

Get in the Game

What is Tendering?

A 'tender' is the process of an entity/organisation inviting suppliers to provide a formal written submission for a good or service.

For construction works, the purpose of the tender is to select a contractor to construct the works on the basis of best value for money.

Tender documents may be prepared for a range of requirements such as equipment supply, construction (including design and construction) and demolition.

Common types of approaching the market with a tender:

Open (public) the purpose of the open tender is to select a contractor to construct the works on the basis of price and quality.

Selective is a pre-selected list of possible suppliers and is prepared based on a known track record in delivering projects of a particular scope. Select tendering may be appropriate for specialist or complex contracts but is **not** readily endorsed by SRS.

Sole is with a single supplier and may be appropriate for highly specialist contracts where there is only one supplier available. The competitive element of tendering is, however, reduced; sole tendering is thus **not** readily endorsed by SR.

In certain circumstances, sole or selective tenders may be allowed but will require approval from SRS before embarking on a formal tender.

Local Buy

Local Buy has an established e-tendering procurement system owned by the Local Government Association of Queensland. Not-for-profit organisations can register and tender through the Prequalified Supplier Arrangements that Local Buy has established. This helps reduce the risk, time and costs associated with internal procurement processes.

Tendering process

Public tender advertisement (Tender Notice)

A tender notice should be advertised in local newspapers for smaller projects and in both local and state wide newspapers for larger projects. An advertisement in a newspaper in the local government area is the minimum requirement. A tender notice should include:

- title of the project
- description of the scope of works
- location, date, and time to obtain the tender documents
- location, date and time for submission of tender
- minimum 21 days after advertisement is published.

Tender documents supplied to prospective tenderers should include:

- public tender advertisement
- employer's information requirements
- tender pricing document
- design drawings
- detailed scope of works (including technical specifications)
- timescale for the tender process (including the address and time for the return of tenders).

For larger and complex projects, an invitation to tender might also include some or all of the following items:

- letter of invitation to tender
- form of tender (open/selective/sole)
- preliminaries, such as pre-construction information and site waste management plan
- form of contract, contract conditions and amendments
- design drawings including a drawing schedule
- specification (requirements)
- an explanation of how queries will be dealt with
- the evaluation process and any evaluation criteria
- policy for providing feedback to unsuccessful tenderers.

For ease of comparison between received bids, it is customary to have processes e.g. response templates that require tenders to be in a consistent format.

Responding to the tender

In response to an invitation to tender, tenderers will submit their bid documents which will include their prices for supplying the goods or services along with proposals for how the client's requirements will be satisfied.

Bid evaluation

In order to preserve the integrity of the competitive process, it is imperative that the evaluation of bid documents is undertaken objectively, consistently and without bias towards particular suppliers. The same evaluators should evaluate all bids. There are a number of bases upon which a preferred bidder can be identified to ensure value for money is obtained such as:

- lowest price
- quality
- experience and best understanding of the requirements of the work involved.

Usually a decision will be based on some combination of the above. Lowest price does not have to be accepted if it does not represent sufficient quality and value.

Following the award of the contract the unsuccessful tenderers must be notified in writing.

Tender procurement thresholds

Tender procurement thresholds are set by the department and are outlined in the relevant Grant Deed. Thresholds may vary between funding programs and/or differ across rounds. Tender requirements are activated when the Total Project Cost surpasses the amount stipulated in the Grant Deed threshold. Once this occurs the client must either:

- local governments are required to comply with the *Local Government Act 2009* (Qld); the requirements for the provision of a minimum three written quotes is not negated by this or the use of Local Buy.
- in-kind contributions, whilst included as part of the project cost, are excluded from the tender threshold set by the department.

This process ensures competition from suppliers in the broader marketplace, value for money and a quality finished product.

Need further information?

For further information on this and the department's funding programs, please go to the following webpage www.qld.gov.au/recreation/sports/funding/getinthegame or contact your local Sport and Recreation advisor on 13 QGOV.