650 tender opportunities** to locally based businesses.
- ◆ **224 tenders** were completed by TDS's recipient businesses, while feedback is still being collected for **202 tenders**.
- ◆ The results from the 224 tenders report that over **\$10 million** has entered the local economy, **\$2 million** in the last year alone.
- ◆ The average value of these tenders is **\$47,146**.
- ◆ **Sixty-seven** were in the construction industry.

Spotlight on 26 of the Highest Valued Tenders

Fifteen locally based businesses agreed to be interviewed, in response to a survey of those winning the 50 highest-value contracts out of the 224 feedback-receiving tenders. These companies delivered 26 of the TDS' highest valued contracts. These contracts ranged from a \$40,674 UNDP project to rehabilitate a prison's water supply in Gleno, Ermera to a \$1m contract to build Dili's new post office. Fifteen of these contracts were in the construction sector.

- ◆ **Jobs were created** – A total of **275 full time jobs** were created through the 26 contracts alone. **Seventeen percent** of these jobs lasted longer than six months. The 26 contracts represent just **30% of the total dollar value** of all transactions completed due to the TDS and only **4% of the total tenders distributed**, so the actual number of jobs created by the TDS is likely to be much higher.

- ◆ **Business Capacity Increased** – Each of the **15 businesses** reported that a portion of the funds won through the matched contracts was reinvested in improving or purchasing new equipment.

"As a local business, at first we didn't know where to look to find tendering opportunities. The TDS is very useful to us as now we have enough information to bid on, and even win, local tenders."

– Maria de Lima, Procurement and Logistics
Coordinator for Buka Timor Hamutuk

The TDS is run by Mr. Eduardo da Costa, with the help of Ms. Maria Teresa and made possible by the generous support of the Arsenault Family Foundation and AusAid. To find out more, please get in touch with them at timor-leste@pdtglobal.org.

Snapshots of the Value Added through TDS

Providing Opportunities to the Districts

District based tender opportunities are not ignored by the TDS. In Iliomar, Lautem, Mr. Miguel Monteiro won a World Vision contract to supply 96 cattle to a community group in Baucau thanks to his frequent visits to the Tender Distribution Center. Mr. Monteiro expressed his gratitude for PDM-TL's work, "It's very lucky that I can find information from the TDS, as I can now really compete in the tendering process."



More Local Jobs

In addition to the 275 jobs created that were accounted for in the short impact assessment survey, more local jobs are springing up through smaller valued contracts. Medina Construction, hired 26 national staff to help complete two UNDP issued contracts. Fourteen of these hires stayed on with the company permanently.

Benefits to Buyers

The United Nations Development program is no stranger to the TDS. To date, UNDP has trusted the TDS to facilitate 288 tender opportunities to the local marketplace. Out of these, 140 have been successfully matched to locally based suppliers, helping UNDP to spend over \$4 million in Timor-Leste, not just on Timor-Leste. The TDS has also created the first ever *Vendor Guide to Doing Business with UNDP in Timor-Leste* that gives local suppliers clear instructions and guidelines on how to successfully bid on UNDP issued contracts. Two training sessions at UNDP coordinated through TDS have also helped to increase the number of local businesses bidding on tenders.



To read more about the TDS' activities, check out Eduardo da Costa's blog at <http://buildingmarkets.org/blogs/timor/author/edacosta/>.