



# What a good tender looks like

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## Introductions

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# Format

- Webinar duration 1 hour
- Based upon updated YORhub guide to what a good tender looks like
- This has been compiled in conjunction with YORbuild Contractors, plus
- Our own extensive experience of different approaches from YORhub users
- Role play format:
  - Chris is representing contractor
  - Fergus is acting on behalf of client
  - Lessons learnt style meeting to discuss how tendering process works best
  - Addressing key points from updated guide
- 12 sections to be covered – see table issued in advance of the event
- Some written Q&A's discussed during event and at end, time permitting
- Any unanswered queries will be reviewed after the event and responded to
- Slides and updated guide issued to delegates after the event – 1<sup>st</sup> to see this
- Concentrates on single stage tendering but much of content applies to 2 stage as well



# Factors influencing tendering

There are a number of client actions etc. which influence levels of interest in tendering as summarised in the table below:

• Quality of tender documents
• Duration of tender period
• Tendering effort required
• Tender process management
• Prior notice or awareness of project with sufficient details
• Market conditions
• Levels of risk to tenderers
• Collaborative Working
• Levels of competition
• Opportunity for future works/obligations to bid or impact of not bidding
• Procurement route, e.g. direct selection, single stage or two stage tendering
• Extent of design responsibility



# 1. Quality of tender documents

Put simply - give me good information and reasonable time to tender and you'll get a better outcome

Contractors have prepared a useful checklist (Appendix 1) of what information they'd like to see included in a tender package

e.g. extent of Site investigation

## Checklist headings:

- Existing Site Information:
- Third Party Stakeholder information:
- Building Physics:
- Design:
- BIM/Government Soft Landings (GSL) where relevant:
- Contract/Programme:



## 2. Duration of tender period

Recommended tendering timescales for single stage tenders **but** it often pays to allow longer periods where possible:

Procurement Route	Traditional (Contractor builds only)	D&B Single Stage
<b>Works Contracts up to £1m</b>		
Baseline tender period	Minimum 4 weeks	5-6 weeks
Lead-in period	3-4 weeks	6-8 weeks
<b>Works Contracts over £1m up to £10m</b>		
Baseline tender period	4-5 weeks	5-6 weeks
Lead-in period	Min 4 weeks	8 weeks
<b>Works Contracts over £10m</b>		
Baseline tender period	5-6 weeks	6-8 weeks
Lead-in period	4-6 weeks	Min 8 weeks

1<sup>st</sup> or 2<sup>nd</sup> week often spent taking off quantities

Supply chain needs reasonable time to bid – too short and may not get any prices back or only small no.



# 3. Tendering effort required

## Contractor preference

Don't ask for 'War and Peace' tender returns

We prefer it if non-scored tender documents can follow on, from the preferred firm only

We like B of Qs

Further quality questions asked at call-off stage should be kept to a minimum and be specific to the project.



## 4. Tender process management

Extensive pre-tender/ during tender and post tender guidance now included in document but picking on some key points:

Contractor preference	Client preference
Communicate delays in tender issue	Don't qualify your tenders
Avoid large numbers of changes/ issuing changes near the tender return date	Don't withdraw after saying you'll bid
Distinguish between clarifications and amendments	Provide a price breakdown with your tender
Respond to queries & promptly (avoids qualifications)	Don't leave it until the last minute to raise queries
Hold pre or mid tender briefings where appropriate	
Provide tender feedback	



## 5. Prior notice or awareness of project with sufficient details

- Big issue for Contractors is knowing when tenders will arrive
- See new list of information the contractors would like to make a decision on tendering (Appendix 2 in guidance) – if provided this minimises risk of withdrawals during the tender period
- Where possible issue early expression of interest – flags issues and can avoid delays



## 6. Market conditions

When is the best time to go to market?

- Pre-tender briefing can answer this
- Avoid school summer holidays
- Building/ Civils sector can heat up towards the end of the financial year
- Awareness of other regional market pressures



## 7. Levels of risk to tenderers

Covid/Grenfell/Carillion are changing attitudes to risk:

- NEC/JCT contracts preferred with minimal amendments
- Unlimited liability problematic
- Provision of bonds becoming harder
- Appropriate Insurance levels – based upon risk assessment
- Inclusion of NEC3 X15 an X18 preferred
- Consider pain/gainshare
- Avoid excessive damages
- If transferring liability for existing structures or surveys – give suitable access to validate info or provide warranties
- Consider use of Project Bank Accounts



## 8. Collaborative working

Collaborative processes work best, particularly in current circumstances, discussed again later



## 9. Levels of competition

Bidders usually avoid a race to the bottom

In agreement that tender lists of 3-6 are desirable

Authorities often require a minimum of 3 tenders in line with standing orders

Despite framework lot sizes being 6-10 the numbers tendering usually fall within the 3-6 range



## 10. Opportunity for future work

- Opportunities for future work such as bundling work or agreeing to negotiate follow on phases also improve tender attractiveness
  - Where this is done it's always advisable to include a clause that doesn't commit you to negotiating future work unless performance on the first project is good and is subject to the availability of sufficient funding



# 11. Procurement route, e.g. direct selection, single stage or two stage tendering

Bidders prefer direct selection or 2 stage approaches:

- Allows risks to be better managed
- Benefits of ECI can be exploited
- Concerns re VFM mitigated by YORhub requirements for competition for all packages

BUT:

- Need to check if funding conditions allow one of these methods
- Single stage may be more appropriate for low value straightforward projects



## 12. Extent of design responsibility

Single stage D&B liked by Clients but not to same extent by Contractors:

How to make it more attractive:

- Minimise tender effort e.g. no drawings/ avoid requesting approvals in principle
- Consider if Contractor can do most design – transferring design part way through raises risk profile and can increase tender price
- Novate design teams across
- Consider a 2 stage D&B route instead – design fees and team selection can form part of 1<sup>st</sup> stage competition



# Closing remarks

There is no exact science to guaranteeing a healthy tender response **but**

- by following the advice given above should improve the chances of your project being well received by bidders

“all in all, I think the key issue for us as a company is when tender requirements are vague. Ensuring tenders are detailed so that all contractors are making the same allowances will ensure a fair competition that we all want.”

“the more ( good ) information they provide and reasonable time to provide it the better the outcome for their Client.”



# Q&A/ Close

Thank you for attending this webinar today

We hope you will find our updated guide to what a good tender looks like useful