



Tender, bid & proposal types: a quick guide for service businesses

What are the different types of 'tender', 'proposal' or competitive evaluation processes and opportunities for services businesses and, more importantly, what do all those different acronyms RFP, RFT, EOI and so on mean?

Here is JMA's quick guide to the world of competitive procurement.

'Types' of tenders, bids & proposals

In addition to the generally well-understood terms 'tender' and 'proposal' or 'Request for Tender' (RFT) or 'Request for Proposal', it is important to note that there are both 'open' and 'closed' processes, and then variations within each that can apply to services procurement.

'Open' or public tenders & proposals

An open tender is just that, open to anyone.

Generally advertised (though not always widely) through government websites, paid tender alert subscription services, in media or trade journals, they invite anyone to submit a tender.

Open tenders are most likely to be issued by government or government entities who seek competitive proposals due to probity needs (e.g. the need to seek three quotations prior to selection) to demonstrate the most suitable provider was selected.

'Closed' or invitation-only tenders and proposals

As the name suggests, 'closed' tenders involve only selected bidders. Those invited have been pre-qualified in some way – perhaps by successfully making it through round one of an Expression of Interest (EOI), or by being invited based on an existing relationship or reputation.

Closed tenders are most likely to be found in the private sector.

Other names for professional services tenders, bids & proposals

Some of the newer variant names for services 'tenders' include:

Unsolicited proposal

Businesses may have services they want to sell directly to government, whether the government has requested them or not.

A famous and controversial unsolicited proposal example is the Barangaroo complex and casino in Sydney.

Most state and territory governments (except Tasmania and Western Australia) have now provided guidelines for unsolicited proposals.

In NSW, unsolicited proposals have become a bigger strategy in some sectors (engineering, construction and infrastructure) ever since Barangaroo was approved.

Unsolicited proposals can address community needs, encourage private investment and drive innovation.

They're tricky to pull off though, as the main requirement to pass muster is 'uniqueness'. It can be very difficult to position your offering as unique.



Application for inclusion (AFI) or Request for Registration of Interest (ROI)

AFIs and ROIs are very similar to tenders, and have many similar compliance requirements. However, it's better to think of AFIs and ROIs as the first part of what can be a two- or three-stage process.

Successfully completing an AFI or ROI generally gets you onto a pre-approved supplier list that consumers (e.g. government agencies) can then shop from.

Some recent good examples include the Australian Government's 'Whole of Government Procurement arrangements which generally result in overarching contracts or panel arrangements.

Once you've completed the application or registration process, been approved as meeting the conditions and have your place on the list, to some extent it's up to your business what you make of it.

You need to attract positive attention around what it is you do, and build relationships with the relevant purchasers.

You'll most likely then need to provide responses for the next phase which may be, as in the case of the Commonwealth Government, a 'Request for Quote'.

Request for Quote (RFQ)

Generally issued for a specific project or discrete bundle of services RFQs can involve as much work as tender, but focus on more granular questions requiring detailed responses.

RFQs are typically used when an organisation (e.g. a government agency) has already fully scoped and decided what service solution it wants for a project, or what sort of volume is on offer, and needs to rapidly obtain very specific details and (perhaps most importantly) competitive pricing from a range of potential service providers.

Request for Information (RFI) or Expression of Interest (EoI)

An RFI or EoI is issued when a consumer wants to scope and gather information about a specific firm or market, and is often an intelligence-gathering exercise that will inform a future tender or proposal request.

Get in touch and find out how more about how we can help you win more tenders, bids & proposals.

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