



The Supply Chain Network – Making Opportunities, Visible, Accessible and Winnable!

## Tender Toolkit: Resource 2 – Tender Terminology Aide Memoire

This Aide Memoire provides some of the more commonly used terminology to help you navigate your way through a tender process.

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### A

**Added value:** from a buyer's point of view, added value is about how to acquire more products or services for the buyer's budget. From a supplier's point of view, added value is about how to differentiate yourself from your competition by offering buyers products or services which are perceived to be without cost (e.g., by including innovation, or excellent service beyond the norm).

**Alcatel:** (also known as [Standstill Period](#)) A period that buyers must leave (at least 10 days) between a contract award decision and the formal award of the contract. This time allows unsuccessful bidders the opportunity to obtain more information about the award of the contract so they can take appropriate action if they believe they have been unfairly treated.

**Alternative bid:** An offer that is alternative to the specified tender requirements. The offer will be different to what is being asked for in the tender procedure. Often the alternative bid will provide cost and/or performance advantages or benefits over the stated requirements. Also known as [variant bid](#).

**Award criteria:** A list of key criteria or requirements which will inform the decision to award the contract.

### B

**Benchmarking exercise:** A process where a buyer wishes to gauge market price for supply of a defined product or service. The buyer will release a tender to gain the required data rather than to award a contract. A buyer may use benchmarking to set pricing parameters for a forthcoming contract or to drive down an incumbent's pricing.

**Bid:** A formal response by the supplier to a buyer's [Invitation to Tender](#). The bid will commit to deliver goods or services at a price specified by the buyer and will also show how the supplier will deliver the tendered contract requirement.

**Bidders' event:** An event within a bid timetable hosted by the buyer for bidders to attend. During the event, bidders will find out more about the requirement, the buyer



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and the buyer's needs. These events should not be missed since they also present a useful opportunity to identify the competition.

**Bid Management:** A supplier's process for managing the governance, production and submission of their bid, including managing those involved in the bid (i.e., bid writers, administrators, reviewers, estimator/cost modeller etc.). An effective Bid Manager maintains momentum and commitment across the bid timeline, overseeing outputs and identifying bottlenecks or issues that may present problems in information requirements, bid writing, pricing or timely production/submission of the bid.

## C

**Case study:** An example provided by a bidder in their bid to describe their experience, capability and success in the context of working with a defined previous customer. Case studies are powerful tools to gain marks in responses. They provide evidence which tells the evaluator that they can do (and have done) what they say they do – and with great results for the buyer (as evidenced by data in the case study), including problem solving for a buyer. Case studies used in bids should reflect experience with a client whose needs were similar to those required by the buyer who is the subject of the tender. They should show recent delivery, no further back than 3 years.

**Clarification question (CQ):** A question asked by a bidder to gain greater clarity on any aspect of the tender process or specified requirement. CQs must always be asked clearly, succinctly and anonymously via the process specified in the tender documents. They must be asked before the CQ deadline identified in the procurement timeline (also within the tender documents).

**Closing date:** Also known as the deadline for submission. This is the date and time that a tender submission needs to be delivered and received. Tenders submitted after this date might not be considered in the competition.

**Commissioner:** The buying organisation overseeing the tender process (i.e., buyer).

**Common Procurement Vocabulary (CPV) codes:** Codes used to describe an item / service being purchased. The codes provide a standardised 'vocabulary' to help identify, consistently and correctly find tenders by generically describing products or services.

**Conditions of contract:** Documented rights and obligations that the contracting parties (buyer and supplier, and supplier's sub-contractors) will follow when a contract is awarded.

**Contract:** A binding agreement between the buyer and supplier of specified goods and/or services.

**Contract award:** The point at the end of the competition following evaluation, when contracts are awarded to the winner of the tender competition.



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D

**Deliverables:** (Also known as statement of work or statement of requirement)  
Deliverables are usually detailed in the specification of the approach to market documentation and are linked to details.

**Differentiator:** A factor that makes one bidder advantageously different from another. Differentiators are used to show the benefit(s) that one supplier can provide to the buyer – benefits that other suppliers cannot offer.

E

**E-auction:** A reverse auction process sometimes used at the end of a procurement where bidders are required to submit their price online against competitors who are also submitting prices. Prices will drop during the auction's timeline to give the buyer ultimately the cheapest deal.

**E-procurement:** Cloud-based solutions for conducting purchases of goods and/or services electronically.

**Electronic tendering /e-tenders:** An electronic tendering solution facilitate the entire tendering process from the announcement of requirements to placing the contract awards. This includes all required documents in an electronic format.

**EOI (Expression of Interest):** A process through which suppliers indicate to the buyer that they are interested in participating in the tender.

**Evidence:** Where a tender requires bidders to submit evidence, this can be in the form of a [case study](#) or examples relating to the question (including submission of a policy or accreditation details)

F

**Feedback:** An essential part of the tender process after contract award where both winning bidders and unsuccessful bidders can find out more about how the buyer evaluated their bid, in particular strengths and weaknesses of specific responses. This is a key learning process which helps bidders understand what buyers perceive as weaknesses that lower the bidder's score so that they can improve responses in future bids. The seeking of feedback should be a fundamental part of any business' bid process.

**Framework Agreement:** An agreement where a range of suppliers for the same product/service are pre-selected through a competitive tendering process. Thereafter as and when the buyer requires supply, suppliers on the framework will be invited to quote.



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G

Goods: Any physical/tangible item.

Governance: The framework of authority and control within an organization and establishment and implementation of policies and procedures.

H

I

Incumbent: The existing supplier of a contract.

Invitation to Tender (ITT): A formal, structured invitation to suppliers to [bid](#) to supply products or services within a specified timeframe within a competitive process. Also called [Request for Tender](#).

J

JV (Joint venture): Normally a business entity created by two or more parties with the purpose to achieve a specific task, such as win a tender, PFI, PPP and so on.

K

Key Performance Indicator (KPI): A performance standard documented within the tender documents that the successful bidder will be required to meet during delivery of the contract. Penalties may be in place if the standard is not met. Any penalties will also be documented in the tender documents and it is essential that bidders understand these before committing themselves to the contract as non-attainment penalties can be costly.

Kick-off meeting: An essential meeting held shortly after release of tender documents, attended by all parties who will be contributing to the bid. This meeting is chaired by the [Bid Manager](#). It is the starting point of the bid and is likely to determine how strong the bid will be. During the meeting key issues are discussed, including:

- Bid timetable.
- Confirmation and agreement of commitment, roles and responsibilities for the bid.
- Resource availability.
- The buyer's key challenges, pain points and requirements of the future supplier.
- Strengths / weaknesses from past similar bids and how to highlight appropriate strengths and overcome weaknesses in this bid.



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- Competition strengths / weaknesses.
- Questions within the tender that require extended responses.
- Relevant [case studies](#) / evidence (e.g., [testimonials](#)) to include.
- Allocation of writers and [reviewers](#) for each question / response requirement.
- [Win themes](#).
- Initial [clarification questions](#) that need to be raised and clarification deadline.

L

M

MEAT (Most Economically Advantageous Tender): (Also known as Best Value offer) A process where the tender that offers the best value for money will be selected. Note, this is not necessarily the cheapest, bearing in mind lifecycle of product, innovation, service excellence etc.

N

O

Offer: Same as [bid](#).

OJEU: Official Journal of the European Union. This is a publication where all tenders from the public sector with value above threshold were published until 31<sup>st</sup> December 2020 (Brexit). Thereafter higher value tenders are published in <https://www.gov.uk/find-tender>.

P

Preferred supplier list (PSL): A list of suppliers that the buyer has specified to be of interest for purchase of a specific product/service.

Pricing schedule: a key document among the tender documents, often presenting as an Excel spreadsheet. Bidders should always check these through early as they can contain calculation errors or may not align with the specification. In such instances, clear [CQs](#) should be raised as a priority.

Procurement: The process of obtaining good and/or services from an external source, usually through a tendering or bidding process. This includes determining requirements of the acquisition, selecting suppliers, award selection and other related functions.



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**Proposal:** A sales document that is written by a supplier for a buyer's consideration and (unlike a bid) without formal instructions. Other suppliers may or may not be submitting competing proposals.

**Q**

**Quotation:** A bid submitted in response to a request for quotation from a contracting authority.

**R**

**Review:** An essential process where a drafted bid response is read by a 'critical friend' (this can be a colleague or external bid consultant) to assess:

- Relevance to a question's requirement (does it answer the question fully, including all component parts of the question?).
- Compliance with the question's instruction (e.g., command words (describe / explain etc; word count; font/font size; page count etc.).
- Close alignment with the buyer's [specification](#) and stated requirements – including any late-arising requirements that may have been brought about by [CQs](#).
- Inclusion of high levels of relevant detail, including evidence ([case studies](#), [testimonials](#), data etc.).
- Appropriate writing style:
  - Does the response structure mirror the question structure (e.g., part a) b) etc.)?
  - Is the writing style consistent with other responses so they all read as though written by the same person?
  - Is an appropriately formal writing style adopted?
  - Has attention been paid to spelling, punctuation and grammar?

**RFT (Request for Tender):** A formal, structured invitation to suppliers to submit or bid to supply products or services within a specified timeframe. Also called [Invitation to Tender](#) (ITT).

**RFP (Request for Proposal):** Is submitted in an early stage in the procurement process and is commonly used when it is required technical expertise, specialized capability, or in some cases where the product or service requested do not already exist and must be developed.

**RFQ (Request for quotation):** Similar to [ITT](#) but greater focus on price.

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**RFI (request for information):** Typically occurs during a planning phase, where suppliers are invited to provide details about their proposed solution for the opportunity.

**Restricted procedure:** A procurement which limits the Invitation to Tender to a selected number of suppliers.

## S

**SLA (service level agreement):** An agreement between two or more parties where one party is the customer and the other party is a supplier delivering a service.

**SMEs (small and medium sized enterprises):** Businesses with less than 250 employed people, with a turnover of less than €50m.

**Specification:** A key document among the tender documents which describes the buyer's requirements from the bidder/future supplier. Bidders should always rely on the tender's specification to inform the basis of their responses.

**Standstill period:** See [Alcatel](#).

**Supplier:** A person or organization responsible for delivering goods or services that meets the buyer's requirements for supply within a specified time and duration.

**Supplier Questionnaire (SQ, formerly PQQ, Pre-Qualification Questionnaire):** A questionnaire for suppliers to complete at the early stage of tendering procedure to help buyers shortlist the number of suppliers.

## T

**Tender / tendering:** The process of bidding for work or contracts. Buyers seek the best price or value for money from a selection of prospective suppliers. The whole process is done by competitive tendering and involves an [Invitation to Tender](#).

**Term (contract term):** Duration of the contract from contract start date until the end date.

**Testimonial:** A quote used by a bidder's existing / past client which evidences that client's satisfaction with the supplier. Alongside [case studies](#), testimonials are powerful tools to use as evidence that the bidder does what they say they do to the client's satisfaction. They therefore provide a level of assurance to the tender's evaluator which can raise marks in a response.

## U



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V

Variant bid: Complies only with the basic requirements selected for the awarding contract. Two bids can be submitted in the competition, one with exact match of the criteria and one 'variation'. This opens the chances of winning and innovation.

Vendor: Same as [supplier](#).

W

Win theme: A key message running as a 'golden thread' throughout your bid response that will resonate with the buyer. Win themes form powerful focussed messaging that will remain in evaluators' minds as positive messages about a bidder – messages that make them stand out as a winning bidder.

X

Y

Z

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