



A Representation on the Accreditation of China's Tendering Agencies

by Mr. Wu Qiang
Vice General Manager of Jiangsu International Tender Corp.

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The development of the agency system

- It's a result of the development of the commercial economy
- The system decreases cost of dealing and increases competitiveness
- It's a symbol of the ever deepening social division of labor.

The development of the tendering agency system in China

- The system was first introduced into China in 1979
- The meaning, function and status of the system has been explored ever since.
- The promulgation of the "The Tendering and Bidding Law of the People's Republic of China" in 2000 established the legal status of the tendering agency system and the tendering agency.



The legal status, nature and requirements of the tendering agency in China

- **legal status:** a social intermediary organization which is established according to law and provides tendering or related services.
- **basic requirements:** 1. fixed sites and funds for business operation 2. professional expertise 3. expert base.
- **requirements of the member of the bid evaluation committee:** 1. eight years or more working experience in relative industry 2. endowed with senior title or equal levels.
- **nature of enterprise:** The tendering agency is neither an administrative institution, nor a company engaged in production. It provides professional tendering services through its knowledge and expertise. It shouldn't be subsidiary to or has benefis relationship with any administrative or executive bodies of the Government, and should be enterprise in nature.



The necessity of accreditation of the tendering agency

- **The needs of safeguarding publicity, equality and impartiality in the tendering process:** Tendering is a legal act of agent service, which embodies a legal process of contract binding.
- **The needs of inspecting the ability of the tendering agency to provide professional services:** Projects which require compulsory bidding by the Chinese law are often playing an important role in public security and national interest.
- **The needs of inspecting the professional expertise of the talent team:** The industry of tendering service is knowledge intensive. It requires a trans-disciplinary talents team with affluent knowledge in legal, technological, economic, project management and foreign language areas.
- **The needs of strengthening executive supervision:** On one hand, it is important for controlling the total number of tendering agencies and fighting against vicious competitions. On the other hand, it helps in the endeavour of strengthening the management of the tendering agencies and improving service levels.



The accreditation of the tendering agency in China

1. The qualification of the tendering agency in China is often authorised by relative government bodies defined in the decree issued by the State House or in the law:
 - 1.1 the tendering certificates(class A, B and Temp) for central investment projects are issued by the the National Development and Reform Commission.
 - 1.2 the tendering certificates(class A) for construction projects are issued by the Ministry of Housing and Urban-Rural Development,while certificateds of class B and class Temporary are issued by the department of construction at provincial levels.
 - 1.3 the tendering certificates(class A, B and preB) for electric&mechanic equipments are issued by the Ministry of Commerce.
 - 1.4 the tendering certificates(class A) for government purchasing are issued by the Ministry of Finance, while certificates of class B are issued by the department of finance at provincial levels.



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2. Tendering agencies with qualification (total number: over 6000)
 - 2.1 No. of agencies with certificate for central investment projects: Class A:157; Class B:309; Class Temp.:228 (data from 2012)
 - 2.2 No. of agencies with certificate for construction projects: Class A:1116; Class B:2312; Class Temp.:1366 (data from 2010)
 - 2.3 No. of agencies with certificate for electric&mechanic equipment: Class A:110; Class B:27; pre-Class B:64 (data from 2012)
 - 2.4 No. of agencies with certificate for government purchasing: Class A: 409; Class B: 832 (data from 2008)



The accreditation of the tendering agency in China

3. The accreditation of tendering agency in China:

3.1 basic requirements:

A tendering agency should:

- ① be established according to the law, and have independent legal status
- ② not be subsidiary to or have benefis relationship with any administrative or executive bodies of the Government
- ③ have fixed sites and working conditions for the operation of tendering services
- ④ have sound organizational structure and efficient internal management system
- ⑤ have talents and expertise needed for formulating tendering documents and bid evaluation
- ⑥ have an expert base with relative scale
- ⑦ have a clean slate in terms of law or decree violation in the past three years
- ⑧ have a clean slate in terms of major person-in-charge criminal sanctions in the past three years
- ⑨ comply with other requirements set forth by the NDRC

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3.2 accreditation standards : certificate for central investment projects

Level	Class A	Class B	Class Temp.
scope	all central investment projects	projects with total investment $\leq 500M$	projects with total investment $\leq 200M$
stan- dard	①registered capital $\geq 10M$ ②No. of staff ≥ 60 (staff with medium title or above $\geq 50\%$, registered bidding staff $\geq 30\%$) ③No.of bid evaluation expert ≥ 800 ④years of operation ≥ 5 ⑤No. of projects over 50M ≥ 60 , or accumulated sum of winning bid price ≥ 6 billion	lower than class A, for instance : ①registered capital $\geq 5M$ ②No. of staff ≥ 30 ③years of operation ≥ 3	omitted



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3.3 Accreditation process

① The NDRC will publish a notice, which contains the requirements and materials needed to apply for the certificate, on its official website two months before the accreditation.

② Major application materials includes: copies of business license, constitutional documents, organizational structure, staff overview, business achievements overview, bid evaluation expert overview, proof material for business site, etc.

③ The application materials will first be examined by departments for development and reform at provincial levels, which will issue and submit an approve letter to the NDRC.

④ The NDRC will then call on an expert team to re-examine the application materials and publish the result on its official website

⑤ If no complaint arises during the publication period, the NDRC will approve the application and issue the certificate within ten working days.

3.4 Regulations on upgrading, downgrading and annulling of the qualification

3.5 Measures to be taken when a qualified tendering agency modifies its business registration items



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3.6 Annual examination :

The NDRC will call on expert teams to examine the qualification of the tendering agency each year. All tendering agencies should submit their annual re-examination materials to the NDRC every year before Feb. 28th, which includes:

- ① a report on business performance and organizational changes
- ② a report on staff changes
- ③ tendering projects overview
- ④ a report on the implementation of tendering and investment management related regulations
- ⑤ a report on punishments and complaints received
- ⑥ a report on business achievements



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3.7 Measures to be taken when a tendering agency fails the annual examination

3.8 Punishments on tendering agencies which fail to conform with the regulation and the law



Thank You!

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Jiangsu International Tender Corp.