

Green Heat Installer Engagement Programme:
procurement guidance

energy
saving
trust

Bid better for public sector contracts

A practical guide for small businesses
wanting to access public contracts.



About this guide

This is a practical guide to help suppliers, installers, assessors and consultants bid for public sector contracts in the energy efficiency and renewables marketplace.

The Scottish Government has designated the journey to net zero through energy efficiency and renewables as a top infrastructure priority. This increased awareness and effort will result in more contract opportunities as the need for energy efficient solutions through government programmes grows alongside increased business and consumer demand.

The Scottish Government has developed several initiatives to this end, including targeting fuel poverty and supporting the development of the green heat supply chain. This activity has resulted in a framework to procure and deliver energy efficiency and renewable contracts across Scotland.

Energy Saving Trust has commissioned procurement specialists SCMG to produce this guide in response to feedback received from installers, assessors and other groups involved in the green heat supply chain. Feedback revealed that perceptions of accessibility, paperwork and administration were significant barriers to successful public sector procurement. As a result, more support was needed by many businesses and organisations to better understand public sector procurement and write better bids.

This guide aims to address this feedback and will help you to:

- Learn about or brush up on key procurement topics.
- Challenge your overall approach to tendering using various practical exercises.
- Focus on key areas to improve a specific bid.

When you see the pencil, this is an exercise for you to complete. You could apply these exercises to your tendering approach in general or use them for a specific bid you are working on.



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1. Introduction

The public procurement landscape in Scotland is a vibrant and dynamic marketplace where opportunities are publicly published and easily accessible to any business or organisation wanting to bid.

This includes:

- Legislation and clearly defined rules about how the process should be managed – including the ability to challenge the outcome of a tender process if you think you have been unfairly treated or discriminated against.
- Objective criteria and guidance about how your bid will be evaluated and scored.
- Contracts published electronically and publicly available on the Public Contracts Scotland (PCS) online portal.

There is now support available for bidders with 'meet the buyer' type events that are organised by public bodies, as well as legislation and guidance published online to engage small to medium-sized enterprises (SMEs) in public procurement.

Community benefits and Fair Work practices are now part of public tendering. These are designed to highlight and deliver benefits to

the wider community where a contract is being delivered, as well as to create a fair and equitable workplace at the heart of the Scottish economy.

Bidders now must demonstrate how they can support the wider social, economic and environmental aspects of delivering a contract.

Core to public procurement is the just transition to net zero, namely, how public sector contracts can meet the required targets and support the growth and development of the energy efficiency and renewables market. A key feature and criteria for current public sector tenders now includes sustainability and having a carbon reduction plan to reduce greenhouse gases.

Public sector tendering is something you can learn to do and improve with practice. If you are unsuccessful with a bid, it's not implausible that your competitors wrote a better bid than you. The trick is to keep going, bid selectively where you are a good fit, identify lessons learned from each bid and apply them to your next bid.

You will need to invest some time and effort.

This guide is designed to help small businesses write better bids. The content of this guide will help you learn from each bid and improve your overall success rate. If you want to increase the amount of contracts you win in the energy efficiency and renewables marketplace, keep reading.

2. Glossary of terms

The following table explains some of the commonly used terms in public sector procurement. These are organised according to the sequence you would work through at each stage of a tender process from start to finish.

Term	Description
PCS	Public Contracts Scotland is the Scottish Government advertising portal for all Scottish based public bodies to publish public tender opportunities and for quick quotes and returning tenders.
PCS-Tender	Public Contracts Scotland Tender is the Scottish Government's tendering portal for public contracts.
Supplier finder profile	Supplier finder is the supplier sourcing directory for the Scottish public sector. To be found in this directory you can create a supplier finder profile by filling in a short form and (optionally) uploading your company logo/web site address. Buyers can then search the supplier finder directory and if your company profile matches their parameters, your profile will be made available to them.
FTS	When a high value or regulated tender is advertised on PCS, it's also automatically published on Find a Tender Service (FTS) which ensures that regulated procurements in any jurisdiction in the UK are advertised as widely as possible and the information is generally free of charge.
PIN	A prior information notice (PIN) is sometimes published in advance of the contract notice to advertise a future contract opportunity.
CN	Contract notice (CN) or the advert for the contract.
SPD	A single procurement document (SPD) is an online qualification document used as part of the tender process when using PCS.

2. Glossary of terms

Term	Description
Open procedure	A single-stage procurement procedure.
Restricted procedure	A two-stage procurement process involving a selection process using the SPD to restrict the number of bidders who are then invited in a second stage to tender.
QQ	Quick quotes provide a mechanism within PCS to invite selected bidders to “quote” for low value contracts.
ITT	An invitation to tender (ITT) is a document or set of documents, normally consisting of a specification/overview of requirements, evaluation procedure and contractual terms that apply.
Qualification envelope	The online qualification tool or envelope is used as part of providing qualification information when using PCS-Tender.
Technical envelope	The online technical tool or envelope is used to answer questions and upload the answers you create when using PCS-Tender.
Commercial envelope	Use the commercial envelope to upload your pricing information or template when provided when using PCS-Tender.
MEAT	Most economically advantageous tender (MEAT).
Community benefits	Social, economic and environmental requirements and commitments from bidders to support the contract.
Fair Work practices	A Scottish Government initiative to encourage Fair Work and for organisations to become best practice employers.
CAN	A contract award notice, sometimes referred to as the CAN, is published once the contract has been awarded.

3. The importance of public procurement

Public procurement is a £14 billion marketplace in Scotland for supplies, services and works. This market is regulated as part of international agreements that allow reciprocal access between trading blocks and national markets to create competition and promote equality of access, fairness and transparency in how public contracts are administered, managed and awarded.

The rules are complex but provide a basis to define how procedures should be managed and where suppliers can be confident that they will be treated fairly, objectively and not be discriminated against. You do not need to know all the regulations in detail but should understand the general principles of the process you are participating in and their implications.

In relation to energy efficiency and renewables, improving the energy efficiency of buildings and achieving net zero are key to the Scottish Government's plans to tackle carbon emissions. Energy efficiency has been designated as a national infrastructure priority, and the additional benefits of supply security, job creation and

improved health and wellbeing have been emphasised. At the domestic level, it also helps address fuel poverty.

Based on the most recent figures, fuel poverty affects 29% (or 495,000)¹ of Scotland's households, of which, 241,000 (or 9.5%) were in extreme fuel poverty. A household is defined as being in fuel poverty if they spend more than 10% of their income on energy. The Scottish Government's Scottish House Condition Survey notes that these rates are likely to be underestimated as these figures pre-date the large increases in energy prices in 2022.

The path is clear with the journey to net zero and improved energy efficiency as key policies creating commercial opportunities for suppliers and contractors to meet this demand.

There are several government schemes designed to make homes and businesses more energy efficient. In most cases, these schemes will be public tenders managed by local authorities, registered social landlords or managing agents to deliver improvement targets.

Bidding for public contracts should be a core skill that every business considers developing. Bidders must learn how to write better bids in the regulated context of a procurement market that has specific legislation and rules about how this process is managed and how they should respond.

¹ Scottish House Condition Survey: The Scottish Government, 2021

4. The public procurement regulations

The public procurement regulations² define how public procurement is managed in Scotland. They also try to address wider issues associated with spending public money, including community benefits, equality and diversity, and Fair Work practices that support more SMEs and local supply chain involvement.

You don't need to know every detail of the public procurement regulations but bidders who are aware of the rules tend to perform better and win more bids.

The legislation and procedures can initially be overwhelming, and bidders can confuse this with bureaucracy and red tape. There is a misconception that public sector procurement is a hurdle to overcome, and the rules are designed to protect or defend buyers. However, this is not the case. In fact, the public procurement regulations are designed to protect bidders and ensure there is a level playing field when bidding for tenders.

For most bidders, the details of the public procurement regulations are not as important as understanding the key steps of the tender process. However, how the buyer manages the procurement process is prescribed by the public procurement regulations. This means buyers must do things in certain ways. If you spend time learning these steps, then you will be in a better position to respond and manage the process of putting a bid together. Understanding the underlying principles is a good place to start.

The three tests

The general principles of the public procurement regulations are quite simple and can be summarised by these three tests:

1. You will be treated fairly.
2. Any decision-making about your bid will be objective.
3. You will not be discriminated against for any reason.

These three tests must be passed in every public procurement process. Although rare, sometimes mistakes do happen and when they do, bidders can challenge the outcome of the tender process.

² The Public Contracts (Scotland) Regulations 2015, Procurement Reform (Scotland) Act 2014 and Transforming Public Procurement Programme Procurement Act 2023.

4. The public procurement regulations

Financial thresholds

The public procurement regulations define how a buyer must manage a tender process. Depending on the value of the contract, the rules apply to varying degrees for low, medium and high value contracts.

If the contract being tendered is high risk/high value, then buyers should manage the process in a certain way, eg more competition is required for a high risk/high value contract to test the market and

make a good decision versus a contract that is low risk/low value where less competition is necessary.

Public contracts are organised into different categories. Different financial thresholds apply to different types of contracts. Different approaches are taken, and different rules apply depending on whether the contract value is above or below the threshold.

The financial thresholds determine whether a public contract falls within the scope of the Scottish public procurement regulations.

Table 1: Contract thresholds

Contract type	Note	Supplies	Services	Works
Local Government	1	£179,807	£179,807	£4,477,174
Central Government	1	£116,407	£116,407	£4,477,174
Quick quotes	2	£50,000	£50,000	£2,000,000
1 Public Contracts (Scotland) Regulations 2015				
2 Procurement Reform (Scotland) Act 2014				

*The biannual thresholds are valid from 1 January 2024 defined by the 2015 Regulations. The 2014 regulations define a lower threshold where the regulations do not apply to the same extent. These threshold figures do not include VAT.

If the proposed contract value exceeds the defined threshold, then the public procurement regulations apply to that tender process. This is defined as a regulated procurement. This determines what buyers must do in terms of advertising opportunities, choices of procedures to evaluation, providing feedback and awarding the contract.

Where the contract is of a low value (generally £50k or below for supplies and services and £2 million for a works contract) the buyer can invite selected bidders to provide a quick quote (QQ). This is a procedure that reflects the lower risk and lower value of these contracts. Only bidders who have completed their supplier finder profile on PCS are invited to participate in quick quote exercises.

Selecting a tender procedure

There are several different tender procedures available for a buyer to choose from.

The open procedure is a general default position adopted by public bodies for most tenders. This is a one-step tender process that includes both a qualification and tender stage. This is used in preference to other procedures (eg restricted procedure) where bidders could be disqualified from the process before having the opportunity to submit a tender. Historically, this was very harsh on smaller and younger businesses who were unable to prequalify.

However, you should still always check in the contract notice that you can meet the minimum selection and exclusion criteria defined by the buyer to qualify to bid in the first place. You can also seek clarification on what alternative or equivalent evidence could be provided to satisfy any criteria defined.

The choice of procedure by the buyer depends on the degree of certainty that the buyer has around their requirement, demand and circumstances. However, in most cases, you will be involved in an open procedure.

Table 2: Procedure timelines

Procedure	Selection	Tender stage	Tender submitted online
Open	N/A	35 days	30 days
Restricted	30 days	30 days	30 days

Tenders are submitted online which means the minimum time can be reduced by a further five days. If a prior information notice (PIN) is published, then the timeline can be reduced further to 15 days and 10 days for the open and restricted procedure, respectively.

The open procedure has a single invitation to tender (ITT) stage which includes a qualification stage including exclusion and selection criteria submitted at the same time. Alternatively, the restricted procedure has two stages including a qualification stage which restricts the number of candidates invited to bid followed by an ITT. The choice of procedure also defines the minimum timescales that must be observed to allow bidders to respond.

Our guide will focus on the open procedure, but the buyer can choose from several other tendering procedures including:

- Restricted
- Competitive dialogue
- Negotiated procedure without prior publication
- Accelerated procedure
- Competitive procedure with negotiation
- Innovation partnerships

The timescales for the most used open or restricted procedure are as follows:

These procedures are used to award a contract or to set up a framework agreement.

5. Finding opportunities

Finding public sector tendering opportunities has never been easier in Scotland. The procurement transformation in the public sector means that contracts are advertised via Public Contracts Scotland (PCS). The PCS online portal is the default tender portal for contracts advertised by Scottish public bodies where access and tender documents are unrestricted and free.

Public Contracts Scotland

PCS is one of the most user-friendly portals available. You can be online and up and running in 10 minutes. Registering on PCS will give you access to all public contracts advertised in Scotland and, in some cases, it's also used to submit and return quotes and tender documents.

PCS-Tender is a tendering portal that buyers sometimes use instead. If so, this would be indicated in the contract notice and the tender would still be advertised on PCS.

Regardless of how familiar you are with PCS or PCS-Tender you should still check that you have completed the following steps.





Table 3: Key steps for using PCS and PCS-Tender portals

#	Task	Description	Completed
1	PCS registration	<p>Registration is simple and straightforward. Navigate via your browser to Public Contracts Scotland and complete the steps to provide the information requested. You will have to provide a username and password and validate your account.</p> <p>Once registered you can navigate through PCS from the supplier control panel to all parts of the site. It is easy to use and navigate, from browsing for contract notices to searching for buyers, all of which are menu driven options.</p>	
2	Alert profile in PCS	<p>Once registered you can set up your alert profile. The system will send you alerts for the types of contracts you are interested in. To indicate what types of contracts you are interested in you need to set preferences in the system. These preferences are by:</p> <ul style="list-style-type: none"> • product categories • geographical locations <p>Types of contracts are organised by product categories. You can refine alerts by selecting product types based on the supplies, services, or works you wish to tender for.</p> <p>The second criteria is about geography or where you would prefer to work. Again, this is menu-driven by selecting geographical areas from a list. If your selections are too narrow then you might miss some opportunities, however, you can refine your selections over a period and then receive more appropriate contract notices.</p> <p>Once your alert profile is set up, PCS will send you a regular email to alert you to suitable contracts that you might choose to tender for.</p>	
3	Supplier finder profile in PCS	<p>Within PCS you can also create a supplier finder profile. The supplier finder profile will increase your visibility to buyers, making your organisation visible to buyers when they search for suppliers.</p> <p>Your supplier finder profile can be edited from the 'My profile' tab within PCS.</p> <p>It will include your company logo, some brief information and key words to reflect the products or services you can supply. Completing the supplier finder profile means that buyers can select and invite you to provide a quick quote. Ensure that you publish your profile to make it visible to buyers.</p>	

5. Finding opportunities



#	Task	Description	Completed
4	Quick quotes in PCS	If a buyer has a low value contract (below £50,000 for supplies and services or £2 million for works), they can use a quick quote to invite a limited number of bidders to provide a quote (quickly) to deliver a contract. The quick quote system is popular with buyers and bidders and provides a compliant and proportionate approach to the value of contract being offered.	
5	PCS-Tender	<p>PCS-Tender is a tendering module that is separate from, but works alongside, PCS.</p> <p>As you become more confident and perhaps when you are bidding for larger contracts, you will see in the contract notice that the buyer is using PCS-Tender to run the tender process. PCS-Tender is a tendering platform so you will have to add or upload your information directly in a prescribed format. This can be daunting the first time you look at it but there are many advantages to it including the ability to upload standard documentation to your profile.</p> <p>PCS-Tender is an e-tendering portal. It comprises:</p> <ul style="list-style-type: none"> • Qualification envelope (based on extended profile) • Technical response or envelope • Commercial response or envelope <p>You will have to upload each section and individual answers in response to specific questions.</p>	
6	Extended profile in PCS-Tender	The extended profile is a key part of PCS-Tender. It allows you to upload “standard” information like policies and accreditations, accounts, and insurance levels. These can then be re-used for different tenders without the requirement to repeat this process, saving time and allowing you to focus on questions related to a specific tender.	

You can link your PCS-Tender profile to PCS. This means you have one login and access to both systems from the supplier control panel in PCS. PCS-Tender registration requires an ‘extended profile’ but once this is set up it can be used every time you bid for different tenders.

If things change you must remember to update your profile eg annual accounts information and annual renewals for insurance or policy documents.

There is no cost to register and use PCS, which is one of its great advantages, unlike some commercial portals where you need to pay to use them. However, they may also prove useful to you as you become a more experienced bidder.

Find a Tender Service (FTS)

High value contracts (those that exceed the financial thresholds) for different categories of spend for supplies, services and works published on PCS are also automatically published UK-wide as part of the Find a Tender Service (FTS). This service publishes high value contracts across the UK to promote wider competition for these contracts. If you are looking UK-wide, you can also find high value contracts in England, Wales and Northern Ireland through this route. This means that companies not in Scotland can find opportunities to bid here and, vice versa, Scottish companies can find opportunities in the rest of the UK.

There are also numerous other sectoral and regional portals as well as commercial ones that you can pay and subscribe to.

Energy efficiency and renewables contracts

Energy efficiency contracts in Scotland will be advertised using the PCS portal.

The buyer publishes, advertises and tags the contract opportunity with product categories. If you have set up your PCS account using these product categories and they match the published opportunity, then the PCS system will send an email alert to the email account you used to set up your profile. If there is no match, then the alert will not be sent to you directly. You could still check daily to look for suitable contracts but of course, this is much more time consuming.

The product categories are based on international standards for categories and simplify searching for contracts. The more product categories you add to your account profile, the more alerts you will receive that match those category codes.

The product categories can look quite intimidating but are just codes based on a parent/child hierarchy that groups services or products together. Some relevant codes for energy efficiency contracts could include:

Table 4: Typical product categories for energy efficiency contracts

#	Product category	Description
1	540	Special projects/events
2	45000000	Construction work
3	45300000	Building installation work
4	45320000	Insulation work
5	45321000	Thermal insulation work

Major procurements could be classified and published as a special project using the above code. In other situations, this could be published using the parent 45000000 or child codes 45300000, 45320000 or more specifically 45321000.

TOP TIP: Err on the side of caution and add more rather than fewer product codes. This means that irrespective of what code(s) the buyer uses, the higher the chance that your account profile will match the code for a published opportunity, and you will receive an alert with a link to the contract notice.

You should refine and add product categories for contracts that you are interested in.

Forward plan

All public bodies spending more than £5 million annually maintain a forward plan that can be accessed through PCS. This provides visibility of the next 2 years' procurement plans as part of their procurement strategy. The forward plan provides bidders with information on potential contract opportunities that may be advertised over a 12-18 month period. Public bodies should also produce a contract register for all contracts awarded, subject to certain thresholds and other conditions, published on PCS but usually more readily available on their own websites.

Framework agreements

A framework is an agreement with one or more suppliers that governs the terms and conditions that apply to any contracts resulting from the agreement.

Bidders must compete an initial tender process to win a place on the framework. The framework agreement does not guarantee any work. The framework also defines the process to call off contracts. Contracts can be awarded based on how bidders ranked in the initial tendering process or through a further mini-competition process for a specific contract subject to the framework agreement.

A contracting authority may use a framework or collaborate with others who then become parties and can access the framework when it is put in place. The framework can be split into different lots by service or geography, for example, and bidders can bid for one, some or all lots depending on their own circumstances. Every lot is evaluated on its own merits. This can help SMEs bid for some lots that are more attractive to them than others or just on ones that they could deliver successfully rather than bidding for all lots.

Dynamic Procurement System (DPS)

A DPS is a two-stage process for commonly procured goods and services. Stage 1 includes a single procurement document (qualification) submission. If a supplier is not excluded and meets the selection criteria, they are admitted to the DPS.

In stage 2 all suppliers on the DPS are invited to bid for specific tender opportunities. The contract notice remains open for the duration of the DPS and new suppliers can join at any stage, subject to meeting minimum criteria.

6. Managing the tender process

There are two key aspects to creating a winning bid:

1. Managing the tendering process itself.
This means starting early, doing your research, thinking about your bid tactics and creating a plan with milestones as you progress towards the deadline.

2. Creating your bid. You need to make time and space in your schedule to translate your ideas about how you can meet the specified requirements and deliver the contract better than every other bidder.

You can think about this in terms of what happens before, during and after the contract is awarded.

Table 5: Tender process from a buyer’s and bidder’s perspective

#	Stage	What is the buyer doing?	What should bidders be doing?
1	Before	<p>The buyer is:</p> <ul style="list-style-type: none"> • Establishing requirements. • Trying to understand the marketplace. • Developing a sourcing strategy. • Engaging with bidders. • Creating an appropriate level of competition and selecting a procedure to run the tender. • Defining exclusion and selection criteria. • Deciding how much value for money (quality/price) is required. • Specifying a requirement. • Publishing a contract notice (advert for a contract) via PCS. 	<p>The bidder should be:</p> <ul style="list-style-type: none"> • Trying to build a relationship with potential target buyers. • Developing their own value proposition for different buyers – see pages 37 and 38 for more on this topic. • Building capability and capacity. • Attending ‘meet the buyer’ events. • Making sure they have set up PCS alerts properly to ensure that they receive notification of relevant tenders. Otherwise, they should monitor PCS notices on a regular basis and perhaps expand their alert profile to include additional categories and geographical areas.

6. Managing the tender process

#	Stage	What is the buyer doing?	What should bidders be doing?
2	During	<p>Qualification stage – exclusion and selection criteria:</p> <ul style="list-style-type: none"> • Check minimum legal requirements. • Check selection and exclusion criteria. • Test bidders' capability to deliver the contract. • Test bidders have sufficient capacity to deliver the contract. • Identify bidders' capability and capacity to deliver the contract and invite to tender. 	<p>The bidder should:</p> <ul style="list-style-type: none"> • Ensure they can meet any defined minimum legal requirements. • Submit policies including quality, health and safety, environmental, equality and diversity, business continuity and disaster recovery to provide evidence that their business is sustainable and resilient. • Develop or define their capabilities to reflect the services they provide and match the requirements of the tenders they will be bidding for. • Define and explain their capacity to deliver the contract – how much similar work or how many contracts like this they have previously delivered.
		<p>Invitation to tender (ITT):</p> <ul style="list-style-type: none"> • Invite bidders who have prequalified to submit a tender. • Perhaps hold a briefing for invited bidders. • Respond to questions from bidders via the Q&A section of PCS or PCS-Tender. • Receive responses. • Evaluate (score) bids against quality/price criteria defined. • Award contract. • Provide feedback to unsuccessful bidders. 	<p>The bidder should:</p> <ul style="list-style-type: none"> • Read and understand the specifications and terms and conditions of the contract. • Attend briefing if one is being held. • Ask sensible questions via the Q&A facility in PCS or PCS-Tender (do not ask about things that are clearly stated in the specification or other documents). • Identify long lead time items for their tender on day one of the ITT not the week or day before the deadline. • Write their bid. • Submit their bid in the required format by the due date and time.
3	After	<p>Award stage:</p> <ul style="list-style-type: none"> • Advise successful bidder(s). • Advise unsuccessful bidders. • Provide feedback (this is only an obligation if the contract value exceeds the financial thresholds). • Observe the voluntary or mandatory standstill period. • Award contract as specified and published. 	<p>The bidder should:</p> <ul style="list-style-type: none"> • Ask for feedback if they are successful. • Ask for feedback if they are unsuccessful. • Prepare if a meeting is offered for feedback. • Ask for strengths and weaknesses of their bid and scores for each section if not already provided. • Consider their last bid as the starting point, plus improvements, for their next bid.

You can see from the table there are a lot of things to do when you are writing your bid. With that in mind, you need to be organised and use

your time efficiently if you are going to produce a successful bid.

7. Understanding your own capability and capacity

One of the most important parts of bidding for a tender is understanding your own business or organisation. The more you understand your business and how it works, the better you will be able to describe that to someone else. It's important when you are writing a bid that you can match what you do and how you do things in the proposed contract. It is important that you can explain your expertise and experience and how this will be used to deliver a successful contract.

In more technical terms this is about your capability and capacity – what you do and how much you've done – to provide the buyer with the reassurance and confidence that your bid is the best proposal to deliver the contract. It is critical that your capability and capacity are properly explained.

Capability

What are your capabilities? This is a key part of both prequalifying and building your bid. Many bidders have a very narrow understanding of their capabilities or are unable to express this in a way that communicates to the buyer what the bidder does or can provide. As well as delivering the specific task or requirement, are there other capabilities that you have that allow you to deliver that core or basic task in the first place? What are they? Use the following table to define the capabilities your business has.

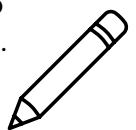


Table 6: Capability exercise 1

#	Capability
1	
2	
3	
4	
5	

7. Understanding your own capability and capacity

Is this easy to do? Did you focus on what you do or the main tasks in delivering your service? Bidders often focus on the delivery aspect of their service eg installation. In one sense that is correct and vital, but it is only one part of the process.

What are the other bits that they do not see or are not visible? For instance, installers do not just

turn up and install. There is a lot of planning and preparation required before that can happen.

Consider what else you must do before you install or deliver your service. Try and complete the following table and think about what you do before and after installation.



Table 7: Capability exercise 2

#	Capability
1	
2	
3	
4	
5	

Your capabilities might include design, planning/ preparation and supply up to the installation, and then after installation the testing, commissioning and evaluation of the service provided. These are just some examples based on an installer. Other bidders or contractors will of course differ. Do not forget to include your know-how and experience and wider capabilities. Above all, do not undersell yourself.

The clearer you can articulate your capabilities the better your bid will be.

Capacity

The next test is your capacity. What is the capacity of your business? The first reaction might be to define this as follows:

- turnover
- number of employees

These are capacity indicators, but you should also consider other ways of measuring capacity. For example, you may be asked about your existing business and contracts you have delivered:

- Who is your biggest contract with?
- List your top five or 10 contracts or clients from largest to smallest.

These are measures of capacity, but if you spend some time analysing this further, you can perhaps define and explain your capacity better. If you do this, then you can provide a better explanation and context about your business and skills to provide the buyer with more confidence about your ability to deliver this contract.

A business with £1 million turnover has enough capacity to absorb a contract of £100k so a buyer would be quite comfortable that you have enough capacity to deliver that contract and that it would be a low risk.

7. Understanding your own capability and capacity

If we now think about the same business but bidding for a £5 million contract, then this is reversed, and we would perhaps be more concerned due to higher risk about that business's ability to absorb that contract.

Try and complete the following table and combine what you did when you delivered contracts in the past and how much of each capability was required to deliver each part of the contract. For example, split the value of the

contract across each of the capabilities that were required for delivering the service. Start with the value of the contract and then split the value into percentage parts for each capability, eg perhaps 10% of the value related to an initial design or survey activity you undertook.

This short table assumes you have five capabilities and have five previous contracts to analyse.



Table 8: Capacity and capability exercise

#	Capability	Contract (£)					Totals (£)
		1	2	3	4	5	
1							
2							
3							
4							
5							
	Totals £						

After you complete this table, you will have a clearer picture of what you have delivered in previous contracts.

You will have to demonstrate your capability and capacity in terms of your accreditations, skills and training or qualifications. Your capacity

is a function of the resources you can employ directly or indirectly through subcontracts, your previous experience, and evidence of contracts you have already delivered. Think about and use all of these when you are asked a specific question to answer or to put all the different parts of your bid together.

8. Bid strategy

If you can bid smarter it means you can bid better and bid for more contracts. A good success rate would be winning three out of ten bids. Maybe you already achieve this win rate or better but for many this seems like a stretch target. The point is that you will not win everything you bid for!

How do you increase your win rate? As a bidder, there may be a temptation to bid for every tender opportunity you see. This will demand a lot of time and effort and may bring huge disappointment if you are unsuccessful with these bids. You should consider developing a bidding strategy which will ensure your resources are put to best use. In addition, you should also consider different tactics for each individual bid.

Do your homework

A good bid strategy includes doing your homework. Take time to research each opportunity in advance, for instance if you are aware of a framework that is coming to an end, why not try and obtain the previous tender documentation that was used by the buyer to gauge some of the criteria that are evaluated. Buyers in the public sector will normally be receptive to requests for this information if you contact them directly or you can access it via PCS.

Of course, not all opportunities may be worth pursuing, and bidders should consider whether they have the capacity (this is discussed in section 7) to deliver a specific contract and whether they have the time and resources to complete the tender documentation, as well as any other factors which might affect whether to bid or not.



Prepare documents in advance

Successful bidders already know that they will be asked for the same or similar information in different bids. It is important not to have to reinvent the wheel every time you bid. There is

some information that will always be required or that can be easily adapted for other tenders. To save time and effort over the longer term, develop a tender library that includes standard materials for your bid.

This falls into three categories:

Table 9: Tender library

#	Description	Content
1	Standard material	<ul style="list-style-type: none">• Policies• Insurance documents• Accounts• Accreditations and certificates
2	Information that can be adapted	<ul style="list-style-type: none">• Team information• Case studies
3	Material that is specific to a tender	<ul style="list-style-type: none">• Methodology• Risk• Challenges• Project plan• Pricing

This approach illustrates how important it is to develop as much material and information as possible in advance and keep it up to date. Otherwise, your approach to bidding will be reactive and inconsistent. This is not the best approach.

The more time spent on developing standard material and information that can be adapted between bids beforehand, the more time you can then spend on specific parts required for each tender. The specific parts of each tender exercise are where most quality points can be “scored”. The more time you can spend on this and not be distracted by time consuming mundane or routine issues, the better.

This approach will also mean that you can bid for more contracts. Once you can win a public tender then the next stage is about productivity and how many bids you can submit. More effort on your tender library will increase productivity and reduce the effective cost of putting a bid together.

This same approach is reflected in electronic tendering systems. These systems allow you to upload standard material that can be stored and kept up to date and be re-used for different tenders, meaning you can focus on the important sections specific to each tender and maximise your quality score.

Value for money: quality and price

Bidders should try to integrate public tenders into their business development process and vary their tactics between bids. The key to this is understanding value for money. Value for money (VfM) in public tenders is the balance between quality and price. This is published in the contract notice and defines the objective criteria and how the tender will be scored.

When the buyer talks about quality, they are referring to the quality of the bid that has been presented. The better the quality of the bid, the higher the quality score. Conversely, the lower the price the higher the price score with the lowest price scoring the highest points. Other prices received are compared against that. The system is a pro rata or ratio system, eg double the price would score half the points available versus the lowest price.

The buyer has the discretion to decide the weighting between quality and price. For products and services where there is plentiful supply (and low risk) the weighting may be more towards price. If the service is more specialised, then the weighting may be lower on price and higher on quality. This is significant in terms of how you might choose to bid, particularly on price. A high price weighting does not mean quality is not important but does indicate that price will be a key determining factor in the outcome of the tender.

To illustrate this point, consider the following example and scenario based on a quality/price 60%/40% weighting. The lowest price receives the maximum points available for the price score or 40%.

Table 10: Implications of price weighting on scoring

#	Lowest price	Price score	Deficit
1	£100	40%	0%
2	£120	33%	7%
3	£140	28%	12%
4	£160	25%	15%
5	£180	22%	18%
6	£200	20%	20%

All the other bid prices are compared and scored relative to the lowest price.

Looking at the different scenarios and splits then at 60%/40%, if you are double the price then that means you are 20 points behind the lowest price bid. You would need to make this up by scoring 20 more points in the quality evaluation, worth 60 points in this example, versus the lowest price bid to have a higher overall score. Another way of thinking about this is that the lowest price bidder would have to score 20 points less than you in the quality section or one point less in every three, assuming you get full marks – which you probably will not manage to do despite your best efforts!

Very low-priced bids can also be discounted for being abnormally low. This means that the buyer is not held to the lowest price bid where that is abnormally low or is not economical for the bidder to deliver and can be rejected.

8. Bid strategy

It is highly unlikely you would be able to make up a 15- or 20-point deficit. Of course, this may also be an unlikely example, but you can see the impact of a low-price bid in relation to your own. If the lowest price is a genuine bid, you perhaps do not want to bid at that low level, but you need to be much closer than double the price to have a chance of having the best overall quality and price score.

The other key issue is that you do not know how other bidders will price the contract so you are also anticipating or speculating what others might do.

TOP TIP: Bidders should consider their tactics. This might mean reviewing your business forecast and pipeline, eg if there is a gap or if you need to win some business you might bid lower than normal on price. Conversely, you might be very busy and see an opportunity you would like to bid for. You might bid higher on price on the basis that you could be more opportunistic in these circumstances but risk losing the tender.

The quality/price combination that defines value for money means that we do not need to have the lowest price to win if our quality score is high enough. Conversely, when the quality weighting is higher you could perhaps bid higher on price if you were confident about your quality score (you could establish this from the feedback received from previous tenders).

Often bidders don't spend enough time thinking about their tactics.

9. Getting ready to bid

At this point, it is important to take stock and consider all the different aspects of being ready to bid.

These include:

- Registration with different portals
 - either PCS and/or PCS-Tender.
- Check the contract notice for exclusion and selection criteria.
- Check mandatory requirements.
- Procurement procedure.
- Bid tactics.
- Will this contract replace an existing one or add more additional business.
- Key dates for clarifications and tender deadline.



Table 11: PCS and PCS–Tender

Public Contracts Scotland		PCS–Tender				
Quick quote	Tender	Tender envelopes		Content	Examples	
<p>Quotation</p> <p>Short quote document to be produced or template provided to complete.</p>	<p>SPD</p> <p>Online SPD (paper document to be completed and uploaded. This will be phased out by April 2024 and no longer supported).</p>	Qualification	Mandatory	Pass/fail criteria	Legal compliance and no breaches of social and environmental law	
			Business probity	Trading record/performance/legal compliance	Three years accounts	
			Exclusion	Financial thresholds		
			Selection criteria	Accreditations	Specific accreditations relevant to the contract eg MCS	
			Policies	Policies	Quality, H&S, environmental, EDI etc	
			Declarations	Form of tender, data protection, non-collusion, modern slavery, serious organised crime and others		
			Technical examples	Case studies – previous similar examples		
	<p>Proposal</p> <p>Proposal based on template or defined requirements and individual answers or document to be created and uploaded.</p>	Technical	Method	Planning and allocation of work		
				Delivery		
				Project plan		
				Customer service	Service levels	
					Complaints	
				Organisation	Team	Management team
						Delivery team
		CVs and qualifications				
<p>Price</p>	Commercial	Price	Summary pricing sheet			
			Pricing template	Detail pricing template		
				Community benefits		
			Fair Work practices	Best practice		
			Net zero			

9. Getting ready to bid

If we concentrate on PCS-Tender, we can see the structure of our response.

There are three online envelopes including:

- Qualification
- Technical
- Commercial

Each envelope includes general and specific information required for each part of the tender process. It's a simple and useful concept to consider what information you put into each envelope.

The extended profile is used as the qualification envelope as part of the open tender procedure when the buyer uses PCS-Tender (single procurement document is the equivalent when using PCS).

The extended profile was introduced partly in response to feedback from bidders about the unnecessary effort of preparing and submitting numerous formats of the same information and supporting material every time they bid to a different client or for a different contract.

The extended profile has completely changed how this is managed. Now rather than repeatedly submitting the same information, bidders can complete the extended profile and keep their information and documentation up to date online. In many cases, this is a self-declaration of standard and specific information required for different tenders. Once established, this means that the extended profile can be reused and updated only where required between tenders. As a result, there is significant time saved for regular bidders.

The extended profile will also include exclusion and selection criteria that must be met. The exclusion criteria are the first thing you should check, eg this could be a minimum turnover threshold figure determined in relation to the value and duration of the contract. This returns to some of the earlier themes we have discussed about capacity. It could also include minimum qualifications required to do a particular job/task where these are considered essential from a technical or safety perspective.

Other exclusion criteria include checking that your business complies with the laws of the land and ensuring that the public money invested in your business will not be used for any illegal purposes.

Having established that you can meet any exclusion criteria, you should check you can also meet any selection criteria.

This is intended to exclude bidders who are not able to meet the exclusion criteria and focus on bidders who have the characteristics and skills required to deliver the contract.

Table 12: Extended profile categories for consideration

#	Category	Description
1	Exclusion criteria	These assess whether each bidder complies with Scottish law, solvency, litigation, conflicts of interest and other mandatory requirements consistent with the jurisdiction of the contract. Failure to meet any defined mandatory requirements will mean automatic disqualification. The buyer may also apply discretionary exclusions relevant to the contract.
2	Selection criteria	These include policies for quality, health and safety, environmental, equality and diversity, and business continuity and disaster recovery. These can also typically be for certain types of requirements relevant to a particular contract, eg PAS2030/2035, TrustMark and MCS certifications as appropriate for energy efficiency installations or a commitment to achieve it within a certain period could be required. It's expected that you will have these policies and certifications in place in place or some equivalent. A company that has them in place will perform better than one that doesn't (if they can progress at all).
3	Capability and capacity	<p>Capability is tested in terms of the range of specific capabilities required to deliver the contract. These can be wide ranging, but it is important that they are specific and relate to the contract.</p> <p>Capacity is tested as a function of the 'amount' of appropriate experience that the bidder has in relation to the contract-specific requirements.</p> <p>This is usually established by technical examples or previous contracts that you have delivered, and any other technical requirements related to the delivery of the contract.</p>

The extended profile is an integral part of PCS-Tender and is one of the three separate response "envelopes" you will have to complete along with a technical and commercial response, or envelope, as part of an open tender procedure.

Whilst much of the extended profile process and information is self-declared, the buyer can ask for evidence to support this at any time during the tender process. There are also grounds for exclusion which deal with breaches of social, environmental and employment law obligations. Therefore, if a buyer can demonstrate by any appropriate means that a bidder has breached any of these obligations, it may, at its discretion, choose to exclude that bidder from bidding for contracts or ask the bidder to correct the specific issue through a process called self-cleansing.

TOP TIP: Complete your extended profile online as fully as possible and keep it up to date in anticipation of bidding for one or more contracts in the future.

Why are policies important?

Policies are important as they can demonstrate your conformance to certain requirements in a standardised manner. The buyer can compare and contrast the maturity of one business versus another in terms of the policies and procedures in place.

You do not necessarily need to have independently accredited systems but if you do not, then you will be asked to explain how your organisation manages health and safety, environmental, sustainability and quality (amongst other relevant factors). You will be expected to provide supporting evidence for your equivalent approach.

Table 13: Example policies and accreditations

#	Policy	Accreditation	If not, explain	Evidence
1	Quality	ISO 9001	How do you manage and control quality in your business and in the service(s) you deliver?	Defined ways of working, standard procedures and surveys, customer satisfaction, and service levels all provide the buyer with some reassurance that you have a process to manage the quality of the service(s) you provide.
2	Health and safety	OHSAS 18000	How do you ensure the health and safety of your employees and others affected by your activities?	Approach to health and safety and performance statistics for your business.
3	Environmental	ISO 14001	What environmental procedures do you have in place?	Your approach to environmental management and benefits you can demonstrate – can it be quantified?
4	Equality and diversity		That you do not discriminate against anyone for any reason, and this is reflected in your recruitment and employment practices.	Procedures and statistics to support your approach.
5	Business continuity and disaster recovery		What are the disruptions that might affect the delivery of your service and what control measures are in place?	Are systems tested regularly and how resilient is your business.
6	Data protection	GDPR	How do you manage personal data associated with the contract?	You are registered with the Information Commissioner's Office and have processes in place to manage personal data.
7	Modern slavery	Modern Slavery Act 2015	How do you ensure that you or any part of your supply chain is not engaged in modern slavery or child exploitation?	You are aware, know and can check your sources and wider supply chain for products and services that you use.

9. Getting ready to bid

#	Policy	Accreditation	If not, explain	Evidence
8	Fair Work	Fair Work: action plan	You will align with the Scottish Government strategic approach to achieve the 2025 vision for Fair Work.	Encouraging and supporting employers to create more diverse and inclusive workplaces where employees have security of pay and contracts, can develop and use their skills, and have an effective voice in the workplace.
9	Community benefits in procurement		To improve economic, social or environmental wellbeing in addition to the main purpose of the contract.	Declared commitments to economic, social and environmental benefits.
10	Living wage	Living wage accreditation	How will you meet the requirements of the Scottish Living Wage.	Accreditation or explanation of living wage plans for your business.
11	Sustainability		Commitment to support net zero.	A wide range of possible options including a sustainability policy or a carbon reduction plan with actions to reduce scope 1, 2 and 3 emissions that your business is directly or indirectly responsible for.

Policies are in fact tools to improve your business, so it is important to demonstrate that to the buyer. If you have an independent accreditation, it is usually sufficient to provide a copy as evidence.

If you do not have the requested accreditation, you should be prepared to explain what your policy is and provide evidence to support that. All these policies are aspirations and standards that public bodies expect bidders to meet. Your policies should all be kept up to date and signed by the appropriate manager or director within your business.

They also reflect the Scottish Government's risk and opportunity based Scottish Model of Procurement with a focus on ethical and sustainable procurement and support social, economic, and environmental targets.

Equality and diversity

Fairness, inclusivity, and sustainability are at the heart of the Scottish Government's strategy and are reflected in all their policies around how they do their business. This extends to procurement and contracts. Bidders are expected to have policies and procedures in place that ensure they can meet these expectations and standards.

Bidders will be expected to have a policy or management statement in place that states their position on equality and diversity, and that no discriminatory practices or processes exist within your business or organisation.

It is important that your business can demonstrate this and reports on diversity statistics and a breakdown of your workforce if asked. This can demonstrate that you not only have a policy but practice and monitor equality and diversity within your business.

Fair Work practices

Fair Work practices is another Scottish Government initiative which encourages best practices from employers on how they manage employees. On the surface these sound like very reasonable things to do such as flexible working and paying the minimum wage.

The Scottish Government extends this same approach to how contracts are procured and managed and expects employers to aspire to best practice standards and behaviours when delivering the contract within their own business, but also in relation to subcontractors and supply chain based on:

- Security
- Respect
- Opportunity
- Fulfilment
- Effective voice

The Scottish Government has produced a Fair Work practices toolkit for further reference.

Community benefits

Community benefits are a key requirement of public procurement defined by the Procurement Reform (Scotland) Act 2014. This should remind every bidder about the original purpose of a public contract which is to deliver a public benefit. This closes the loop on why procurement is required or necessary in the first place, placing sustainable and socially responsible purchasing at the heart of the process. Community benefits will become increasingly significant and be formally scored as part of the evaluation of tenders. Buyers have discretion about the weighting or importance they apply to this.

When creating your bid, you need to consider what the community benefit is. So, you need to ensure that you can:

- Describe it
- Identify who will benefit and who will be responsible for managing, delivering and reporting.
- Quantify that benefit in monetary or equivalent terms if possible.
- Qualify what that benefit will do for particular community groups.

These increasingly take the form of specific templates to be completed, returned and linked to a contracting authority wish list of specific projects to include:

- Targeted recruitment
- Improving education and skills
- Work experience placement/programmes
- Delivering training in the community
- Enhancing and improving community and environmental projects
- Sponsorship and charity work
- Supported business including the third and voluntary sector

These will include specific targets against each category, the proposed outcome and key contacts. This may or may not be scored.

Use the following table to consider what community benefits you can deliver through a public contract. The table also includes some examples.



Table 14: Community benefits exercise

#	Benefit	Description (what)	Recipient (who)	Quantify/qualify
1	Social			
2	Economic			
3	Environmental			

Community benefits are designed to get the maximum benefit for the community the contract is providing a service to. They should be linked to the main purpose of the contract in terms of sustaining or adding employees, or apprentices,

or upskilling or developing new skills, as well as the additional benefits delivered to end-users. They must be relevant and proportionate to the contract.

Sustainability

Public procurement and contracts are key levers in promoting a sustainable future, tackling climate change and reducing the environmental impact of activities.

How your business or organisation can commit to the Scottish Government’s journey to net zero – which is net zero emissions of all greenhouse gases by 2045 – and be part of a just transition is crucial to understand and explain in the bid.

The early focus so far has been on the provision of renewables and low carbon electricity.

Bidders may be asked to demonstrate how they will support this directly or indirectly through offsetting.

Including:

- Use of low emission products and equipment
- Reduce unnecessary travel and use of technology to meet online

- Reduced fleet and transport costs
- Sourcing raw materials
- Substitution and replacement of lower energy products
- Local sourcing
- Recycling and re-purposing material and equipment

These reflect what are known as scope 1, 2 and 3 emissions as part of the Green House Gas (GHG) protocols, which were established to help companies to limit global temperature rise through standards, tools and online tools to track progress.

This is one of the most topical issues in procurement and will shape future contracts and how they are delivered. It is inconceivable that this would not be considered as part of an energy efficiency contract.

Use the following template to identify how you can baseline and demonstrate reductions in your GHG emissions.

Table 15: Greenhouse gas emissions

Emissions	Description	Examples	Solutions
Scope 1	Direct emissions from sources owned or controlled by the business.	Operating machinery, vehicle fleet, heating, light and power for office premises.	Reduced energy consumption of operating equipment and machinery.
Scope 2	Indirect emissions from the generation of purchased energy.	Emissions associated with the production of energy that a business or organisation purchases.	Adoption of renewable sources and green energy providers.
Scope 3	All other indirect emissions in the supply chain including upstream and downstream.	Supply of raw materials and products generated by using suppliers or making products.	Substitution or replacement of high energy emitting material and products, local sourcing, recycling and repurposing raw materials and equipment.

Many businesses have already established their baseline and are working on reducing their emissions. Emissions would normally be

expressed in tCO₂e as part of their baseline, carbon accounting and route to net zero.

10. Writing your bid

Often businesses start writing too early. They reassure themselves that if they are busy writing, they must be productive and writing a good bid.

Don't start writing just yet!

Structure and content

Instead of writing a long document, which is a difficult thing to do, an alternative approach is to create the structure for your bid first. The structure may be defined for you if you need to complete pro forma documents or complete it online. However, it's important to start with the structure as opposed to creating a lot of content for your bid and then trying to structure that into a coherent and easy to understand response. This latter approach is the most time-consuming way to do this, and you can spend more time editing than creating a good response. Often when using PCS-Tender there may be a page or word restriction on your answer.

TOP TIP: As a rule of thumb, the more you write, the less clear the response. Remember someone must read this, understand it and score it. Most writers know what they have written and what it was supposed to mean. This is not always true when someone else reads it. They might understand it quite differently or maybe not at all! If the evaluator cannot understand what you have written, it will not score well.

Your first challenge is to understand what you are trying to sell to the buyer through a tender process. All the sales skills and techniques that you have developed face-to-face with customers over the years do not count in this process. How do you sell something to a buyer or address key points to an evaluation panel who you cannot speak directly to?

Some unsuccessful bidders are unable to articulate what it is they are trying to sell and/or explain in succinct terms how they are going to deliver the contract. It is therefore important that these issues are addressed. Bidders should work on the assumption that the buyer does not know anything about them or their business and explain their answers to questions on that basis. You will only be scored on the information you present – you cannot be scored on information you do not present.

Bid team

How are you going to write this tender? A larger business will have a bid team with defined roles to develop and deliver their tender.

This could include the following roles.

If you are a smaller or micro-business, you may not have a bid team and will have a much smaller team to choose from. Perhaps you will need to fulfil all these different roles yourself.

Table 16: Bid writing team

Responsibility	Role
Finding	Someone to review alerts received from different portals and monitor any updates and qualifications. Key task is creating a long list and pipeline.
Qualifying	Checking the contract notice to make sure you meet the exclusion and selection criteria. Managing the long list, checking suitable opportunities and bid/no bid analysis.
Bid manager	Someone to manage the overall process and deliver the bid. Prioritises and recommends tenders to bid for from the shortlist. Coordinates and manages the bid process and input for the team.
Subject matter experts	Experts who can describe the technical details of the products or services you will supply. Reviews the specification, identifies competitive advantage and describes the technical proposal, features and benefits of your approach.
Writer(s)	Writers translate or articulate sometimes complex issues into meaningful content that is well structured, easy to read (and score) and communicate the response to requirements.
Costing	Accurate, unambiguous and transparent costing to deliver the specified requirements. Uses a template to provide a clear layout of pricing by stage or activity, milestone or volume of activity/quantity supplied.
Checking	An eye for detail to check for clear prose, typos and mistakes. Ensures that all content is accurate and up to date using final versions and up to date information. Has the question been answered? Is the right answer in the right place?
Proofing	Proofreads once everything else has been done to check the document and answers to questions.
Submitting	Coordinates the final tender and uploads the supporting documents to the tender portal to meet the deadline.

Value proposition

Your value proposition is an important concept in challenging yourself to write a better bid. So, what is your value proposition?

This is not an easy question to answer. Responses often highlight benefits or describe high quality products or accreditations like ISO certifications or low-cost solutions. What is your value proposition? Have a go using the table below.



Table 17: Value proposition

What is your value proposition?

Do not confuse your value proposition with what you will do or deliver (the task) and how you propose to deliver the contract (the method) – which are both very important in themselves.

You need to define your value proposition in terms of what it means to the buyer and, perhaps more importantly, for end-users or customers. The

buyer could be a local authority for an energy efficiency contract, and the customers could be tenants and householders. Both have different expectations and consider value in different terms.

Look at the following example:

Table 18: Example of value proposition

What do you do?	How do you do it?	Benefits	Value proposition
Install loft insulation (or other energy efficiency measures)	<ul style="list-style-type: none"> • Safely • Cost effectively • Minimum disruption • Use the specified material • Turn up when we say we will • Install • Clear up site • Sign off 	<p>Buyer:</p> <ul style="list-style-type: none"> • No accidents • Compliance • Carbon reduction • Reputation <hr/> <p>Customer (end-user):</p> <ul style="list-style-type: none"> • Service • No mess • Warmer house • Lower energy bills 	<ul style="list-style-type: none"> • Help the buyer deliver Scottish Government targets and enhance their reputation. • Improved quality of life and wellbeing. • Resulted in lower energy costs.

10. Writing your bid

If you are a loft insulation installer and think you can only install or fit insulation, then that is probably how you will write your bid.

If you believe your business is about improving people's quality of life, you might think a bit differently about how you write your next tender (and maybe how you run your business and deliver the contract).

Here is a blank table for you to try again.

TOP TIP: Complete the table from top to bottom otherwise you will never get past the 'what you do' section.



Table 19: Value proposition, what you do and how you do it

Buyer	Customer
Value proposition	
Benefits	
How do we do it?	
What do we do?	

This exercise is not easy but if you persist you will be in a much better position to consider the structure and content of your bid.

The most important thing is to consider value from the buyer and end-user perspectives. The contract is about what you can do for them, not what the contract can do for you or your business.

Contract specific requirements

The ITT package will include the specification and terms and conditions. The specification defines or tells you what you will be expected to deliver, in what time period, and to what service level or quality.

What are you being asked to do? Every contract has specific requirements, so we need to distil them from the specification.

What are the key specific things you are being asked to do? This is a really important point and will play a major part in the assessment of the quality section of your tender. If you do not address the specified requirements, your bid will not score high for quality.

A specific requirement is an activity that you will need to undertake, manage, or subcontract as part of delivering the contract. Specific requirements for energy efficiency contracts could include activities or elements of survey, assessments, design, procurement and supply management, installation and maintenance. You might be expected to do some or all of these as part of meeting the specified requirement.

Review the specification

When you read the specification try and break it down into high level requirements using this table.



Table 20: Reviewing the specification

#	What are the specific requirements of the contract?	What will you do?
1		
2		
3		
4		
5		

Five specific requirements are recommended. You can do more but you may be over-complicating your bid.

Once you have a clear picture of the specific requirements, you can then work out what you will do.

TOP TIP: Complete this table and spend some time understanding what the specific requirements of the contract are. This exercise may seem pedantic but will save you hours of writing and will help you to explain things properly and succinctly in your tender. You have also just defined the core of your bid, ensured your bid meets the specified requirement and that it is fit for purpose.

10. Writing your bid

Now you have established what you will do to deliver the specific requirements. Your next challenge is to explain how you are going to deliver the requirements. The 'how to' is your methodology. Every specification and ITT are

asking you to explain your methodology or how you will deliver the contract.

We can use the 'what' we are going to do from the previous table and now think about 'how' we will deliver the contract.



Table 21: What and how

#	What will you do?	How will you deliver this?
1		
2		
3		
4		
5		

You can use this table or create a separate one and work through on a step-by-step basis what you will deliver and your delivery method. This will create a very structured and logical answer in terms of your approach.

There is no need to write long answers. Using this approach will generate an answer that is well structured, and easy to read, understand and score. This is also more productive than writing long answers and then spending more time editing to try to fit your answer within the word limit.

Who are you selling to?

So far, this guide has discussed the buyer as the organisation or person we are selling to. However, we need to consider that there is a buyer, a specifier (someone who has specified the requirement) and the end-user (who the service will be delivered to) who are often ignored.

All these stakeholders have a view or have different things that are of interest to them.

The buyer is interested in running a compliant process, generating sufficient interest and a competition (tender) that can deliver value for money. The specifier is interested in the technical aspects or accuracy of your bid in terms of meeting the specified requirements. The end-user has a different perspective again in that they are interested in the quality of the service they will receive. These are all equally important.

Table 22: The “buyer”

Responsibility	Role
Purchaser	The purchaser is managing the process and checking for compliance and minimum requirements. They also ensure that instructions have been followed and the information required has been provided in the correct format. They are making sure that the evaluation team is diligent and consistent in their efforts to identify the most economically advantageous tender.
Specifier	The specifier is responsible for ensuring that the specified requirements will be met for the proposed service or supplies to be provided. These can include technical requirements and proposed outcomes.
End-user	The end-user is the person or group who the service or supplies will be delivered to, and who will use or benefit from that service/product. This is in terms of how it is delivered, what benefits will be delivered, and the wider issues related to its overall value.

It’s important that you consider each different point of view. There is the concept of the customer journey, for example if you wrote your bid and focused on the experience of the end-user, what does it look like and feel like from their perspective? That would be completely different from a bid that only considers the bidder’s perspective.

Consider all your answers from an end-user’s perspective, the buyer’s perspective and then from your (the bidder’s) perspective. Your answers will look different, and they will look better.

Your tender will only ever be as good as your methodology. We recommend that you develop your methodology first and every other aspect of your tender will be designed to support that.

People are always looking for advice on what a good answer looks like. This does depend on the questions; however, it’s not so difficult to define what a good answer should include. A good answer is more difficult to write, but it should include emphasis on:

- What
- When
- Risks
- How
- Who
- Evidence

If the evaluation panel can read and understand your answer, then they can score it. The clearer you make each answer, including the above points wherever possible, the better that answer will be. Some of these items, eg evidence, may be requested in the form of examples which will support your answer to be more authentic versus a textbook or academic answer.

Open tender procedure

There are different forms of tender procedure. The most common is the open procedure.

An open procedure will comprise three responses or “envelopes”.

These are:

- Qualification envelope
- Technical response or envelope
- Commercial response or envelope

Envelopes are discrete and all serve a different purpose but are still part of the tender process. They all exist as electronic modules as part of the PCS tender portal.

Table 23: Open procedure tender response or envelopes

#	Envelope	Description	Scoring
1	Qualification envelope	Exclusion and selection criteria including: <ul style="list-style-type: none"> • Mandatory questions • Compliance questions • Policies and procedures • Selection criteria – specific criteria in relation to the technical requirements or the size of the contract if they are required. • Information required for statistical reporting (in relation to public tendering in general). • Technical examples (normally 2) • Community benefits • Fair Work practices (for information only) 	Pass/fail
2	Technical envelope	The technical envelope might include: <ul style="list-style-type: none"> • Methodology – how you will deliver the contract • Organisation and your team • Health and safety roles and responsibilities • Project plan • Risks and challenges • Subcontractors 	Quality
3	Commercial envelope	The commercial envelope may include an online form or pricing template provided by the buyer. The commercial envelope must be fully completed accurately for your bid to be considered. It could be in the form of a bill of quantities or a simple rate or fee sheet.	Price

Have a look again at table 10 on page 23 to see how a tender library prepared in advance would help you to prepare for a tender process and the

information you are going to be asked to provide in the different envelopes.

Components of a good bid

The component parts of a good answer and bid are explained further as follows.

Table 24: Components of a good bid

#	Item	Description
1	What	This provides a clear description of the task being undertaken to meet the specific requirements of the contract.
2	How	A clear description of how (method) you will organise tasks and make sure they are all delivered fully and properly. Remember the end-user's journey from when you first engage or contact them until the job is closed out and signed off.
3	When	Once you have defined the what and how, you need to make sure it all joins up. The timing is important because you need to define what tasks need to be completed before other ones can begin. This could be presented graphically as a project plan with milestones and a critical path and might be easier to show your logic and the sequence of events rather than long written answers.
4	Who	The next step is to explain who will be responsible and accountable for delivering the contract and how they will engage with the buyer. Short and clear specific profiles with clearly defined roles are better than long CV type answers with lots of irrelevant information not specific to the requirement.
5	Risk	The question for the buyer is when things go wrong, you know how to manage that problem. A confident bidder includes risks and has clear mitigations defined – not just a list of potential risks. Consider this as part of your methodology. This reflects your expertise and understanding of the risks, and being able to manage them reflects your experience.
6	Evidence	Evidence can be included in your answer or by providing examples. A piece of evidence might include quantifying the number of clients and not 'we have lots of clients' or 'we have high quality'. Think about what you can measure and report on. If you 'have good delivery', what service level performance or delivery performance can you meet? The more specific and relevant the examples are, the better the score will be. It is also important to explain the context and to focus on previous 'lessons learned' and 'benefits' produced.

Using graphics to illustrate key points

The clearer the message and better explained your answer is, the higher chance that the evaluation team can understand your bid. One way to do this is to replace long narrative answers and paragraphs with tables and lists.

If you cannot avoid a written text answer, we suggest you use bullet points or a numbered list to break the answer down into easy-to-read parts. If you are presenting data, consider using a graph if possible.

TOP TIP: Remember someone must read your bid. If it's difficult to read and understand, it will probably not score as well as other bids. For example, you may want to include a project plan chart that shows activities (tasks or events) displayed against time (or a simple Gantt chart).

Make sure that all sections are properly indexed and always use page numbers to help readers navigate their way through your bid.

Checking your tender

Things to avoid:

- Do not ignore the specification and think you can outsmart the buyer.
- Do not make assumptions about what the buyer knows about your business or about the products or services you are providing.
- Do not try to sell something you want as opposed to what has been specified.
- Do not under-scope your product or service and hope that you can sort it out once you have won the tender.

Make sure:

- You start early and identify long lead time parts or information required for your bid.
- Your bid is compliant and meets the specified requirements defined.
- Your bid meets the specific requirements of the specification – no more/and certainly no less.
- You thoroughly answer all the questions asked.
- All sections are completed.
- Double check and get someone else to check your final document.

11. Getting feedback on your bid

The award of an above the threshold public contract is subject to a ten-day standstill period. The “award” letter is only an intention to award a contract subject to the standstill. Once the standstill has been completed and if no challenges are received then the buyer can award the contract.

If you are unsuccessful then you can get feedback about your bid. If you are successful, you should also get feedback, although the context is different for a successful bidder.

This is a requirement for high value (above the financial threshold) contracts in addition to information telling you who won the contract, the winning score and your score. Most buyers will provide feedback to unsuccessful bidders on lower value contracts as well when asked.

It is important to get feedback and to be prepared for any feedback or any meeting you might have. Very few bidders are well prepared for the feedback.

When considering feedback, you should:

1. Read your bid again.
2. Try to reconcile the feedback – qualitative evaluation and score with the comments you receive.

3. Ask for your score breakdown for each section of the bid.
4. Ask for the highest and lowest score in that section and where you were in the range of responses.
5. Ask for strengths and weaknesses of your bid by each section/question.
6. Be polite and think about the future opportunities with this potential buyer – perhaps get someone one step removed from writing or managing the bid to ask for the feedback if you can.

You could use table 25 below to prepare for and collect your feedback. This includes comments provided for each section of your tender (using the example format, you can adapt this for specific tenders and how each section is scored), and how your scores compare to other bids.

It is also helpful to find out:

1. How many bidders there were.
2. What was your overall MEAT score (quality and price)?
3. Where did you rank on quality?
4. Where did you rank on price?
5. Strengths and weaknesses for each section.



Table 25: Tender feedback evaluation template

#	Section	Strengths/weakness	Your score	Winning score	Minimum score	Maximum score
1	Introduction					
2	Methodology					
3	Price					
4	Challenges					
5	Project management					
6	Project team					
7	Contract risks					
8	Community benefits					
9	Clients/ references					

Good potential buyers who have managed the process properly will have this information at their fingertips to provide and explain or will have already provided this level of detail.

You can put this information to good use and improve future tenders.

Another protection that bidders have in public procurement is the ability to challenge the outcome of a tender process if they believe they have been:

- Treated unfairly
- Discriminated against

You can challenge the outcome of a tender process if either of these occur. This is not a decision that you should take lightly but it is an option at the end of the process to demonstrate that fairness, equality and objectivity have been applied during the evaluation of each tender.

If you have any reservations about a tender process you are involved with, the Scottish Government has a confidential Single Point of Enquiry (SPoE) to refer any issues or concerns you may have. The SPoE can change decisions that have been made unfairly or when mistakes have been made.

Next steps

We hope that you have found this guide useful and that you have completed the exercises. Remember, you can always recreate the tables in the guide for future use.

You should also look at the Green Heat Installer Engagement Programme for more information on workshops, events, news and updates on all matters relating to the Scottish energy efficiency and renewables supply chain.

All the links for the above can be found in the useful website links section of this guide including advice from the Scottish Government's Supplier Journey process, and a wide range of free training from the Supplier Development Programme.

Good luck with your bidding.

12. Checklist

Use this checklist to identify what you have already done and what you still need to do to set yourself up for success and for a specific tender exercise.



Table 26: Checklist

#	Item	Description	Check?
1	Finding opportunities	PCS registration	
		Alert profile set up	
		Supplier profile completed and set to "publish"	
		Quick quotes registration	
		PCS-Tender activated and linked to PCS	
2	Bid strategy	Is this a contract you are currently delivering?	
		How important is this contract to your business?	
		What is your approach to quality – meeting the specification?	
		How will you price this tender – low, fair, or higher price?	

12. Checklist



#	Item	Description	Check?
3	Qualification envelope	Quality policy	
		Health and safety policy	
		Environmental policy	
		Equality and diversity policy	
		Business continuity and disaster recovery	
		Accounts	
		Insurance certificates	
		Technical examples – how good a fit are you for this contract?	
4	Technical envelope	Value proposition	
		Contract specific requirements	
		Methodology	
		Project plan	
		Profiles for team	
		Risk assessment	
		Case studies or examples to illustrate key points	
		Community benefits	
		Sustainability	
5	Commercial envelope	Core pricing	
		Pricing scenarios (what if?)	
6	Award	Feedback from unsuccessful bids	
		Consolidate feedback from different bids	
		Identify lessons learned and apply these to future bids	
		Vary bid tactics for next and future bids	

13. Useful websites

Tender portals

Portal	URL
Public Contracts Scotland	publiccontractsscotland.gov.uk
PCS Tender	publictendersscotland.publiccontractsscotland.gov.uk
Contracts Finder (England)	gov.uk/contracts-finder
Find a Tender	gov.uk/find-tender
Sell2Wales	sell2wales.gov.wales
eSourcing Northern Ireland	e-sourcingni.bravosolution.co.uk/web/login.shtml

Scottish Government links

Reference	URL
Public Contracts (Scotland) Regulations 2015	legislation.gov.uk/ssi/2015/446/made
Procurement Reform Act (Scotland) Act 2014	legislation.gov.uk/asp/2014/12/contents
Procurement Act 2023	legislation.gov.uk/ukpga/2023/54/contents/enacted
Supplier Journey	supplierjourney.scot
Single Point of Enquiry service	gov.scot/publications/single-point-of-enquiry/
Fair Work practices in procurement toolkit	gov.scot/publications/fair-work-practices-in-procurement-toolkit

Resources and information

Organisation	URL
Supplier Development Programme	sdpscotland.co.uk
Scotland Excel	home.scotland-excel.org.uk
Business Energy Scotland	businessenergyscotland.org
Webinar to help support this guide	energysavingtrust.org.uk/service/training-and-events/
Green Heat Installer Engagement Programme at Energy Saving Trust	energysavingtrust.org.uk/green-installer
Warmer Homes Scotland	homeenergyscotland.org/funding/warmer-homes-scotland/

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