

Emma Thompson

A-Z of Tender Writing

Despite the doom and gloom of the Comprehensive Spending Review, NOW is exactly the right time for small businesses to tender for business. The public sector will scrutinise its existing suppliers much more closely and begin to reconsider the value of larger players who come with high overheads and may start to question the value attached to a brand. This doesn't detract from the fact that you will have to demonstrate that there is a low level of risk attached to a large organisation contracting with your smaller, unknown company.

If you're still unsure about the potential – think about this. If the Government is going to deliver its 'Big Society' agenda, local authorities are expected to consult widely but may not have the in-house capacity. Managers within the sector will not have experienced such drastic cost cutting requirements – private sector has already. Performance management, business process engineering and automation will be essential to drive the efficiency agenda, together with new ways of working.

In order to compete in a market which is going to become increasingly crowded, you will need to invest the time and commitment to deliver a quality product.

In this document you will find the answers to the following questions:

- How do I find public sector tender opportunities?
- Are there different types of contract?
- What is the process of applying for a tender?
- How long does it take to write a tender?
- What other methods can be employed to access public sector tenders?

which I hope will give you a solid foundation.

If you want to increase your contract values and

- ***You don't have the time for tenders***
- ***You need the policies***
- ***It would be good to have somebody to reality check your draft***
- ***You're not sure whether a tender is worth pursuing***

call Emma on 07832 268383.

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How do I find opportunities?

As the result of EU Directives, all public bodies (national and local government bodies, higher education, NHS, utilities) in the EU have to announce their tenders above certain thresholds, in the Official Journal of the European Union.

To have these opportunities tailored to your business and delivered daily by email, you can subscribe to a service provided your local European Information Centre. The closest to Oxford is the Birmingham Chamber of Commerce

Tel: 0121 455 0268

Email: eic@birminghamchamber.org.uk

Website: <http://www.birmingham-chamber.com>

Other paid for services are provided by, to name a few:

Tender Match www.tendermatch.co.uk

Skillfair www.skillfair.co.uk (consultancy, small to large contracts including private sector)

B2b quote www.b2bquote.co.uk

Infobrokers www.infobrokers.co.uk (specifically for PR)

Tenders Direct www.tendersdirect.co.uk (public and private sector)

Sift Media www.nhstenders.net , www.publictenders.net and www.techtenders.net

Alternatively you can search the european journal site (TED – see below) yourself by selecting the relevant CVP codes. These are the codes under which tenders are filed and are much like the old industry classification codes.

www.ted.eur-op.eu.int Tenders Electronic Daily (European Journal for tenders in excess of £100,000)

www.supply2.gov.uk Low value tenders which might only require three preferred bidders. It is free in your own geographical area but if you want to upgrade you have to pay. You can select to receive low value and high value.

If you go for the free option – you can view low value tenders and if you receive sufficient information on high value tenders outside your geographical area you may be able to find them on TED or even on the supplier's website.

The downside with this site is that it can be a bit slow to deliver the alerts.

www.competefor.com For those companies seeking to secure Olympic 2012 tenders.

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What types of contract are included in tenders?

Single Supplier contract: this is where only one supplier will be successful in securing the contract.

Multiple Lot contract: this type of contract may include a number of different service elements and suppliers will be invited to tender for one or more of the lots contained within the tender. It is then at the discretion of the buyer to decide whether a company can provide the experience and skills to service all the lots or whether the contract will be split amongst a number of suppliers who are specialist in a particular lot.

Framework agreement: this contract does not guarantee you any work but results in a number of suppliers being included on a preferred supplier listing. You need to work hard at developing a relationship with the client to ensure your company is given the opportunity to subsequently tender for pieces of work as they arise.

What is the process?

The value of the contract determines whether it needs to go out to tender. This is the process Oxford City Council adopts and is pretty standard for most local authorities although they might set the second limit at £10,000 and require 3 quotes up to £75,000.

Estimated Contract Value	Action Required by Oxford City Council
Up to £5,000	Minimum of 1 Quote required
£5,001 to £20,000	Minimum of 2 Quotes required
£20,001 to £75,000	Minimum of 4 Quotes required
Above £75,000	An invitation to tender must be published
Currently £154,477 (figures as at 2008)	An OJEU advert must be placed

Low Value tender

Low value tenders may also be referred to as a Request For Quotation (RFQ). A brief outline of what is expected in the tender is usually included but you do need to give consideration to what useful supplementary material might support your case. I am not referring to marketing collateral but rather any additional information which would set you apart from competitors.

Under an open tender procedure all suppliers who respond to an advertisement are supplied with tender documentation. This approach is usually followed when purchasing standard items (such as goods where the value is below the EU threshold).

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High value tender

The restricted procedure can best be described as a two-stage approach in which the organisation invites interested suppliers to undergo a pre-qualification assessment before inviting them to tender. The restricted route may be used for non-standard or large goods and service requirements, where it would not be economic for all parties concerned if too large a tender field was invited to bid.

1. Defining the procurement strategy

The public-sector organisation defines its aims, decides what is needed, prepares the business case and then decides how the procurement exercise will be carried out. It will take account of market conditions, legislation and public-sector policy.

2. Inviting tenders

The organisation invites suppliers to put in an offer, or tender – often in response to an advert in OJEC or a trade magazine. In some cases suppliers have to pre-qualify before being invited to tender. They do this by answering a questionnaire or supplying information about their financial status (usually copies of the previous three years' accounts are requested), previous experience, references and so on.

This is often a 3-stage process.

Stage 1: You express an interest (EOI) and you complete a pre-qualification questionnaire (PQQ)

Stage 2: You may be invited to complete a full tender – otherwise known as an ITT or invitation to tender.

Stage 3: A final selection may include up to 6 preferred suppliers being invited to give a presentation on a single supplier contract.

Most tenders will require you at some stage (usually PQQ) to show evidence of the following:

- a. existence of a number of policies – environmental, corporate social responsibility, drug and alcohol, equal opportunities, health and safety to name just a few.
- b. prior experience of working in the sector or on the topic/issue.
- c. understanding of the issues as they relate to the organisation.
- d. you have sufficient liability insurance. The level for public sector can be as high as £10 million but it is worth phoning before hand to enquire whether they will accept a tender on the basis that should you be successful you will increase your existing cover.
- e. you have sufficient financial standing that by winning the contract it would not result in the contract taking up more than 20% of your total revenue.
- f. quality assurance mechanisms. ISO9000 and other certification may be required.
- g. credentials of staff who will be working on the project.

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The one-size fits all, cut and paste tender, simply will not suffice. The ITT will need to demonstrate that you have thought about their specific need and that you have covered everything that they have included in their specification and, in some instances, what they haven't included.

You will need to pay particular attention to the weighting/criteria when completing the full tender specification.

More often than not, the tender document is not completely clear and a number of questions may need to be answered before you can complete the tender. Contact the person nominated on the tender details. They will make all questions that have been asked freely available to those who have been invited to submit a full tender.

Finally, when submitting your tender, you need to make sure you follow the instructions precisely. The devil is in the detail.

- If four hard copies and one version on CD are required, you will automatically be disqualified if you forget the CD.
- If you are asked to submit the proposal in Arial 11 point, double spaced with pages numbered sequentially with additional information to follow to a different address – make sure the tender is presented in the correct style and the respective parts sent to the correct address.
- You may be asked to use a particular label or refrain from using a franking machine which highlights your company details on the outside of the envelope.
- Late is NOT an option.

3. Evaluating and refining tenders

The public-sector organisation then evaluates the tenders against set standards relating to value for money. This process usually includes a period of clarifying the tender before it is accepted.

The organisation will publish a timetable indicating when you should hear from them. In 100% of cases they under estimate how long it will take them to process all the tender applications received and there is a delay in notification and project start date.

If you are unsuccessful they must provide feedback to you within 15 days of requesting it so it is always worth asking them for this information. It will not be given automatically.

4. Awarding the contract

The organisation then awards the contract to the supplier whose bid offers best value for money taking into account the criteria.

5. Managing how the contract is put in place

Everyone involved works together to put operations in place for the forthcoming contract.

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6. Managing the contract

The supplier and the organisation manage the contract and the supplier's performance is checked and monitored by the organisation.

7. Review and testing

The need for the contract will be reviewed regularly and after a set period of time the contract will be advertised again. **This timeframe will be notified in the original tender documentation.**

How long can it take to complete a tender?

A straight forward PQQ is likely to take *up to* a day to complete, particularly if it contains a number of technical questions you have to address. This assumes you have all the relevant policies in place.

Typically hundreds of companies will respond at this stage. With such intense competition you will need to secure a score which is close to 100% to proceed to the next stage.

An ITT can take *up to* 3 days to complete as you are likely to have to demonstrate in great detail, including a breakdown of costs and a schedule of work, how you will meet the needs of the client.

If you are invited to present, this will be a further day of your time to prepare, attend and deliver the pitch, depending on how far you need to travel to the client.

In total, from start to finish, a tender could take up to a week of your time when you could be earning income from other means.

What other methods can be used to access the public sector?

1. Preferred supplier listing. Often less onerous and allows you to bid for the lower value contracts.
2. Consortia. If you wish to secure a high value contract but believe your financial standing is not sufficient, partner with a company that meets the requirements.
3. Sub-contract by reviewing the results of high value contracts on TED and collaborate with those who won the contract.
4. Become a supplier with the OGC on the catalyst website.
<http://online.ogcbuyingsolutions.gov.uk/contracts/index.html?type=S>
Or, as above, contact an existing supplier to work as a sub-contractor.