

## Disastrous mistakes when responding to a Bid

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We had the privilege to be part of an Evaluation committee of a Government Entity that put out an Invitation to Bid. The Bid was for a fairly technical service and therefore the response to the bid was sparse. In fact, there were only ten responses to the Invitation to Bid.

Upon opening and evaluating these bid responses the importance of tender or bid response training was highlighted again. The basic mistakes that some of the responders made are unforgivable. Even more concerning is the fact that these fatal mistakes were made by experts in the tender environment! These are novice mistakes and making them can lead to the immediate disqualification of your bid response.

During the evaluation of the abovementioned bid responses these three unforgivable mistakes were made by some of the responding companies:

1. **No bid price** – if you do not provide a price for the product or service that you are going to supply then you will be disqualified. Government uses the Preferential Point System to determine a winning bid and the two pillars of the Preference Point System is Price and B-BBEE – not providing a price is fatal to your bid response.
2. **Bid price is too high or too low** – it might sound absurd that having the highest or the lowest bid price can disqualify you but if the average price of all the responses are R2,500,000-00 and your price is R24,000,000-00 or R70,000-00 then there is obviously something wrong with your price. When responding to a tender familiarise yourself with exactly what the Purchaser wants to procure and at what cost.
3. **Correct Compulsory documents** – when responding to a bid ensure that you have attached all the Compulsory documents the Government Entity asks for. There are reasons why they want to see your B-BBEE certificate or the Annual Financial Statements. Ignoring the request for Compulsory documents can lead to your bid response being disqualified.

The effect of these three unforgivable mistakes made by the responders to the bid we evaluated was that five of the ten bids were disqualified. The responders of this bid had a one out of ten chance to be successful but instead they got disqualified and had no chance at being successful.

The one common element we see when evaluating bid responses are that the people whom compile the bid responses are careless by not reading the bid document cautiously to ensure that nothing gets left out.

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Contact us at [estelle@howtotender.co.za](mailto:estelle@howtotender.co.za) should you require more information.

*You can also purchase a Tender Manual (Handbook) on our website <https://howtotender.co.za/> which is a step by step guide how to respond to a South African Tender. It includes examples of completed SBD forms.*