

NPSFM Conference 2013

Preparing & Evaluating Tenders

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Preparing & Evaluating Tenders

“All procurement (and planning) activities must conform to the three pillars of Integrity, Transparency and Accountability.”

Source:

Procurement guidelines for tender preparation, evaluation and award of contract

[Food and Agriculture Organization of the United Nations \(FAO\)](#)

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What is a Request for Tender?

A RFT generally consists of four parts:

1. Conditions of Tender
2. Specification
3. Conditions of Contract
4. Tender Form

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What is a Request for Tender?

A RFT generally consists of four parts:

1. Conditions of Tender
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...BUT you all know that already!

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So what I want talk about is...

One important question to ask yourself
before you start the Tender Process

AND

How to align the evaluation process to
your key stakeholder's expectations

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One important question

What do I most want to achieve with this Tender?

- Reduced Costs/Lower Price

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Reduced Costs

- Price Reduction with Reduced Service Requirements (Specification)
- Price Reduction with Static Service Requirements (Specification)
- Price Reduction with Enhanced Service Requirements (Specification) ?
- Economies of Scale through Demand Consolidation
- Economies of Scale through Supplier Consolidation

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One important question

What do I most want to achieve with this Tender?

- Improved Safety

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Improved Safety

- ... with Reduced Service Requirements (Specification) ?
- ... with Static Service Requirements (Specification)
- ... with Enhanced Service Requirements (Specification)

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One important question

What do I most want to achieve with this Tender?

- Better Quality

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Better Quality

- ... with Reduced Service Requirements (Specification) ?
- ... with Static Service Requirements (Specification)
- ... with Enhanced Service Requirements (Specification)

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One important question

What do I most want to achieve with this Tender?

- Happier End Users

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Happier End Users

- ... with Reduced Service Requirements (Specification) ?
- ... with Static Service Requirements (Specification)
- ... with Enhanced Service Requirements (Specification)
- ... with Demand Consolidation
- ... with Supplier Consolidation

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What you choose as **your key deliverable** makes a big difference to how you set the mandatory & weighted evaluation criteria and minimum scores.

Your key deliverable must be included in the mandatory evaluation criteria.

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How to align the evaluation process to your key stakeholder's expectations...

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How to align the evaluation process to your key stakeholder's expectations...

Your key stakeholder's key deliverable must be included in the mandatory evaluation criteria.

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How to align the evaluation process to your key stakeholder's expectations...

Your key deliverable must be included in the mandatory evaluation criteria.

Your key stakeholder's key deliverable must be included in the mandatory evaluation criteria.

And hopefully, they're the same!

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Your key stakeholder(s) may each have a number of deliverables, some of which may be competing or even, mutually exclusive.

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The priority of deliverables must be established before the mandatory evaluation criteria are chosen.

This may be decided by the hierarchy of the stakeholders?

Manager vs Peer vs End User

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What you choose as **your key deliverable** makes a big difference to how you set the mandatory & weighted evaluation criteria.

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Mandatory Criteria

- Reduced Costs
- 5 Star ANCAP
- 5 Year Warranty
- Roadside Assist

Weighted Criteria (%)

- | | |
|-------------------------|-----|
| • Tender Price | 30% |
| • Safety | 25% |
| • Quality | 25% |
| • End Users | 10% |
| • Fixed Price Servicing | 5% |
| • Dealer Network | 5% |

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Weighted evaluation criteria may also have a stipulated Minimum Score which is the minimum acceptable result that will allow the tenderer to continue in the tender evaluation process.

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Mandatory Criteria

- Reduced Costs
- 5 Star ANCAP
- 5 Year Warranty
- Roadside Assist

Minimum Scores

- Safety >15%
- Quality >15%

Weighted Criteria (%)

- Tender Price 30%
- Safety 25%
- Quality 25%
- End Users 10%
- Fixed Price Servicing 5%
- Dealer Network 5%

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Weighted evaluation criteria should be developed to assess systemic monitoring, recording and reporting of KPIs.

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Mandatory Criteria

- Reduced Costs
- 5 Star ANCAP
- 5 Year Warranty
- Roadside Assist

Minimum Scores

- Safety >15%
- Quality >15%

Weighted Criteria (%)

- Tender Price 30%
- Safety 25%
- Quality
 - Extended Warranty 10%
 - KPI Systems 5%
 - Balance 10%
- End Users 10%
- Fixed Price Servicing 5%
- Dealer Network 5%

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Key deliverables should be linked to objective KPIs, wherever practicable.

Recording and periodic reporting of KPIs should be identified as a contract obligation for the successful tenderer.

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To Recap...

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One important question

What do I most want to achieve with this Tender?

What you choose as **your key deliverable** makes a big difference to how you set the mandatory & weighted evaluation criteria and minimum scores.

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How to align the evaluation process to your key stakeholder's expectations...

Your key deliverable must be included in the mandatory evaluation criteria.

Your key stakeholder's key deliverable must be included in the mandatory evaluation criteria.

And hopefully, they're the same!

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