SUMMARY

This research shows the success of a highly pragmatic approach that was initiated by the developer, by enabling the use of an Internet-based procurement system and thereby provides a cost saving to the total development cost of a building project.

The Electronic Procurement system provides a showcase for the ways in which emerging technologies can help streamline procurement processes, reduce time and improved cost saving. The framework of this dissertation as such starts by first examining the shortcomings of the traditional method of procurement system in building project, especially with respect to development cost saving. Two models of the procurement system are explored; with in depth analysis on the use of the electronic procurement in relation to the procurement cycle and its dispersion of information that takes place in the entire procurement process. The observation of the role on the buyer and seller relationship provides a clearer perspective in relation to the components of the procurement system. Basing on the case study, the internet-based procurement system provides the necessary structure and manipulative components as required for an appropriate electronic procurement system.

This dissertation tests the hypothesis that the electronic procurement system provides developers a cost saving to the total development cost of a building project. The research proved possible with saving in time of up to 70%, having major cost reductions and improved quality and moving the involvement of paper-based steps including payment to
electronic media. The case study also shows how the use of information technology together lead to significant benefits through the use of streamlining responsibilities and procedures in the procurement process more efficiently and competitive.