

PRESENTATION BY TIM COLMAN

TENDERING and QUOTING

The Race for London 2012

and

Public Sector Work

23rd October 2008



TENDERING and QUOTING

THE TEN GOLDEN RULES OF BID WRITING



Introduction

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These tips apply equally to all Public Sector Projects – including those for London 2012 - and are valid for formal tenders and RFP's



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They are a very practical guide that works – based on 30 years of success in bidding for Public and Private Sector projects.

Following these rules I have personally led bid teams that have won 80% of the projects we bid for!



Introduction

Moreover these techniques have led to winning more Than \$2 billion of Olympic™ business over the past 25 years – where I have a 100% bid success record.

Whilst many of these have been “Tier One” contracts, others have been for much smaller projects.



The Ten Key Rules Of Tendering

1. Before you start typing.....
2. Don't lie!
3. Go through commercial conditions with a fine toothed comb....
4. Timescales
5. Know what your client really wants
6. Know your competitors
7. Plan the bid presentation and make it look good.
8. Spend serious money if working on a serious bid!
9. Don't bid if you can't cope.....
10. Finally – what to do if you don't win.....

BEFORE YOU START TYPING

Quite apart from the tender documents themselves, there will be some instructions on exactly how the tender should be handled.

Very often this information is only mentioned in the covering letter that accompanies the main tender document.

BEFORE YOU START TYPING

The type of issues that could be mentioned are:

Acknowledge of receipt

The return envelope

Time limit for questions

A pre-tender meeting or site visit

The number of copies of the bid itself

DON'T LIE!

If you don't meet the exact specification given in tender documents – then admit it.

Don't pretend you meet all the requirements if you don't – you will simply get into trouble later. However, don't simply say “I don't comply” – stress the benefits of your solution.

Go through commercial conditions meticulously

Don't cut corners.

If there are many pages of technical or commercial conditions then go through each one line by line and put "confirmed" or "comply" by each one you accept and explain any that you do not or cannot meet.

This will save you problems in the future and will also demonstrate to the client that you have taken the bid process seriously.



Timescales

Many official tenders – particularly in the public sector – will have very tight deadlines.

Sometimes they will only give a few days to prepare the bid itself and will then promise to make a decision quickly and – in turn – place an order very quickly.

Invariably this does not happen!



Timescales

So don't be bullied into accepting a risk on materials cost and exchange rates based on the assumption that everything will be settled in a few days.

Make it clear that your price and delivery schedule will depend on the client meeting his own deadlines.

Timescales

Tied into this is the issue of penalty payments for late delivery or failure to meet specifications.

Do not accept unrealistic penalty clauses.
(These are typical in the construction industry)



Know what your client really wants

You must understand the tender documents.

If you don't understand – then ask.

Getting it wrong may mean you are too expensive - but winning the job and not understanding what is really required could bankrupt you!

Know your competitors

If you really know your competitors you highlight their weaknesses to your benefit.

Don't "name and shame" - but if they have a weakness then stress your strength in this area.

If they have a strength, then explain why your way is better.

Plan the bid

If the bid is substantial then plan the presentation of documents before you start.

You may need to present special drawings or plans so consider reserving some Drawing Office time in advance.

Plan the bid

Don't merely fill your presentation with photocopied brochures. If they are relevant then include them – but never copies.

You may want to incorporate 2 or 3 technical or commercial options and alternatives – make sure that this is obvious to the client.

Serious Bids cost Serious Money

If it is a big project then expect to spend serious money on the bid itself.

The London 2012 Olympic Bid (which was actually a response to an RFP) cost more than £80 million.

Whatever some may say it is a £20 billion project!

Don't bid if you can't cope.....

Many companies have been bought to their knees by successfully bidding for big projects.

They may have missed commercial or technical issues in the tender document.

They may not be able to actually raise enough money to finance the project.

Don't bid if you can't cope.....

They may have a client who goes bankrupt on them.

They may simply be unable to cope with the size of the project or could have underestimated costs.

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This is an issue that I can't fully discuss now as it really is a whole presentation topic all by itself!

Don't bid if you can't cope.....

Making more of a product does not necessarily reduce unit costs.

There come “break points” in manufacture where you may need to invest in another production line or even factory.

You may need to employ specialist project managers or pay higher salaries to attract more staff.

If you don't win.....

One issue is influencing the specification of a future project.

By entering a non-compliant, yet financially interesting, bid there are several potential outcomes.

The whole tender may be cancelled, the specifications changed, and then the tender re-opened.

If it is a multi-stage project, your specification may be very seriously considered for the next phase.



Closing thoughts.....

Winning a tender is not a matter of the lowest bid or necessarily the best product.

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- Client trust and personal relationships
- Going the extra mile.....



A Few Thoughts on “Serious” Bids

Do not expect to win any contracts unless you are “bid ready”.



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This means that you need to have certain key policy documents in place before you bid.



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Quality Management Statement

The Winning Formula

Over the past twenty five years I have either personally bid, or led bid teams, for around 600 projects – maybe more.

We have won more than 80% of them – but “should” have won about 50% - 60%.

Getting the response documents right moves the odds in your direction.



The Winning Formula

Think of roulette – the odds in favour of the bank are really quite slight (depending on the use of one or two zeros on the wheel).

But that slight benefit is what keeps casinos in business.

Tim Colman

Tim has thirty years experience in bidding and can work with you and your clients to improve your chances of winning at the right price.



Tim Colman

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