



# **Tender Process Good Practice Guide**

OEUK Supply Chain Principles

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# Introduction | Tender Process Good Practice Guide

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OEUK's [Supply Chain Principles](#) were written by industry for industry and describe what good procurement practice looks like. To encourage adherence to the principles, a working group has been established focused on the fair balance of risk and reward with the aim of identifying and publishing good practice for the benefit of the energy industry.

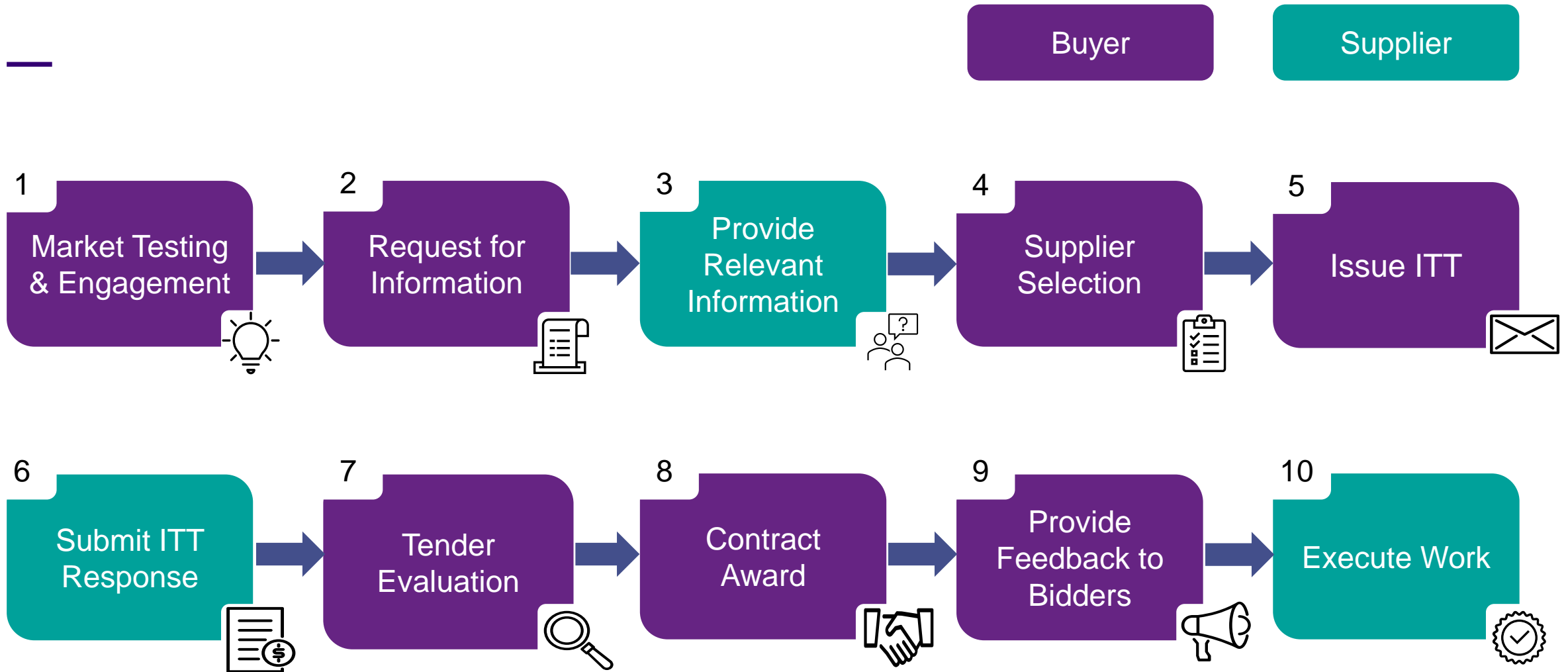
The objective of this document is to support the effective management of tendering activity, ensuring consistency in managing the bidding process, whereby 'risk' and 'cost' are borne appropriately and are proportional to the work scopes; and the opportunity for good performance should benefit all parties.

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# Glossary

1	Request for Information (RFI)	An invitation to selected suppliers and/or potential suppliers to provide information about their business, capabilities, certifications and their ability to provide the products or services, the subject of the RFI, seeking to pre-qualify potential suppliers.
2	Expression of Interest (EOI)	A formal communication where the supplier notifies their formal interest to bid for a project or contract
3	Prequalification	A robust preliminary assessment process for identifying a list of prospective suppliers to invite to tender
4	Request for Quote (RFQ)	An invitation to a bidding process to quote on specific products or services. Often used for transactional requirements when pricing and lead-time is identified as the main differentiating criteria between potential suppliers.
5	Invitation to Tender (ITT)	May also be called a Request for Proposal (RFP). An invitation to a bidding process to submit a proposal on products or services. The ITT will often have more complex scopes of work than an RFQ and result in a contract award for the successful bidder.
6	Tenderer	May also be called Bidder. A Company or Individual who is invited to submit a proposal by the Buyer/Purchaser for goods or services in a competitive tendering process
7	Buyer	May also be called Purchaser. A Company or Individual who issues an Invitation to Tender for Goods and Services to a Tenderer/Bidder and will undertake the evaluation of submissions and award a contract

# Tender Process



Note: These guidelines are centred around the ITT process and will vary when applied to another process i.e. RFQ.

# Market Testing & Engagement

Buyer Good Practice	Risk & Reward
Meet with vendors, be honest if there is an opportunity for business	<ul style="list-style-type: none"> <li>It helps foster open and honest business relationships</li> </ul>
Utilise prequalification systems	<ul style="list-style-type: none"> <li>Information is readily available</li> <li>This will save each party time</li> <li>Ensures data is in a consistent format</li> </ul>
Evaluate and test contract commercial models through engagement with potential tenderers	<ul style="list-style-type: none"> <li>Ensures the commercial model is appropriate for the risk and reward related to the scope of work</li> </ul>
Host scope definition and engagement sessions	<ul style="list-style-type: none"> <li>Provides consistent messaging to all tenderers</li> <li>Provides clarity to all tenderers on what buyer is looking for</li> </ul>
Provide visibility of forward work plans  Pathfinder / Share Fair event / Buyer hosting Supplier Days	<ul style="list-style-type: none"> <li>Enables suppliers to plan for tendering activity and ensure availability of resources</li> </ul>

Supplier Good Practice	Risk & Reward
Aim to establish relationships be patient and understanding to potential time delays by the buyer	<ul style="list-style-type: none"> <li>Gives both parties opportunity to gather information of future work plans</li> <li>Suppliers don't become a perceived nuisance to buyers</li> </ul>
Select correct product codes in prequalification systems	<ul style="list-style-type: none"> <li>Provides visibility to buyers on the supplier's products and services available</li> </ul>
Be transparent about what you do	<ul style="list-style-type: none"> <li>This will ensure buyer and supplier time is not wasted</li> <li>Builds a relationship on trust and competence</li> </ul>
Seize opportunities with buyers who offer engagement sessions to further build relationships	<ul style="list-style-type: none"> <li>Provides clarity to all tenderers on how the buyer works and what they are looking for</li> </ul>
Encourage buyers to submit and update forward work plans and participate in Share Fair events	<ul style="list-style-type: none"> <li>Enables suppliers to plan for tendering activity and ensure availability of resources</li> </ul>

# Request for Information (RFI)

Buyer Good Practice	Risk & Reward
Don't request information that is already in prequalification systems	<ul style="list-style-type: none"> <li>Information is readily available</li> <li>This will save each party time</li> <li>Ensures data is in a consistent format</li> </ul>
Evaluate and test technical capability and contract commercial models through engagement with potential tenderers	<ul style="list-style-type: none"> <li>Reduce effort for potential tenderers who do not meet buyer requirements at an early stage rather than engaging in a full tender which utilises significant resource and cost</li> </ul>
Provide clear headings and guidance for what information you need	<ul style="list-style-type: none"> <li>Ensures data is in a consistent format</li> <li>Encourage bidders to be more concise</li> <li>Will allow for simpler reviews</li> </ul>
Be clear about the appraisal process and timelines through the provision of a procurement timeline at the earliest opportunity. Keep Bidders informed of any changes to the timeline or delays in the procurement process.	<ul style="list-style-type: none"> <li>To confirm whether a timeline between RFI and ITT exists.</li> <li>This will ensure bidders are ready for a potential ITT and reduce delays or requests for extensions</li> </ul>
Meet your deadlines	<ul style="list-style-type: none"> <li>Be considerate of tenderers own time and resources</li> <li>Tenderers may have their own internal gates or processes to follow</li> </ul>

Supplier Good Practice	Risk & Reward
Use appropriate pre-qualification systems, ensure information is complete and up to date.	<ul style="list-style-type: none"> <li>Build confidence in the prequal systems</li> <li>Maximise your investment</li> <li>Reduce requests for clarifications or additional information.</li> </ul>
Answer the questions posed	<ul style="list-style-type: none"> <li>The client has given due consideration to how they wish to contract.</li> <li>Be respectful of that or understand that non-compliance will result in your RFI being rejected.</li> </ul>
Respond using the guidance provided and give the information requested.	<ul style="list-style-type: none"> <li>To make the appraisers evaluation process simpler</li> </ul>
Don't pursue a client if the deadlines haven't yet passed and be mindful of the timelines published by the buyer for the publication of the next stage (ITT).	<ul style="list-style-type: none"> <li>The Buyers timeline can often change during a procurement exercise therefore be patient and understanding when awaiting response or feedback.</li> </ul>
Meet your deadlines and ensure bids are submitted in plenty of time before the submission deadline	<ul style="list-style-type: none"> <li>Avoid asking for an extension unless there are special circumstances that merit</li> </ul>

# Invitation to Tender (ITT)

Buyer Good Practice	Risk & Reward
Make the tender documents easy to follow and be clear on the selection and award criteria	<ul style="list-style-type: none"> <li>To ensure consistency in understanding what tenderers are to submit</li> </ul>
Provide adequate time to bid that is proportionate to the size and complexity of the requirement	<ul style="list-style-type: none"> <li>Be considerate of tenderers own time and resources</li> <li>Quality of submissions is paramount to ensure fair evaluation</li> </ul>
Provide a point of contact for clarifications and keep a log of clarifications	<ul style="list-style-type: none"> <li>Consistency of responses channelled through one focal point</li> </ul>
Include the contract terms and any amendments to any clauses or terms contained within a standard form contract	<ul style="list-style-type: none"> <li>Tenderers need to consider any specific terms in their proposal e.g. a change to 30-day payment terms would require finance to be factored into their pricing</li> </ul>
Include timelines of evaluation period, anticipated date of award and commencement of contract/work	<ul style="list-style-type: none"> <li>Tenderer has clear insight into what Buyer is planning and be respectful of timelines</li> <li>Allows Tenderer to plan resources for successful contract award</li> </ul>
Provide high level evaluation criteria as a minimum	<ul style="list-style-type: none"> <li>Helps make it clear to the tenderer what is most important to the buyer</li> </ul>
Consider allowing suppliers flexibility to submit alternative bids	<ul style="list-style-type: none"> <li>Better alternative solutions may be available</li> </ul>

Supplier Good Practice	Risk & Reward
Make the submission documents easy to follow	<ul style="list-style-type: none"> <li>Submitting documents in the correct order makes tender evaluation easier for the buyer</li> </ul>
Respond within notified time of intention to submit bid	<ul style="list-style-type: none"> <li>The buyer needs to know whether you intend to bid</li> </ul>
If an extension is required, ask for it at the start of the ITT process	<ul style="list-style-type: none"> <li>Allows Buyer to plan a change to the timeline and resource requirements.</li> <li>Fair for all bidders to play on an even playing field</li> </ul>
Provide response information in the requested format. Do not deviate.	<ul style="list-style-type: none"> <li>Evaluation is simpler for buyers</li> <li>Ensures responses are submitted in a consistent format</li> <li>Responses can be easily compared</li> </ul>
Take time to understand the contract, especially scope; scope exclusions & grounds for variations; schedule and payment criteria and principles.	<ul style="list-style-type: none"> <li>Full understanding of what is being contracted – tender for what is asked</li> <li>Clear understanding of payment terms and responsibilities</li> <li>Queries on technicalities to be responded to before contract awarded</li> </ul>
Clearly identify alternative solutions or value-added products and services for Buyer awareness and consideration	<ul style="list-style-type: none"> <li>Collaboration with the successful tenderer will benefit the supply chain</li> <li>Tenderers can tailor their responses to complement the work being done by Buyers</li> </ul>

# Tender Period

Buyer Good Practice	Risk & Reward
Respond to any clarifications in a timely manner and share clarifications with all bidders	<ul style="list-style-type: none"> <li>Ensures all bidders are on a level playing field and are bidding using the same set of information</li> </ul>
Provide every bidder with the same timeline, and notify if timelines are extended	<ul style="list-style-type: none"> <li>Provides transparent communication to the bidders</li> <li>Provides sufficient time for each bidder, working towards a fair and reasonable timeline.</li> </ul>
Record of changes to specifications or terms and conditions which are major changes, must always be notified to tenders” and create clarification log which details and tracks all clarifications issued and details changes to ITT documents (including the specification).	<ul style="list-style-type: none"> <li>To give each bidder the same opportunity to review or amend their bid should scope or terms be changed.</li> </ul>

Supplier Good Practice	Risk & Reward
Provide sufficient notice of a tender extensions request	<ul style="list-style-type: none"> <li>Be honest from the outset if the deadline will be difficult to meet</li> <li>The buyer may be restricted to a firm schedule and will need to review whether an extension can be granted to all bidders</li> <li>Last minute extension requests are not fair on the other bidders working to the same timeline</li> </ul>
Respect the notification and award timeline	<ul style="list-style-type: none"> <li>To be respectful and wait for decision dates before chasing for an answer.</li> </ul>



# Tender Evaluation

Buyer Good Practice	Risk & Reward
Give constructive feedback to all bidders with commercial information being omitted.	<ul style="list-style-type: none"> <li>▪ Allows tenderers to understand quality of bid submitted</li> <li>▪ Allows tenderer to review capability and improvements required for future opportunities.</li> <li>▪ Perhaps worth mentioning timescales for the providing feedback e.g. and provide within a reasonable timescale.</li> <li>▪ This section could be expanded to cover fair and equal treatment of Bidders, albeit this could be considered more essential than good practice.</li> <li>▪ Buyer should allow sufficient time for the evaluation stage to ensure this is not rushed.</li> </ul>
Timely communication with bidders once contract has been awarded	<ul style="list-style-type: none"> <li>▪ Keeps tenderers fully informed of the process and gives them the opportunity to request the debrief</li> </ul>

Supplier Good Practice	Risk & Reward
Give tender process feedback	<ul style="list-style-type: none"> <li>▪ Allows Buyer to review internal tender process to see if improvements required when issuing ITTs in future.</li> </ul>
Respect the evaluation, notification and award timeline	<ul style="list-style-type: none"> <li>▪ To be respectful and wait for decision dates before chasing for an answer.</li> </ul>
Share buyer feedback and lessons learned within your organisation	<ul style="list-style-type: none"> <li>▪ Ensure colleagues are aligned with the feedback provided for future tender opportunities</li> </ul>
Do not request feedback on any commercial information relating to the ITT	<ul style="list-style-type: none"> <li>▪ Buyers have a duty to protect the commercial information submitted as part of an ITT and cannot share with other bidders any commercial information relating to ITT submissions</li> </ul>

# Contract Award

Buyer Good Practice	Risk & Reward	Supplier Good Practice	Risk & Reward
<p>Prepare for and host a good kick off meeting, include "get to know you". Share expectations.</p>	<ul style="list-style-type: none"> <li>▪ Build a spirit of teamwork and cooperation.</li> <li>▪ Prevent future misunderstanding due to wrong expectations.</li> </ul>	<p>Prepare for and attend kick off meeting. Share expectations.</p>	<ul style="list-style-type: none"> <li>▪ Build a spirit of teamwork and cooperation.</li> <li>▪ Prevent future misunderstanding due to misaligned expectations.</li> </ul>
<p>Take time to understand the contract, especially scope; scope exclusions &amp; grounds for variations; schedule and payment criteria and principles.</p>	<ul style="list-style-type: none"> <li>▪ Set expectations</li> <li>▪ Clear understanding of payment terms and responsibilities</li> <li>▪ Queries on technicalities</li> </ul>	<p>Take time to understand the contract, especially scope; scope exclusions &amp; grounds for variations; schedule and payment criteria and principles.</p>	<ul style="list-style-type: none"> <li>▪ Set expectations</li> <li>▪ Clear understanding of payment terms and responsibilities</li> <li>▪ Queries on technicalities</li> </ul>
<p>Agree rules of engagement.</p> <p>Key stakeholders to be identified</p> <p>Agree exit strategy</p>	<ul style="list-style-type: none"> <li>▪ Build relationships early</li> <li>▪ Agree engagement on how to resolve issues and potential contentious points before they arise, as it is difficult to do so once a dispute occurs, and impossible if things go seriously awry.</li> <li>▪ Clear understanding for both parties on how each will exit the contract, either by termination or at natural expiry</li> </ul>	<p>Agree rules of engagement.</p> <p>Key stakeholders to be identified.</p> <p>Agree exit strategy</p>	<ul style="list-style-type: none"> <li>▪ Build relationships early</li> <li>▪ Agree engagement on how to resolve issues and potential contentious points before they arise, as it is difficult to do so once a dispute occurs, and impossible if things go seriously awry.</li> <li>▪ Clear understanding for both parties on how each will exit the contract, either by termination or at natural expiry</li> </ul>
		<p>Fulfil additional document submission requirements on or shortly after award (i.e. HSEQ, Quality Plan etc)</p>	<ul style="list-style-type: none"> <li>▪ Bidders must have information it needs to start work.</li> <li>▪ Either or both parties may need relevant guarantees identified in the contract</li> </ul>

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