# Lecture 25

The Format of Tender

"I have often observed if one attends only to great things and lets the little things Pass, the great things become little; i.e., the tender business shrinks. It is not possible for a tenderer to hold him aloof from small details. No tender business, no matter what its size, can be called safe until it has been forced to learn economy & rigidity to measure values of men and materials."

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# Format

The format of your response will create a first impression which will have a significant impact on whether you are short listed or not.

# Set Format

A response should follow the general sequence and numbers of the tender document itself. This makes it easy to match the response of each section in the original tender document against the corresponding section in the tender response. The response to the request for a straight forward tender document could be one or two-page letter.

# No Format Set

When a format for a response to a medium to large size tender has not been specified, consideration should be given to including some or all of the following:

# Covering letter

Letter of transmittal.

# Cover page

Make sure the title is the same as the tender document title.

# Index

Table of contents.

# Executive summary

Usually reserved for large tenders and is the last section to be prepared; it is a stand-alone section summarizing the entire tender in no more than about 4 pages.

# Introduction

Make this brief.

# Discussion about the scope

The methodology; the organization to undertake the contract, including the interface with subcontractors; the schedule of activities and milestones; any special requirements and compliance issues.

# Price Basis

This is where the price for the tender is stated. Including, in large tenders, the appropriate schedules showing costing.

# Company background and management information

Most of these can be appendix.

# Risk Analysis

This is becoming more the trend of larger tenders, to analyze the risk involved in the execution of the tender.

* Financial risk
* Meeting the completion date of major milestones
* Long-lead delivery items which could delay completion
* Industrial relations issues

# Quality assurance and performance

Scope of work and controls for the contract execution, particularly the interface in respect of quality requirements.

# Statement of compliance

List each clause in the contract and comment "fully complies" or if not state "partially complies" or "does not comply", then carefully draft any qualification against this clause. Remember, tenders are being evaluated in a competitive basis and a tender response with no qualifications will generally rate more highly.

# Address all section criteria

This is critical to the evaluation of your tender

# Appendices

Any attachments that could "enhance" the response, such as company reports and brochures, should be part of the appendices

# Referees

Make sure you have organized these, if they are required, which could include your financial status, experience and capability to perform the service.

Non confirming Tender

If there is a better and more economical way of achieving the outcome, then identify this clearly in a separate response clearly marked "Alternative Functional and Performance Tender".

The tender should include any supplementary material which demonstrates that such an alternative will fully achieve and/or exceed all the specified requirements.

Tendering is a competition of ideas and the ability of parties to solve problems in the most efficient way possible. One reason that clients go to the market is to determine the best way to solve a deficiency in their organization or to ensure that a service is delivered.

* Never make the mistake of thinking that the parameters of the tender are fixed or that the client knows exactly what it wants. There is always room to improve, for example the client may be unaware of a new technology.
* Every proposal you submit should be something more than just a recycling of your last tender, or a 'standard' response. It is worth taking the time to think creatively and devise a solution that the client might not have thought of.
* Take care not only to explain the substance of you non-confirming proposal but also to clearly articulate its benefits to the client or to the community as a whole if it is a government tender. If you are able to quantify the monetary or time benefits of your innovative idea, you are that much closer to having it accepted.
* All of your non-confirming proposals should be clearly distinguished from your confirming proposal. The evaluation committee wants to be able to compare apples with apples. It is extremely frustrating and time-consuming for the evaluation committee to have to figure out what you are actually proposing.
* If something you have proposed is truly innovative, be sure to label it as 'commercial-in-confidence'. If you don't, you run the real risk of the client or one of your opponents putting your idea into practice.

Standard Tender

In our experience, all submissions embody a great number of common elements. You should take advantage of this fact and create a standard tender submission or document. The standard tender should be prepared and be available "off the shelf' ready to be modified for specific tender. This document should:

* Always be ready and waiting on the shelf.
* Modified to the present circumstances as early as possible.
* Be constantly updated and continuously improved.
* Incorporate the lessons learnt or innovations from previous tenders.

# Advantages of Standard Tender

The preparation and updating of a standard tender has a number of advantages:

* Since each tender is a further development of a previous one, it provides an opportunity to enhance existing it helps you to be more organized during the preparation of tender and helps prevent that last minute rush.
* Time is saved by not having to rewrite foundation material, for example resumes or quality assurance document.
* Every item required for the tender is placed in the relevant section. You do not have loose paper with valuable information floating around.
* It allows you to perform quickly and efficiently when you hear of a tender opportunity, giving you a competitive advantage in the preparation time saved.