

Introduction

This series of Top Tip Guides has been produced to support Third Sector learning providers so that they will be better informed on key issues and the use of effective standard practices.

Getting Fit for Tendering - Top Tips

1. Set up a folder on your computer to contain all the documents you will need to support your tenders and bids. If they are all in one place it will save you so much time.
2. In the same folder, save “good” answers to questions in previous bids.
3. Common questions include “A Brief History of Your Organisation”, “How do you Recruit Staff?”, “What is your Policy Regarding Risk Management?” etc. You can start preparing these answers now!
4. You will probably have to provide copies of your last 3 years’ accounts. If there are any issues with these e.g. a variable annual turnover (loss one year, profit the next), large loan repayments, think how you can explain these in such a way as to allay any fears the buyer might have. What they want to see is proof of a financially stable organisation that will be able to deliver the contract without risk of financial problems.
5. Ensure your Policies are exactly that: Policies. If yours resemble telephone directories, they are not policies! A Policy outlines the arrangements you have in place to comply with the relevant legislation and/or codes of practice. They are not Procedures!
6. Ensure your Policies all look the same in order to establish your brand.
7. Set up a Risk Register – identify the risks your organisation faces, apply the “traffic light system” (red, amber and green) to a) the likelihood of the risk happening, and b) the impact it would have and then list the actions you will take. A Risk Register is vital for your organisation and a very reassuring document for any buyer.
8. Collect quotes from satisfied customers. These are great supporting evidence to quote in bids.
9. Write Case Studies (and keep them in the folder mentioned in 1 above). Bid evaluators love good case studies. Keep them to one page of A4.



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- 10.** Always, always, always get feedback. Not just when you lose – when you win as well!
You need to find out what it was they liked so you can use it again!

*Top tips supplied by Helen Marini of Westminster Compliance LLP 5 Elstree Way Borehamwood Herts WD6 1SF
Registered in England No: OC337155 Registered Office: 5 Elstree Way Borehamwood Herts WD6 1SF
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Fit to Tender Checklist

Whether you are tendering for public sector contracts (e.g. council, central government, utilities etc) or for work with a major corporate, the higher the contract value the more rigorous the whole tendering process becomes. Before getting on to the tender list you may have to go through a qualifying process by answering a pre-qualification questionnaire (PQQ).

This in its own right can be very time-consuming but if you cannot qualify, you won't get to tender. Here are two checklists with some of the key items you'll need to answer in full:

PQQ & Tender Information Checklist

Within your business is there sufficient understanding and capability to give credible answers to the following in any Expression of Interest, PQQ, Proposal or Tender?

- Administrative information
- Business probity
- Economic and financial standing
- Health and safety
- Quality assurance
- Technical capability (e.g. operations, specifications, manufacturing process)
- Customer care & service levels
- Equal opportunities
- Environment
- References

PQQ & Tender Documents Checklist

Do you have the following documentation that can be evidenced in any Expression of Interest, PQQ, Proposal or Tender?

- Certificate of Incorporation
- Organisation / company / group structure chart
- Audited accounts for the last 3 years (sometimes 2 years is enough)
- Employer's liability insurance certificate
- Public liability insurance certificate
- Health and safety policy
- Quality assurance policy
- Equal opportunities policy
- Environmental policy
- Documents supporting technical capability

Other Points to Consider

Is this Tender Right for my Company?

The tendering process is used to help buyers choose the right supplier(s) at the best value for money and to help them minimise risk. Not only do you need to ensure that everything mentioned above is in place but you also need be confident that you can win the tender.

Is my company big enough?

- As a guide buyers will be checking that the tender contract value does not exceed 20-30% of the tendering company's turnover (NB this is a guide, not a rule)
- This is because the buyer wants to be sure the contract value will not be too much for the company to handle
- The size of your company dictates the maximum size of contract it is likely to win

Can my company meet the buyer's needs?

- You may look at a contract and think that your company can do most of the work but if there are areas that it cannot manage, your chances of qualifying or winning can be seriously reduced
- This may be in terms of specification, geographical location/coverage, mandatory accreditations etc

Can I show relevant experience?

- Buyers like to see that suppliers can prove they can do the job, therefore references from similar organisations for similar work are ideal
- If you haven't got these, you will need to show you have 'transferable skills' from customers with similar needs
- If the work you are bidding for is not a 'core competence' (ie it represents only a small element of your company's overall turnover) it can reduce your chances of success

Has my company got sufficient trading history?

- As shown in the above Tender Documents Checklist, public sector buyers generally ask for audited accounts for the last 3 years (sometimes 2 years is enough)
- This means that Start-Ups are not always in the best position to win bids

Has my company got sufficient resources, time & tendering expertise?

- Tendering is time consuming – you will need to invest a lot of your time and resources to create a winning bid
- Tendering can also be a daunting task – especially if you do not have the right skills or expertise.

What can I do?

- Wait for the tender opportunity that is right for your company – it is a waste of time tendering for contracts that you are not going to win!
- Continue to grow your company until it is better positioned to tender
- Collaborate with another business that can complement your company and help minimise any of the 'gaps' mentioned above
- Use consultants or other resources to help you through the tendering process

(Source - Tony Zemaitis Associates Ltd; Tel 01634 404903; info@zemaitis-uk.com ; www.zemaitis-uk.com. © 2012 Tony Zemaitis Associates Ltd)

Resources

- **NCVO** www.ncvo-vol.org.uk/commissioningandprocurement includes Commissioning and procurement: step by step. This section introduces commissioning and procurement, explaining the processes, purpose and terminology of commissioning public services from the voluntary and community sector (VCS). It includes an excellent further reading list.
- **NAVCA's** [Local Commissioning and Procurement Unit](http://www.navca.org.uk/stratwork/positions/procurement) (LCPU) provides practical information, advice and support. www.navca.org.uk/stratwork/positions/procurement
Commissioning and the Big Society : the role of the community sector. Aims to help community organisations understand what commissioning is and how to become 'commission ready'. <http://www.navca.org.uk/publications/commbigsoc>
- **ACEVO** (<http://www.acevo.org.uk/Services+Resources>) has a range of support services to help third sector organisations become more efficient and effective. Support areas include Impact Reporting; Working with Local Authorities; Full Cost Recovery; Income Generation; Procurement and Commissioning of public services; Consortia Support.