

Purchasers: what are they looking for?

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Tendering is part of the procurement process and is a way in which many organisations buy from their suppliers. There are many advantages of this process for purchasers:

- *Value for money* – by inviting a number of suppliers to present their offers, a purchaser is able to test the market to make sure they are not paying more than the current market rates for their goods and services.
- *Time savings* – individually contacting or sourcing suppliers can be very time-consuming; whereas inviting formal proposals on the open market (or from a select group) enables the purchaser to set a specification that all suppliers have to meet.
- *Simplicity* – often when looking at various proposals it is very hard to compare apples with apples because each supplier presents their product in a way that advantages them. In a tender, all suppliers are forced to present their offers in the same way.
- *Probity* – Public organisations (such as government, councils, universities, public companies) have to be seen to be operating with complete integrity. By making purchases via a tender these organisations are ensuring they cannot be accused of favouring one supplier over another.
- *Administrative ease* – administering a single contract with clear performance measures is much simpler than working with a number of different suppliers with varying terms and conditions.
- *Fairness* – being able to stand up to public scrutiny (probity) is important, but being fair to the market is also important as suppliers come and go, market conditions change, and organisations needs change.
- *Ongoing relationships* – by issuing tenders for the supply of goods and services for a period of time an organisation is able to develop ongoing mutually beneficial relationships with a range of suppliers.



- *Minimise risk* – a tender allows a company to formally evaluate a potential suppliers capacity to perform the required tasks.

Why should I choose you?

If you are in a face-to-face sales situation you can ask questions and get feedback that will enable you to sell your product or service more effectively. However, when making a tender submission you have to rely on what is in the documents as well as your knowledge about the purchaser. That's why it's important to have a clear understanding of the purchaser's needs.

Recently we interviewed a number of procurement managers representing organisations that tender for a wide range of products and services from construction projects to stationery. In answer to the question, "*As a purchaser, what are the things that are really important to you when you are evaluating responses to a tender?*" there were 6 areas that topped the list:

- 1. Experience**
- 2. Capabilities**
- 3. Resources**
- 4. Systems**
- 5. Your team**
- 6. 'people like us'**

For the first three you will often find direct questions in a tender request. However, with the others you need to look more closely. Having well-documented systems and processes shows a purchaser that you are organised and are more likely to be consistent in your project delivery. They provide strong evidence the evaluating panel can point to when scoring your response so make sure you refer to them where appropriate but don't just include them as appendices – show how they add value to your ability to complete the work by quoting examples from them.



The individuals actually doing the work are also important. Never just include generic CVs for key people – make sure you explain what they will be doing and how they add value to the role as well as what experience and qualifications they have.

Lastly, the concept of ‘people like us’ relates to you being able to demonstrate that your company values the same things the purchasing company does. It’s human nature for people to be more comfortable working with people who have a similar outlook. It is particularly important in terms of project management that can often require a lot of give and take between purchaser and supplier. For example, if I have just invested in creating a more sustainable organisation, I will be very interested in suppliers who can demonstrate the same. If my organisation is very conservative and ‘corporate’ I will feel uncomfortable dealing with organisations that are ‘entrepreneurial’.

In summary, I will leave you with a quote from one procurement manager that is typical of the responses to the question about why I should choose you.

“The most important thing these days is value for money. For us that means the balance between price and non-price components of a submission – often its very subjective as to how you actually look at that.

Then people need to demonstrate to us that they have a good understanding of what the RFT is all about. Show they have the capabilities, skills and resources required to carry out the work. Show us how they plan to tackle the project. Prove their claims by providing testimonials or case studies of similar projects they have undertaken.

We will look at their managements systems such as quality, health and safety, environmental policy. We will also look at the skills and experience of their management team. If it’s a big project we will look at their financial capability to make sure they are able to carry out the project in its entirety.

And at the end of that we will look at price. If we find that the majority of submissions are beyond our budget we may go back and address scope or enter into negotiations with preferred tenderers.”

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