

A time to tender

Tendering is a useful and robust procurement method; it has many advantages in generating competition in the market place and as a means of demonstrating transparency and fairness in the procurement process. However, we are only ever likely to get out of a tender process what we put in, “flying blind” and believing that tenders inherently deliver benefit to the organisation is likely to end in disappointment and adversely affect the procurement departments reputation.

We should have clear objectives that we want to achieve from the exercise and a plan of how we are going to achieve them. Too often the key driver for going out to tender is an arbitrary timescale, “its time to go out to tender again”, rather than an assessment of the benefit that can be derived. After all, the tender process is time and resource consuming and not something to do because the calendar says we should.

Some fundamental questions to ask before going out to tender are:

- Should we go out to tender for this requirement, what are the other options? *
- Have we identified what we want to achieve from the tender?
- Do the expected benefits of going out to tender justify the time and resource involved?
- Is their sufficient competition in the supply market?
- What level of interest will the supply market have in our requirement?
- Has there been sufficient change in the requirement and or the market since the last time we went to tender, or are we likely to end up with the same result as before?

- Is the proposed contract length appropriate? For example if too short it may not offer a sufficient return to a prospective supplier especially where significant set up costs are involved. If too long will we miss future opportunities in the supply market?
- Is there a genuine desire to change suppliers? To tender when there is no desire to change is not good practice and will give the supply market a negative view of the organisation.

What do we want to achieve from the tender?

Without clear aims it is unlikely that the tender will deliver benefit to the organisation. Therefore it is essential that the aims of the tender should be agreed and understood by all key stakeholders.

The aim of the tender may be to achieve one or a combination of the following:

- reduced costs
- increased capability
- additional capacity
- innovation from the supply market to give competitive advantage to our own organisation
- replace a failing supplier.

Will the tender deliver?

In order to achieve our aims the tender exercise needs to be constructed to enable us to do so. For example if one of the aims of the tender is to seek innovation from the marketplace – it should say so! The specification or brief needs to give room to allow for new approaches and state that new approaches are actively encouraged. An outcome specification, where the desired end state is expressed, gives scope for tenderers to put forward innovative

solutions based on their experience, skills and knowledge. In contrast an input specification which closely specifies “how to” will no doubt inhibit innovative solutions.

The following example for a requirement to deliver diversity training shows key differences between an input and an outcome specification.

Input specification	Outcome specification
Deliver diversity training to 100 employees 1 tutor per group of 20 2 day course 6 hours per day, standard presentation (provided) with PowerPoint slides to include 20 minute video on day 1	Raise awareness of diversity in 100 employees. Employees will be able to <ul style="list-style-type: none"> • explain the principles of diversity • apply the principles in their roles • comply with legal requirements

One key thing to remember is not to rush the process – make sure there is sufficient time allowed in order that quality proposals can be presented and properly assessed.

Clarity is key to success – make the process clear:

- What medium is to be used for communication, electronic or paper based?
- Will there be a presentation?
- If there is to be a presentation will all tenderers be invited or just a short list?
- What level of detail is required in the written proposal document? For example, if there is a design or creative element how far should the ideas be developed or should there just be a strategic proposal.
- Who should any queries be referred to?

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It's often easy once the process is over to tick the box and feel the job is complete. But all parties involved need to look at whether the process delivered what was needed and even if any changes could be made next time around. Put in place a review process as it will almost certainly improve future tenders.

In addition internal stakeholders should be asked for their view on the tender exercise asking how was the tender exercise for them and what could have been improved. Allow them to put forward their "best" tender. For example were the timescales sufficient, the process clear, questions answered fully and promptly?

Public sector buyers are required to debrief the unsuccessful tenderers and it is good practice for private sector buyers also. An open and honest debrief will help the tenderer to put forward an improved bid the next time.

In summary, a well constructed and effectively managed tender is essential to deliver real benefit to the organisation.

* It is recognised that public sector buyers are governed by public procurement regulations which dictate that they must go out to tender periodically however the other points of this article are still relevant.

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