

# NGI

## OPPORTUNITIES FOR INNOVATORS IN PUBLIC TENDERS

**March 17, 2022**



# PRESENTERS

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# OUR STORY

## The Numbers



**2010**

Kick-off Year



**€66M**

Projects Managed



**50+**

EU/US contracts



**40+**

Strategic Partners



**150+**

Clients



**100+**

Unsuccessful Proposals  
(Lessons Learnt)

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# 1. INTRODUCTION

# €2,500 BILLION

Spent on products and services by  
European public bodies

## EVERY YEAR

That's a massive **14%** of Europe's GDP

**15% - 20%**

of global GDP is accounted for by

# public procurement

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# BUT

- **25%** of contracts are awarded with only **one** bidder
- Most public tenders receive only **2 – 4 offers**
- **10,000** tenders are **cancelled** each year because **no offers are received**
- Only **1.26%** of all European SMEs **participate cross-border**

This is a

**HUGE**

opportunity



# SO WHY DO SO MANY SME'S MISS THIS OPPORTUNITY

- Knowledge about what's available
- Understanding the bidding process
- Local and regional rules and regulations for tendering
- Translating local content
- I don't have a chance, I'm too busy in my own country, it will go to a local firm

# 2. TENDERS V GRANTS

# TENDER VERSUS GRANT?

To acquire a product or a service	<b>Purpose</b>	To encourage actions indicated in the Work Plan, which fall primarily within the scope of the beneficiary's activities
Call for tender	<b>Procedure</b>	Call for Proposal
Service Contract	<b>Legal Outcome</b>	Grant Agreement
The EU Pays 100% of the contract	<b>EU Financial Contribution</b>	EU-Contribution to the overall costs (Co-funding)
Since the service or product has been purchased and paid by EU, in general it belongs to the EU in its entirety	<b>Ownership</b>	The ownership as rule is vested in the beneficiary of the grant
The operator's remuneration should include an element of profit	<b>Profit</b>	The grant must not have the purpose or the effect of producing a profit for the beneficiary

# THE PROCESS



# BUSINESS OPPORTUNITIES



# 3. NATIONAL V INTERNATIONAL TENDERS

# CHARACTERISTICS

## National Tenders

- Language, knowledge of the market, competition, TENDERIO has produced 10 national guidelines

## International Tenders

- Much larger market, unified set of rules in each “arena” (EU, UN, EBDR, USAID, etc.)
- In EU, everything in English + if needed, to be translated in official language
- Accessing new markets/ countries

# 4. HOW TO IDENTIFY THE RIGHT OPPORTUNITIES



# STARTING POINTS/ PREREQUISITES 1/2

1. You need to know exactly which product / service you offer
2. Are you eligible and do you have the needed capacities?
  - Passing of **EXCLUSION CRITERIA** (Declaration of honor) → debts, taxes, bankruptcy, fraud and similar conditions
  - Meeting the **SELECTION CRITERIA**
    - **Economic and financial capacity** (balance sheet, loss and profit statements, annual turnover)
      - Check that **profit-loss** account is **NOT negative**
      - For single bids past 3 years **turnover** should be at least **150%** of the maximum size of the tender
    - **Technical and professional capacity** (team, references, networks, etc.)
      - You **have a team** which can deliver these products and services

# PREREQUISITES 2/2

- Have the documents and resources ready to prepare for **AWARD CRITERIA**
  - **Technical proposal** (understanding, methodology, quality, etc.)
    - Consider involving **(local) tender consultant** (i.e. [Tenderio network of consultancies](#)) in preparing the bid
  - **Quality / price ratio**
    - You may consult [Tenderio benchmarking service](#)

# SOURCES

## Tender publication practices:

- Tenders below national thresholds → **Personal invitation, institutional homepages**
- Tenders above national thresholds → **National Procurement Registers**
- Tenders above EU international thresholds  
→ Official Journal of the EU (**Tenders Electronic Daily - TED**)

## How to approach them:

- Set up the **list of relevant webpages** and regularly monitor them.
- Use the existing (also free) Tender Search Engines.  
→ **Tenderio search engine** combines dozens of national and international sources.  
You can search based on **“key word”, “country” or “sector”** (or combination of these three). Further fine-tuning based on the **“deadline”** or size of the **“contract”**.

# ELIGIBILITY AND CAPACITY

- Are you eligible and do you have the needed capacities?
- **Exclusion** criteria (Declaration of honor)
- **Selection** criteria
  - Economic and financial capacity (balance sheet, loss and profit statements, annual turnover)
  - Technical and professional capacity (team, references, networks, etc.)
- **Award** criteria
  - Technical proposal (understanding, methodology, quality, etc.)
  - Quality / price ratio

# DECISION TIME

## Three scenarios:

1. You do not meet the requirements and start searching for more relevant tender
2. You meet all the requirements, have enough time and decide to prepare your offer
3. You do not meet all the requirements, but you decide to set up a consortium and prepare your offer

# 5. HOW TO BUILD A STRONG CONSORTIUM

# PREREQUISITES

1. Based on the previous analysis, you **identified precisely the set of missing skills, references and/or financials needed** for the preparation of your offer.
2. Preferably, at least one partner of the consortium should be from the **country** where the tender is published.
3. Ideal candidates should have already implemented **similar contracts** in the past (the size, type of client).
4. Have **an attractive partner search proposal** (who are you, why contacting, value proposition etc) and **templates for partner inputs** ready.

# SOURCES 1/2

## Where and how to search for ideal candidates?

1. Use your **existing network** of international partners.
  2. If they are not relevant, ask them to **recommend and introduce** you to potential candidates.
  3. Check who won the similar tenders before (**Tenderio benchmarking service**) and assess if you could team up (different tactics):
    1. Price vs Quality ratio
    2. Reduction of competition
    3. Taking the 'pain' of writing the proposal in return for the seat in the strong consortium.
    4. Etc.
- → **ESTABLISHMENT AND KEEPING RECORDS OF THE PARTNER NETWORK IS OF STRATEGIC IMPORTANCE**



# SOURCES 2/2

- [LinkedIn groups.](#)
- Industry Associations.
- [Annual Information Day & Brokerage event in Brussels](#)
- [Enterprise Europe Network cooperation opportunities database](#)
- [Brokerage events organised by the Enterprise Europe Network](#)
- [Partner search NCPs CaRE](#)
- [CORDIS partner search platform](#)
- [National Contact Points](#)
- [CORDIS project database](#)
- [EIC accelerator database](#)

# NEXT STEPS

1. **Collect** (and **check against the criteria**) the inputs (CV-s, references, financial results etc)
2. Agree on the budget and allocation of tasks
3. Agree on deadlines
4. NDA?

# 6. HOW TO WRITE A COMPETITIVE OFFER

# HOW TO PREPARE YOUR BID

- Read about the tenderer, the tender context and content
- Be brief and present only relevant qualifications
- Present your competitive advantages
- Use the forms provided
- Identify a local partner
- Contact/visit the client before short-list

# HOW TO SET YOUR PRICE 1/2

- Internal break-even
- Maximum amount
- What is the ration between quality/price
- Benchmarking

Financial offer in a separate envelope, opened only if you pass the above thresholds.

# HOW TO SET YOUR PRICE 2/2

## BENCHMARKING

Another pointer for a suitable offer is the past winning offers. By looking at the pattern of previous tender offers, especially in the related business domain, you can infer an adequate amount to place that is more likely to lead you to success.

- What **companies are successful** in a given segment?(Common Procurement Vocabulary - CPV)
- Where are they **from**?(Country)
- Are there usually **many tenders** in my segment?(Past Tenders)
- Is there a lot of **competition** in my segment?(Number of offers)
- What are the **usual assessment criteria**?(Lowest Price / Weight)
- Who is **publishing tenders** with the higher success rate?(Type of authority)
- Who is bidding for tenders in my **contract size target**?(Contract size)

## Evaluation Criteria

- Categories/sub-categories
- Total vs threshold
- Quality vs price
- Evaluation Summary Report

## Contracting

- Model Contract
- Flexible to certain extent
- Pre-financing arrangements/IPR
- In case of Framework Contract – negotiation of the duration of the order (renewal)
- Belgian/EU law

# 7. SECRET STRATEGIES ON WINNING A TENDER ABROAD



# SUBMISSION OF AN “EXPRESSION OF INTEREST”

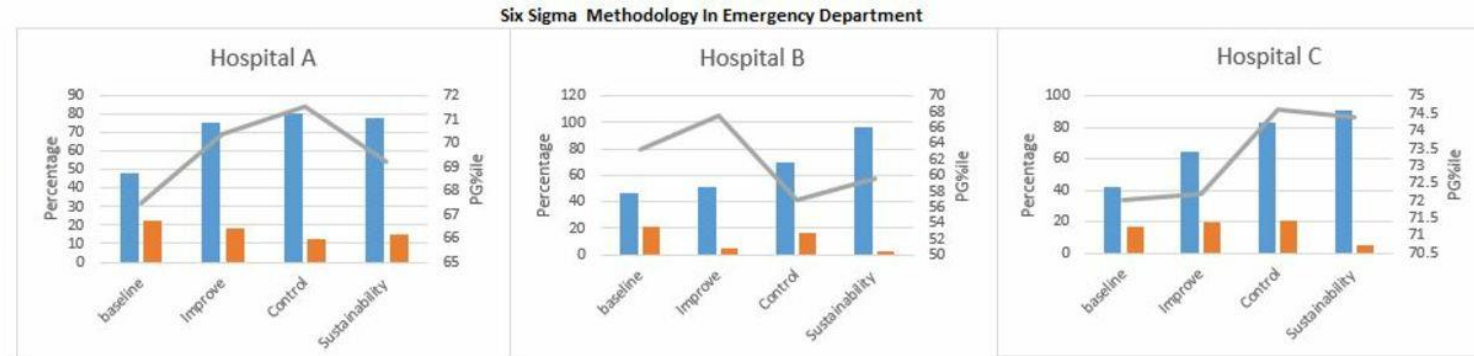
- Upon the “Invitation to participate to tender” subcontracting or partnering with a company which has not expressed an interest before (and therefore, in many cases is not eligible to bid) and is best positioned to do the job.



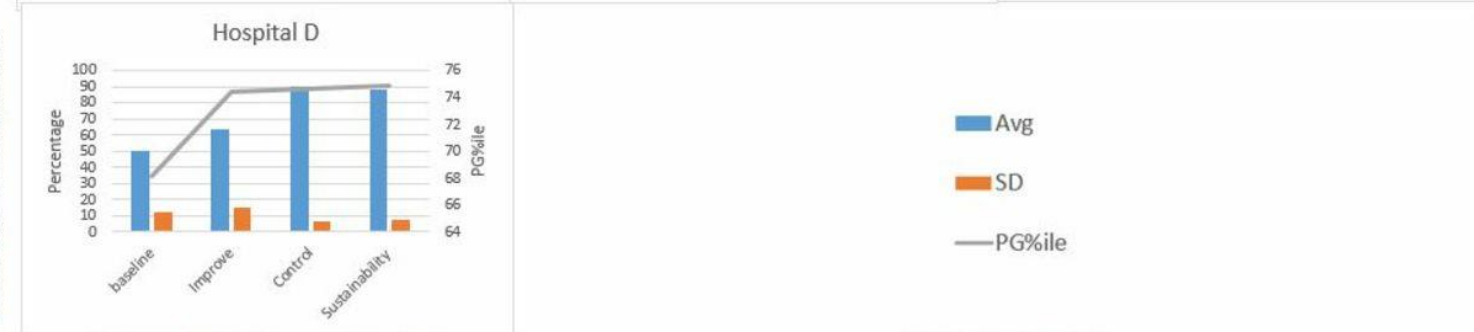
# BENCHMARKING SERVICE: TEAMING UP WITH PREVIOUS WINNERS

A benchmarking service (amongst others) is offered by the Tenderio project (see here: <https://www.tenderio.com/benchmarkservice.html> ). With this service, any company can benchmark their business against companies which have been successfully awarded contracts, in the segment or the sector related to their expertise.

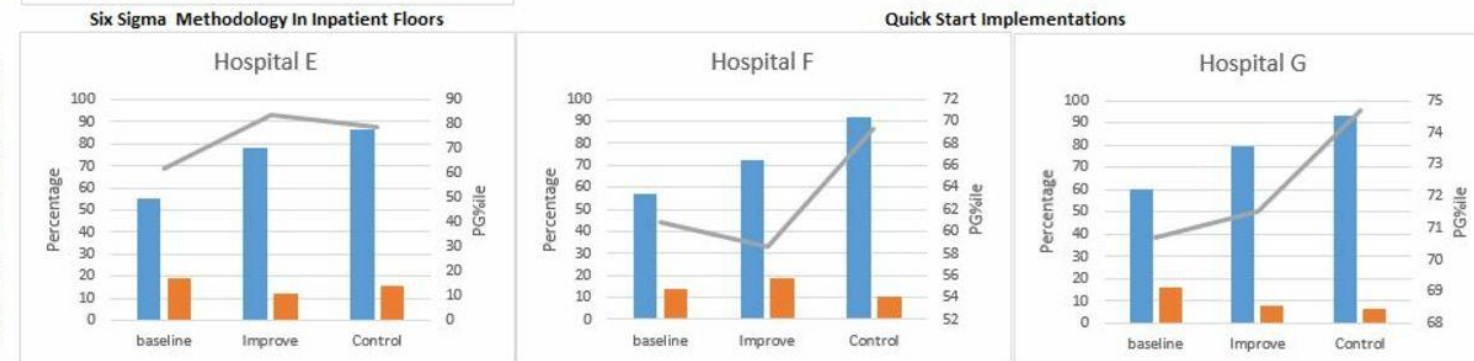
Part a.  
First Stage - Building the model



Part b.  
Second Stage - Validating the model



Part c.  
Third Stage - Generalizing the model



## THE QUALITY/ PRICE RATIO 60/40 : FOR CEE COUNTRIES TO APPLY

The SMEs located in lower income countries can specifically search for tenders where the financial offer has a greater weight. Here the price offered is lower than what the competitors are willing to offer and even though the bidder scored less in the qualitative part, the low financial offer secured them the contract. In the end the financial was still economically advantageous to the contractor.



## CONSORTIUM BASED APPROACH

Before a call for tenders is published, a core group of companies which have worked successfully with each other in the past sets up a 'nucleus' of the consortium. Once the tender specifications are known, they may invite other partner(s) in order to fill in the missing competences or references.



# TEAMING UP WITH LARGE COMPANIES



## REPLYING TO GREEN PROCUREMENT TENDERS

Green public procurements demand certain ecological /environmentally friendly features or effects. It is usually proved by certification of in-built / materials, components, equipment, provided by manufacturers. This is not problematic for SME's. Problems for SME's arise when tenderers demand international certifications such as SIST EN 45011 / ISO 65 / ISO 14001 / EMAS scheme, which are very costly and often unreachable for SMEs.

## BENEFITS OF GREEN PUBLIC PROCUREMENT

### Green Public Procurement



- Reducing hazardous substances
- Reducing CO<sub>2</sub> emissions
- Improving competitiveness of eco-industry
- Preserving natural resources
- Promoting the uptake of green products
- Redeeming the money

## BIDDING FOR CONTRACTS FROM INTERNATIONAL ORGANIZATIONS

These international organizations include; the UN, AFD, OSCE, ERBD, etc. (Statistically, the number of offers received by these procurers is lower compared to the tenders at national or regional level). Public procurement funded by international funders are a major development opportunity for enterprises: this market represents more than \$142 billion per year.



# 8. TIPS TO MAXIMIZE YOUR CHANCES OF WINNING A TENDER ABROAD



# TIPS AND TRICKS 1/4

## Be informed and proactive

- ✓ Read relevant documents related to the industry or sector or organization of interest and the country (e.g. Organizations strategy in that particular country)
- ✓ Read / understand the basic procurement rules applied for that organization or country
- ✓ Do your research on the project history, previous forecasts, future outlooks
- ✓ Respond to General Procurement Notices (GPNs), the contracting authority has to notify you when the procurement notice is out, but before that this gives you an opportunity to introduce yourself and get client's attention

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## Strategic considerations

- ✓ Consider focusing on smaller assignments awarded via Direct Selection or Selection from Shortlist first – the first contract with that corporation or organization enables you to demonstrate your excellence.
- ✓ Be selective
- ✓ Do you have any comparative/competitive advantage (e.g. expertise in a specific field or region, do you have relevant linguistic skills)?
- ✓ Level of competition? What sort of firms normally compete in and win this type of contract? (Benchmarking)
- ✓ Attend or participate in networking events in the relevant industry of interest with the right people (particularly important in regard to being considered for direct selections).

Note: Once the procurement notice is published, all communication related to the assignment shall be regulated in accordance with the RfP.



# TIPS AND TRICKS 2/4

## Strategy for winning contracts

- ✓ Particularly for competitive selection, review documents early and submit questions in writing
- ✓ Ensure you meet the minimum requirements
- ✓ Consider joining forces – consortia or subcontracting. (But be aware of particular procurement rules regarding participation in multiple EOIs/tenders)
- ✓ Check logistics (reliable translators, couriers, etc.)

## Join forces

- Be realistic! Can your company match the submission/evaluation criteria? If not, consider:
  - Consortia or subcontracting opportunities, identify potential local, regional or international partner firms to complement your firm's strengths (know-how, project references, key experts). Often local expertise is highly valued.
  - engaging external experts to satisfy requirements related to key personnel (Note, some organizations are not permitted to recommend you, nor may find / recommend subcontractors for you)

# TIPS AND TRICKS 3/4

## Try to look from the evaluators' perspective

- ✓ The key is to enable the evaluators to quickly and easily find and assess the relevant information
- ✓ Show, don't tell: Demonstrate, don't merely assert
- ✓ Consider your application from the perspective of the evaluation committee. Convince them that you are someone they can work with.

## Are you able to easily assess your firm's strengths and compliance with evaluation criteria?

Submit documents that are:

- ✓ Tailored (adapt your regular standard documents)
- ✓ Focused (all key points / evaluation criteria addressed?)
- ✓ Concise & consistent (table of content, clear structure & headlines, easy to assess, short sentences, use tables instead of running text when appropriate etc.)
- ✓ Accessible (submit one pdf-file, not many)

## Finalizing a top-notch proposal

- Check Submission Requirements in the Procurement Notice
- Give an indication of:
  - contracting parties (client, consultant)
  - your role (lead, consortium, subcontractor)
  - timeframe, value
- Focus on concrete experience

# THE BIG DONT'S TO AVOID AT ALL TIMES

- Do not submit financial offer when selection is based on quality.
- Do not add financial offer to EOI or first stage tender (unless otherwise requested) Do not include methodology or work plan (unless requested)
- Do not apply if your firm is not eligible (check eligibility clause in the notice)
- Do not include unavailable experts
- Do not submit late
- Do not communicate with the Client after publication of notice outside of regulated channels
- Do not stay silent on conflict of interest!
- Do not offer alternative solution/tender if it is not allowed.
- Do not change templates
- Do not have unrealistic budget expectations



# THANK YOU

Please register at [www.tenderio.com](http://www.tenderio.com) for more details and reach us at [info@tenderio.com](mailto:info@tenderio.com)