

# TENDERING / REPRESENTING YOUR COMPANY

# TENDERING

## ▶ Biblical principles

- ▶ Be diligent in all you do
  - ▶ Proverbs 10:4. "A slack hand causes poverty, but the hand of the diligent makes rich."
  - ▶ Now for this very reason also, applying all diligence, in your faith supply moral excellence, and in your moral excellence, knowledge - 2 Peter 1:5
  - ▶ but the person of diligence is richly supplied. - Proverbs 13:4

# TENDERING

## ▶ Biblical principles

- ▶ Distinguish yourself and the work of your hands
  - ▶ Then this Daniel began distinguishing himself among the commissioners and satraps because he possessed an extraordinary spirit, and the king planned to appoint him over the entire kingdom. - Daniel 6:3
  - ▶ Whatever you do, work heartily, as for the Lord and not for men - Colossians 3:23
  - ▶ Do you see a man skillful in his work? He will stand before kings; he will not stand before obscure men. - Proverbs 22:29

# TENDERING

## ▶ Biblical principles

### ▶ Put God first

- ▶ Proverbs 16:3. "Commit your work to the Lord, and your plans will be established."
- ▶ James 2:18. "But someone will say, 'You have faith and I have works.' Show me your faith apart from your works, and I will show you my faith by my works."
- ▶ Genesis 1:22. "And God blessed them, saying, 'Be fruitful and multiply and fill the waters in the seas, and let birds multiply on the earth.'"

# TERMINOLOGY

- ▶ Understand the requirements of the client
  - ▶ Request for Information (RFI) is used when the client thinks they know what they want but need more information from the vendors. It will typically be followed by an RFQ or RFP.
  - ▶ Request for Tender (RFT) is an opportunity for potential suppliers to submit an offer to supply goods or services against a detailed tender.
  - ▶ Request for Proposal (RFP) is used when the client knows that they have a problem but don't know how they want to solve it.
  - ▶ Request for Quote (RFQ) is commonly used when the client knows what you want but need information on how vendors would meet their requirements and/or how much it will cost.

# TENDERING

## ▶ The tendering process

- ▶ client identifies needs and prepares the tender documents
- ▶ the tender opportunity is advertised
- ▶ register your interest in the tender
- ▶ payment of tender fees, if applicable
- ▶ collection of tender documents
- ▶ attending the briefing session, if applicable
- ▶ compiling your tender submission
- ▶ submission of tender documents
- ▶ adjudication of tenders
- ▶ tender contract awarded

# TENDERING OPPORTUNITIES

## ▶ Some sources of opportunities:

### ▶ Tenders:

- ▶ News papers (print / online),
- ▶ Publications (for example, mining weekly, engineering news, etc.)
- ▶ Mail,
- ▶ Company website,
- ▶ Various tender website (in some cases, one will need to pay for the subscription in order to access the opportunities)
- ▶ Government e-tenders website, ie. [www.etenders.gov.za](http://www.etenders.gov.za)

# TENDERING OPPORTUNITIES

- ▶ How to source opportunities:
  - ▶ Check online tender websites at least twice a week
  - ▶ Conferences
  - ▶ Cold calling:
    - ▶ This can be via telephone call
    - ▶ Visiting the company premises
    - ▶ In all these cases due care must be applied
  - ▶ Sending an enquiry email to the respective entity

# TENDERING OPPORTUNITIES

## ▶ Solicited vs Unsolicited Work

### ▶ Solicited

- ▶ This applies to both private and public sector. This is where the company initiate the process of finding services / goods provider

### ▶ Unsolicited

- ▶ This only applies to private sectors. This relate to a situation where you identify an opportunity and present this to the client for consideration
- ▶ The reason why unsolicited work is not permitted in the public sector is due to the provisions of PFMA. Where all work needs to follow a procurement process.
- ▶ In the public sector, if the opportunity presented is something that the respective entity or organ of state would like to pursue. There will need to be a tender process that must be adhered to as outlined in the PFMA act.

# TENDERING OPPORTUNITIES

## ▶ Registration may be a prerequisite

### ▶ Public sector

- ▶ Need to be registered on the national treasury website in order to do any work with the government. This is free and can be quick, however to avoid situations of missed opportunities. It is important to register this as soon as possible not when the opportunity arises.

### ▶ Private Sector

- ▶ Some entities require you to be registered on their prospective supplier list before being eligible to conduct any work. Therefore, it is important to understand each entity's requirement. This information is sometimes available on the website and if not, contact the supply chain personnel of the respective entity.

# READING THE TENDER

- ▶ Request for Tender
  - ▶ Example - RFP Document\_27.pdf
  
- ▶ Request for Quotation
  - ▶ Brief-Company Secretariat Services- 25-June-19\_1.pdf

# TENDERING

- ▶ Pre-qualification criteria
  - ▶ Tax clearance certificate
  - ▶ BEE certificate
  - ▶ Proof of funding / guarantees
  - ▶ Professional indemnity insurance,
  - ▶ Any other industry related registrations
- ▶ Therefore, very important to get a full understanding of what are the prequalification criteria's and whether your business qualifies before putting together a full tender.

# TENDERING

## ▶ Briefing sessions

- ▶ Site inspections / briefing sessions are important in understanding the scope of work.
  - ▶ Is there a briefing session (will this be compulsory / voluntary)
  - ▶ If compulsory, ensure that you sign the register
  - ▶ Not attending the compulsory meeting will automatically disqualify you from tendering.

# TENDER GUIDELINES

## ▶ Focus areas

- ▶ Get hold of the bid documents and read them carefully
- ▶ Make sure you can match the technical, skill and experience requirements.
- ▶ How much will it cost to prepare your bid?
  - ▶ How many copies are required
  - ▶ Cost of the tender
  - ▶ Travel to briefing sessions
- ▶ Do you have the capacity to fulfil the tender?

# TENDER GUIDELINES

## ▶ Focus areas (cont.)

- ▶ Pricing of your tender
  - ▶ Understand your costs and ensure that you do not leave any costs out
  - ▶ Do not forget to include your overheads
  - ▶ Remember, an artificially low price could suggest that you do not understand the scope of work
  - ▶ Emphasize business benefits, service improvements, risk reduction, low maintenance, quality, reliability, previous satisfied customers plus lifetime costs and so on.
- ▶ If a qualification document is provided, make sure that you cover everything in the document.

# TENDER GUIDELINES

## ▶ Focus areas (cont.)

- ▶ Elaborate on the scope of work for the tender. It shows the adjudicators that you fully understand the requirements.
- ▶ Explain how you propose to deliver on the tender and how you plan to manage the project. Where appropriate, include a project schedule, highlighting risk areas.
- ▶ Highlight your company's experience in the field.
  - ▶ Provide the list of your team who will be working on the contract, focus on strengths - CVs should highlight successes with similar projects as well as qualifications and experience. Summarize your work as a contractor, past experience and credentials for this job

# TENDER COMPILATION

- ▶ Are you a differentiated company, do you stick out like a sore thumb or do you just blend in?



# TENDER SUBMISSION

## ▶ Documents to complete

### ▶ The Bid

- ▶ In this document you agree to be bound by the terms and conditions of the tender or bid.

### ▶ Tax Clearance Requirement

- ▶ Your taxes must be in order to be successful with your tender or bid.

### ▶ Price and motivation

- ▶ In this form, you motivate your price, by describing the product you will supply or the experience of the person who will perform the service.

# TENDER SUBMISSION

## ▶ Documents to complete (cont.)

### ▶ Declaration of Interest

- ▶ This is the document in which you declare whether or not you have a relationship (friend, family, business leads) with anyone who works for government. This is so that those people are not involved in awarding the tender in any way, to avoid corruption.

### ▶ Preference certificate

- ▶ You must fill in the form for tenders even if you are not claiming any of the preference points.

### ▶ Contact form

- ▶ This is the contract that binds the parties should the tender be successful. There are different forms for different contracts.

# TENDER SUBMISSION

## ▶ Essential timing

- ▶ Make sure that you drop the tender into the right box, before the closing time.
- ▶ Late bids will not be accepted and are immediately disqualified.

# TENDER SUBMISSION

- ▶ Tender sub-contracting
  - ▶ Preferential Procurement Regulations, 2017
    - ▶ Section 6(5) states that a person must not be awarded points for B-BBEE status level if it is indicated in the tender documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a tenderer qualifies for, unless the intended subcontractor is an exempted micro enterprise that has the capability and ability to execute the sub-contract.

# Tender Adjudication Process Commercial Considerations

# ADJUDICATION - COMMERCIAL

- ▶ Short listing process based on the tender document submission
  - ▶ Pre-qualification criteria
    - ▶ Tax clearance certificate
    - ▶ BEE certificate
    - ▶ Proof of funding / guarantees
    - ▶ Professional indemnity insurance
    - ▶ Financial statements
    - ▶ Statutory or any other industry related registrations
  - ▶ Completeness of submissions
  - ▶ Minimum requirement met

# Tender Adjudication Process Technical Considerations

# ADJUDICATION - TECHNICAL

- ▶ Scope alignment in terms of services / product/ goods
- ▶ Technical Considerations beyond scope of work
  - ▶ Track Record (Reliability & Sustainability)
  - ▶ After services support (Customer feedback)
  - ▶ Focus on Sustainability (SHE)
  - ▶ Value added services
  - ▶ Risk to delivery
- ▶ Invite for clarification meeting & site visit

# ADJUDICATION - FINALISATION

- ▶ Total Cost
  - ▶ Costing schedules completed
  - ▶ Ranking of costs
- ▶ BBBEE Level
  - ▶ Ranking per specifications
- ▶ Ethical Business
- ▶ Tender awarded

# CONCLUSION

- ▶ Include companies that can be used as reference
- ▶ Demonstrate sustainability considerations
- ▶ Endeavour to submit the cost schedule as recommended
- ▶ Do not try to be too cheap such that your delivery is in doubt
- ▶ The tender document is as important as the services to be provided

Proverbs 3:4 - So you will find favor and good success in the sight of God and man.