An Introduction to Tendering
# Table of Contents

Introduction..................................................................................................................1

- What is Tendering ?..................................................................................................2

- What is the difference between face to face selling and a tender?…6

- Use Recurring Tenders to gain an edge & other hidden Sales opportunities.........................9

- Rethinking price for responding to tenders.........................................................12

- Save costs through tendering for your own purchasing needs.............15

- The hidden value of information & its impact on your submissions chances of success..............17

- Tender Specifications...............................................................................................19

- Entering into legally binding documents.........................................................20

- Getting your tender in on time............................................................................21

- Suggestions regarding structure........................................................................22

- Finally......................................................................................................................24

- Appendix – Tendering Terms & Definitions.....................................................25
Introduction

Tendersinfo is Asia’s Leading tender notification and preparation specialist. We have notified and assisted thousands of business and Government Authorities since 2000.

In this time, we have seen many courses and books on tendering which deal with producing the finished tender response. Yet there appears to be nothing relating to the fundamentals of how businesses can approach tendering as a business development strategy. In addition to the well recognized activities of sales and marketing arms in their business.

“An Introduction to Tendering” is a guide for businesses that are serious about getting a grip on planning and responding to tender opportunities, and getting additional sales through this activity.

Our intention is to focus on the “how and why” of tendering to fast track business owners on to success with what you respond to. By reviewing how to research a tender before it becomes public, to selling your value proposition in a proposal, we are sure you should start increasing business.

Like most tasks if we take a step back from actually doing “it” for a view of the overall picture, we can more clearly assess what it is that we are way. We have chosen particular issues so that you may re-assess what you expect from tendering and whether responding to the right opportunities is going to be the next strong marketing arm in your business.

We see organizations that put out invitations to tender as literally crying out to purchase your proposals and services. Your challenge is to maximize the reasons for them to choose your business.

We hope this guide highlights clear ways for you to assist the purchaser to make those decisions in your favour.

From the Team at Tendersinfo
What is Tendering?

There are many views as to where tendering started. The one we like to share (whether it is true or not) is the one that we use to help our new staff understand the “tendering concept”.

It starts with the simple idea that responding to tenders is another form of selling – the buyer has a fair idea of what they need to buy, and places an order amongst the suppliers they think can help them out.

Let's take a trip back to when a merchant sailing ship berthed at a foreign port for provisions. The captain was the owner’s representative on the ship for the voyage and responsible for the commercial success of the venture. To get the ship’s provisions for the next leg of the voyage, he would nail a list of requirements on the port’s public notice board. The port’s local merchants knew a new ship was in port and hurried to respond to the public notice with private offers of what they could supply and at what price.

This proved to be very effective for all concerned as long as the captain kept accurate records and proof of all the offers and purchases on the voyage. The captain had to know who could supply goods and services what a fair price might be in any port the ship docks. They owners of the ship, on whose behalf the captain was spending the money, could be more certain purchases during the voyage were above board. The port’s merchants were all given a fair go at the business that sailed in.

The Oxford dictionary definition of a tender is: “To offer, in writing. To execute work, or supply goods, at a fixed price”.

Looking at the definition in simple terms – ‘the offer’ describes what most people in business do when putting a proposal, together preparing a quote or introducing their business to a new client in the normal course of their day to day business.

Tenders are a formal written introduction of a selling opportunity based on defined and listed terms and conditions for the satisfaction of stated requirements for a products or service.
Why is so much business done through tendering?

The great benefit potential buyers experience by purchasing through tenders is greater competition on the quality of solutions offered leading to cost savings. Similarly, a potential supplier can find that the tendering process can lead to savings in the cost of selling and an organized approach to expanding their business.

It is currently estimated that at Public Procurement accounts for 25% of the world’s annual GDP. This translates into a market-size of $1300 bn in the US, $1000 bn in Europe, $150 bn in Africa & much more in Asia, Middle East, East Europe, and South America.

It still remains the fairest way for buyers to ensure they have received the best offer from the market. Tendering gives suppliers of products or services the same timeframe within which to respond and the same objectives to achieve. No preferential treatment is given to any potential supplier.

Once the invitation is published, the tendering process limits special treatment and potential for favoritism. Every submission is assessed on the merits of the supplier’s written response.

Businesses that win tenders demonstrate skill at addressing the requested instructions and communicating a compelling solution to the buyer’s evaluation panel. They take extra care to prepare a submission that responds directly to the questions asked. They address the requirements specified and communicate an understanding of the objectives the buyer wants to achieve.

Businesses that lose a client, or fail to win the tender, often blame the process before at their submissions.

We need to get a grip on tendering if we want our businesses to get amongst serious money!

Add tendering to your marketing plan

There are various ways those subscribers to Tendersinfo use tender notification data to enhance their marketing activities.

Our clients have told us many stories that reflect the value they get from tendering opportunities and we would like to share some of these with you.

With other form of marketing – such as advertising, telemarketing, direct mail and sales representation – there is generally a lot of effort and expense incurred in identifying potential clients who may have a need for your product or service. It can take some time to develop a “cold market” to the stage where you can submit a quote or proposal for the sale, not to mention the often lengthy decision marking process and changing requirements of each decision maker. The first sale to a new prospect is often made at unusually low margins to get your foot in the door.
Preparing a tender response simply matches what we sometimes offer a new client. However, the prospect has already decided they need your service, they have already allocated a budget, a defined purchase timeline has been set and payment is guaranteed. This represents a significant short-cut in the marketing/sales cycle.

We recommend that you add responding to tenders to the other sales and marketing activities you undertake in your day to day business.

**Why tender?**

Note how the stages in a sale by tender compare with the number of stages that are involved in a conventional sale. Many of the stages in a conventional sale are avoided in the tender cycle, saving time and money. Conventional sales carry frustrations we take for granted because we have learnt to accept them – indefinite timelines, changes to customer requirements, price renegotiations when we think the sale is “in the bag”, stalled orders, delayed commencement dates and slow payment are causes for the greatest headaches.

Because of the straightforward purchasing procedures in a tender, there tends to be less changing of parameters and a greater certainty about the sale (provided we understand everything that is asked of us). The objectives of both the purchasing organization and the sales organization are clear from the beginning. Time and cost savings may be taken into account in setting the price you offer in a tender submission for that extra competitive edge.

Dealing with organizations that have; clear objectives, an established need, know requirements, set budgets along with a purchasing procedure to follow, is a worthwhile Objective when you consider the potential for quality, long-term supply relationships with an organized customer. The challenge for you, the supplier, is to be as organized.

With the tender response you do not have to start from scratch with every tender document you prepare; many key areas can be standardized and adjusted as required. (More on this later in Topic 11 – Suggestions regarding Structure).

Tendersinfo Subscribers have taken the first step toward efficiently organizing their business by no longer wasting valuable time wading through all the likely media to stay up to relevant tenders. With Tendersinfo’s notification service, you are made aware of every published tender opportunity in your industry whether it is a regional paper, major city daily or on the Internet.

This advantage frees your time to qualify tender opportunities and develop business relationships that suit your plans to grow. Tendersinfo removes the task of finding and identifying the opportunities from your everyday concern. Our notification service also makes sure you do not focus on just those tenders with the greatest exposure to the supplier market. Let’s face it; wouldn’t you rather be involved in a tender attracting 3 responses instead of 30? (See topic 7).
Once you have assessed the invitation to tender in front of you, the path to the sale is clear and you go straight to the proposal stage.

There is no advertising expense, no salesperson’s wages for two to twelve months finding out about the need, no uncertainty over price. No preferential treatment and every proposal are viewed upon its ability to meet the requirements of the Tender.

Look at the long term value of responding to a Tender, even if you do not win the tender. Perhaps you have identified buyer needs not specifically asked for that you can pursue.

Consider this simple example; a tender for the supply of a photocopier may have simply required the supply of a copier – but you might be able to provide a maintenance service, toner or paper stock etc. Look closely at the tenders identified for you from the point of view as to whether you are able to develop sales opportunities not directly indicated by the specific invitation. Target hidden business opportunities for your business by offering solutions associated with the longer term needs of the tendered activity.

These sales opportunities are an avenue to build a relationship with the organization that has put the business out to tender. The specification documents provide valuable background information on the Tender forums for questions and answers and an indication of where that organization sees itself in its industry. What you are able to do. In reality, is fast tracking your Account Management knowledge about a prospective new client if you tackle it in an organized way.
What is the difference between face to face selling and a tender?

The reality is that there is very little difference between what we do to succeed in selling in either situation.

Ever heard someone say that responding to a tender takes away their personal influence as an effective salesperson – if they can just get in front of the decision maker, they will close the sale every time? The secret is to apply the best sales discipline to a tender as well.

We all know of the bad experiences in selling face to face – the client who is bludgeoned into submission and never returns. The potential client is told what your can do for them dozens of times and revisited for as often as it takes. It seems so hard to get some prospects’ attention! To get the message across, we spend huge amounts of effort to convince them, telling them again and again until they react – even if it is a “go away” response. This is usually when the sales champion who won’t take no for an answer gets into stride believing that is when the real selling starts. In truth, the client sold this way doesn’t feature in repeat business and so we end up spending more on banging down doors to do it all over again.

Why do most clients seem to be so hard of hearing? Unless you have got a great voice and your story is entertaining – the chances are they haven’t got the time to listen because they have got their own problems and you may not be talking about their issues. Before we can get a prospect’s attention, we have to address their problems. To address the important attention grabbing issues (and come up with a solution), we first have to listen, listen and listen again.

A Simple Rule

It’s a simple rule successful sales practice all the time – listen, acknowledge, then propose a solution that addresses the important issues.

What has this got to do with winning a tender you might ask? Well, for a start, the tender invitation sets out the important issues without having to ask for them. You are obliged to “listen” and address the written issues from the moment you start. When responding to a tender, there is less chance of turning the prospect of by falling into the trap of talking about your business, you capability, your resources and your “leadership in the industry” at the inappropriate time.

This is not to suggest that your story is not important; it is just that sometimes we can get priorities back to front.
The relevance of your story goes to your credibility. Once your client accepts your solution to their requirements as a valuable proposition, they need to know that you can do it. They will ask whether you have the relevant experience to deliver, the expertise to produce the goods or service in the quality and quality offered, and your financial capability to complete the obligations that follow the contract (security, insurance, no conflicts etc.)

To maximize your chance of success with a tender, it is necessary have already developed a very clear understanding of your competitive advantage and how you can apply it. There is nothing worse than to try and come up with clear thought when you have added pressure of a tender deadline. Now is the time to get organized.

You will need to identify what your firm is extremely good at and in what ways your competitiveness impacts on a client. No doubt you already know this, but take the time now to write it down clearly and simply.

Your focus should be on responding to tenders that suit your core business, Avoid bending your business to fit a tender. Changing your business for one customer is not an efficient way to establish sustainable growth.

Start by writing down the relevant points on a piece of paper:

1. List what your business provides.
2. Identify the activities you see being core to your business – the activities you provide most efficient.
3. Describe the geographical area and localities that you can cover and manage efficiently.
4. Describe your expertise gained through experience with similar clients in this industry.
5. Do you have a particular value offering? Remember that price is only the total of all the things you will do deliver product or service – pay particular attention to the things you do everyday but don’t charge for.
6. What gives your firm credibility?
   - Having won a Previous Tender;
   - Current Client;
   - Awards;
   - Quality Assurance etc.
7. Do you offer a unique guarantee?
8. What referees can you rely on that will persuade your prospect to consider you?
9. Anything else you can think of to differentiate your business from your competition?
10. Think about your competitors every time you respond to a tender. What do you think they might offer that will impress the buyer? How would you counter – argue their offer?
Focus on what you have just produced to identify your real strengths – the ones that catch the eye of your clients. Now that you can see where your strengths lie, aim for tenders from prospects that require these strengths.

You might be thinking, “Do tenders like this come up?”

At Tenders info, we maintain archives going back for many years. If you want us to do special research on a particular organization, email details of the organization and type of work you are looking for to mktg@tendersinfo.com and we will provide you with a quote for a report on the activity you are interested in.

Occasionally, a tender is won by businesses represented by a consortia or group of suppliers performing different, but complementary services. It may be wise to develop strategic alliances to strengthen your capability profile for certain business opportunities.

Write down 3 services or areas you see may be significantly enhanced by a strategic alliance.

Rather than two firms losing a tender because alone they have gaps in capability, by forming strategic alliances, they present a total solution with a single point of contact and are more likely to win the tender as a team.

A tender for the training of government departmental staff was called for some time ago. The services requested involved both customer service and sales training. One client who had excellent customer service training skills was not able to address the sales component of the tender. By forming an alliance with a sales training firm they were both able to focus on the areas in which they had a competitive advantage. They did not have to change the direction of their respective businesses and were able to secure the tender.

Alliances take time to establish. Start to give thought to those businesses that reflect or add your culture and have the same plans. Establish a well-defined relationship for such times when a tender requires that blend of capability. May be you already recall tenders from the past where you could have responded had you developed the right alliances?
Use Recurring Tenders to gain an edge & other hidden sales opportunities

How long did it take you to prepare your last tender proposal?

Think about the work involved in writing a tender proposal. Imagine if your proposal was already prepared when you selected your next tender project.

Think about the type of work involved with a particular tender. Is it a common service to be delivered over time (i.e. 12 months, 24 months) or is it a one off purchase for a product where the obsolescence cycle is fast (e.g. IT hardware)?

If it is a regular service to be delivered over time – for example, a cleaning contract, the contract will be renewed at the expiry of the current arrangement. This is a time-based contract that will be tendered out to the public at fairly regular intervals.

If it is for the purchase and installation of product and hardware that is developing rapidly, the astute business person will track the sale and introduce their new product at a key time.

Recurring Tenders

In most cases you can access the details of tenders currently contracted. That is, who won last time, how much they charge and what they were requested to provide.

Recurring tenders allow you to know in advance when the tender is coming up and you will be able to plan a lot earlier than when the invitation to respond is advertised. The specifications, requirements and many details of the tender remain the same. By researching the previous winning tender you have an advantage, you will know how much the contract went for and what the performance requirements are. You will also be able to find out how satisfied the customer is with the current contractor. By developing solutions to remove the customer’s dissatisfaction, you may be in a position to influence the likely amendments for the next round.

If this information is collaborated and developed in the correct way, you will have an advantage over your competitors when it comes to responding to the new invitation. If your business’s tendering opportunities are mainly recurring tenders, you should be preparing before the lapse of current contracts. As noted earlier, Tendersinfo provides an additional service that researches recurrent tenders on request.

For more information contact us on +91 22 28666000.
When working with a tender that is a one-off purchase we don’t have the luxury to be able to research a current contract. You have to especially well tuned and prepared to prepare an effective tender submission.

You will be notified of this tender opportunity by Tendersinfo within hours of its publication. This tender will have a cut off date and a plan should be prepared to meet this important deadline.

You should already have your standard tender template prepared (see topic 11). So, the real focus needs to be on understanding the specific information the tenderer is asking and the tasks that will be needed to conform with the specified requirement – eg: adjust product/service specifications to align with expectations, pricing etc.

On this type submission you want the reader to feel extremely comfortable in deciding to work with you. Give thought as to what will establish this level of trust in your submission. It might be worth doing some research into firms they have chosen to deal with in the past. You may fang they’ve chosen to work with companies in a particular district or with experience in dealing with government, or even quality assurance may be something they’ve chosen in the past. This research could highlight areas in your submission to really expand on.

Make sure you target your preferred work in accordance with the competitive edge you have already identified.

Also, on a one-off purchase, do not ignore the lifespan of the product or technology at the heart of the tender.
A tender can be the start of a chain reaction full of selling opportunities quite apart from formal tenders.

For example, if a council wants to purchase a new computer system, there may be future purchases connected to the existence of new computers in the organization that, depending on the total dollar amount, may not go out to tender. A computer network does require data storage disks, mouse pads, terminals, software, training, paper, printers and toner.

The computer system tender specifications may not have included these additional and ongoing items. There is an opportunity to supply these to the council and such opportunities are frequently overlooked as valuable sales leads. All it takes is to think a little deeper about the organization advertising the need and your ability to help them out.

Think about your products or services and write down the types of events or tenders that indicate this type of “lateral” opportunity, even when not specifically described in the tender.
Rethinking price for responding to tenders

We discussed earlier the potential for more competitive pricing on a tender.

Sales achieved through responding to tenders avoids most of the infrastructure costs of maintaining a sales and marketing to generate sales leads for sales and account management staff. To put it simply, recalculating your “tender” price starts with deducting marketing and sales costs associated with everyday sales.

Product Pricing

A sale made through the tendering process can return very good margins providing you adjust for advertising and marketing costs and any price adjustment for bad debts you normally absorb into your general list price for products or services.

Clients who talk about the tendering market being competitive often make the mistake of applying their general list prices to tender responses.

The only real marketing cost associated with your tender response is the cost of identifying the tender, developing a relationship with organization where possible and the preparation of the response itself. In majority of cases, these costs are minimal.

So how do you adjust your pricing for a tender response? Let us look at how we might apply this to pricing so that you can relate it to your own type of business and industry.
Consider a small business produces 10,000 items per annum. Let’s assume that the cost of producing each unit at this level of production is $100 per unit.

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<td>Cost of Goods sold $1,000,000</td>
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<td>Overheads $1,000,000</td>
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<td><strong>C</strong></td>
<td>Sales &amp; Marketing $500,000 $2,000,000</td>
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<td><strong>D</strong></td>
<td>Mar-up $1,000,000 Total Sales $3,000,000 $Per Unit (10,000) $300</td>
</tr>
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<td><strong>E</strong></td>
<td>Sales &amp; Marketing represents $50 costs and $25 mark-up for each unit sold at $350- or 23% of the selling price.</td>
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You will now realize that your tender price can be discounted to remove Sales and Marketing costs not directly associated with the tender response and reduced from even your “corporate bulk discount” price without affecting margins. So now it’s time to re-think your own pricing structure when quoting in a response to a tender.

Yes, there may be slight variations to margins depending on volumes, the proportion of costs attributable to Sales and Marketing, the margins applied and the capacity to produce more with additional overtimes or labouringly but adjustment is possible and necessary in 99% of quotes when tendering.

Service Pricing

Where your business sells a service, the rationale for Sales and Marketing adjustment is fundamentally the same. It is less likely to have as dramatic an impact.

To explore the benefit to pricing, the first step is to divide the services offered into clear units of measure (time, area, etc.).

For example, cleaning can be broken down to a price per square meters for a particular type of surface, activity or an hourly rate.

It your current pricing schedule for services is not clearly identifiable in units, it is a must that you carefully go through this important exercise. Not only will a better defined “product” pricing structure benefit your day to day business, you will also be able to get a better indication of what profit margins you can competitively maintain before determining a tender specific price.

If you have any doubts about your ability to analyses your current pricing structure and future tender pricing structure, we recommend you refer this task to your accountant as soon as possible.

Remember, once your tender price is clearly established, it can be reapplied when responding to several tenders. The tender price should be reviewed at the same time as you periodically review your pricing policy.
Save costs through tendering for your own purchasing needs

We often make purchases from firms we like to deal with. Sometimes, the price we pay for ongoing orders can creep away from what was originally negotiated and quality can suffer at the same time. Some suppliers refer to it as being 'on the gravy'. They expect to increase their prices to existing clients based on the strong relationship they have built up over the years without their client looking around for a new supplier.

We experienced this on behalf of a client. Our client dealt with a computer supplier for some 6 years. They received reasonable ongoing support from that supplier and did not necessarily want to shop elsewhere. Planning to set up a new computer system, their supplier provided a quote on the new system. Our client was concerned that the quote lacked detail and seemed very expensive. We obtained proposals against the specifications created to meet our client’s requirements and reinvented their supplier, amongst others, to submit fresh solutions.

We put the system required out to tender through our own network in the consulting and computer industry. The range of solution provided in response was varied and competitive in pricing. The current supplier’s solution and price also became much more competitive. It was obvious that they were now taking the relationship more seriously and concerned to keep their existing client. If the existing supplier had not reacted competitively, we would have had no hesitation in recommending our client secure a new supplier from among the other respondents. As it turned out, the existing supplier provided the hardware and another supplier provided the software and system application solutions.

This was a real win for our client as they maintained a working relationship, realized a competitive price and obtained a software solution in a valuable new relationship. The price saving of 21% on the hardware went straight to the client’s bottom line. The variety of solutions proposed enabled our client to make an informed decision as to who would best suit their needs – and isn’t that what business is all about!

Tendersinfo can offer you the same negotiating power for your purchases by enabling you to advertise your requirements to our clients free of charge on our notification bulletins.

Let’s face it; just a 10% saving on 50% of your total purchases from existing suppliers represents an increase of 5% of turnover that can go directly to your bottom line profit. Start to think about how tendering out your purchases can improve your bottom line.
So, what purchases will you be making in the next few months?

- Computer
- Printer
- Phone System
- Cleaning of office
- Catering
- Personnel Services
- Stationery
- Office furniture
- Security
- Finance

Do you have existing suppliers whose pricing has not been re-negotiated for some time?

Put our subscribers to the test and see if your suppliers are giving you a fair and competitive price without the need for supplier's sales people occupying the space in front of your desk.

Send us a copy of your requirements by filling in a Tender Advertising form and we will start the ball rolling for you – or phone our Customer Service Department on +91 22 - 28666000.
The hidden value of information & its impact on your submissions’ chances of success

When responding to tenders, your business should be focusing on where it has a “competitive edge” and the ways in which you can increase your chance of success with your next tender submission.

We have already highlighted some areas. This next section deals with purely strategic advantages in terms of the odds of winning.

For example, if your submission is competing against 29 other submissions your chances of success based solely on odds is 1 in 30, however if you have responded to a tender which has only 2 other responses the odds of winning are 1 in 3.

How can you start to push toward increasing the odds of winning on your next submission? That is, how can you identify tenders where less people are likely to respond?

Over the years, Tendersinfo subscribers have queried and sometimes complained about “Document Fees” charged by different organizations to get copies of the tender specifications. The organizations justify fees for the cost of creating, distributing and printing the document. Whenever fees are required (this is happening less and less as documents are increasingly available by downloading from the Internet) this can present a barrier to most people who do not think it through fully. The fees can range from $20 to $200 or even more in some rare cases.

Sometimes there are requirements that the tender specifications be collected in person and signed for on a response register. Both of these obstacles can reduce the number of responses to a tender and there lies an opportunity for you to increase your odds and chance of success.

The other area where response will be lower is when an advertised tender provides a very short lead time before the lodgment deadline. For example, a Thursday edition of a newspaper contains a tender. The closing date is the following Wednesday. The time to respond is only 5 days including the day of the advertisement and the day the response has to be lodged! How many firms are really likely to respond? We don’t know for sure, but certainly less will be able to than if a 2 to 3 week lead in time has been allowed. So, here again is another opportunity to improve the odds.

Another way to increase the odds in tender submission is to look at exposure the tender is likely to achieve. The way in which the tender is advertised and the dollar value will depend on the department or organization it has been prepared by. Those tender with the greatest exposure in the main daily papers will also attract the greatest number of responses, therefore increasing the likely competition reducing your chances based purely on odds.

The day which the tender is published will also make difference to the number of businesses likely to respond.
Which tenders are going to attract a greater response and therefore more competition?
Let’s take this one step further ……..

Which publications can we target to find tenders that are more likely to attract a limited response rate?

In our dealings with Purchasing Authorities we were amazed to see how low the response rate has been with many of the tenders they advertise. In some cases, tenders have only attracted 3 responses. Imagine being able to submit a good tender response against only two other competitors, especially considering the incidence of recurring tenders (See topic 4).

What about tenders appearing in suburban and regional papers? Most businesses do not research these, therefore the response rate to these advertisements is often very low.

You should consider responding to tenders with 3 or 4 competitors and not 30 or 40.

At Tendersinfo, we provide our subscribers with every published tender, even those from the most obscure sources, because we appreciate how worthwhile “harder to source” tenders can be.

By going that extra step and sourcing tenders from regional, suburban and daily newspapers, along with the internet and procurement gazettes, we provide our subscribers more tenders that include high potential opportunities because of lower levels of competition.

Tendersinfo notifies its clients of every published tender in their selected geographical area, which means they know of such tenders when hardly anyone else is responding to these.

If you want to be sure that you are able to compete on all these types of opportunities, phone our Customer Service Department on +91 – 22- 28666000 find out more about securing prompt “same day” email bulletins.
Tender Specifications

Every tender has supporting documentation known as the ‘Tender Specifications’. The simplicity or complexity of the documentation varies according to the value of the propose purchase.

The tender specifications should clearly and accurately describe the essential requirements for items, material or services, along with the conditions upon which the purchaser will accept submissions to the tender and the procedures by which the decision to purchase will be determined.

Obtaining Tender Specifications

Normally obtained by telephoning the contact numbers shown in tender notification bulletins or downloading from the nominated internet site;

Tendersinfo bulletins always show at least one contact officer for initial enquires and other requests;

Some specifications must be collected in person and require attendance at an inspection or compulsory briefing session (such as cleaning contracts);

Specifications may only be made available at an industry purchased; And More and more, documents are now also provided on the internet. Tendersinfo provides ‘live’ download links to these documents when they are included in the original advertisement.

When you identify a tender of interest, you should immediately obtain the specification documents without delay. This should be your number one priority.

Check to see if a document fee exists and note whether it needs to be collected by hand. Remember that mailed out specifications lose a day otherwise available to work on your tender submission.

When registering to collect a tender specification, depending on the arrangements, you can examine the register to see which of your competition has also registered.
Entering into legally binding agreements

Caution should always be taken when preparing and submitting a tender response. Every response has the potential to bind the-party submitting it.

You must ensure that all data and statements of fact are true and correct and that you can deliver all that your have stated in your response as your submission is, in many circumstances, the basis for a legally binding obligation that cannot be withdrawn for a period of time after it is lodged.

Remember, your submission is an offer and should clearly state, amongst other things;

Your understanding of the goods/services to be supplied.
Your commitment of meet the specified requirements within the time schedule specified in the documentation your respond to.
Allowances for variation to price if performance is over a period of time.
Warranty statement if supplying good/finished work. As a successful tenderer you may have to comply with Quality Management Standards, Occupational Health and Safety, Environmental, Industrial Relations, Work cover, Dangerous Goods and other legislative requirements and regulations.

Whether you are sourcing goods or material from third parties or subcontracting a Labour component, you will be responsible for compliance with applicable laws and regulations, the merchantable quality of goods and materials and ensuring that Labour is performed in a skilled and workmanlike manner.

We always recommended you seek the professional opinion of your legal advisor before submitting any document that would bind you.
Getting your tender in on time

Once the submission date is clearly identified you should plan how you will prepare your tender within this time, planning for every obstacle that may arise.

Once the first draft of your tender is complete, review the specification documents once more and ensure that what you have written actually addresses the evaluation criteria and conforms to the requirements given in the tender brief.

Before delivering your tender, make sure you keep a copy of the tender brief and your tender submission for future reference. Make sure your tender is lodged before the time specified on the closing date.

Identify the method of lodgment for your tender and complete accordingly. Never delegate the responsibility for lodging your submission to a taxi driver or courier. If there vehicle breaks down, or they experience a delay, they are unlikely to go to the same effort you will to get your document in on time.

Always obtain a receipt at the tender box evidencing the time and date you lodge your submission.
Suggestions regarding structure

The structure of your response to a tender will be governed by the tender specifications you received and how clear they are in terms of how they want the information presented. Organizations increasingly use an “insert details in the table provided” style document, usually available by email.

Always note the key evaluation criteria and ensure you address these topics and issues. Only include the detail necessary to answer the questions asked. If you asked about our credentials to do the tasks requested, ensure you have included as much details as necessary to leave no doubt as to your ability.

A basic proposal consists of 10 key areas: (see below)

These key areas are to be used purely as a guide, you may wish to make additions, deletions, alternations, or use a format of your own.

Note: In our suggested structure, only those areas shaded are the ones that need changing for a specific tender. There is no reason why item 2, 5, 6, 9 and 10 cannot be pre-written to a standard format prior to the tender being published. This will allow for greater focus on the specific areas prior to the closing date.

Proposal Overview

Provide a brief introduction
Summarize your understanding of what the buyer wants and why.
State the key features of your proposed solution.
Explain why it is in the interest of the buyer to strongly consider your proposal.
State the difference between the price offered and your normal price and the reason for the difference.
Lastly ask for the business and make sure you sign the overview and identify who signed it.
Give a brief summary of your business and what you expect your clients to experience dealing with you. Summarize the experience you have in your industry and any recognition you have received for this expertise.

Outline similar projects or contracts you have successfully completed or have in place, and with whom.

Provide a plan for the activities you identify to be undertaken to meet the stated objectives. Be precise and honest as to your abilities.

Provide a brief background of each person in your business that is critical to the task i.e.: how many year experience within the industry qualifications current role and similar success in this are.

How you will maintain and deliver your service or product, i.e. reports, reviews, assessment.

Provide detailed costs & alternatives prices for different levels of service delivery to indicate your flexibility in structuring a price for service. State whether they are fixed or negotiable. State your payment terms very clearly if they are not already specified.

Provide references from clients who will be happy to support you and are relevant to the specific tender.

Provide some security that you will be in business long after this contract is completed financial statement, insurance certificates etc. The buyer will make a decision that puts them at least risk. It is your job to minimize any anticipated risk.

Include relevant policies Standards, ethics etc.
Finally

Now that you have read through our guide on ‘An introduction to Tendering’

*Let your friends know about it!*

Can you recommend to us some colleagues you think would like to learn about tendering as an additional marketing arm of their business?

If you would like more information or assistance with regard to responding to tenders. **Please call us on +91-22-28666000**

We greatly appreciate the views of our clients, which allow us to continue to deliver an ever increasing quality of services.

Your feedback on this guide or any other aspect of Tendersinfo services. Is greatly appreciated.

Thank you.
Appendix – Tendering Terms and Definitions

Here are some of the common terms and acronyms in the Tendering Process:

**Bid**
A general term that refers to responding to the various request called tenders. It includes the combined activities that represent a supplier’s effort to research the buyer and its needs, develop a particular strategy, document the supply proposal, present the offer to a buyer and finally negotiate the contract.

**Buyer**
See client - a client committed to acquire specified product or services.

**Clients**
Organizations/ Legal entities that enter into a written contract or arrangement with one or more suppliers who are able to provide a specified product or services.

**Closed Tender**
An opportunity to respond to a tender limited by client invitation to a list of selection of known suppliers.

**Contract**
Legal bidding agreement between a client and supplier containing a set of terms and conditions for the supply and acquisition of product or services method and time of delivery standard and procedures for the performance of the undertakings for supply and payment.

**EOI**
Expression of Interest: An opportunity to advise a potential client of willingness to respond to future requests for quotation or tenders for specific objectives and usually contains a statement of experience, credentials and capability.

**ITR**
Invitation to Register: An opportunity to provide a statement of experience, credentials and capabilities for the purpose of being included on a list of suppliers. ITR’s may be broad or very specific in requirement, i.e. Technology, defense, Security etc.

**ITT**
Invitation to tender, see RFP. An opportunity to commit to participating in a specific RFP in the near future.

**Open tenders**
A published advertisement detailing a tender opportunity to which any organization may submit a response.

**Preferred Tender**
The evaluation team’s selection as the strongest submission assessed for the supply of specified product or services. Indicates that negotiations are taking place on best and final offers and may yet be subject to the stakeholders veto in favour of another submission. The verbal and visual demonstration of a supplier’s proposal face to face with the potential client after the responses have been evaluated and short-listed.

**Presentation**
Appendix – Tendering Terms and Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project</td>
<td>The defining issues that quantify the inputs necessary for a supplier to deliver specified requirements for products or services.</td>
</tr>
<tr>
<td>Prospect</td>
<td>An organization, legal entity or event that indicates a demand for product or services.</td>
</tr>
<tr>
<td>Proposals</td>
<td>A suggested solution or approach to creating a supply solution to a specified set of objectives. Proposals may be submitted as a response to a format request or unsolicited as in day-to-day business development activities.</td>
</tr>
<tr>
<td>Quantified Response</td>
<td>Accepted tender submission. The Purchaser’s evaluation team has evaluated the tender response as conforming to the invitation requirements and worthy of further consideration.</td>
</tr>
<tr>
<td>Response</td>
<td>The answering documents to RFP’s etc.</td>
</tr>
<tr>
<td>RFP</td>
<td>Request for proposal: An invitation to organizations to submit and approach to satisfying less clearly defined requirements.</td>
</tr>
<tr>
<td>RFQ</td>
<td>Request for Quote: An opportunity to submit a price and related terms for the provision of a highly specified product or service.</td>
</tr>
<tr>
<td>RFT</td>
<td>Request for Tender: An invitation for responses to supply product or services in accordance with clearly defined requirements. The response confirms the supplier’s ability to comply with mandatory requirements and establishes contractual obligations prior to a final decision on the award of the tender.</td>
</tr>
<tr>
<td>ROI</td>
<td>Registration of Interest: See ITR. Opportunities register interest in participating in future invitations to supply product or services.</td>
</tr>
<tr>
<td>Shortlist</td>
<td>A compilation of those organizations who have qualified to be invited to responds to an RFP or having provided a compliant, response to specified requirements are evaluated as one of a few respondents with which the client will further negotiate.</td>
</tr>
<tr>
<td>Specifications tender documents</td>
<td>Specifications tender documents: The documents provided by a potential client as an invitation to potential suppliers containing the instructions for responding, the objectives and requirements sought to be satisfied by the potential client.</td>
</tr>
<tr>
<td>Tender</td>
<td>Format response to an RFT. A direction to comply with specified requirements is present together with draft contractual terms are usually stipulated.</td>
</tr>
<tr>
<td>Unqualified Response</td>
<td>Rejected tender submission. The tender response has been evaluated and culled from further consideration by the purchaser’s evaluation team.</td>
</tr>
</tbody>
</table>