



AUSTRALIAN  
TENDERS



# INTRODUCTION TO TENDERING

---

A Complete Guide for Suppliers

Full Guide 2024

# TABLE OF CONTENTS

---

<b>Why Tender?</b>	<b>1</b>	<b>Conditions of Tender</b>	<b>3</b>
Wondered if tendering is worth it for your business? We answer, why tender at all?		An explanation of Conditions of Tender, which you'll see in tender documentation.	
<b>Tenders, Buyers &amp; Suppliers</b>	<b>1</b>	<b>Form of Tender</b>	<b>4</b>
Understand the basics of tendering: what is a tender, who issues them and where do you fit.		An explanation of Form of Tender, which you'll see in tender documentation.	
<b>Types of Tenders Requests</b>	<b>1</b>	<b>Conditions of Contract</b>	<b>4</b>
Understand the differences between several different types of tender opportunities.		An explanation of Conditions of Contract, which you'll see in tender documentation.	
<b>Tender Request Features</b>	<b>2</b>	<b>Scope of Works</b>	<b>4</b>
The nine (9) main features of tender requests and a break-down of the multi-stage process.		An explanation of Scope of Works, which you'll see in tender documentation.	
<b>Tenders in Contract Law</b>	<b>2</b>	<b>8 Step Tender Process</b>	<b>5</b>
Understand a contract and the legal obligations of entering into contracts through tendering.		An eight (8) step breakdown of the tender process from buyer decisions to awarding a supplier.	
<b>Quote vs Tender</b>	<b>3</b>	<b>Advice from Experts</b>	<b>8</b>
The difference between a Request for Quote (RFQ) and Request for Tender (RFT).		Some top tips collated from tender response professionals on the tendering process.	
<b>Who Requests Tenders?</b>	<b>3</b>	<b>Where do I begin?</b>	<b>9</b>
Understand who seeks goods and services through the process of tendering,		Steps, tools and resources on how to get started with tendering (and winning).	
<b>What's in a Tender Request?</b>	<b>3</b>		
An outline of everything involved in tender request documentation.			



# WHY TENDER?

It's tempting to think 'this is just too complicated to bother.' It's a time-consuming process and the competition can be fierce, but winning work through tendering can establish enduring business growth you can't find anywhere else. The more you respond to tenders, the easier it all gets.



Once upon a time the big guys dominated the tendering market, but in the past few years, governments have put policies in place that increasingly make tendering for small to medium enterprises (SMEs) worth the effort. Additionally, state governments in Australia are putting in place policies that encourage local sourcing of contractors.



Researching tenders with resources like this guide will help you position yourself to win your next tender. This guide contains invaluable advice and research collated from tender response professionals that's hard to come across. The old saying 'knowledge is power' holds true in the world of tendering, and at Australian Tenders we want you to have the best possible shot at winning, every single time.

# Tenders, Buyers and Suppliers

As you know, there's many different ways you can get 'work' as a supplier of goods or services. It's interesting that while many organisations issue and respond to tenders every day, many don't actually know this type of work exists. When you came across the concept of tendering, you may have searched the internet far and wide for a simple understanding of what, exactly, a tender is. In simple terms:

A tender is a formal offer to perform work in return for payment. 'Work' is the supply of goods or services or both.

Payment is normally via a fixed price or a schedule of rates. Organisations who request tenders are called buyers and organisations who respond to tender requests are called suppliers. If you are looking for work via tender, you are a supplier. If you have published a tender in the hope of having someone do work for your organisation, you are a buyer.

Buyers may ask for work (or works) via tender from suppliers by issuing some form of Request for Tender (RFT). The response is often referred to as a Response to Tender or a bid and the organisation responding as the tenderer or respondent. The acceptance of a tender typically results in a contract between the buyer and the supplier. This process is referred to as tendering. Buyers typically seek tender responses from multiple suppliers in a competitive process. They evaluate and accept the tender response that best meets their needs and offers the best value for money.

This is not necessarily the tender with the lowest price. Tendering for works is common where the monetary value is high, or there is significant risk involved. The tender process is more rigorous than the process used for quotations. Each tender is governed by its own rules and conditions referred to as the conditions of tender.

# Types of Tender Opportunities


Below is a list of the different 'types' of tenders that exist. We outline these types of requests later in this guide. They are fundamentally the same thing: a request for information about your organisation and the services/products you provide in order to assess your potential for a job.

Request for Tender (RFT)	Approach to Market (ATM)
Request for Quote (RFQ)	Invitation to Tender (ITR)
Request for Proposals (RFP)	Invitation to Offer (ITO)

Our key tip for understanding what is being requested? The devil is in the detail. Take the time to thoroughly read and accurately interpret the tender documentation provided.

# Features of a Tender Request

In order to try and clearly understand what's involved in the tendering process, it can be helpful to look at the nine (9) most common features of a tender request. These are outlined in the boxes below (if some of these features are unclear, don't worry, we'll go into more detail on these later in the guide).

 <p>A written tender request document</p>	 <p>A defined scope of works</p>	 <p>Responses requested from suppliers</p>
 <p>Value of works often ~\$200,000+</p>	 <p>Deadline for response submissions</p>	 <p>Pre-determined criteria to evaluate responses</p>
 <p>Rules/conditions governing the tender process</p>	 <p>Rules/conditions governing the tender process</p>	 <p>A contract awarded to the successful tenderer</p>

## Multi-Stage Tender Process

There other types of request that appear on tender websites such as Australian Tenders. They have many of the characteristics of tenders above but are not technically requests for tender:

- Expressions of Interest (EOI)
- Request for Information (RFI)
- Registration of Interest (ROI)

These requests typically seek information from the supplier that demonstrates the capacity to perform a contract and can result in the supplier entering a negotiation for a contract or being shortlisted for a subsequent tender.

These requests are often the first step in a multi-stage tender process whereby more detailed requests for proposal or tender are issued to the shortlisted or registered suppliers. These tenders are sometimes referred to as *invited* tenders. The main difference between these requests and a tender request is that there is typically no requirement for you to submit a price. The general intent is to enter some form of negotiation or process which may lead to a contract in the future. Unlike these requests, a tender response can be accepted immediately and you can then be legally bound to enter into a contract for the work at the price tendered.

## Tenders in Contract Law

The response to a tender is treated as an offer to deal in contract law. If you make an offer via a tender and that offer is accepted, you have an agreement which is typically a legally enforceable contract.

A tender is not in itself a contract but may result in a contract upon acceptance. The tender response you submit forms part of the contract along with the tender request and any other communication between you and the buyer.

Responses to Requests for Information (RFI) and Expressions of Interest (EOI) are not typically offers and don't end up creating a contract between the parties.



If you're not sure about your legal obligations, have a lawyer review the tender request and the conditions of contract.



# QUOTE V TENDER

There is very little difference between a Request for Quote (RFQ) and Request for Tender (RFT) except that the value of work is likely to be lower for an RFQ.

Typically, the term Request for Tender is used when the value of the work is in excess of a certain threshold. This is different in each state of Australia but usually between \$150,000 and \$250,000.

Above this value a formal tender process must be followed. An RFQ has minor variations to an RFT:

- ✓ Likely less competitive given the lower value of work
- ✓ The evaluation criteria may not be clearly stipulated
- ✓ The evaluation process may be less rigid
- ✓ The conditions of contract may be less strict

Your response to a Request for Quote will usually include an offer to perform some work in return for payment and can therefore be considered a tender. If the evaluation criteria is not stipulated you should ask for it.



## Who Requests Tenders?

A Request for Tender can be issued by anyone but are issued most often by local, state and federal government departments. Government policy dictates that a tender must be issued above a certain financial threshold, as mentioned above. Government tenders are often made public giving any organisation the opportunity to submit a tender response.

Tenders are also issued by private companies for substantial procurement opportunities and for construction contracts. However private companies do not typically use a public tender process and will instead invite selected organisations to tender privately. Each year in Australia in excess of 20,000 tender requests are published on websites, tender portals and in newspapers. Of the 20,000 plus tender notices published each year more than 80% are published by government organisations.

## What's in a Tender?

Tender requests typically contain multiple documents. They vary from a few pages to hundreds of pages; often with multiple files and appendices.

- Conditions of tender
- Form of tender
- Conditions of contract
- Scope of works

On the surface, this can sound overwhelming or beyond your capacity, but within the context of jobs you've done in the past and the structure of your existing business, you will generally have the knowledge required to interpret this documentation and subsequently to inform if/how you'll respond to that tender.

## Conditions of Tender

The conditions of tender are the rules that apply to organisations participating in the tender process and will usually include important details such as:

- Closing date and time
- How to lodge a response
- Tender evaluation criteria
- Details of any site visits or briefing sessions
- Process for asking questions
- Pricing requirements
- Local content requirements
- Tender response validity

The conditions of tender are only applicable during the tender process and do not normally form part of the contract.



**Read the conditions of tender carefully. Failure to comply could have your tender response ruled invalid or non-conforming.**

## Form of Tender

---

The form of tender is a form or set of schedules you must complete and submit as part of your tender response. The form of tender varies from tender to tender hence it is not possible to have a standard response template. These usually include:

- Organisation name and contact details
- Corporate and financial information
- Company profile information
- Capability statements e.g. quality assurance
- Past experience and performance
- Insurance details
- Proposed sub-contractors or suppliers
- Various declarations & Pricing schedules



**If there is insufficient room in the form, attach the information in an appendix to your response and refer to it from the form.**

**A note:** You should take a comprehensive look through your response before submission as it is not likely you'll be given an opportunity to make changes to the tender documents post submission. Take the time to review your tender questions and responses; the reward of the contract you'll win is worth the time!

## Conditions of Contract

---

The conditions of contract (which you will be required to sign if you are awarded the tender) are usually included in the tender request. The conditions of contract will typically cover:

- Contractor's responsibilities and obligations
- Insurance requirements
- Confidentiality
- Service of notices
- Time for commencement
- Time for completion
- Invoicing and payments
- Work health and safety management
- Variations
- Warranties
- Defects liability period
- Disputes
- Termination

In general, you will be required to comply with the conditions of contract. It is important that you identify any conditions of contract that are of high risk to your business as soon as possible.



**We recommend that you have a lawyer review the conditions of contract before you submit your tender response.**

## Scope of Works

---

This is the description of the works to be done. It is often buried deep in the tender documents after the terms and conditions and can be surprisingly hard to find and sometimes poorly defined.

The scope of works may include statements of requirements, specifications and drawings. In some cases, the scope of works will be very brief and in other cases very detailed. If the scope of works is not clear you can ask the buyer questions during the tender period to clarify the scope.



**If you are not sure about the scope of works and unable to find out, make an assumption and list this in your tender response.**

## Tip: How to reduce your tender prep time

---

Scale happens when we have systems and processes in place that can be rinsed, repeated, improved and scaled. It's essential to find ways to reduce time taken for tender response preparation to scale and grow your business.

**1. Create a tender library:** a collection of all the information you may need in the tender response process.

**2. Develop case studies:** Have 'case studies' of various types of jobs you've completed in the past that could apply to any relevant tenders.

**3. Maintain a staff skills & training registrar:** keep on top of the skills and capabilities of your staff.

**4. Focus on quality and care:** ensure you develop standard practices that oblige all obligations of duty of care.

# The 8 Step Tender Process

The tender process from the preparation of tender request documents to awarding a contract can take anywhere from a few weeks to several months. The shortest part of the tender process is the time you have to respond to the Request for Tender. This could be a week or as long as a few months.

The tender process typically starts a long time before the tender is issued and you can find out about tender opportunities long before they are published. Some tenders are issued as 'future tenders'—you can search for these at Australian Tenders. The earlier you get involved in the tender process the greater your chances of winning. These eight steps reflect the standard tender process. Each step is explained in the following pages.



## Stay on Top to Get Ahead

Australian Tenders brings all the current, future and awarded tenders published around Australia and New Zealand into one system, giving you that single source of truth. With a multiplicity of tender notification services available, you want a service you can trust, a well-designed alert system supported by a hard-working team who care for the growth of your business; that's us! Our service means you don't have to scour the newspapers and internet for new contracts and tenders, leaving you more time to get the job done.

## Step 1: Buyer Identifies Need

---

The first step in the process is the customer (buyer) identifying a need or requirement that is not currently being met by their organisation which they cannot fulfill themselves or no longer wish to do themselves. This comes in the form of goods and/or services.

A budget may then be established and a procurement process identified. A number of government organisations publish their budgets and go so far as to publish a forward procurement schedule or pipeline. The link below from the Queensland Government Procurement Pipeline is a typical example of this:

<https://www.forgov.qld.gov.au/opportunities-suppliers>

## Step 2: Industry Consult

---

Most buyers will consult with potential suppliers either formally or informally during the tender process. The last thing they want is a zero-response rate to their tender or to only get quotes for more than their budgeted costs. There are a number of ways buyers may conduct industry consultation:

- They may speak to potential suppliers by phone or in person
- They may ask their preferred supplier for a quote and establish a budget and draft your tender documents based on this quote. If you are the preferred supplier in this scenario you have an obvious competitive advantage.
- They may issue an Expression of Interest (EOI) asking potential suppliers to provide details of their solutions to help them further refine their needs and requirements. They may use this process to shortlist potential suppliers for a subsequent tender.
- They may hold an industry briefing.

## Step 3: Tender Drafted

---

Buyers may draft tender request documents themselves or engage specialist consulting firms to draft tender documents on their behalf. It may be the consultants who conduct the industry consultation in step 2.

In some cases, draft tender documents are issued to potential suppliers for feedback. This gives you, the supplier, a possible opportunity to influence the tender documents in a way that improves your chances of winning.

At this stage in the tender process buyers may broadcast their intention to issue the tender documents by way of a notice to the market. For example, the Western Australian government issues an 'early tender advice' and provides the estimated advertising date of the tender. At Australian Tenders we record these as future tenders and alert you to them via our tender alert service.

## Step 4: Issue Request

---

After spending months preparing the tender documents the customer will formally issue the Request for Tender documents and ask for responses usually within weeks.

This turnaround time might seem short if you were previously unaware of the tender, so keeping an eye out for future tenders where possible is worth it. Future tenders are sent out to those with alerts set up for newly-published tenders at Australian Tenders. Using a tender notification service can offer you a competitive advantage.

When you download the tender documents, you will usually be required to register with the organisation who issued the tender. This enables them to send you any addendums or their response to any questions raised.

## Step 5: Tender Response

---

During the tender response phase, you will have the opportunity to ask the buyer questions in writing and may be invited to attend a briefing session or site visit. There is almost always a deadline for asking questions. Briefing sessions might or might not be compulsory, either way we recommend that you attend: The knowledge gained can be invaluable, and furthermore you will have opportunity to meet the buyer, your potential customer, and identify competitors. The buyer may issue changes to the Request for Tender documents during this phase in the form of an addendum.

### Lodge your tender response

The Request for Tender or quote (RFT or RFQ) will have a closing date and time and will require the response to be lodged electronically or printed and lodged at their office. Make sure you lodge in the requested format before the closing date and time. When lodging via upload or email, take into account the time it might take for the upload. Don't leave it until the last minute as these deadlines are always strict.

## Step 7: Tender Awarded

---

If you are successful the buyer will likely write to advise you that they have accepted or recommend your tender. At this point you are the 'Successful Tenderer' or if there is further approval required such as approval from a government minister, you might be the 'Preferred Tenderer'.

If you are not successful, politely ask why. The feedback you receive will help you win your next tender.

### A Quick Tip

If you are using a tender notification service such as [Australian Tenders](#), your tender response will not be lodged through the notification website, but with the buyer's organisation. The Australian Tenders Blog (Insights) has many articles you will find useful in preparing your tender response.

## Step 6: Tender Evaluation

---

Government tenders normally use a panel of people to evaluate the tender responses. It can be useful to know who is on the panel. The first step for the buyer in the evaluation process is to identify which tenders are conforming or non-conforming. If for example you failed to provide all the information requested then your tender response could be deemed non-conforming and may not even be evaluated.

Conforming tenders are then evaluated against the evaluation criteria in the tender documents. During the evaluation process you can expect to receive written questions from the buyer. This is your chance to shine by responding promptly and in detail. If you do not receive any questions during this phase it is possible that your tender response is not under serious consideration.

Once the evaluation is complete a short list will likely be formed and those on the short list will be invited to undertake a presentation or an interview.

## Step 6: Contract Signed

---

The final step in the process is to sign the contract, which should be a simple formality. The contract that you are expected to sign is normally provided as part of the Request for Tender documents which you have read carefully and fully understand. You are now in a binding contract and are obligated to sign the contract within the nominated period.

There might be some contract details that are still to be negotiated in which case you may then enter a contract negotiation phase to finalise the details of the contract.

### Contract Performance

You have signed the contract and now it's up to you to deliver. It is likely that you have a tight delivery time frame and face liquidated damages if you fail to deliver. If you deliver the chances of winning the next tender are greatly improved. If not, the chances are significantly reduced.



# Advice from Tender Response Experts

---



## READ EVERY SINGLE DOCUMENT

The heading and summary might look perfect for your business; however, the devil is in the detail. Make sure to take notes and read through the document thoroughly to ensure this job is within your business' capabilities. Ultimately, you want to understand the requirements of this tender inside and out to be sure it's worth your precious time and resources.

## SEE IT THROUGH

Before you commit, it's essential to take a long hard look at your business capability and ask yourself if it's ready to take the massive step into tendering. Our recommendation is to trust your gut. Only you know your business well enough to answer this question. Don't be afraid to seek professional advice and support at this stage because a bit of investment at this stage can reap significant gains if you win.

**Ask yourself, "Do we bid or not bid?"**

## KNOW YOUR WORTH

Having a clear understanding of the differences between value and price will help you present this in your response. Research awarded tenders in similar industries and know who your competitors are to see if your business is competitive price-wise.

## NEVER MISS A BEAT

Be sure to complete all the requirements in the tender. Use an active voice and adopt a persuasive and confident tone to demonstrate your capability and professionalism. Also, try to get straight to the point with your answer and only include relevant concise information. Answer every question; do not refer to other questions for the answer as more than one person is likely to be evaluating the response. Back up your answers with evidence; this can be photos' licenses, CV's, policies & procedures, testimonials or reference sites.

**If you don't know the answer to a question – don't ignore it,  
but instead ask the buyer for clarification.**

## KNOW THE DEADLINES

Late tender submissions are never accepted, so our advice is to put the dates in your calendar now! It's also always good practice to keep note of any briefings, such as site inspections and meetings, and add these to your calendar as well while you're at it. It is common for suppliers to request an extension to the tender closing date. Avoid this at all costs; it may reflect on your capacity to do the work.

## CONSIDER YOUR CAPABILITIES

Are you truly the perfect candidate for the job position, or does your business pose the most candid solution for the 'buyer's issue at stake? Conversely, is this tender truly and wholeheartedly going to benefit you or your business on a personal and professional scale? Only tender for work that you are confident you can win, that you know you can deliver and will provide a profit that is worth any risk involved.

## SEEK FEEDBACK

If you are not successful, politely ask why. The feedback you receive will help you win your next tender.

# Finding Tender Opportunities

Requests for Tender are issued most often by local, state and federal government organisations. Each year in Australia more than 20,000 tender notices are published on websites such as Australian Tenders, and in newspapers across the country.

If you are interested in Federal Government tenders these can be found at [tenders.gov.au](http://tenders.gov.au). The governments and territories in each state and territory of Australia have their own website for publishing tender information. Local councils, with several exceptions, publish tenders on their own websites or on tender portals operated independently.

Overall, government tenders alone are published on over 500 websites and in 300 newspapers across the country. Rather than try to find each of these to search for tenders, you can simply use a notification service that emails you every new tender relevant to your organisation as it is published anywhere else online or on paper.

This is where Australian Tenders comes in. We source and aggregate all the tender information across Australia (government and private) and make it available to you on one website to which you can subscribe from only A\$67/month. Go to [australiantenders.com.au](http://australiantenders.com.au) for details.

At Australian Tenders we provide a tender alert service that provides you with the following tender notifications to help you maximise your chances of winning:

- Future Tenders: Notification of upcoming and future tenders
- Current Tenders: Notification when tenders are issued

We provide you with enough information to identify whether the tender is relevant for your business and provide you with website links and contact details to obtain a copy of the tender documents as outlined above.



AUSTRALIAN  
TENDERS

## WHERE DO I BEGIN?

You have read this entire paper and you are keen to have a crack at tendering. What next?

As a first step we suggest that you find some current or recently closed tenders in your industry and download and read the tender documents with a view to understanding.

- The typical conditions of contract for your industry
- The usual evaluation criteria and how well you meet them
- How well your product or service meets the industry requirements
- Whether you have sufficient experience
- Special licenses or industry qualifications you may need
- The insurance requirements
- The documentation, such as policies you will need to support a tender response

We also suggest that you review the awarded tenders in your industry to know who your competition is. Often buyers will release details of all the organisations who tendered for their work.

Finally, we suggest that you subscribe to a service such as Australian Tenders so that you receive timely notification of tenders that are relevant to your business.



**ROBERT NATHAN**

Founder & Director  
Australian Tenders