Transport
for NSW

How To Address Tender Questions

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NSW GOVERNMENT

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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 the citizens of NSW. This includes building a diverse supply base by enabling all types of businesses to engage with procurement opportunities – including small and medium enterprises, social enterprises, disability enterprises and Aboriginal businesses. Numerous policies reflect these priorities and commitments, including the *Small and Medium Enterprise and Regional Procurement Policy 2021*.

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

This video series supports small and medium enterprises and diverse businesses in applying for tenders associated with infrastructure projects. The guidance in the videos is adapted from 'real life' examples of tender documentation and minimum requirements related to infrastructure procurement opportunities in NSW. This video 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. Working with enterprises, small businesses and the not-for-profit sector, she has helped raise over 45 million dollars for services and product submissions. 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

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Understanding the questions

One of the most common tender response mistakes is failure to answer critical questions. Often, if you miss a question in one response, it is overlooked across all responses. Failure to answer key questions reduces the points you get from assessors, minimizing your competitiveness.

Another mistake is failing to use tender questions to show how your proposed solution will meet the client's needs. If you're following the video series, you've already developed your response outline from video 2, understanding tender requirements.

The response outline should help you break everything down, so you don't miss anything. We will use a similar approach with our answer mapping table, a tool to help you understand what each question is asking of you.

Answer mapping

Let's look at an example question.

Example question on recruitment process

Detail processes for appointing new employees and/or subcontractors. Include information about your policies, procedures and due diligence process to validate their qualification and competencies. Include information related to your diversity and inclusion practices.

First, copy and paste each element of the question into your answer map. When you see the word 'and', a comma, a semi-colon or a new sentence, this is a separate item that requires its own line. For example:

- Detail processes for appointing new employees
- and/or subcontractors.
- Include information about your policies, procedures, and
- due diligence process to validate their qualification and competencies.

When copying the parts of the question, include the action the prospective client is asking you to fulfil. For example, looking at the above list, you would include the word 'detail' in front of each part.

In the following table, there are two themes: employees and subcontractors. If you only have employees, you don't need to

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include subcontractors and vice versa. For the benefit of the question, this table demonstrates how we break up each part to better understand.

In the first column, the question is divided into two themes and the parts are copied under each. Go through the tender documents using the template for each question. When you're ready to brainstorm a reply and list key points, return to the answer map and complete the remaining columns.

The second column asks about best practices and the client's expectations. You might find some helpful information about compliance areas in the tender documents. Clients may also reference key employment laws that require your compliance. The third column asks what you must do to address those points. The last column is for noting how you can strengthen gaps when you compare your first and second columns.

QUESTION 7 (p6) Recruitment process Detail processes for appointing new employees and / or sub-contractors. Include information about policies, procedures, and your due diligence process to validate their qualification and competencies. Include information relating to your diversity and inclusion practices			
Parts of the question to address	What would be best practice/what are they expecting as per tender requirements?	What we have/do	What else do we need to do (fill the gap between what they want; what's best practice and what you do)
Employees			

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Detail processes for appointing new employees Include information about employment policies, procedures Include information about your due diligence process to validate their qualification and competencies. Include information relating to your diversity and inclusion practices
Contractors
Detail processes for appointing new sub-contractors Include information about contractor policies, procedures Include information about your due diligence process to validate their qualification and competencies. Include information relating to your diversity and inclusion practices.

The next part of the answer map asks you to consider four key elements:

- Standards

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- Goals
- Processes
- Progress and achievements

In a tender process, whenever you respond to a requirements document, your systems and structures should be clear.

Standards are things that anyone working with or for you can expect. They include quality, service, industry standards and business policies that translate to internal practices.

It's also important to share your goals. Your goals can relate to business, finances, customer satisfaction, on-time delivery, error rate and days without accident, sustainability or community support, to name a few.

Processes are what you have in place to meet the standards and goals for each role. These might include work plans, safe work procedures or checklists.

Finally, you must show that you monitor, track and measure the progress and achievements of your standards and goals. This helps you demonstrate that you can deliver. It also gives the assessors confidence in your ability to fulfil their requirements.

What are our standards?	What goals do we have?	What processes do we use?	What progress have we made and what are our achievements?
Consider policies and quality statements	What benchmarks, key performance indicators or reporting ratings do you use?	Consider written processes and automated processes including software systems etc.	Consider where you were last year with your goals, what progress has been made? What are you proud to have achieved?

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In the next section of the answer map, you will reflect on strategy. Here, you'll reference your notes in the response outline. Check the prospective client's key messages, values and priorities and include notes on how you can demonstrate them. For example, you may identify the key message is about Aboriginal or disability employment. If you have a few areas to share in the inclusion response, but not enough words, consider the key message essential.

You should also note any cost considerations. The question might ask you to, 'Include information about your due diligence process to validate your qualification and competencies.' Will subcontractors add additional costs? If so, note it here. These notes will be beneficial when you develop the pricing schedule or submit it to someone for development.

Now is a good time to prepare to submit your response. Preparation might include gathering documents you want to include as attachments and documents you need to develop or update.

Other factors to consider	Notes
How do we demonstrate alignment to the prospective client's key messages, values and priorities?	
What evaluation criteria relates to this question and what should I include to demonstrate we can fulfil that criteria?	
What examples can I give to demonstrate we can fulfil tender requirements in this area? Is there a case study I can include?	
What key statistics will I use in this response?	
What documents am I required to attach?	
Are there other documents/evidence I can include to strengthen my response?	

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Do we need to create or update any of these documents?

Does any of the above add to our costs/pricing schedule? If so, note

What visuals/diagrams/flowcharts can I include to help the assessor understand?

Other notes

Once you've finished your answer map, you can start gathering information, developing your documents and working on your pricing schedule. Pricing is explored later in this document.

How to address evaluation criteria

Sometimes, questions address the evaluation criteria. Other times, they do not. When the criteria are in a specific question, you will address a range of things within that question, like the example we explored earlier. When the evaluation criteria are not addressed, it can be difficult to know what to include.

Below are our example evaluation criteria. They include helpful pointers on what to consider when responding to direct questions or trying to integrate the criteria into other questions.

Remember, if these criteria are present in the tender documents, they also relate to contractors.

You are required to meet evaluation criteria because the prospective client must uphold standards to continue certification or accreditation or to meet policy objectives. The tender documents may reference these standards. Be sure to identify and include them in your response outline.

Examples of criteria questions

Capability, capacity and experience

This evaluation criteria is about two areas: your business and your people. It lets you show how you've delivered similar services in the

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past. It also reveals that you have the experience, people and knowledge to service the tender requirements.

It is important to demonstrate that your business has similar experience and knows how to deliver the scale the tender seeks in a similar environment. For example, if you have only cleaned domestic sites, demonstrate that you understand the requirements of commercial site cleaning. This can include details on how you would build your business, such as your process or if you need to obtain accreditation.

Consider the structure you have in place and the systems you use to run your business.

For the ‘people’ aspect, talk about how you can scale and train your team to deliver the service and highlight their skills and experience. Include bios of key team members in the office and on-site. If you plan on recruiting, include a sample job description to show the skills and experience you’ll require. You can add a diagram of your current team and what it will look like post-tender. There is an example of this in the first handout for video 1.

If proposing subcontractors, you will need to consider how they can help you meet the requirements. Consider the size of your team. Who is servicing the contract? Do grounds staff meet the tender requirements of security access, induction and training? As you can see, it’s not as simple as calling someone in for the day if they don’t have approval to work on site.

Compliance with contract terms

Contractual terms are a bit like a house of cards. If you miss one thing, the deck comes falling. The result could be failing to secure or failing to keep the contract. In serious cases, you could breach an act. A breach has far-reaching consequences for your business.

It’s critical to demonstrate that you understand the terms and how you’ll meet them. The tender documents set out the terms of the contract, such as conflicts of interest, confidentiality and subcontracting arrangements.

Focus on demonstrating the standards, goals, processes, progress and achievements of how you manage your current compliance obligations. Consider how you integrate your current clients’ compliance requirements into your processes.

We all have compliance obligations. How do we manage and report them?

- Demonstrate what you already do.
- How do you identify them?
- How do you monitor and measure them?

Reference your response outline from video 2. Check the compliance areas you noted and how you meet them.

Health, safety, environmental and quality assurance

This criterion has four components which you will break up into areas. You can join health and safety but keep environmental and quality assurance separate. This gives you three things to consider when responding: health and safety, environmental and quality assurance.

Health and safety

As this is one of the key risk functions for a business, you may have already performed a lot of work in this area, including recent updates to your policies and procedures per COVID-19 requirements. However, tender assessors never assume. You must describe exactly what you have in place.

In health and safety, consider including your:

- Risk management process and systems, including quality
- Processes that keep your team and those around them safe
- How you proactively approach safety and your safety culture
- How you work with the client to improve safety approaches
- How you manage any specific hazards in the environment
- Health and safety records like average days of work without injuries

Environmental

Let's look at the environmental part of the criteria. We're looking at this from a health, safety and quality perspective, not a sustainability perspective. In this example, there is another criterion that covers sustainability. Also, the word 'environment' is surrounded by three other words, and this helps you understand the key focus area. If there wasn't another criterion around sustainability, you'd expand your responses to include the points we cover in the following example.

Questions to ask:

What standards do you have in place?

- How do you ensure a safe environment for your team?
- What do you do to protect the environmental aspect of health and safety? For example, do you use eco products to reduce chemical damage on the site? How do you ensure a safe environment for your team?

What are your environmental goals as they relate to health, safety and quality?

- Perhaps it's about increasing use of environmentally friendly products that are safer for your team to use?

What processes do you have in place?

- What site checklists do you use to ensure a safe environment?
- How do you receive feedback and consult on these matters?

What progress have you made and what have you achieved?

Quality assurance

When you think of quality assurance, you generally think it's about certification to quality standards, such as ISO 9000. However, you don't have to be certified to plan, implement and achieve quality assurance standards. If you do have certification, licenses, or accreditation, then you should mention these.

Quality assurance is about:

- Setting a standard and having goals to achieve that standard
- The policies you implement to support that standard
- The processes that deliver the policies to maintain the standard
- The progress you've made and the goals you've achieved

Think about how you work with clients and the quality standards you set and deliver. This is an example of quality assurance. For this part of the question, consider every aspect of your business. The question will offer more insights on what you should include.

Innovation

Innovation is defined by Miriam Webster dictionary as a 'new idea, device or method' and 'the act or process of introducing new ideas, devices or methods.' But don't think that innovation must be big. Innovation could be a slight change to your process, a new environmental product, or an approach you've developed to help a client.

You might think, 'But how is that showing innovation?' If you're changing things and adapting, you're innovating. You're thinking about how you can do things differently to achieve a better outcome. While innovation is the result, it's the mindset and approach that achieve the result. Your approach will be reviewed carefully. Remember, you'll be tested to see if you can deliver the innovation you're proposing.

Case studies and focusing on past performance are key. Discuss this with your staff and contractors. You'll find a helpful process to brainstorm and map your proposal along with past solutions to explore innovations in video 6.

If you're proposing something completely different to what the tender requests, also called an alternative tender, consider including visual diagrams like flow charts. Visuals can increase understanding of your proposal. The prospective client needs to feel confident you know what you're doing, and you've thought through every aspect to deliver accordingly.

Think about your standards and your statements on innovation. For example, do you have a policy that encourages personnel to innovate? Do you have a process that supports investment into ideas and innovative ways of working? Policies and standards are great, but you often need to engineer an opportunity by stopping and asking how you can do something better to achieve the outcome. This isn't about doing things faster and cheaper, it's about continuous improvement and quality. Hopefully, those improvements make your process more efficient and your result more effective.

Use the standards, goals, processes, progress and achievements approach to identify things you're currently doing that might be different from what you've done in the past.

- Step out what you are currently doing
- Standards, goals, processes, progress and achievements
- Think through each of the criteria and your approach
- Remember: small innovative adjustments can make a big difference

Social procurement and workforce development

Social procurement and workforce development is about job creation, skills development, and diversity and inclusion (including diverse suppliers). Typically, this criterion also meets the prospective client's values, so they'll be looking for values alignment in your practices and culture.

Social procurement can include using a disability enterprise or accessing Supply Nation to procure certified Aboriginal businesses in your supply chain. It's about buying a product or service with a socially conscious approach, so your purchasing power accomplishes social good.

Workforce development focuses on how you develop your workforce from a training and skills perspective as well as with a demographical and geographical lens. For example, do you employ school aged trainees and develop them through a learning program? Do you have workforce diversity targets? Diversity targets might include female or non-binary diversity; multicultural; refugee and asylum seekers; disability; Aboriginal people; mature aged or youth under 25.

Identify your standards. Typically, these will be human resource standards around how you recruit for identified positions, how you support people during the recruitment process, how you train and support them in the workplace and how you engage them in the workplace.

You need to show the processes and progress to those achievements. For example, there is no point saying you are targeting recruitment from a group if you haven't expanded your workplace systems and structures to attract and retain employees from that group.

Your recruitment likely won't work if:

- You don't use images that represent the people you're employing.
- Your recruitment process is a barrier to people who were out of the workforce and aren't tech savvy enough to respond.
- Prospective employees are interviewed by someone who hasn't undergone unconscious bias training.

Go back to the tables in your tender toolkit where you documented your management and workforce. If you aren't sure how someone identifies, ask. Include the information on their application form for future recruitment. This way, you can keep updating your targeted recruitment progress to goals.

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Sustainability and lifecycle environmental management

Sustainability and lifecycle environmental management criteria for this tender is something you are likely already performing in one way or another.

Like the other criteria, you should talk about what you're already doing, and any plans should you be awarded the tender. This is another area where a lot of businesses don't fully appreciate the big picture if they haven't got a system and structure in place. For example, you might be saving power and water or making ethical purchasing decisions through your supply chain to reduce the environmental impact.

Establish up-front what your standards are. Check the response outline. Look at the tender requirements and the question hints, or what's listed as required under the question.

Consider your supply chain. Who do you purchase from? How do they build sustainability and lifecycle management into the products or services they provide? What happens to the products you provide or purchase at the end of their useful life? Reflecting on this can help you appreciate what you are already doing and highlight changes and improvements you might want to make.

Review your sustainability and environmental management policies. Think about other policies that impact this area. One key factor would be your procurement policies. If you're working with a subcontractor, ask about theirs as well.

Consider your goals. What processes support you delivering on them? Do you have a procurement and subcontractor onboarding checklist or induction to support you?

Finally, how do you monitor and report? Do you have examples where you've adjusted things to demonstrate your adaptability? Perhaps you collaborated with a client to achieve a better outcome?

It's useful to separate environment and sustainability into sub-themes like water; waste; power; environmental impact; investment into the environment and investment into community. You can use these in your answer map to list what you're doing and ask staff and contractors what they do.

You may find that on sunny days your reception staff do not use lighting in the main area. This would be an example where someone saves power but hasn't documented it yet or considered the impact. Perhaps the grounds person has noticed more recyclable material and less waste. It isn't just about what you and your contractors do, it's about how you share knowledge and learnings with your clients.

Think about the small things you might do, such as changing lighting to LED or saving power. Think about what you do environmentally. This might mean using environmental products. But it could also mean investing in the environment or supporting your local Landcare or river care group. What about your community? Do you invest in community groups or accept traineeships from schools?

Tender price

Most likely, you'll be provided with a pricing schedule in a Word table, or spreadsheet format. As you map your responses to the questions using the answer map, you'll begin to identify costs. You can use these costs to start working out your pricing schedule.

Every business should know their cost of goods, or what it costs you to sell a product, and what it costs to deliver every hour of work. Cost of goods includes everything it costs to deliver that product or service. It can also be called direct costs.

There are other costs that support your work, like operational or indirect costs. These include costs to support specific roles. For example, if a staff member has a phone, computer, software or an office, what is the cost of each?

You should develop your own rate card. A template rate card example is provided in the handouts for you in video 1. Your rate card may not show the cost of goods separate to the profit margin and you may wish to include this. Sometimes you'll be required to share your costs and profit on your products and services. It's not necessarily about reducing your profit, it's about the prospective client assuring themselves that you are charging a reasonable amount. They want a long-term relationship, so helping to support a healthy profit margin sustains your business and saves the client money.

When you consider your costs, factor in:

- Fixed costs
- Variable costs
- Day/hourly rates, including loadings
- Allowances, e.g. first aid
- Maintenance costs
- Operating costs such as bookkeeping

- Project management costs such as meetings and reporting
- Reimbursable costs

Pricing models include cost-plus pricing where you factor your costs and add your profit margin, adjusting to suit market acceptance pricing. Value-based pricing is adding a margin to consider the additional value you're offering.

You'll need to justify your pricing schedule and show how you arrived at that cost. Consider the following:

- What award do you benchmark against if you're using employment rates?
- Have you worked out what the unit cost is for each of your positions and what the hourly rate needs to be to cover the costs associated with that role?
- Have you made it clear what costs have not been factored into the price?

Value for money

Value for money isn't a price-based decision. Value for money is based on the whole proposal and which proposal delivers the best value for money overall, both financial and non-financial. For example, the most expensive price may deliver a much higher quality, which in the stakeholders' eyes is perceived to deliver better value for money, which is a social benefit. On the other hand, the product may last longer and reduce emissions and waste, delivering value for money from an environmental and whole-of-life cost.

Value for money considers multiple factors. For an idea of what could be considered in a value for money assessment, the below is adapted from the NSW Government Procurement objectives and the Commonwealth Procurement Rules.

- Comparing lifetime benefit to the lifetime cost.
- Identifying upfront and after-purchase costs and benefits.
- Focusing on how your solution is fit for purpose, including the level of experience you have in each of the criterion.
- Align these benefits to the client's other compliance, regulatory or strategic goals.
- Demonstrating whole-of-life costs, including purchase, maintenance, operating and exit costs.
- Highlighting how you help the prospective client achieve their strategies, policies and licensing objectives, including social,

employment, cultural, environmental and health and safety targets.

Templates

We have included a formattable answer map for you to fill out in the document titled: How to address tender questions templates.

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