

White Paper

Improving the quality of tender responses

John Cole, Principal Consultant
Commerce Decisions Limited



Executive summary

For any large procurement exercise, or programme of procurements, it is in everyone's interest (buyers and suppliers) to receive the best possible quality of tender responses.

Poor submissions as a result of poor planning and/or poor process will inevitably lead to poor decisions being made and an inherent risk to the delivery of the contract.

This White Paper looks at some of the methods used to get the best possible quality tender responses and how to continually improve this quality. Finally it looks at some historical data to attempt to prove that these methods can have a positive outcome on supplier selection.

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Introduction

The majority of large public procurements will be awarded to the Most Economically Advantageous Tender (MEAT) using some form of weighted value for money assessment. The concepts of assessing value for money and of weighting criteria have been addressed in previous White Papers¹ so are not covered here.

It doesn't take a company with over 10 years experience in large scale public procurement to point out that, in the vast majority of procurements, the Purchasing Authority is looking for the technical scores to be as high as possible and the tendered price to be as low as is reasonably practicable.

However, it does take this sort of experience on large complex programmes to fully appreciate the best practice processes that are used to maximise the possibility of getting the best quality responses and also to then have the data to back up the use of these processes with real evidence to show clear improvements.

When embarking on a large complex procurement, there are clearly many areas that need to be carefully planned, developed and managed.

The key activities are:

- set the right procurement and packaging strategy,
- agree the appropriate requirements,
- understand and engage with the market,
- use a structured method for developing the evaluation criteria,
- best practice evaluation methodology,
- maintain mature and open communication,
- knowledge management,
- lessons learnt or review process.

Far too many public sector organisations treat procurement as a simple mechanical process rather than a truly knowledge based, dynamic process requiring careful planning and processes with the right people supported by the best possible systems. There are numerous examples of procurements that have failed because departments have not paid sufficient attention to the detail of these points. As we have seen recently with the DfT West Coast Mainline Franchise, the consequences can be enormous politically, financially and personally.

How to Improve the Quality of Tender Submissions

QinetiQ Commerce Decisions have experience of supporting billions of pounds worth of public procurement covering the most high profile and complex public procurements the UK has ever seen.

This experience, spanning all sectors including defence, construction, health, education, transport, IT and service provision has allowed us to understand, develop and implement best practice procurement and evaluation processes. So let's look at just some of these processes that are helping to ensure that our clients receive the best quality tender submissions.

Clear, Mature and Reliable Requirements

Unless clients fully understand and can articulate their requirements to the market, tenderers will either be unable to respond or will respond to the requirements that they believe are required. Whilst this may seem to be a case of 'stating the obvious', it is frightening how many public sector organisations continue to go to the supply chain with poorly defined requirements or change the requirements half way through (the dreaded 'addendum' release).

QinetiQ Commerce Decisions have a wealth of experience in requirements definition and capture to enable clients to confidently go to market with a mature and reliable set of requirements².

Structured Criteria Development

Evaluation criteria should be designed to differentiate between bidders, not to discover how similar they are. Too few criteria (and inappropriate criteria) will not differentiate clearly and too many will also not differentiate as you then have more chance of high and low scores cancelling each other out. Therefore it is critical to develop an appropriate number of differentiating criteria in a structured way.

QinetiQ Commerce Decisions has been advising on selection criteria for over 10 years, with experience throughout the public sector. The foundation for selecting the best bidder is in designing the most appropriate criteria. Key to ensuring high quality responses to criteria is in the clarity of the questions and scoring schemes to be used. The better the criteria and the scoring scheme can be described, the more chance bidders have of submitting a high quality response.

Clear and open communication (internally and externally)

Simply pushing out the ITT to the market is often not sufficient, particularly for more complex procurements. Whilst you may well be convinced that the instructions and criteria are crystal clear, the supply chain may well have a very different view.

Clear communication channels are critical to increasing the understanding of the supply chain to the highest possible levels. Allowing a period of supplier clarification and arranging tender briefing sessions are all vital in ensuring that instructions and criteria are fully understood by all parties. The higher this level of understanding, the better quality the responses are likely to be.

e-sourcing Tools

Maximising the functionality of sourcing tools enables quicker, fairer and open clarifications and communication with bidders in a structured, defensible manner.

Evaluation tools make accessing information significantly quicker and allows for far greater and easier checking on quality and progress of the evaluation. The time savings (of up to 45%) can be utilised to ensure timely and accurate assessments are undertaken to the highest levels of rigour and quality.

QinetiQ Commerce Decisions AWARD[®] tool provides all of this functionality and has been proven on projects ranging from the small and simple to the largest and most complex procurements undertaken in the UK.

Competent People

There are an increasing number of case law examples challenging the competency of assessors. This is important not just as a legal precedent but also because the right people are needed in order to input in to the evaluation. Assessors require a high level of competence, understanding and availability and must have a full comprehension of the criteria (ideally they would have been closely involved in developing the criteria). Assessors who do not fully understand the requirements, the criteria or the subject matter, or who are not given sufficient time to undertake the assessment; will not deliver a consistent, high quality and defensible evaluation. Assessors also need to fully understand the implications of their actions in terms of the requirements under the Public Contract Regulations.

QinetiQ Commerce Decisions, for some time now, have been recommending the use of assessor competence approval for anyone involved in the evaluation and also clear and consistent briefing and training. A useful feature of AWARD[®] is the 'Evaluator Acknowledgement' page; this forces assessors to sign up to, accept and agree to abide by certain conditions/processes throughout the evaluation. All of the above will help to ensure that the responses received from bidders are scored in a professional, consistent and defensible manner.

Best Practice Evaluation Process

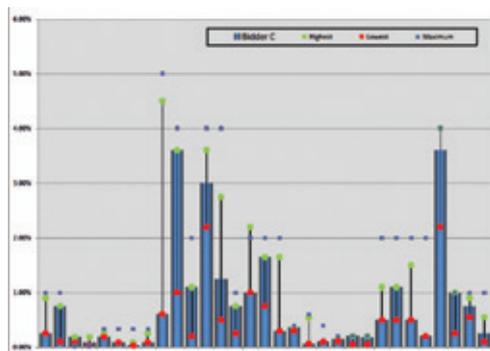
Assuming that you now have crystal clear requirements and evaluation criteria, with a team of highly competent and trained assessors, you need a best practice evaluation process to underpin the decision making.

QinetiQ Commerce Decisions recommends a two-stage evaluation process, initially utilising an independent evaluation of the tender responses by at least two assessors (who each give a score and rationale statement) followed by a consensus process (also called moderation in some areas). The consensus process brings together the various scores and rationale statements to finalise an agreed single authority view score and rationale statement. This process has significant benefits over a simplistic single score or taking an average of multiple scores.

Debriefing

Bidder debriefing is not only a legal requirement but is also a crucial part of supplier development externally and of continuous development within the contracting authority. QinetiQ Commerce Decisions recommends that unsuccessful (and successful) bidders are given as much information as possible to enable them to fully understand where they lost marks (see typical report from AWARD below – figure 1). It's also a very useful forum to get feedback from suppliers on your process and criteria.

Figure 1. AWARD® debrief report



Continuous Development

Once the procurement is completed, the chances are that areas will have been identified that worked well and also those areas that could be improved on (possibly helped by the supply chain).

Continuous improvement in terms of your process, your people and your systems is critical in driving efficiencies and quality benefits as the Authority matures in public procurement.

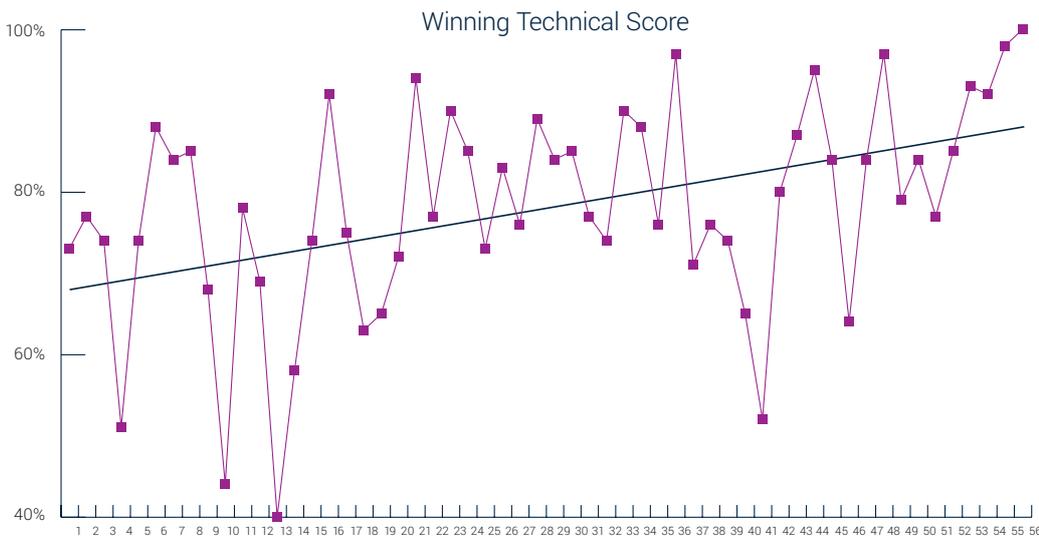
Results and Evidence

Wouldn't it be great if all these best practice processes resulted in real improvement? Surely on large scale procurement programmes where these principles are used, we should be seeing improvements in the quality of technical submissions.

Fortunately, through QinetiQ Commerce Decisions' extensive experience on large scale programmes, we can measure the quality of technical submissions (as determined by the technical scores).

The table at figure 2 below shows how technical scores have improved over a two year period. Not only does the data show a clear upward trend but it also seems to show an increase in consistency over time too.

Figure 2. Graph showing the improvement in the quality of bids over time



Conclusion

The best practice processes routinely deployed by Commerce Decisions, as outlined above, together with the use of the AWARD® evaluation solution can make a real difference to tender submissions in terms of quality and consistency.

In the continual drive for better value for money decisions, ensuring the best possible technical bids are achieved is a major step forward.

References

1 "Measuring value for money in a tender evaluation" – Peter Marshall & Richard Canning

"Effective weighting of criteria as a critical component in delivering the right decision in public procurement" – Richard Tottman

2 "Getting procurement criteria right in the public sector" – Mike Ross.
See also QinetiQ Acquisition Lifecycle Services

John Cole

An experienced principal consultant with over 15 years procurement and commercial experience. John joined Commerce Decisions in 2006 having worked previously as an international project manager and a category team leader for the Ministry of Defence.

Within Commerce Decisions, John has had extensive experience in the deployment of AWARD® and in the provision of strategic procurement advice to two of the largest programmes of procurement the UK has ever seen.

About Commerce Decisions

Commerce Decisions has been supporting strategic, high-risk procurements globally since 2001, and is at the forefront of best practice procurement. With a unique focus on complex evaluation, we have unrivalled experience in supplier evaluation and are a trusted provider of procurement services to the public and private sectors.

We deliver a robust and defensible procurement process to our clients, proven time and time again across many sectors including construction, transport, education, health, defence and facilities management procurements – to date, we have supported over 13,000 strategic projects, collectively worth over \$400billion. This enviable experience and in-depth knowledge has enabled us to develop proven methodologies, supporting clients to deliver the best possible outcome on strategic and complex procurement projects.

Headquartered in Oxfordshire, UK, and with offices in Canberra, Australia, and Ottawa, Canada, Commerce Decisions provides software and services to support the procurement and post contract review processes for both buyers and suppliers. For buyers we improve the efficiency and effectiveness of the evaluation process to make the best buying decision based on all the relevant criteria, underpinned by our AWARD® software. For bidders we improve the quality and timeliness of proposals to best meet the needs of the potential buyer and thereby give them the best chance of securing the contract, underpinned by our ADVANCE™ software.

About QinetiQ

QinetiQ is a leading international provider of technology-based services and solutions to the defence, security and related markets. We develop and deliver services and solutions for government organisations, predominantly in the UK and US, including defence departments, intelligence services and security agencies.

In addition, we provide technology insertion and consultancy services to commercial and industrial customers around the world.

