

# Wales Council for Voluntary Action

Supporting charities, volunteers and communities

## 7. Finding and getting money

### 7.7.2 Developing a successful tender



#### Overview

Third sector organisations are increasingly seeking to diversify their income sources by incorporating strategies and techniques to achieve a sustainable funding base. Tendering for the delivery of goods or services under the terms of a contract is one of many options that can be considered to generate income.

Contracts are won, and lost, on the quality of the tenders submitted therefore being able to write a good tender is essential. This information sheet is intended to provide a brief overview of how to develop a successful tender.

#### What is a tender?

When a purchasing body issues an Invitation to Tender (ITT) inviting any interested parties to bid, or tender, for the delivery of goods or services a tender is the written document you submit in a response to this invitation.

A tender is written communication of your offer to the purchaser. It should demonstrate your capability of meeting their requirements, offer them value for money and above all convince them to award your organisation the contract.

A tender should be an accurate representation of your organisation as you can be held accountable for all information presented in the tender if you are successful in winning the contract.

#### Understanding the requirements

A good tender will demonstrate a thorough understanding of what the purchasing body requires and will propose effective and achievable solutions to meet these requirements. You must therefore fully understand what is being asked for and why, and be in a position to respond appropriately.

The purchaser's requirements are usually set out in a document called 'Specification' or 'Service specification' which must be studied carefully, along with any supporting information. Purchasers will also provide details of how tenders will be scored (evaluation criteria) which will help you understand the most important areas of the tender and how 'value for money' will be assessed.

Purchasers may also hold clarification meetings where potential suppliers are given the opportunity to discuss the tender documentation. These are excellent opportunities to seek clarification on exactly what is required, as well as to meet other prospective bidders with whom you may be competing.

## **Preparation and planning**

Putting together a winning tender takes time and resources. Before putting pen to paper draw up a work plan which notes:

- What information is being asked for and how long it will take to gather this
- Timetable for drafting, editing and checking your tender response
- Who else in your team might be needed to help you pull the tender together

## **What makes a good tender?**

### **1. Follow instructions**

Purchasers give instructions for a reason. This may include how the tender should look and when and where it should be submitted. If you do not follow the instructions, your tender may not be considered.

### **2. A thorough response**

You must address **all** requirements set out in a purchaser's specification. You will be expected to meet minimum standards to ensure that your tender is properly considered. Demonstrate your understanding of the requirements with proposals based on your knowledge, experience and skills.

### **3. Evidence and examples**

Provide evidence and examples to back up all statements made in your tender. Purchasers can only make a decision about whether a tender meets their requirements or not based on the information in front of them.

### **4. Structure**

The structure of a tender should be logical, coherent and follow the order of the tender documents which you have been sent. In poorly structured tenders important information can be missed during evaluation.

### **5. Quality of writing**

Tenders often fail on the basis of writing that is unclear, illogical and fails to get across the key messages of the offer being made. Tenders must be written in a way that is clear and unambiguous and gets to the point.

### **6. Grammar, punctuation and spelling**

Tenders must be grammatically correct, with proper use of punctuation and good spelling. Bad grammar and poor spelling looks unprofessional and will make your tender seem hurried.

## **7. Stand out from the crowd**

A tender is your opportunity to sell your organisation to a purchasing body. To be successful you must stand out from the crowd. Promote the unique selling points of your organisation and what sets you apart from the competition.

## **8. Accurate financial information**

Cost your services in full by taking into account overheads and on-costs. Provide enough information for the purchaser to make a decision on whether or not your tender offers value for money.

## **9. Presentation**

A well presented tender will nearly always do better than a poorly presented bid. Do not hand-write a tender unless it is completely unavoidable. An index is helpful, with pages clearly numbered and supporting information clearly labelled.

## **Why tenders fail**

Tenders often fail for reasons that can be avoided:

- Simple administration failures – not signing the tender or not getting it in on time to the right place and person.
- Additional or supporting information not provided, or sections being missed out entirely.
- Questions not being answered in full or not at all.
- Unclear and inconsistent responses.

## **Summary and top tips**

A quality tender:

- understands and addresses all of the purchaser's requirements
- is clear about the service you are offering
- is competitive and offers value for money
- is well written, easy to read, and well presented

Remember that tendering takes time and resources and above all do not be afraid to ask questions!

## **Further information**

### **Information sheets**

3.7 Commissioning

3.8 Contracts

7.7 Introduction to procurement

7.7.1 Introduction to tendering

7.7.3 Costing your tender

## Legalities

- CC37 *Charities and public service delivery*, produced by the Charity Commission, set out the considerations for charities when entering into a contract. It is available to download from [www.charity-commission.gov.uk](http://www.charity-commission.gov.uk)
- Queries on the tax implications should be directed to HM Revenue and Customs. 0845 302 0203  
[www.hmrc.gov.uk/charities/vat/intro.htm](http://www.hmrc.gov.uk/charities/vat/intro.htm)

## Support

- County Voluntary Councils (CVCs) in Wales provide information on a wide range of funding and financial issues including tendering. See information sheet '1.7 Where to go for help' for details of your local CVC.
- Sustainable Funding Cymru's Third Sector Funding Portal is a one-stop shop for funding advice and opportunities  
[www.sustainablefundingcymru.org.uk](http://www.sustainablefundingcymru.org.uk)
- WCVA's 3-SET team provides guidance on tendering for European funded opportunities.  
0800 2888 329  
[3SET@wcva.org.uk](mailto:3SET@wcva.org.uk)
- The Welsh Government's Supplier Development Service aims to give businesses from all sectors a better chance of winning public sector contracts.  
[www.business-support-wales.gov.uk](http://www.business-support-wales.gov.uk)


## Training

- *Introduction to tendering* – details of a one-day introductory course available at [www.coursesforcommunities.org.uk](http://www.coursesforcommunities.org.uk)
- *How to tender* – details of a two-day practical course following the stages involved in writing and submitting a tender available at [www.sustainablefundingcymru.org.uk](http://www.sustainablefundingcymru.org.uk)

## Disclaimer

The information provided in this sheet is intended for guidance only. It is not a substitute for professional advice and we cannot accept any responsibility for loss occasioned as a result of any person acting or refraining from acting upon it.

### For further information contact

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