

Buy Locally

A Guide for Tasmanian Businesses

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Contact:
Department of Treasury and Finance
Procurement and Property Branch
GPO Box 147
Hobart Tasmania 7001 Australia
Telephone: (03) 6166 4229
Email: purchasing@treasury.tas.gov.au
Website: www.purchasing.tas.gov.au

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Introduction

The Tasmanian Government is committed to assisting local businesses to successfully compete for State Government purchasing opportunities.

This Guide aims to provide Tasmanian local businesses with key information and tips to effectively increase their future competitiveness to win government business.

Key Steps to Winning Government Business

Finding Government business opportunities

Tasmanian Government agencies are generally responsible for their own purchasing and are committed to enhancing opportunities for local businesses by actively seeking local bids when purchasing what they need.

Government purchasing is conducted by encouraging fair and open competition between suppliers, with the objective of achieving best value for money. For these reasons, the purchasing process used depends on the type and value of the purchase.

Invitations to quote

Invitations to quote for goods and services purchases and for building and construction/roads and bridges works valued below \$250 000 do not need to be advertised. Agencies will generally contact businesses directly and invite them to submit a quote, so it is essential to make sure that agency buyers are aware of what your business can offer.

Tenders

Tenders for goods and services purchases and for building and construction/roads and bridges works valued at \$250 000 or more are advertised on the Government Tenders website at www.tenders.tas.gov.au and, if determined appropriate, in the tenders section of newspaper(s) and/or journal(s).

You can freely browse the information available on the Tenders website or by registering your business you can:

- elect to receive automatic email notification of new tenders in categories of interest to your business; and
- where available, download tender documentation and lodge tenders electronically.

The Tenders website also reports details of all awarded contracts with a value of \$50 000 or more and includes the expiry date for each of the contracts. This may provide you with the insight to approach the relevant agency for the chance to bid when a new contract is being sought.

For information on future State Government capital projects, see each year's Budget Paper No 2 available at www.treasury.tas.gov.au and also the Future Opportunities section of www.tenders.tas.gov.au.

Marketing your business to agency buyers

The key to marketing your business is to target those agencies that use your goods or services and to make sure that they know your capabilities and are confident in your performance.

Generally businesses that are invited to bid have either marketed themselves to the agency or previously provided goods or services to the agency.

Following are some key hints on marketing your business:

- identify and target those agencies that buy what your business offers:
 - to find out which agencies buy what you sell, review the Agency Buying Directory located at purchasing.treasury.tas.gov.au > Winning Government Business > Finding Business > Who Buys What > Who Buys What Directory;
 - get in touch with the relevant buyers in those agencies and arrange a meeting if appropriate. View a list of agency purchasing contacts located at purchasing.treasury.tas.gov.au > Winning Government Business > Finding Business > Who Buys What > Agency Contacts;
- gain a clear understanding of the agency and its purchasing needs, and determine if the agency offers potentially rewarding and cost-effective opportunities for you to pursue;
- find out how the agency sources information to research the market, then pursue the use of these sources as marketing tools for your business;
- find out when future purchasing opportunities may be offered;
- provide information about your business and the products/services you supply (make sure it is relevant and tailored to the agency's needs);
- maintain regular contact with the agency to build a relationship and reaffirm your capability; and
- build a reputation for quality, service and innovation.

Prequalification - building and construction/roads and bridges

The Government's Prequalification Register(s) classify prospective contractors, consultants and specialist sub-contractors/sub-consultants according to their expertise and capability in specific work categories within a specific financial range.

Prequalification is an assessment of your financial, managerial and technical resources and competence to execute and complete the work required.

For building and construction/roads and bridges works contracts valued at \$250 000 and over, where applicable categories exist, agencies must only engage contractors who are prequalified in those categories to undertake Government works at or above the value of the contract. For building and construction consultancies, where a relevant category exists, agencies must only engage consultants who are prequalified in the relevant category to provide the services at or above the value of the contract (note: there is no prequalification register for roads and bridges consultancies).

To apply for prequalification you will need a prequalification application form and the supporting documentation. For more information, or to access the guidelines and application forms, visit purchasing.treasury.tas.gov.au > Winning Government Business > How Government Buys > Purchasing Process > Prequalification.

Understanding how your bid will be evaluated

Request for Quotation/Tender documentation often includes the following parts:

- Conditions of Quotation/Tender - setting out the terms under which your bid will be accepted for evaluation, including the criteria that will be used to evaluate your bid;
- Specification - providing a comprehensive description of what is required by the agency;
- Conditions of Contract - setting out the contractual terms that will be used; and
- Response Schedules - to be completed by the bidder to provide the information specified.

The criteria specified in the documentation will be used by the agency to assess the relative strengths and weaknesses of each bid. Knowing how your bid will be evaluated will enable you to focus your efforts on those areas that are considered important by the agency.

It is important to note that your bid will firstly be assessed to see if it complies with mandatory conditions for participation and contract conditions. If it does not, it may be considered to be invalid and eliminated from further evaluation.

An assessment is then undertaken against each of the non-cost evaluation criteria. These will be specified in the quotation/tender documents and may include:

- the technical merit of your proposal;
- the capability of your business to fulfil the requirements, including technical and management competence, financial viability and relevant experience;
- the relevant skills, experience and availability of key personnel;
- quality assurance requirements;
- the risks or constraints associated with your offer; and
- for procurements with a value of \$50 000 or more, the impact of your submission on local SME industry.

A separate assessment of price is usually undertaken and then a value for money assessment of each bid is completed. This does not necessarily mean choosing the cheapest price. When assessing value for money agencies look to achieve their desired outcomes for the best possible price and will weigh up the benefits of your bid against the whole-of-life costs of your bid.

The value for money assessment may include consideration of wider benefits to the State, such as providing local employment opportunities, so *make sure* you highlight the advantages of buying from you.

Planning your bid

Start early. Get a copy of the tender documents as soon as you can and note the closing date, time and lodgement details. When planning your response:

- develop a checklist to ensure you cover all aspects required;
- read the documentation and highlight the important issues and requirements:
 - any conditions for participation that are listed and ensure that you comply;
 - the contract terms and conditions, and ensure that you are able to comply;
 - the conditions of quotation/tender – do not assume that they are always the same;

- ask for more information, if you need it, to help prepare your response. All questions must be directed to the contact officer noted in the quotation/tender documentation (this officer is the only person allowed to answer your questions about the process);
- check if you need to attend an initial briefing session;
- choose one person from your business who will answer any questions from the agency about your bid. Make sure the person you choose understands your bid well;
- decide whether your business can complete the contract in-house (if you need to sub-contract or form a consortium make sure you give others enough time to provide input into the bid); and
- identify the best way to respond, ie by hard copy or electronic submission, where and by when you are required to lodge your response.

Preparing your bid

A contracting agency is looking for a submission that stands out from the competition, is innovative, customer focused and provides value-added services. When preparing your tender response:

- understand the Government's procurement principles and relevant procurement policies (this information can be found at purchasing.treasury.tas.gov.au > Winning Government Business > How Government Buys > Purchasing Overview);
- recognise that agencies must assess value for money on a "whole-of-life" basis. This means agencies are not required to choose the lowest-cost suppliers when that choice would, in the long-run, cost taxpayers more through the purchase of inferior quality goods or high ongoing service costs, or would have detrimental social or environmental effects;
- know how your tender will be evaluated (refer to the previous section "Understand How Your Bid will be Evaluated"). Pay particular attention to mandatory conditions and criteria with the most weighting;
- ensure you have read each criterion carefully. It is a good idea to break the criterion down into the key points you need to address;
- list each criterion as a heading in your response and provide examples of how and when your company has demonstrated the ability to meet the criterion. How well did you do it? Detail the results or outcomes;
- set yourself apart from your competitors by emphasising areas where you exceed the requirements and where you feel you can add value for the agency;
- ensure your claims against each criterion are strong, clear and concise – use plain English, avoid jargon and overly technical language;

example:

- A poor response to an evaluation criterion on 'providing analysis' might be a statement that simply asserts that you meet the criterion, for example, "The company has the ability to provide detailed analysis of the survey results." This statement does not provide any evidence that you can do the job. A better response might start with: "The company's ability to provide thorough and detailed analysis from raw data is demonstrated through the following approach: ..." then go on to provide specific examples of your company's ability and experience in analysing data;

- present your response in the format requested by the agency. If no specific format is required, then keep it simple by following the general format and numbering of the specification to ensure that you have addressed all of the requirements. For relatively large tender submissions your response should include:
 - covering letter;
 - cover page – match the title of your response to the Request for Tender title;
 - table of contents;
 - executive summary – this is usually only required for large or complex tenders;
 - statement of compliance – address each selection criterion in detail giving particular attention to mandatory conditions and criteria that carry the most weight;
 - price or cost schedule;
 - capability details – detail the knowledge, experience, and availability of your proposed team for this project, including sub-contractors;
 - past performance – include details of previous work of a similar nature to the tender and provide a list of referees and their contact details;
 - quality assurance achievements – attach any necessary documentation to demonstrate your compliance;
 - appendices – attach any relevant, but not critical items, as appendices, for example your company profile and staff resumes;
- complete the price or cost schedule, remembering to include all items you are tendering and check whether prices are to include or exclude GST;
- make your bid competitive;
- provide any additional information to support your submission if appropriate; and
- remember to highlight the importance of buying from a local supplier.

Submitting your bid

In most cases, late tenders will not be accepted unless the delay is caused solely by the mishandling of the agency. When submitting your tender, make sure that you:

- review the checklist to make certain you have completed everything you needed to do;
- identify the way the tender needs to be submitted (eg physical tender box or electronic lodgement through the Tenders website, email or facsimile);
- sign and attach all appropriate forms; and
- submit your tender at the right location and before the closing time.

Presentations

The Conditions of Tender may indicate that you could be requested to make a formal presentation to the evaluation committee, to clarify your bid and provide the opportunity for the committee to ask questions. Under these circumstances, it is especially important that you do not introduce new or revised information as this would be considered an alternative bid and may result in being considered non-compliant.

If you are required to provide a presentation, make sure that you:

- know when and where the meeting will be held and who will be representing the agency;
- understand what the agency is requiring you to provide at the meeting and know how much time you will have;
- if making a visual presentation, find out what resources will be available to you; and
- carefully prepare your presentation – keep it simple, deliver it clearly and focus on your key points.

Note that questions and answers will be formally recorded, so respond openly and if you are unsure of an answer, suggest that you will investigate and provide a more considered response by a certain date.

Finding out why your bid was not accepted

If your quote or tender was not successful, it is strongly recommended that you seek a debriefing interview with the relevant agency to find out why.

The primary purpose of the debriefing interview is to help you submit more competitive bids in the future by identifying the ways in which your offer could have been improved.

In relation to building and construction/roads and bridges, the debriefing interview is usually held with the main contractor/consultant; while sub-contractors/consultants that have assisted with the preparation of the tender do not attend. Therefore, to improve the effectiveness of competition at the sub-contractor/consultant level, the main contractor/consultant should pass on to the sub-contractors/consultants any relevant briefing information impacting on their component of the tender.

To find out more ...

The Winning Government Business section of the Purchasing website at www.purchasing.tas.gov.au has comprehensive information on how government buys, finding and winning business, and a range of resources including checklists, useful links and frequently asked questions.