

An introduction to tendering





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No matter the size of your business and your ambition, tendering is important and offers exciting growth opportunities.

In a world of competition, tendering allows you to keep rivals on their toes. But to be successful and reap the benefits, you need to know how to tender correctly.

If you're new to tendering, this handy guide will give you the knowledge you need to start the process of tendering with confidence.

This guide will provide an overview of the tendering process, how to win more tenders, and common mistakes to avoid.

What are the steps to tendering?

1. Identifying the right contracts

It's essential that you source contracts that are relevant to your business and the sector you work in. Some handy online tools for searching for tender opportunities include Tracker, Tenders Direct or Complete Tenders.

2. Expressing interest

Showing an Expression of Interest (EOI) lets the buyer know that you're interested in submitting a bid and doing business with them. The sooner you express your interest, the sooner you can get started on creating a high-quality bid and give yourself the time to produce your best work. Once you've expressed interest, it's important to know that you're under no obligation to proceed and if you wish to opt out later, you can.

3. Pre-Qualification Questionnaire (PQQ)

A Pre-Qualification Questionnaire (PQQ) is a document you have to fill in at the beginning of the tendering process. And as the name suggests, the

PQQ is designed to let your potential customers know all about your business before they decide whether or not to formally invite you to bid for a project.

The PQQ also lets the customer know that you meet at least the minimum standards required to bid for the project. The kind of information you'll be expected to include in a PQQ are a top level description of your experience, skills and resources, as well as information on Health & Safety procedures and any certifications you have in place.









4. Invitation to Tender (ITT)

If your company has been shortlisted after the PQQ stage, the buyer will now assess your future and what you can potentially offer should you win the contract. It's important to keep in mind you will have competitors so you must have something different from the rest of the field. You need to stand out!



What are the steps to tendering?

You can come across various types of tender processes depending on your sector and the nature of your business. These can include:

-  **Invitation to Tender (ITT)** - When a buyer produces a formal document which outlines the scope of the project. Companies are then invited to respond to this and outline their commitment to the project delivery. This includes quality questions covering method statements, case studies and more specific narrative on their suitability.
-  **Pre-Qualification Questionnaire (PQQ)** - Often used to shortlist suppliers when there are a large number of applicants, a PQQ is a list of questions relating to the criteria a supplier must meet when applying for a contract. It will ask for core business details in order to consider the application. These may include; financial information, insurances, policies and compliance.
-  **Selection Questionnaire (SQ)** - In essence, these are synonymous with PQQs and require the same level of detail, care and precision to complete but request information from suppliers in staged questions.
-  **Request for Proposal (RFP)** - Invites multiple proposals from bidders detailing the proposal and costings involved; it is less restrictive than an ITT and offers the chance for creativity, though it may have some word limits or formatting rules to adhere to. Though it can be used in construction, it's often used in creative industries.
-  **Request for Quotation (RFQ)** - Often for a standardised product or service so it's straightforward to compare; this is where the buyer has a clear idea of the work they want.
-  **Expression of interest (EOI)** - Prior to continuing the procurement / bidding process, prospective suppliers may wish to initially gather details from interested parties.
-  **Dynamic Purchasing System (DPS)** - It's open for a set period of time, normally the whole contract period so suppliers can join at any time.
-  **Any Qualified Provider (AQP)** - Based on a standardised service for easy comparison. Bidders who meet the requirements are invited to bid.



Key questions to ask yourself before bidding

Am I eligible to bid?

Based on the information in tender documents, it's worth checking you meet the minimum requirements set out by the buyer.

There may be set requirements for different bids in different sectors, but they most commonly require information detailing:

- Minimum turnover
- Financial stress tests
- Relevant experience
- Referee list
- Certificates and Accreditations

Do I have the capacity to meet the tender requirements

Tender documents will outline the required product/service and the buyer's expectations on how the contract will be executed.

It's worth considering a few points before bidding for the tender: Is the tender too large for you? Can you commit to the resources required? Can you commit to the contract whilst running other areas of your business - no matter what challenges you face?

Is my pricing right for this project?

Do you know how your pricing benchmarks against your competition? Do you also have an understanding of your profit margins and if the project will be worth the time and effort financially?

Do I have the right experience?

Do you have experience winning similar size tenders and have proven work experience to use as evidence?

If not, do others in your business or network have experience and be willing to offer advice or tips? When it comes to bid writing specifically, you might want to draw on extra third-party support - for example, making sure you really celebrate good references and case studies.

What will I need to consider if I am successful?

Assuming you were successful, what impact would this have on your business? Would you need to take on extra staff? Would additional facilities or equipment need to be acquired? Could you maintain this after the term of the initial contract?

Quality of your submission

Before submitting your tender, it's worth double-checking you're proud of its quality as you won't get the chance for resubmission!

The successful tenderer(s) will often hold the contract for a period of years, so make sure your tender is the best it can be to be in with a chance.



When and where do you go to find a suitable tender for your business?

Try and find opportunities as early as you can, to give yourself the most amount of time to plan and deliver a strong response.

Make sure to engage your experts in the process because they, no doubt, have busy diaries! Depending on your budget, you might even want to consider external bid writing support.

Local authorities are a great place to start for lower value contracts, with many of them having online portals you can register with.

For larger opportunities, you might want to go directly to the government-run Contract Finder to find public sector contracts worth £10,000 or more in central government and contracts worth over £25,000 in the wider public sector.

There are also commercial companies out there that will amalgamate tender and contract opportunities for you, for a small subscription fee.

Steps in the tendering process

Procurement team formation



The buyer will put together a procurement team including relevant stakeholders such as budget holders, quality management, Health & Safety representatives and human resources, to name a few. The size and makeup of the team will depend on the nature and value of the contract.

Evaluation criteria and tender development

The buyer and procurement team will agree on what the tender will involve, including:

- Specification
- Mandatory requirements, e.g. ISO Certifications
- Questions, rules and instructions
- Evaluation criteria - this is crucially important and will consider how tenders will be scored e.g. what weight will be given to quality versus price
- Contract length
- The procurement process, e.g. will a PQQ be required?



Pre-Qualification Questionnaire (PQQ)



As mentioned previously, this step is to help initially short-list companies and involves answering a series of questions.



Issuing of tender (ITT)



This stage will depend on the type of your tender, but it could include the issue of an ITT, or it could be a request-for-quote or request-for-quotation to enquire about pricing for a time-framed task

Initial evaluation

The panel will score each bid against the agreed evaluation criteria, ranking them from lowest to highest. The buyer will compare;



- Price
- Relevant experience
- Understanding of the requirements
- Past performance
- Technical skills
- Resource available
- Proposed methodology

Supplier shortlist



Again, depending on the type of contract and nature, the evaluation will be used to shortlist companies through weighting criteria and sub-criteria.

Presentations, interviews and visits



This may not be essential in all cases, but companies may be invited to give a short presentation or question and answer session.

Selection



Once the process is complete, the panel will come together, compare scores and use those to select the winner(s).

Negotiations



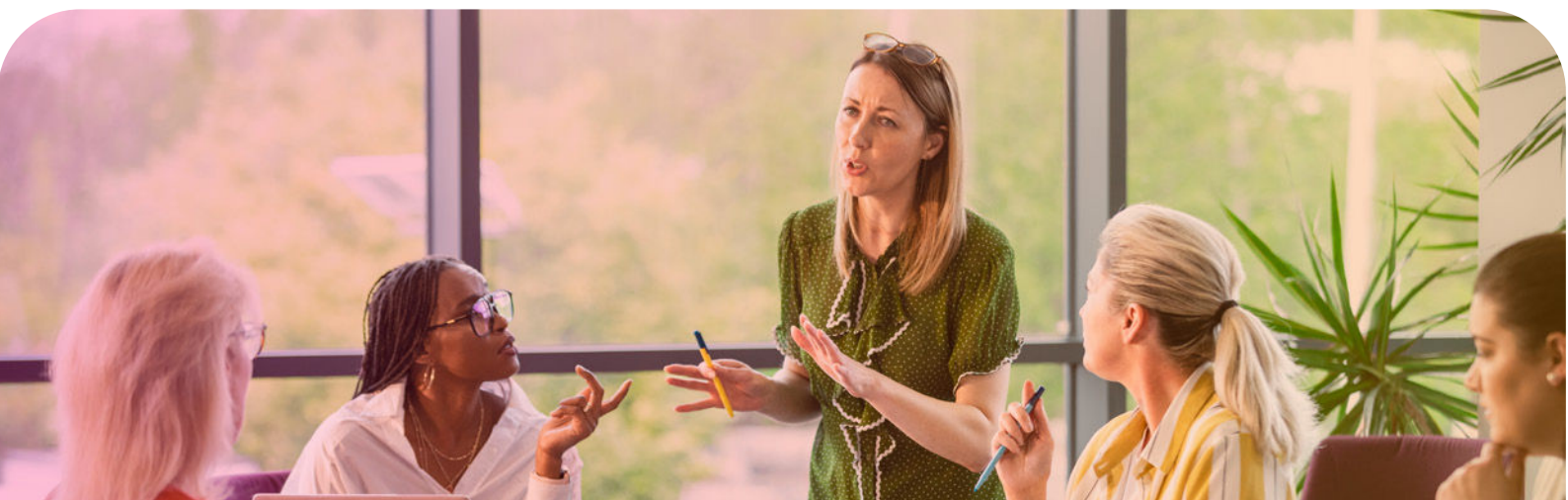
At this stage, it's highly unlikely there'll be an opportunity for significant negotiation, particularly on the overall price, and some tenders may not offer any scope for negotiation. If anything is negotiated, it is more likely to be aspects such as contract wording and pricing from the perspective of additional items.

Contract award



Once everything has been finalised, the contract will be awarded.

Unsuccessful entrants should be given the opportunity to gain feedback, and in some cases may even wish to challenge the procurement process if they think it was flawed/unfair.



Completing the tender

- ✓ **Be relevant** - only use case studies, references and examples of work from relevant industries to the job you're tendering for.
- ✓ **Be accurate** - make sure your spelling and grammar are faultless. Get somebody else to proof-read your tender once it's written.
- ✓ **Be logical** - structure your tender in an easy-to-understand-format. Most buyers will specify a structure, so make sure you follow it.
- ✓ **Be transparent** - use clear, easy-to-understand language without jargon.
- ✓ **Be thorough** - complete the tender with care. Do your research. Alongside making sure you've read the requirements in detail this will show the procurer you have really taken the time to understand their needs.
- ✓ **Be engaging** - don't just cut and paste some standard copy from a previous tender. This is your opportunity to sell yourself with real-life examples specific to this tender application. This is an opportunity to showcase your work!

Certifications and accreditations that can help you win more business

A large proportion of Pre-Qualification Questionnaires (PQQs) ask for ISO 9001. By holding this certification, you can often increase your chances of achieving that all-important 'A*' grade.

ISO 9001 isn't the only accreditation that is useful for tenders. You may also be asked for Environmental (ISO 14001) and Health & Safety (ISO 45001).

We are seeing more and more points being awarded for organisations holding Environmental and Health & Safety certifications, driven by government initiatives from recent years.

A registered member of the Safety Schemes in Procurement (SSIP) and endorsed by the Health & Safety Executive, SMAS Worksafe is a nationally recognised Health & Safety Accreditation scheme that can also help you demonstrate your business' Health & Safety standards.

What if I lose the tender?

It's important to bear in mind that a win ratio of 1 in 3 is often considered good - so don't be disheartened if you don't win every tender you apply for,

If you want to improve your applications, you can request feedback on your application to understand why you missed out. Asking for feedback on your tender, you stand to gain a lot of useful insight into how you can improve your bid next time around

There are also professional consultancies out there that can help you. You might want to partner with bid-writers who've got experience supporting businesses like yours.

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