

GUIDE



# TENDERING FOR CONTRACTS

To find out more visit  
[safecontractor.com](https://safecontractor.com)

# THE TENDERING PROCESS

Tendering is a process for contractors to place a bid for a project, appointing a contractor and agreeing on a price.

When bidding for a contract, you'll need to submit a tender document, which helps the client to evaluate your suitability for work and will have set questions that you need to respond to. As a contractor, it's your formal offer, or a bid, to ultimately secure a contract.

As part of the process, you'll be evaluated on both price and quality at the selection process and who is best to deliver the contract.

With the process taking time and resource, it's important to focus on the bids you genuinely want to win and deliver. With a selective approach, you can increase your win rate and spend your time and money more efficiently.

This guide aims to support anyone involved in tenders, who is looking to develop a greater understanding of the tendering process, and how to manage production of a bid.



## FIRST STEPS IN THE PROCESS

### Find out all you can about the client

Research the business you're bidding on a contract/project, their goals, who their team is, how they operate and any issues they may have had in the past.

### Take a look at the potential competition

Explore who you could be competing against. Keep your competitors front of mind when developing your own bid. How is your offering different to theirs? What are your USPs?

### Develop an ideal solution to meet the business objective

Think about what you can provide to the client that meet their needs, insightful information, use stats and figures where possible and always include previous work to back up your points and position your offer as a more suitable choice than competitors.

### Start to work through the bid document

You should be notified with the bid documents if you are selected to take part. Once you've reviewed the bid document, understood the questions and requirements you need to meet, you need to make a final decision and decide whether you're going to bid or not.

### Plan your bid

Before you start working on the bid document(s), consider if you need other people in the team or specialist people to support you. Once you know who is working on the bid and timescales, you can start to structure your pitch, to show why you're the right contractor/supplier to carry out the work.

### Writing your bid

Using the knowledge of your client, competitors and all the key information on your business, it's time to write your bid. If you have little experience in writing a bid, it can be useful to contact a professional bid writing company and get them to help or write your bid for you.

### Reviewing your bid

Make sure you review the document thoroughly. Put yourself in the client's shoes and ask if you would work with this business based on the proposition.

### Finally... Submitting your bid

Once you are happy, it's time to submit it. If you're successful, you should hopefully be asked to meet the client or present your pitch to them.





## UNDERSTANDING WHAT PROCUREMENT TEAMS ARE LOOKING FOR

Procurement plays a critical role in helping organisations to achieve cost-savings and cost control while standardising the purchasing and approval process. The other key function of a Procurement Team is risk management.

The objectives of the Procurement Team are to:

- Contribute savings for the business
- Provide objective and measurable evidence of effective management in procurement
- Influence and improve ethical practices in the supply chain

That means that they'll be looking for aspects such as:

- Costs
- Competitive advantage
- Innovation
- Product/service range
- Brand reputation
- Customer care
- Any risks that can impact their supply chains

The Procurement Team will manage all the activities in the bid process, including logistics and contract management. They make sure that the process is carried out in line with current legislation and requirements of the project, as well as making sure compliance with purchasing best practices and existing business policies and procedures are met.

They will also take responsibility for developing the approved list of contractors and communicating with the project manager, senior management team and other stakeholders.

The common process managed by the Procurement Team involves:

- Identifying the business requirements
- Outlining the specifics of the requirements
- Sourcing contractors / suppliers
- Negotiation and finalising price and terms
- Purchase requisition and order
- Delivery of the purchase order
- Onboarding
- Payment processes

## WHAT IS TYPICALLY INVOLVED IN A TENDER?

An invitation to tender (ITT), is a formal procurement document that the client issues, inviting bids for the contract they are looking to achieve. This is often from suppliers or contractors who have been previously assessed for suitability via a supplier questionnaire (SQ) or pre-qualification questionnaire (PQQ).

Typically, the information required in the invitation to tender documents include more detailed information about the goods or services you provide and specific considerations they would like you to evidence so they can select the most suitable candidate.

The time from submission of your response to the ITT and award of the contract can vary, but is normally laid out in the invitation to tender documents and will be as a minimum three to four weeks.

The following information is typically contained within a Request for Proposal, ITT or Specification Document:

- Scope of requirement, including core and optional or desirable requirements
- Background to the requirement
- Detailed description of the functional requirements (essential, optional and desirable)
- Description of the performance requirements
- Timescales and timetable
- Performance measurement requirements (availability, added value, incentives etc)
- Pricing details, including: price changes compared to historic figures, margins, total costs and open book costing, competitive rates with suppliers
- Other requirements (GDPR, Information Security etc)
- Constraints, such as time, other parties, IT/Software
- Contract management requirements, such as Management Information, Project Management, Risk Management methodology
- Contractual requirements, such as Terms and Conditions, Roles and Responsibilities, alternative proposals/amendments
- Procurement procedures, including: timetable, evaluation and acceptance criteria, process, contact information, format and content of responses
- Appendices: Background data, statistics, processes, organisational information

The following information is typically contained within a Request for Proposal, ITT or Specification Document:

- Total costs
- Added value
- Technical merit
- Quality
- Innovation
- Sustainability
- Ethical sourcing



## ETHICAL SOURCING IN THE TENDER PROCESS

To build supply chains that are resilient, diverse, and future-proofed for ethical challenges, businesses are increasingly embedding sustainability into procurement and purchasing decisions.

### What will procurement evaluate?

- Overall impact of ethics and responsible procurement
- Business Continuity impacts, reputational impacts, financial impacts, extended supply chain, enhancing proficiency, compliance with international laws and regulations
- UK Bribery Act 2010
- Reputational impact
- Risk assessment
- Due diligence, monitoring and audits
- CSR – Minimising negative effects of business on local communities
- Social, economic and cultural diversity
- People, profit, planet
- Extending procurement and supply decisions away from just price and quality
- Sustainability and its importance in procurement and supply decision making
- Modern Slavery and associated considerations
- Bribery corruption and fraud
- CSR
- Compliance to sustainability principles
- Discrimination, equality and diversity
- Employee redundancy and dismissal
- Working time, minimum wage
- Health and Safety at the workplace

“Sustainability isn't a buzzword, it's crucial to an organisation's purpose and strategy to grow brand equity and trust. Heightened stakeholder expectations and growing public scrutiny mean that businesses need to prove they're managing their operations without compromising on safety, sustainability or ethics.”

**David Picton, SVP of Sustainability, Alcumus**



## ADDITIONAL FACTORS IN THE TENDER PROCESS

Risk Management is a critical and continuous process, and appropriate Risk Assessments will be undertaken and reviewed throughout the tender process.

Procurement will assess the risks to them as a client and will look at the following in your business:

- Lack of capacity of the supplier, particularly if there are significant increases in demand
- Reduction in demand leading to higher costs
- An event which causes an increase in the total of the price to the purchaser
- An event which causes a programme delay
- Supplier staff changes
- Changes to the supplier's business objectives
- Deterioration in the supplier's financial standing
- Demand changes that cannot be met by the supplier
- Deterioration of quality
- Force majeure issues
- Market fluctuations

A service-level agreement (SLA) may also be required, setting out the level of service the business expects from you.

The purpose of SLAs and setting service levels is to enable the business to monitor and control the performance received from the supplier against agreed standards. It will include all the information on the contracted services and expected reliability into a single document. They clearly state metrics, responsibilities and expectations so that both sides have the same understanding of requirements.

The main types of contracts and agreements include:

- Term contracts
- Framework agreements
- Call offs

These will usually include the following, with clauses:

- Specification
- KPIs
- The contract terms
- The pricing schedule
- Other schedules (Health and Safety, use of sub-contractors, NDAs, Confidentiality)
- Compensation
- Indemnities and liabilities
- Sub-contracting and assignment
- Insurances
- Guarantees
- Payment
- Delivery and completion

## NEXT STEPS... CONTRACT AWARD STAGE

Once the evaluation team has reviewed each tender, they'll either make recommendations to the business or will award the contract based on their assessment.

An award decision notice must be sent to all tenderers once a decision has been reached. This will outline the reasons for their decision, the scores you received and, if you weren't the winning bidder, how your score differed from the winning bid – you can obtain feedback that will help you understand the aspects of what you need to include next time.

### Post award activities

Once the contract is awarded, you'll be asked for performance measures that cover all aspects of a contract, which will include:

- Cost and value obtained
- Performance and customer satisfaction
- Delivery improvement and added value
- Delivery capability
- Benefits realised
- Relationship strength and responsiveness

If you've won the tender, clearly communicate what you've said in the tender and what you'll deliver. Arrange an introduction meeting with key stakeholders in your business and the clients so the client will have a positive experience and know you're easy to do business with.

It's also important to ask the client for constructive feedback on your submission, whether you're successful or not. What did they like about your submission? What did they think your key strengths and weaknesses were? What about your pricing? How did you compare to your competitors etc? This will help you to improve your tender process in the future.





## BEST PRACTICE IN TENDERING/BIDDING

Bidding/Tendering is time-consuming and has a financial impact. Make sure you have a bid/no bid process, which asks key questions before you make a decision about whether to bid or not:

### What to consider



Do you understand the client's needs/requirements/specification? What do they want? Why do they want it? What is the background to the situation? What are their issues/challenges/pain points?

Do you understand the client's key objectives? Are you a good fit? What will good/success look like if you win the opportunity for them and you?

Have you influenced the specification/key decision makers? If you haven't, it's likely your competitors have

Have you got the capability, experience and capacity to deliver?

Can you self-deliver? Do you need to sub-contract? Do you need partners? Or to form a consortium/Joint Venture?

Do you know your competitors? What are their strengths and weaknesses and USPs? Can you exploit your strengths/their weaknesses and mitigate your weaknesses/their strengths?

What are our Unique Selling Points (USPs), Key Differentiators etc? What can we do/offer that our competitors can't? Why should the client choose us?

Are there any gaps in your solution/product/service?

Do you have the time and resources to respond to the Invitation to Tender (ITT) or Request for Proposal (RFP)?

What risks/obstacles are associated with bidding and winning? Service deliver/SLAs/KPIs etc

Are there any legal red flags/contractual Terms and Conditions? Are these risks acceptable? Can they be negotiated with the client/procurement?

What are the pricing terms/payment terms? Are there any penalties for poor service delivery etc?

## STRUCTURING ANSWERS

Plotting out the key points you want to cover in your answer ahead of actually writing it is an essential part of winning bids. Think of it like a shopping list – make notes or bullet points of all the key items you want to cover. This will ensure you don't leave out any important points, and give you something to work with when you're actually ready to start writing the tender.

Here's what professional bid writers do:

**First, check the scoring guidance** – are you required to include evidence of past projects, etc? Any other specific requirements to consider in your answers?

**Break down the question** – think about what exactly is being asked

Break your answer down into segments to address each point within the question – and return to the scoring guidance to ensure you're delivering what is required to back up your answers

Scoring well in a tender process is about attention to detail – a couple of small mistakes can be the difference between scoring a 6/10 or a 9/10.



DO YOUR HOMEWORK – RESEARCH BASICS.



WHAT IS YOUR DNA THAT WILL WORK FOR THE CLIENT?



GETTING YOUR MESSAGE RIGHT FOR THE BUYER.



USING STRUCTURE TO GET YOUR ANSWERS JUST RIGHT.



MAKING SURE THE SCORING GUIDANCE WORKS FOR YOU.

## GUIDE

### ALCUMUS

Alcumus is a global risk management provider that helps organisations of all sizes anticipate, manage and avoid risks to protect people, operations and the planet, creating a safer and more sustainable world.

We apply an integrated approach to managing Health, Safety, EHSQ and ESG compliance across industries, locations, contractor and supplier networks.

This provides operational resilience, control and insights that contribute to the continued success of over 45,000 customers globally.

Combining our expertise and scalability of technology, Alcumus offers tailored solutions to clients and a contractor network that enables partnerships between large and small businesses to succeed, grow and thrive.

