

Topic title/heading
3.7.5 Tendering and Bid Management for Projects, Programmes and Portfolios
General description/definition
<i>Generic description of the topic including universal principles – no more than a few sentences required – approximately 30 words.</i>
Tendering for project, programme and portfolio (P3) work differs greatly from the selling of commodities, as it is unique and bespoke to individual clients. Tenderers therefore need to differentiate themselves by their approach to project management, the quality of deliverables, commercial terms and the price offered. To consistently win P3 work this differentiation needs to offer additional value to the client, whilst providing assurance that the tendering organisation can deliver successfully.
An explanation of the application of this topic at a project level is to be included here in no more than 420 words.
Note : by agreement, the C&P SIGs total contribution is limited to 6000 words with no individual caps on sections N.B. The APM definition of a project is: 'A unique and transient endeavour undertaken to achieve a desired outcome'.
Typically in bids for a package of work, the bid is split into two parts for consideration by separate client teams; the financial submission and the technical or quality submission. Often, statements made in the technical / quality part are incorporated into the contract to become contractual obligations.
The financial submission : This is the document in which the Estimating, Scheduling and Risk Management skills of the tenderer are used to build up the detail to allow their offer to be financially bound. As a tenderer, there are three main additional factors which need to be taken into account: <ul style="list-style-type: none"> • A thorough analysis of the draft terms and conditions in order to understand those risks that are allocated to the client and those to the successful tenderer. • What the tenderer includes as a risk and contingency sum in his offer must be moderated by the need to be competitive. The commercial pressure to bid low must be balanced against the appetite for risk. • Optimisation of the value / benefits against cost from the client's perspective must be considered through interaction of the financial sub-team with the technical / quality sub-team. <p>Even if there is no marked technical element, the tenderer should differentiate its bid by describing the technical / quality attributes which will deliver a "best value" solution.</p> <p>The technical / quality submission: A generic Work Breakdown Structure and sequence of activities for the technical submission is described below :</p> <ol style="list-style-type: none"> 1. Research the client and establish a relationship so that; <ol style="list-style-type: none"> a. at an organisational level; you understand their drivers, current issues, values, constraints, 'hot buttons' and 'turn-offs', etc. and, b. at a project level; why this project is being done, its specific objectives, its hoped for benefits, constraints and risks, who will be marking the bid (the Decision Making Unit or DMU), their 'hot buttons' and 'turn-offs', etc. 2. Make an early bid /no bid decision, so that time is not wasted on bids that are unlikely to be won. Instead devote time to bids that can be won. 3. Start planning the bid based on available information. Central to this is selecting the bid team from a combination of available people who know the client (see 1), Subject Matter Experts (SMEs; be they commercial, technical, legal, financial or other) who can create novel solutions, bid specialists (e.g. bid

writers, graphic artists, etc.) and the key people who will deliver the contract if won.

4. Identify both tangible and intangible benefits that are of value to the client. Develop and prioritise these to arrive at a number of speculative 'win themes' that can be consistently linked to the features of a chosen solution when the bid is written. Develop outline solutions that optimise the value in terms of client centred benefits against cost.
5. When the Request For Information (RFI) or Invitation To Tender (ITT) document comes in, identify key dates, plan the bid in detail around them and circulate the bid plan to the bid team. Analyse and understand the bid in terms of how it is scored in order to select the solution that will give the highest overall score. This gives you your win strategy¹. Consider submitting a non-compliant variant bid developed in parallel with a compliant bid when it is believed that this will be more attractive to the client.
6. Choose a consistent format for answering questions, such as a generic structure to each response², font type and size, page layout, how key points are to be highlighted, etc., to reflect your brand and make it visually attractive.
7. Storyboard out responses to individual questions using the format agreed in 6., identifying where features of the chosen solution can be linked to the benefits and win themes identified in 4. Identify and develop visuals (pictures, diagrams, tables, etc.) which "say a thousand words". Ensure that you are answering the question and not losing marks against any scoring criteria.
8. Write responses to individual questions, including finalising and incorporating the visuals.
9. Review both the individual responses and refine the whole submission to ensure a coherent bid, both in content and style. A review by an independent "red team" should be conducted to allow fresh eyes to identify improvements and any errors.
10. The financial and technical submissions then need to be cross checked to ensure that the features, methodologies, resourcing, etc., are properly priced and consistent. Allow sufficient time for reworking the submissions and for the iterative process of balancing the promises in the technical / quality submission with the financial submission.
11. Print off and deliver on time.

Recommendations:

- A Bid Summary Document should be prepared as soon as the initial prospect is identified and this document developed and updated as the bid progresses to form the background for the submissions.
- The positioning of the tenderer should start in Activity 1 as part of the Key Account Management process and continue in response to any Pre-Qualification Questionnaire (PQQ).
- Activities 1 to 4 should be done pro-actively, ideally being done before the RFP / ITT comes in.

There may well be other activities, as part of the bid process, prior to the priced and written bids being submitted. These could include: presentations to all bidders, one-to-one bid clinics, as well as written bid queries and responses. After the submission, this could include presentations, question and answer sessions, problem solving sessions, etc. The tone, style and content of these interactions should be consistent with the written bid, regardless of whether it is marked or not. Continuity of the bid team is essential and generally, it is preferable that those who will deliver the project are the ones involved.

Lastly, there should be a lessons learnt session, which ideally incorporates the views of the client, on what was good and could be improved on both the overall bid process and the final document.

¹ The win strategy is the overall strategy that will win the bid. This includes, at a high level: what your solution is and why it is better for the client than the competitors. Following on from this are the key points linked to win themes that are to be consistently made throughout the document and presentations, all of which reinforce 'why you?'

² For instance **NOSE**, which stands for :

Needs of the Client to demonstrate understanding of their issues.

Outcomes or Benefits of your solution.

Specifics of your chosen solution in enough detail that gives confidence that it is credible.

Evidence that you have done something like this solution before i.e. you can deliver on promises made.

There are also other structures available.

Programme dimensions to the topic

*An explanation of the application of this topic at a programme level is to be included here, where applicable. If the author(s) feels that there is a specific programme application, where content is **different or additional** to that for project aspects to this topic above, it may be added below in no more than 420 words.*

Note : by agreement, the C&P SIGs total contribution is limited to 6000 words with no individual caps on sections

N.B. The APM definition of a programme is:

'A group of related projects, which may include business-as-usual activities, that together achieve a beneficial change of a strategic nature for an organisation'.

Tendering and bid management for a programme of work is likely to be targeted at the broader aim of winning of a framework contract / agreement or call-off contract covering an on-going stream of projects. Most of what has been said for the project dimension applies, with two changes emphasising the **financial** aspects :

- As the scope and details of the later projects may be vague, much of the financial information will tend to be of an input nature; e.g. cost per unit time of staff, etc.
- If there is competition on the financial outputs, it will be focussed on the early projects in the programme that can be better defined.

In addition, the longer term, semi repetitive nature of both programmes and outsourcing arrangements tend to mean clients want assurance of continuous improvement in the technical / quality submission, which may be translated into contractual obligations and / or the need to provide evidence to continue being awarded work.

Portfolio dimensions to the topic

*An explanation of the application of this topic at a portfolio level is to be included here, where applicable. If the author(s) feels that there is a specific portfolio application, where content is **different or additional** to that for programme and project aspects to this topic above, it may be added below in no more than 420 words.*

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N.B. The APM definition of a portfolio is:

'A grouping of an organisation's projects, programmes and related business-as-usual activities taking into account resource constraints. Portfolios can be managed at an organisational, programme or functional level'.

At a portfolio level, a commercial organisation should have a strategy that matches its strengths (both present and those which it can develop) to those of the market. It should then market itself externally and develop itself internally to attract clients who have projects it can win and deliver successfully.

Further Reading

All cited references should be listed together in a section headed 'references', or 'further reading'. If there is to be a list of cited and non-cited references the heading 'bibliography' is more appropriate.

You may use the Harvard system of referencing. This requires the author name, title, date of publication, publisher and place of publication. Provide us with these basic details and our copy editors will be able to complete the task.

David Nickson, The Bid Manager's Handbook, 2003, Gower Publishing Ltd. ISBN 0 566 08512 7

Tom Sant, Persuasive Business Proposals : writing to win customers, clients, and contracts (2nd edition), 2004, AMACOM, America, ISBN 0-8144-7153-6

Harold Lewis, Bids, Tenders & Proposals (3rd edition), 2009, Kogan Page / Institute of Directors, ISBN 987 0 7494 5420 3

Richard Freed, Shervin Freed & Joe Romano, Writing Winning Business Proposals (3rd edition), 2010, McCraw Hill.

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