

How Tenders Are Assessed

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About this video series

The NSW Government is committed to supporting economic participation and social outcomes, developing skills and creating jobs for NSW citizens. This means building a diverse supply base by enabling small and medium enterprises, social enterprises, disability enterprises and Aboriginal businesses to engage with procurement opportunities. Numerous policies reflect these commitments, including the *Small and Medium Enterprise and Regional Procurement Policy 2021*.

We recognise that our supply chains are complex, and opportunities are not always with the NSW Government but through our supply chains, e.g. with principal contractors.

This video series supports diverse businesses in applying for infrastructure project tenders. The guidance in the videos comes from 'real life' examples of tender documentation and minimum requirements for infrastructure procurement opportunities in NSW. This series was developed by Transport for NSW and iClick2Learn, a Dubbo-based social enterprise certified under Social Traders.

About the author

Natalie is a tender and grant writer and assessor. She has helped raise over 45 million dollars for services and product submissions while working with enterprises, small businesses and the not-for-profit sector. Natalie holds an 82.5% grant and 94.2% tender success rate. She teaches and mentors people to apply for tenders and grants and establish grant and tender businesses. Natalie is the author of 'Win the Grant' being published in May 2022 and 'Win the Tender' scheduled for late 2022.

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Contributors

Transport for NSW

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How tenders are assessed

Prospective clients use a variety of tools and approaches to assess tenders. Some tenders will explain the assessment process and timelines in the tender terms and conditions document. The two areas you should research are: who is assessing the tenders, and what is the process?

Who assesses tenders?

Depending on the organisation, there may be internal staff only or a combination of internal staff and external experts. At a minimum, there will be people from the procurement side, like the Procurement Manager. This individual is responsible for the process, probity, confidentiality and any contracting arrangements.

Next, you have subject matter experts. Subject matter experts are either involved in developing the requirements or have a deep understanding of what's needed. They can be internal staff or external experts. Subject matter experts assess your response from a technical and practical perspective.

It's worth noting that your tender response will likely be split between different people looking at different questions. For example, your financial documents may be analysed by someone from the finance team, and your technical response may be assessed by the technical manager.

When answering responses, make sure there is adequate information in the relevant section. Don't rely on people having read the full response to previous questions. Your responses to each question should stand on its own.

What is the assessment process?

Generally, the following three stage process applies:

- Due diligence
- Scoring responses
- Evaluation criteria

Step 1: Due diligence

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The first stage is due diligence. This is where compliance and minimum requirements are assessed. The list below is an example of areas that may be assessed for conformity.

- No conflicts of interest
- Workplace Health and Safety
- Compliance to Acts mentioned in the tender documents
- Financial viability confirmed
- Required insurances and levels of insurance in a current policy
- Industry regulations complied with
- Required licenses/accreditation current

Step 2: Scoring responses

The second stage scores your responses. You'll have a range of questions in the tender that require your response. Assessors use a scoring table to rank your responses. Not all scoring tables are the same, but our example reflects the ones typically used.

Make sure you get as many points for your responses as possible.

Remember, you can't expect the same person to assess your response from beginning to end. Sometimes, your responses to questions are split between panel members. Make sure there is sufficient information so the question can be assessed on its own merit. For example, the budget section could go to the prospective client's finance team while the sustainability and environmental lifecycle management response could be assessed by their environmental sustainability manager.

Example scoring table

		Excellent response
5	Excellent	Response is detailed and comprehensive and demonstrates how the requirements will be fully met.
4	Good	Good response

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Response provides enough detail to demonstrate a good understanding of requirements and how they will be fulfilled.

	Acceptable response
3 Acceptable	Response broadly demonstrates understanding; however, some responses lack details on how the requirements will be fulfilled.
	Partially relevant response
2 Poor	Response provides insufficient or limited details to demonstrate understanding and ability to meet tender requirements. Responses require further clarification
	Nil or inadequate response
1 Unacceptable	Does not demonstrate minimum requirements or fails to comply. Failed to address criteria.

Source: Natalie Bramble iClick2Learn

Step 3: Evaluation criteria

The third stage in this example process involves evaluation criteria, which should be listed in the tender documents. Evaluation criteria might also be called selection criteria. This criterion will be identified in the tender document, and you'll generally receive specific questions that are related.

An example of evaluation criteria, in alphabetical order, could be:

- Capability, capacity and experience
- Compliance with contract terms
- Health, safety, environmental and quality assurance
- Innovation
- Social procurement and workforce development
- Sustainability and lifecycle environmental management

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- Tender price
- Value for money

This stage may be a single stage, or it can include several sub-stages. For example, the first stage of the assessment for a national tender may include a local/regional team of assessors before shortlisted responses are escalated to the national assessment team.

Weighting on evaluation criteria

The tender documents may disclose how the evaluation criteria is ranked. This is called ‘weighting.’ It demonstrates the importance of one criterion as compared to another.

You’ll see weighting shown in points or percentages. This helps you identify which of criterion is more important than another. In other words, you should spend more time understanding and responding to certain areas. The below table provides an example of evaluation criteria.

Example of evaluation criteria weighting

Evaluation criteria	Weighting
Capability, capacity and experience	20%
Health, safety, environmental and quality assurance	20%
Innovation	15%
Social procurement and workforce development	15%
Sustainability and lifecycle environmental management	15%
Tender price	15%

Source: Natalie Bramble iClick2Learn

In the assessment process, short-listed tender responses are compared against one another. This is called a ‘decision matrix.’ A decision matrix is generally a confidential matrix used by the final team. It usually includes the evaluation criteria mentioned. Typically,

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the scores from the response scoring stage are used to apply weighting to the criteria. There may be another evaluation process at this stage, particularly where there are a few tenders that are very closely scored.

Each person on the assessment panel scores each submission. Then, the procurement manager oversees the final average scores with applied weighting. Below is an example of how their table might look.

Example of scored valuation criteria weighting

Evaluation criteria	Weighting	Company A	Company B	Company C
Capability, capacity and experience	20%	14%	18%	16%
Health, safety, environmental and quality assurance	20%	17%	10%	17%
Innovation	15%	11%	10%	14%
Social procurement and workforce development	15%	11%	12%	13%
Sustainability and lifecycle environmental management	15%	11%	11%	12%
Tender price	15%	12%	13%	10%
Total score	100%	76%	74%	82%

Source: Natalie Bramble iClick2Learn

What if there’s no weighting?

Not all tenders publicly share or use weighting.

If you aren’t shown the weighting, expect that each selection criteria are as important as the other. Value for money is a key evaluation criterion in this situation. This is generally called a ‘value for money’ assessment.

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Value for money considers the benefits and risks of each tender response to determine which offers the best value for money overall. Value for money is covered further in the handout.

Addressing evaluation criteria

Sometimes you will be asked to respond to a direct question about each evaluation criteria. Sometimes the question is used to assess your whole response across areas. Check the tender questions. Do they match the evaluation criteria? If not, consider the evaluation criteria and which question you should integrate these into. For example, if there is a question about how your recruitment process works, include relevant information across all the evaluation criteria in your response. When you're asked specific questions in the tender, always follow instructions and provide the information they are seeking.

In the next video, we will explore this further. Using this evaluation criteria, we will also look at examples of what to consider when addressing tender questions.

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