

Business Connections

Bidding and Tendering

Bidding and Tendering

Upon completion of this module, you will be able to:

- Define the terms “bid” and “tender”
- Describe the differences and similarities between bids and tenders
- Explain the general bidding and tendering process

What is a Bid?

- An offer; often competitive
- A price one is willing to pay for something
- A price a business is willing to pay for a specified service/ amount of goods

What is a Tender?

- A formal offer of money
- An offer to carry out work or supply goods (etc.) at a stated fixed price
- Unconditional offer to perform or produce what is specified in the agreement

Tenders vs. Bids

TENDERS	BIDS
<ul style="list-style-type: none">• A promise to pay, regardless of competition	<ul style="list-style-type: none">• A promise to pay under the certain condition that a competing bid is not accepted
<ul style="list-style-type: none">• Submitted in private; sealed and secret	<ul style="list-style-type: none">• Open, competitive, subject to change
<ul style="list-style-type: none">• Final offer	<ul style="list-style-type: none">• May be changed during bidding process

Importance of Research

- Read the bid/tender document for requirements
- Research the company you are submitting your proposal to
- Research past bid/ tenders accepted by the company
- Research the fluctuation of price
- If you do not win the bid/ tender, you are entitled to a follow-up meeting

Guidelines for Writing Bids and Tenders

- Recognize your audience and your purpose
- Examine the need and ensure your business can provide the solution
- Present your proposal in an organized fashion
- Review and edit your drafts before submission
 - Be sure to include strong words, easy-to-read sentences, and strong transitions

Responding to a Bid – The Process

- Establish credibility by listing formal qualifications
- Describe in detail the services you will provide
- Place your bid price: aim to offer the *best value*
- List any subcontractors to be used
- Set out payment method
- Add an executive summary of the bid
- Proofread and edit

What Does a Tender Typically Include?

- Conditions of the Tender:
 - Explanation of evaluation criteria
 - Information on relevant government policies
 - Closing time, date and place of lodgment
- Conditions for Participation:
 - Debriefing interview schedule; guidance on formal complaint process
 - Specification of products/ services/ works required
- Conditions of the Contract:
 - Tender response schedules

Responding to a Tender – The Process

- Be clear about services/ products your business provides
- Be sure to understand what the project requires
- Determine if this opportunity will be a profitable venture
- Design the tender to demonstrate how your business can fulfill the tender requirements
- Conclude with your sales pitch and reiterate your ability to deliver on your promises
- Submit the tender before the deadline

Things to Keep in Mind:

- Filling out documentation incorrectly could cause you to lose the bid/ tender
- Deadlines
- Importance of research
- If you fail to win a contract, you may request a debrief/ review
- Reviewing mistakes will be beneficial for the next bid/ tender process you participate in

