

Understanding Tender Processes







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Introduction

Tendering is the process of making an offer, bid or proposal, or expressing interest in response to an invitation or request for tender. Organisations will seek other businesses to respond to a particular need, such as the supply of goods and services, and will select an offer or tender that meets their needs and provides the best value for money.

What is a tender request documents

Tender request documents are also referred to as invitations to tender, Requests for Tender (RTF), Requests for Proposal (RFP) etc. Tender documents outline what is required, that is, what the requesting organisation's needs are. These documents also outline the particular requirements, criteria, and instructions that are to be followed.

Future tenders are generally widely advertised to offer opportunities to a number of suppliers encourage competition and provide a greater pool of offers to select from. Interested suppliers will then prepare a tender; the documents that outline the offer that they are making, and will include pricing, schedules as well as their eligibility for the project or procurement. They will outline their advantage over competitors; provide information on qualifications, competencies and experience. Further they have to demonstrate how their bid offers the best value for money.

The submitted tenders are then evaluated with regard to defined criteria. In a normal tendering situation, this process should be conducted fairly and honestly, and in a manner that is free from bias or favour. The offer that best meets all of the requirements outlined in the request, and provides value for money should win the contract.

The tendering process is generally utilised for procurements or contracts involving substantial amounts of money. Tendering is utilised by:

- Government departments, offices and agencies
- Private sector companies and businesses
- Overseas markets and businesses



How do I access tenders from companies not on the APP?

Upcoming tenders are advertised on company websites. To access this information, you should be a registered or approved supplier of the company. To be a registered or approved supplier, you need to complete a questionnaire. It is important you read and understand the questions very well and provide the correct information when completing the questionnaire. You should have all supporting documentation which you might be requested to download onto the system ready. You should be clear and specific what service you provide.

Tenders can be assessed when you register with international companies by contact them via email or personally. The Supplier development team will contact you for you to complete a vendor registration form. Certain companies have a window or slot during the year where they invite interested companies to register with them. One the period ends you might not be able to register until another opportunity comes up. The registration process is the same as the online registration completion.

What makes a good response to a tender?

In these <u>useful links</u>, you will get an idea of what really makes a good response. It's also important to note that you ensure you have an email that works and also a telephone number which is contactable.

You should read and understand the tender documents when you receive it. If you have any queries or clarifications, contact the person responsible and seek clarification.

- <u>Types of tender opportunities</u>
- <u>Tender request documents</u>
- Identifying tender opportunities
- How to tender
- <u>Tender evaluation</u>
- <u>Successful tenders</u> and <u>unsuccessful tenders</u>
- Managing the contract and building relationships



What are the key DOs and DON'Ts?

DOs

Submit your response in the right format, on time and at the right location

Plan how the document will be completed the moment you receive the tenders by reading and understanding the requirements and timelines.

- Clarify any uncertainties
- Ensure you respond to any requirements as per the instructions to tenderers by carefully reading the document.
- Ensure presentation of documents to be submitted is professionally done.

DON'Ts

- Deliver/submit the documents late.
- Pass the tender documents to a colleague if you are not interested.
- Submit the documents in an unprofessional way

Examples of best practice

There are a number of Ghanaian Indigenous companies who have partnered with international companies and have demonstrated improved competency over the years of working together. Tullow Ghana recently did a tender for a service and the incumbent contractor having worked with an international organisation over the last 5 years submitted a well prepared tender document and also submitted it a number of days before the submission date. The right clarifications were asked which meant they had read and reviewed the tender documents. Their professionalism was great and a good submission was done. Please note that there are instances that where tenders are opened in the presence of tenderers but this was not the case and the reason why the tenderer submitted the documents in advance.

Here are some more helpful links on the process of a tender for a contract.

- Finding out about contracts
- Should you bid for a tender?
- Find out what the client wants
- What to put in your tender
- Writing your tender
- Tips on editing your tender



Thank you for reading!



Readers of this guide also found the following IIA report useful:

- Embedding a quality management strategy
- Embedding an employment management strategy
- Embedding a business insurance strategy

Many thanks to Tullow Oil for the contribution to this report