

Tendering

Table of contents

<u>Tender for a contract</u>	2
Introduction	2
Finding out about contracts	2
Should you bid for a tender?	3
Find out what the client wants	4
What to put in your tender	4
Writing your tender	5
Tips on editing your tender	6
Here's how I select and bid for tenders	6
Related guides on bgateway.com	8
Related web sites you might find useful	8

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Subjects covered in this guide

Introduction

Finding out about contracts

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Tips on editing your tender

Here's how I select and bid for tenders

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*Home > Sales and marketing > Effective
selling > Tender for a contract*

Introduction

Submitting a tender is common for businesses supplying goods or services to other businesses or the public sector.

At a basic level you expect to **quote** for a job or write a letter saying why you should be given the business.

But more **formal tenders** often apply to bigger jobs or for supply contracts spread over time. Public-sector work in particular has specific tendering processes. This applies to customers ranging from your local council or hospital to a central government department.

Even if you don't win the work this time, writing a tender can clarify your aims, strengths and weaknesses and you can learn for next time by asking for feedback on your bid. It raises your profile with the customer and helps you learn about customers' needs.

This guide explains how to identify potential contracts, what to include in your tender and how to write it for the best chance of success.

Finding out about contracts

You can find out about **private-sector contracts** through:

- building contacts with potential customers
- advertisements in local and national newspapers
- advertisements in trade and professional magazines covering

- your area of business
- researching contracts outside your business sector which may produce secondary contracts for you, eg if a new office block is built, it will need desks, carpets, signage, stationery, cleaning and laundry
- following up press and other reports - a company may be expanding or sub-contracting part of a big order
- networking and picking up information from other businesses

You can identify **public-sector contracts** by:

- following up contract notices published in newspapers and trade magazines
- monitoring online government tender notices - **find further information about government contracts on the Supply2.gov.uk website (registration required)**
- searching free for "above threshold" contracts (with a value that exceeds the threshold above which an invitation to tender must be published throughout the European Union - you can **perform the search on the [Official Journal of the European Union \(OJEU\) website](http://OfficialJournaloftheEuropeanUnion.com)**
- contacting your local European Information Centre (EIC) - **find details of the services offered by the [EIC on the Scottish Enterprise website](http://EIC.scot.nhs.uk)**

You can **find information on non-EU public-sector contracts on the [UK Trade & Investment website](http://UKTradeandInvestment.com) (registration required)**.

More information on preparing tenders can be found in the guide [Tendering for](#)

Government Contracts available from the Department of Trade and Industry Publications Unit Order Line on Tel 0845 015 0010.

Should you bid for a tender?

Preparing tenders can help you to win big orders, but it can also be time-consuming, cost money and tie up valuable resources. If you don't get the contract, the money and time spent is usually lost, so you need to weigh up whether or not a tender is worth bidding for.

Key points to consider

- Get hold of the bid documents and analyse them.
- Make sure you can match the technical, skill and experience requirements.
- How much will it cost to prepare your bid?
- Would the work fit in with your strategy and positioning of your business?
- Estimate the costs of fulfilling the contract and whether or not you'd make enough money to justify it.
- Assess how the contract would affect your other work, staffing and ability to take on other new business.

You also need to consider how important the customer is to your business. Is this a good potential client or one you don't want to offend by not tendering? Try to understand things from the client's point of view.

More information on preparing tenders can be found in the guide to tendering for government contracts, available from the

Department of Trade and Industry
Publications Unit Order Line on Tel 0845
015 0010. [Find contract opportunities on the Supply2.gov.uk website \(registration required\)](#).

Find out what the client wants

In order to gain a clearer understanding of a potential client's requirements, see if you can arrange a meeting or have a telephone conversation with them, before you start work on the tender. You should always raise questions by phone or email if tender documents are unclear - on anything from deadlines to how you'd get paid.

Make sure the client is serious, and that you're not there to make up the numbers or to test the market. Sometimes customers may just be fishing for ideas they'll then use for themselves. You can prevent this from happening by requesting customers to sign a non-disclosure agreement before presenting your tender. See our guide on [non-disclosure agreements](#). But don't forget many clients genuinely want you to make a **creative contribution** and provide ideas.

If you're selling to the public sector, you can [find advice on procurement practice at the Office of Government Commerce website](#).

More information on preparing tenders can be found in the guide to tendering for government contracts, available from the Department of Trade and Industry Publications Unit Order Line on Tel 0845 015 0010. You can [find contract opportunities on the Supply2.gov.uk website \(registration required\)](#).

What to put in your tender

Make sure you match the bid specification and answer all the questions.

Summarise your bid and explain why it answers the client's needs. Write this last but put it at the beginning of your tender.

Crucial rules for your tender document

- **Focus on the client** - talk about their needs and how you can solve their problems. When you write about yourself, it's to prove you have the skills, experience and organisation to fulfil the client's requirements.
- Help the client by coming up with **ideas** - from alternative ways of doing things to how to tackle possible worries about future maintenance and staffing implications.
- If the client has provided a **qualification document**, make sure that you cover everything in the document.
- **Value for money** and not price alone decides most bids. Bring something to the work that can't be done by the client. Emphasise business benefits, service improvements, risk reduction, low maintenance, quality, reliability, previous satisfied customers, lifetime costs, etc.
- Analyse all the cost and **pricing factors** of the contract. Don't ignore fixed costs such as wages for staff who could be working on something else.
- Consider whether to include some **protection of your information** from future disclosure under the Freedom of Information Act. You may wish to indicate which information you consider to be a

"trade secret" or is likely to prejudice your commercial interests if disclosed. You could also include a non-disclosure agreement. See our guide on [non-disclosure agreements](#).

- **Contract management** - show you have the resources to do the work in a cost-effective way to meet the client's needs, hit deadlines and respond flexibly to changing situations.
- Show you've thought about - and can manage - potential financial, commercial and legal **risks** that could cause contract failure.
- Give details of **your team**. Emphasise strengths - CVs should highlight successes with similar projects as well as qualifications and experience.

More information on preparing tenders can be found in the guide to tendering for government contracts, available from the DTI Publications Unit Order Line on Tel 0845 015 0010.

Writing your tender

Once you've decided to bid, you'll need to decide how you'll manage the bid:

- Who gathers information and does research?
- Who co-ordinates all the material you need?
- Who writes the drafts?
- Who checks them?
- How will the rest of the your firm's work get done?

A good starting point is to make a list of all the questions you would ask if a company

was submitting a tender to provide a product or service to you.

Clients will expect you to:

- state the purpose and origin of the bid
- summarise your work as a contractor, past experience and credentials for this job
- say how you'll carry out the work, and how and when the client's aims will be achieved
- explain the benefits and value for money of your bid
- detail when and how goods and services are to be delivered, and provide a timetable
- demonstrate your team's skills, experience of similar work and their responsibilities if you win the contract
- explain how you will manage the project
- give details of your pricing and any aftercare arrangements within the price
- be practical and identify potential problems without promising what's clearly impossible for you to deliver

Include a **covering letter** that responds to the bid invitation, summarises your main message and explains how the documents are organised.

You should also be aware that information from your tender may be disclosed in the future under the Freedom of Information Act. This gives anyone, including your competitors, the general right to see information held by public authorities - including the information in your tender.

Therefore you should clearly indicate which

information is commercially confidential. If the information is particularly sensitive, you might want to ask for a non-disclosure agreement. See our guide on [non-disclosure agreements](#).

More information on preparing tenders can be found in the guide to tendering for government contracts, available from the Department of Trade and Industry Publications Unit Order Line on Tel 0845 015 0010.

Tips on editing your tender

It is well worth spending some time looking at the presentation of your tender. Here are some tips on editing and supplying your tender:

- Keep sentences and paragraphs short, punchy and businesslike.
- Use bullet points and headings to break up text.
- Decide on a typeface, layout and type size - not too small - and stick to them.
- Make sure everything is standardised. Are CVs all presented in the same way?
- Be careful when cutting and pasting copy to make sure the format stays the same.
- Make sure you've developed a logical argument and that everything hangs together.
- Read everything again. Then get a colleague to read it - for meaning, typing mistakes and omissions.
- Use appendices for supporting additional information.
- Have a front cover with project title, date, name of the organisation requesting the tender, and that of

your own firm.

- Include a contents page.
- Number paragraphs and provide a contents page so material can be easily located.
- Consider getting it printed and bound professionally.

Above all, make sure the tender is delivered on time - it is unlikely that organisations will consider your tender if it arrives after the closing date. You may want to deliver it yourself, by hand, to ensure it arrives safely. Alternatively, contact the organisation to check they have received it.

More information on preparing tenders can be found in the guide to tendering for government contracts, available from the Department of Trade and Industry Publications Unit Order Line on Tel 0845 015 0010.

Here's how I select and bid for tenders

Phoebe Hart

JJ Group

Phoebe's top tips:

- "Know your strengths and weaknesses before you start."
- "Have a plan for selecting tenders to go for."
- "Nominate a central co-ordinator."

The JJ Group is a full service marketing and new media agency based in Oxford. Established in 1989, the company's current clients include Volvo, British Gas and the

Department for Work and Pensions. Marketing manager Phoebe Hart explains how a structured approach to tendering helps the company win new business.

What I did

Have a plan

"Two years ago we set up a dedicated team to co-ordinate tenders as part of our growth strategy. We began by reviewing recent contracts, analysing revenue versus costs. We also identified which market sectors and company types we wanted to target. It's important to be specific so you don't waste resources chasing tenders that don't fit overall business objectives.

"There are lots of ways to find out about contracts. As well as being members of relevant professional bodies, we monitor the trade press, attend networking events and use an online tool for tracking public sector contracts."

Allocate responsibilities

"At the outset of a tender we pick a team to work on it, balancing skills required against existing workloads. We always allocate the people who will actually work on the business if we win it, and we include their CVs in the tender document.

"We hold meetings at key stages and map critical paths so everyone knows what they have to produce and when. When several people are contributing to a document, it's also important to give one person responsibility for the final edit, or you can end up with disparate styles."

Prepare the pitch

"Our golden rule is to focus on what the client is asking for. Sometimes that's clear from their brief, but you can't afford to guess or get too carried away with your own ideas. If we have queries, we contact the client, which also helps to build a rapport before the tender document is submitted.

"Most tender briefs come with a budget to work to. We regularly benchmark ourselves against similar-sized agencies so we know our pricing is competitive.

"Tender documents will be read by several people within an organisation, each with a different perspective. We structure ours so that they're easy to read and the client can quickly reference the part they're interested in.

"If a presentation is required, we adapt and add to the original document, so we're not just re-hashing what the client has already read."

What I'd do differently

Be selective

"In the early stages, the scatter-gun approach prevailed and we wasted time and money tendering for contracts we shouldn't have considered. Nowadays we're more selective."

Understand the public sector

"When we first started bidding for public sector contracts, we didn't realise the difference in processes and timescales compared to the private sector. We now understand the level of detail required and the time we need to allocate."

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Find out about public-sector contracts located outside of the EU on the [UK Trade & Investment website](#) (registration required)

Find out about government procurement practice at the [Office of Government Commerce website](#)

Download a sample invitation to tender document from the [BERR website](#) (PDF)

Related web sites you might find useful

Find a course on written communications at the [learndirect scotland for business website](#)

Find out about supplying products or services to government at the [Supply2.gov.uk website](#) (registration required)

Find out about tendering for government contracts at the [Department for Business, Enterprise and Regulatory Reform \(BERR\) website](#)

Search for "above threshold" contracts on the [OJEU website](#)

Find details of the services offered by the [EIC on the Scottish Enterprise website](#)