



WINNING IN CONSTRUCTION

TIPS ON PREPARING A WINNING TENDER

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ABOUT THE RDA

BACKGROUND

The Virgin Islands Recovery and Development Agency (RDA) was established in 2018 by the Government of the Virgin Islands as a transparent and accountable specialist project implementation agency to respond to the unique challenges faced by the Territory following the extreme weather events of 2017. The RDA is a statutory body, set up under Virgin Island's legislation, that works hand in hand with Ministries to deliver projects under the Recovery to Development Plan (RDP) – the Government's ambitious plan for recovery and development that has been approved by the House of Assembly.

MANDATE

The RDA's mandate covers three areas: **PROJECT DELIVERY, FUNDRAISING, and CAPACITY BUILDING.**

PROJECT DELIVERY

The RDA delivers the programmes and projects set out in the revised Recovery to Development Plan through:

- Effective good governance of the RDA;
- Careful management and development of our staff;
- Efficient business process within a culture of continuous improvement; and
- Transparent and efficient procurement demonstrating Value for Money (VFM) in accordance with international best practice

FUNDRAISING

The overall recovery and development programme of the RDA is funded by a combination of grants from the Government of the Virgin Islands, the UK Government and private funders.

The RDA raises funds to augment Government's commitment to the recovery process and provides opportunities for the public to participate in this process. Our fundraising process is transparent, we are accountable to our donors and responsive to their requests.

CAPACITY BUILDING

The RDA exposes technical students to the industrial environment and provides recent graduates with the opportunity to gain real work experience as interns and trainees.

Our Procurement Department hosts regular workshops to educate contractors, consultants, and suppliers on crucial areas of the procurement process and to improve their capacities to effectively respond to tender opportunities. We also facilitate on-demand one-on-one training with contractors.

VISION STATEMENT

This vision is for the BVI to become a model for building stronger, smarter, greener and better, fostering a vibrant and innovative economy, cohesive and empowered society, nurtured and sustainable environment, resilient infrastructure, good governance and a high quality of life for all.

MISSION STATEMENT

Working with the Government of the Virgin Islands, the Recovery and Development Agency will raise investment to implement the recovery and development of the Virgin Islands, delivering value for money and developing national capacity, in order to realize the vision of the RDP.

OBJECTIVES

To ensure that suppliers, contractors, and consultants understand the procurement system as well as their responsibilities and obligations in the procurement process.

To ensure that domestic suppliers, contractors, and consultants are provided with adequate knowledge of preparing a response to a tender/bid.

CORE PRINCIPLES

Accountability in procurement holds all participants responsible for abiding by the rules. The system ensures that all participants are subject to investigation and to sanction, if appropriate, for breaching those rules.

Competition: Potential providers (suppliers, contractors and consultants) compete in an environment that allows all eligible providers of goods, works and services to participate in the procurement process.

Economy in procurement ensures that the purchaser/buyer receives the best value for money. Effective procurement will support continued economic growth within the Virgin Islands.

Efficiency in procurement practice means that the most favourable results for the purchaser are achieved with the least effort and resources. This is achieved by having clear and unambiguous procedures which are understood and practiced by all participants in the process, thereby ensuring that they understand the need to maximise results with the least expenditure.

Fairness in procurement means that all suppliers, contractors and consultants are provided with the same information to compete. It also means that decisions which are taken regarding the award of contracts are impartial, unbiased, consistent and able to stand up to public scrutiny. All interested providers compete on a “level playing field”. This ensures the continuing interest of providers in participating in RDA’s procurement opportunities.

Integrity of the RDA procurement system is ensured when all participants adhere to established codes of conduct, values, and ethics.

Transparency in RDA’s procurement process means that the process is subject to public scrutiny and that opportunities are built into the process to allow aggrieved providers due process through a complaints and appeals mechanism.

Value for Money (VFM) is defined in this context as a measure of economy and efficiency where financial resources are converted to obtain the maximum benefit from the least possible investment. Therefore, VFM presents the optimum combination of life-cycle costs and benefits of the item being procured. VFM means that GOVI will obtain the best available outcome considering all relevant costs and benefits over the life of the purchased product.

Capacity Building is a key tenet to the recovery from the devastating natural disasters of 2017. All procurement decisions should ensure that they will build capability and capacity within the Virgin Islands to promote economic growth and

sustainability delivering a more resilient community capable of dealing with the unforeseen disruptive shocks of the future.

Innovation will support the growth of the BVI economy assisting in diversification and professionalizing of the industry. Welcoming and encouraging innovation in tendering and construction throughout the procurement process will maximise the opportunity created by the devastating 2017 storm season.

Climate and disaster resilience must form part of every procurement decision. Investment that has the capability to withstand, prevent, adapt to or rapidly recover from disruptive challenges will deliver a BVI which is stronger in the face of adversity. This will include the 4 approaches to improving systemic resilience:

Resistance. Preventing damage or disruption by strengthening or protecting outputs.

Reliability. Designing assets and programmes to operate under a range of conditions.

Redundancy. Making backup installations or spare capacity available in networks and systems to enable operations to be switched or diverted.

Response and recovery. Understanding the weaknesses in networks and systems and have arrangements in place to respond quickly to restore services.

TABLE OF CONTENTS

1. ORGANIZE YOUR AFFAIRS!	8
2. CAN MY FIRM DO IT ALONE?	9
4. Scrutinize the ITB/ ITT/RFP.....	11
5. Preparing the Bid/Tender.....	12
6. Key areas to consider to meet the technical requirements.....	14
 FIRST ORDER OF BUSINESS!	14
Determine all the documents which are required to complete the bid/tender!!!.....	14
If not included in the Client's bid document, develop a checklist of all the documents required and comply with that checklist!.....	14
KEY AREAS TO CONSIDER	15
7. Common errors in Bidding	19
8. Financial Management Considerations	21
9. Project Management	22

1. ORGANIZE YOUR AFFAIRS!

The first step to being a successful contractor or small business owner is for you to put your affairs in order!

- If you are operating under a business name, you should ensure it is properly registered. It is advisable that you maintain a separate bank account for your business.

BIGGEST MISTAKE MOST SMALL CONTRACTORS AND BUSINESS OWNERS MAKE!!!

Using their personal bank account for both personal and business use - buying beers for the boys, weekly groceries, depositing business funds and paying workmen!

- Are your taxes and that of your workers up to date? It is HIGHLY UNLIKELY that the government will do business with you if their records indicate that you owe taxes.

You should be in Good Standing with:

- ✓ *Social Security Board*
 - ✓ *Inland Revenue Department*
 - ✓ *National Health Insurance*
 - ✓ *your Trade License should be valid*
- Focus on your area of expertise and look for suitable persons who can assist with typing and compiling the tender/bid in accordance with the requirements. Find the right people to do your Gantt Charts, Bills of Quantity, Method Statements etc.
 - Do you have the right tools and equipment for the jobs you want to do? You should ensure that you have the essential construction tools and equipment.

2. CAN MY FIRM DO IT ALONE?

- As much as you want your firm to bid alone on a project in order to be awarded the contract, it might just be in your best interest to find a suitable business partner to enter into a joint venture arrangement with so that you increase your chances of winning that government contract.
- **However, be careful!** Some contractors and small business owners have bitter memories of losing monies or not being paid after they entered **VERBAL** arrangements to bid on a project together with their long-time friends/business partners and then the relations between them deteriorated.
- The safest thing to do is to enter a legal joint venture arrangement with your business partner where both of you sign documents and everyone is aware how the profits will be divided as well as the frequency of the payments if you are collectively awarded a government contract.

3. KEY BENEFITS FOR CONTRACTORS TO FORM JOINT VENTURES

- **Enhanced Skills:** Joint ventures pool the specialized skills and knowledge of multiple contractors, enabling them to tackle complex projects more effectively.
- **Diversified resources:** Contractors can share financial and technological resources, reducing individual risk while increasing the capacity to take on larger and more diverse contracts.
- **Expanded capacity:** Joint ventures allow contractors to handle larger works, meeting demands for scale and efficiency in projects.
- **Knowledge Transfer:** Collaborating contractors can learn from each other's best practices, fostering innovation and improving overall project execution.
- **Complementary Strengths:** Joint ventures leverage each partner's strengths, combining technical prowess, past performance, and industry relationships for submitting stronger bids/proposals.
- **Access to New Markets:** Collaboration facilitates entry into new geographic markets, broadening the potential for additional contracts and business growth.

4. Scrutinize the ITB/ ITT/RFP

- Get a copy of the detailed [Tender/Bid Document](#) or [Request for Proposal](#) documents **EARLY** and scrutinize them. The earlier you know about the business opportunity [and start working on it](#) the better for you. This means that you will have more time to prepare a winning tender/bid.
- Do not be discouraged when you see the size of the bidding document and the information it requires for you to submit. *The truth is: as a small business owner or contractor, you have to invest your time in getting to know the requirements in order to succeed.* 🎯
- *Seek clarifications in writing* if the bid/proposal documents are unclear, contain errors or appear to be contradictory. **Remember there may be a cut-off date for requesting clarifications!**
- Determine how you will match the [technical, skill and experience requirements](#) for the job and start organizing your information. You must demonstrate that you have the resources to do the work in a cost-effective way to meet the client's needs.
- Estimate the cost of fulfilling the contract for the job and whether or not it would affect your current jobs, staffing and ability to make enough **MONEY** 💰 💰 \$\$\$ to justify it. *IF YOU KNOW YOUR RESOURCES ARE STRETCHED BECAUSE OF MULTIPLE JOBS, JUST LET THAT BUSINESS OPPORTUNITY GO! Skip that one!!!*
- Remember that **Value for MONEY** and not price alone determines the winning tender/bid.

5. Preparing the Bid/Tender

If the bidding process requires that you first pre-qualify, get a copy of the pre-qualification document early, and make sure you meet ALL the requirements.

- *Follow the Invitation to Bid or Request for Proposal instructions to the letter* including ensuring that the required documents are completed, signed and included in your bid or proposal.
- Maintain updated CVs/Resumes for you and your key team members. *Include an organizational chart!*
- *Summarize your work as a contractor* including past experiences and your credentials for this job. Include a table with the headings as follows:

Duration [month/year – month/year]	Name of Project	Brief description of the Scope of Works	Name of Client	Contract amount/amount you received for the job
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- *Include photos of similar jobs*. Get into the habit of taking photos before you start and when you finish a job.
- *Say how you will carry out the work*, how and when the Client's aims will be achieved. Include a timetable of activities and a Gantt Chart. 🎯
- *Be practical and identify potential problems* without promising what's clearly impossible for you to deliver.
- *Ensure that the presentation of your bid is of a high quality* – the sections should be itemized, labelled, and arranged in an orderly manner. The document should be bound (if hard copies are required) and include a cover page with a suitable photo. *Presentation is key. Up your Game!!* 🎯
- *Use the necessary graphics* to improve the quality of your proposal. Keep a consistent colour scheme.

- *Double check to make sure you are following the Client's instructions!!!* The procurement process may require that technical and financial proposals be submitted separately!!! *Disregarding this instruction may lead to immediate disqualification!* 🙅
- *Include as much detail as possible under the various headings.* The Client knows that you know your work, but you *MUST* reflect that knowledge in detail on paper. *The more detail the better!*
- *Make sure you double check for errors and omissions.* Have someone double check to ensure it makes sense and your calculations are correct. A markup between **25 – 30%** for your profits is reasonable.
- *Avoid cliches and jargons in your proposal!* Use simple words, short sentences, and paragraphs and tailor your proposal for your client's needs. Avoid cutting and pasting from prior proposals. Clearly conveying technical strategies and methodologies helps evaluators understand how requirements will be met.
- *By all means, ensure that your bid/proposal is submitted by the deadline.*
Late proposals are never accepted!!!

6. Key areas to consider to meet the technical requirements



FIRST ORDER OF BUSINESS!

Determine all the documents which are required to complete the bid/tender!!!

If not included in the Client's bid document, develop a checklist of all the documents required and comply with that checklist!

KEY AREAS TO CONSIDER

Executive Summary

- A summary of your company's background, especially any similar experience in relation to the job you are bidding for.
- Any significant risks that may affect the completion of the job.
- Any specific areas of concerns or constraints you perceive.

Contractors must comprehensively grasp project specifications and technical requirements to align proposals with exact needs.

Method/Statement of Works

- Include enough details in your bid to demonstrate your understanding of the works and how you will complete the major components.
- If you know of a more efficient or cost-effective method of executing the works, include details on this as well.

Presenting comprehensive details highlight how technical aspects will be managed from initiation to completion.

Risk Management

- Include a Risk Register listing all perceived contractor risks that might occur during the design, manufacture and installation phases of the project, and associated time and impacts.

Addressing potential technical risks and outlining mitigation strategies reveals the contractor's foresight and preparation.

Procurement Strategy

- Include details for which parts of the job will be self-performed or which will be sub-contracted (if allowed).
- Details about your proposals to mitigate risks.

- Details of where you intend to source your major items from and how you intend to treat any long lead items.

Work Program

- Include a Gantt chart with sufficient details.
- Define the critical path.
- Make sure your program of activities covers the major activities from mobilization to the site to handover to the client.

Resources

- Give details of the resources such as machinery, plant, and equipment you intend to use on the job.
- Confirm which ones are owned by you, those which will be rented or leased.

Contractor Personnel

- Provide details of your overall team structure including an organizational chart. State the number of persons who will be assigned to the contract.
- Include CVs/resumes of key staff members.
- Identify the Manager/Foreman who will be responsible for executing the job.

Assembling a skilled team with relevant expertise ensures the project's technical intricacies are met effectively.

Sub-contractors and Joint Venture Partners

- Provide the details of any subcontractors or joint venture partners who will work alongside you to execute the job.
- Give sufficient details to confirm that they have the necessary resources and experience to complete the job.

Health & Safety Plan

- Include your company's health and safety requirements including a health & safety plan for the job you are bidding for.
- State clearly which person on site will be responsible for health & safety.

Environmental Management

Include:

- Addressing specific points to mitigate damage to the environment.
- Complying with all requests laid out in the area-specific environmental management plan
- Understanding and likely implementation of mitigation measures to ensure any unforeseen situations that could lead to environmental damage are rectified as soon as they arise.
- The Contractor's liabilities/obligations.

Mobilization

- Give details of your plan including estimated time for mobilizing to the job site, facilities you need to set up, details of major items you need to purchase etc.

Financial/Commercial Proposal

The **commercial/financial proposal** should include:

- Pricing Schedule
- Payment Milestones Targets
- Bid Security or Bid/Tender Securing Declaration
- Balance Sheet
- Profit & Loss Statement
- Cash Flow Statement
- Project Cashflow estimates, from mobilization to handover

The Financial Statements are normally required for the last 5 years, if not specified, then include for the last 2 financial years.

Other areas to consider:

CASH FLOW STATEMENTS

What does this tell the client?

Whether or not the company was able to purchase inventory, pay their staff and any other expense related to maintaining the operations of the company.

DEBT-TO-EQUITY RATIO

Will you be able to manage this project financially?

This ratio helps the client to understand where the company stands in terms of their ability to settle debts as they become due.

According to the British Business Bank “Debt ratios for healthy businesses” article, a good debt ratio is around 1 to 1.5, however the ideal debt ratio will vary depending on the industry, as some industries use more debt financing than other. Hence, capital-intensive industries (such as construction) may have a higher ratio of 2 or more.



7. Common errors in Bidding



Big and small companies alike make a mess of their bidding opportunities by making mistakes and therefore lose out on profitable contracts!!!

Below are some common errors contractors and small business owners make when bidding for government contracts:

- ***Not seeking clarification within the stipulated time frame*** if there is a doubt/concern.
- ***Not attending pre-proposal meetings/bidders' conferences/site visits*** when they are scheduled.
- ***Not having the required documents***. Make sure you submit every single document requested. If certified copies or signed documents are required, ensure that these are included.
- ***Poor Presentation and Layout***. It is annoying and frustrating to review and evaluate bids which are not in order or not properly bound. *If you can't get your document right, what will you do with the works for which you are bidding?*
- ***Misrepresenting your firm or capability***. *Avoid false and misleading statements in your bids/proposals especially as to your capability. Once caught, this may permanently harm your reputation!!!*

- ***Offering un-realistically high prices*** with the intention to make big bucks [**MONEY**]
  \$\$\$ and concentrating on the price factor at the expense of other requirements.
- ***Ignoring the evaluation criteria.*** Ensure all the elements are covered in your bid.
- ***CVs/resumes of management personnel not included.*** The qualifications and experience of the contractor's personnel are sometimes left out or are included, but their positions in the proposed works are not stated.
- ***Forgetting to include bid security/signed forms/Bills of Quantity (BQs).*** ***This may lead to automatic disqualification!!!***
- ***Taking the bid preparation time for granted.*** Start working on your bid/proposal early.
- ***Not getting in the game early or not asking questions.*** Know the players (***and your competitors***), enquire about upcoming business opportunities and where they are advertised. This may be in the form of a procurement plan or general procurement notices etc. which may be published on the Client's website.
- ***Getting frustrated or overwhelmed at the tender documents*** and the submission requirements. How thirsty are you for business? Try not to be overwhelmed by the tender documents. Take you time to read and understand each section.

8. Financial Management Considerations

- **Cashflow creation and management**

It is crucial to have personnel with the right skillset to manage the accounting function. It is a key component of effective project and business management.

- **Cashflow creation and management**

Optimize financial performance by establishing the project cashflow at the onset and regularly update and manage throughout the project life cycle.

- **Routine financial reconciliation**

It is important to review invoices, payments, and financial documents frequently to ensure effective capturing of all financial data, inclusive of performance of monthly bank reconciliations.

- **Budget monitoring**

As part of a robust financial management system, it is crucial to regularly assess the budget, cost estimates and variances against performance. This limits financial surprises during and at the end of a project and constitutes effective financial management.

- **Managing budget revisions accurately**

Communication is essential to ensure accurate information transfer between the contractor, the client, and the RDA. This ensures that any revisions are captured precisely, and the requisite approvals are granted in line with RDA's procurement policies and the terms of the contract.

9. Project Management

WITHOUT THE RIGHT TOOLS ARE YOU EVEN
READY TO TAKE ON THE JOB?



- **Implement software systems/applications**

Acquisition, implementation, and training of staff on requisite software applications is a key tool to being effective in the delivery of projects. Monitoring of schedule tracking, logging of man hours, recording of daily project logs, photographs/site recording, logging, and tracking of equipment, inventory, recording and tracking of RFIs, submittals etc.). These records can become crucial for settling disputes.

BE METICULOUS ABOUT RECORDS!!

- **Investment not expenditure**

Software applications may seem costly at first but once implemented correctly it can tremendously improve efficiency, overall productivity and accountability over time leading to sustained improvement and provides a sound baseline for performance reviews.

DO YOU REALLY KNOW WHAT YOUR CONTRACT IS SAYING?

- **Know your deliverables**

Invest time in understanding the various forms of contracts that you are entering. Read contract clauses in detail, particularly if they are time based, to ensure you are notifying the client appropriately and vice versa on situations outlined therein. Become contract savvy. It is important not only to understand your rights and obligations under the contract but the client's rights and obligations as well.

SHOW US YOU CAN DO THE JOB.

- **The proof is in the pudding**

Invest time in understanding various methods of measurement that govern the way works are measured. This is important for developing the methodology for executing the works as well as optimal pricing strategies to maximize profits.

- **The right resources**

Having the right resources is the fulcrum upon which project success or failure can trend towards. Ensuring that the right human resources are on board with the right skill set is a key success factor.

- **The triple constraint**

Three key aspects of a project include scope, schedule, and cost. They are interrelated as a change in one affects all the others. Keeping an eye on the triple constraint is a compass for the project to remain on course.

- **Managing the phases of the project**

Initiation, planning, execution, monitoring & controlling and closing are critical phases of any project. If one plans well then execution can flow smoothly. Using an agile or scrum or sprints methodology can lead to a high-performance project.

Now that you know the insider secrets, you are in a good place to prepare a solid bid to
WIN YOUR FIRST CONTRACT WITH THE RDA!

Follow the tips and advice in this e-book or even improve on them to start your journey bidding for government contracts.

NOTE

The tips included in this e-book are not meant to replace the information you already include in your bid documents. Rather, it should complement it.

THE ONLY PERSON HOLDING YOU BACK NOW IS YOU!

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FOR MORE DETAILS FOLLOW US:

