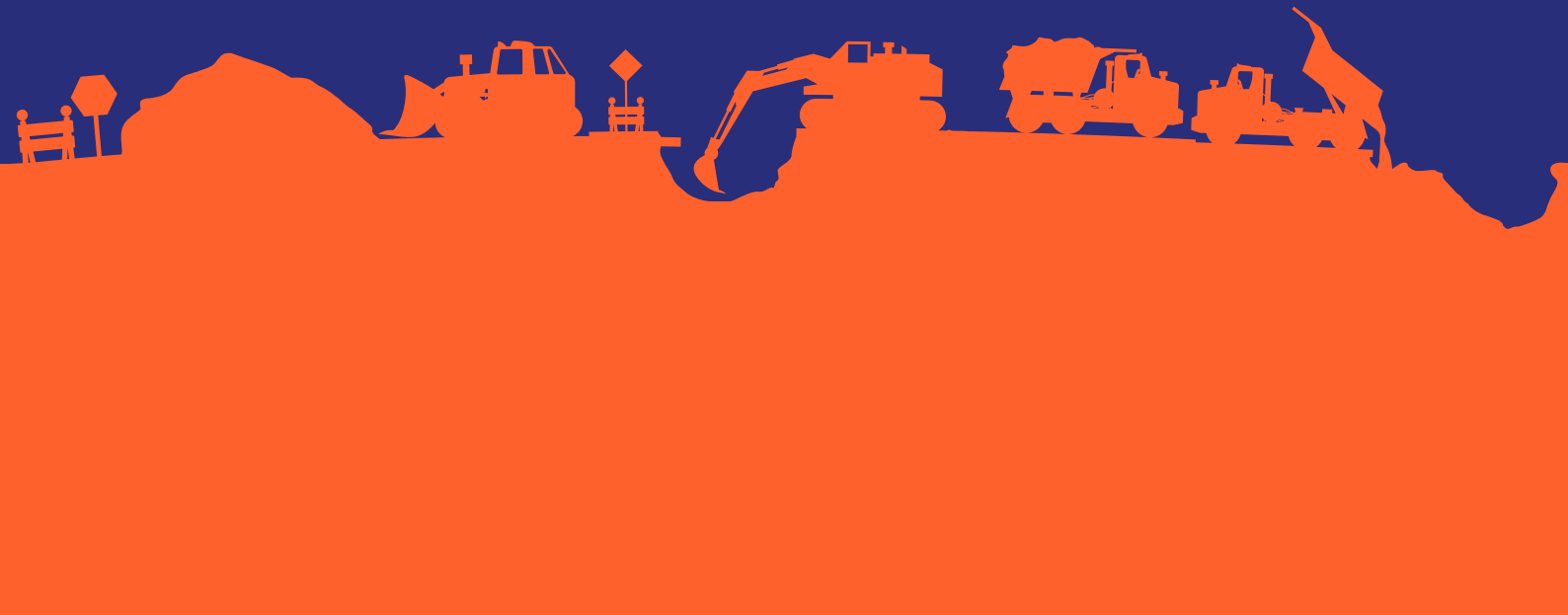


 iseekplant

8 KEY STEPS FOR:

WINNING CONSTRUCTION TENDERS






For construction companies winning a significant tender can be the difference between a good year and a bad year.

That's why iSeekplant has developed this guide of the "10 Key Steps For Winning Construction Tenders." We want to make sure that our customers and all companies in the wider plant hire and construction industries are able to put their best foot forward when tendering.

If you follow the below guide, you'll be in a strong position whenever you tender for work!

Before we get into these steps its also important for you to question whether you even want to win this tender. Make sure the company is reputable, even go as far to conduct a credit check to ensure they have a good track record of paying their debts. Protect yourself from dodgy operators.



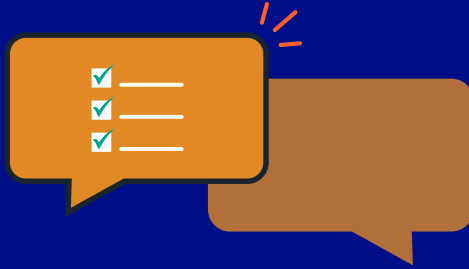


1. Understand What is being Requested

A massive part of understanding a tender is understanding your own company. Make sure that going into a tender process you are aware of exactly what services you can provide and the scale at which you can operate. Overpromising is a very real danger when it comes to tendering for a contract, it's important that you are ambitious when seeking contracts that will help you grow, but if you win a tender and can't deliver that can have major ramifications for your business and will damage your reputation.

Make sure that when you read the tender request you start to paint a picture of what type of company this tender is geared towards, then compare this image to your own company. Are they aligned? Or are they a mismatch? By aligning your company with the requests in the tender it will protect you from winning a tender you can't deliver and it will also help you to properly communicate to the company offering the contract exactly why you are the best fit.





2. Communicate exactly what service you will provide

It is very important that you display to the company offering the tender that you will be able to deliver the project. A major part of this is communicate clearly your field of expertise, make sure that you communicate the service you provide and exactly what makes you qualified to offer that service? Try to show that your business is a leader in your field.





3. What experience do you have?

Here's is where you have the opportunity to proudly show off the great work you have completed in the past. While it is important to show you have completed a significant amount of work, it is crucial that the completed work you list is relevant to this tender. If you include irrelevant work it can look like you are padding your experience (which can lead to the contractor feeling you haven't completed enough of the required work.)

Furthermore, you should provide some detailed testimonials here to give further weight to the quality of work you have completed.

You should list your experience in by the following criteria;

1. Services Provided
2. Company who contracted you





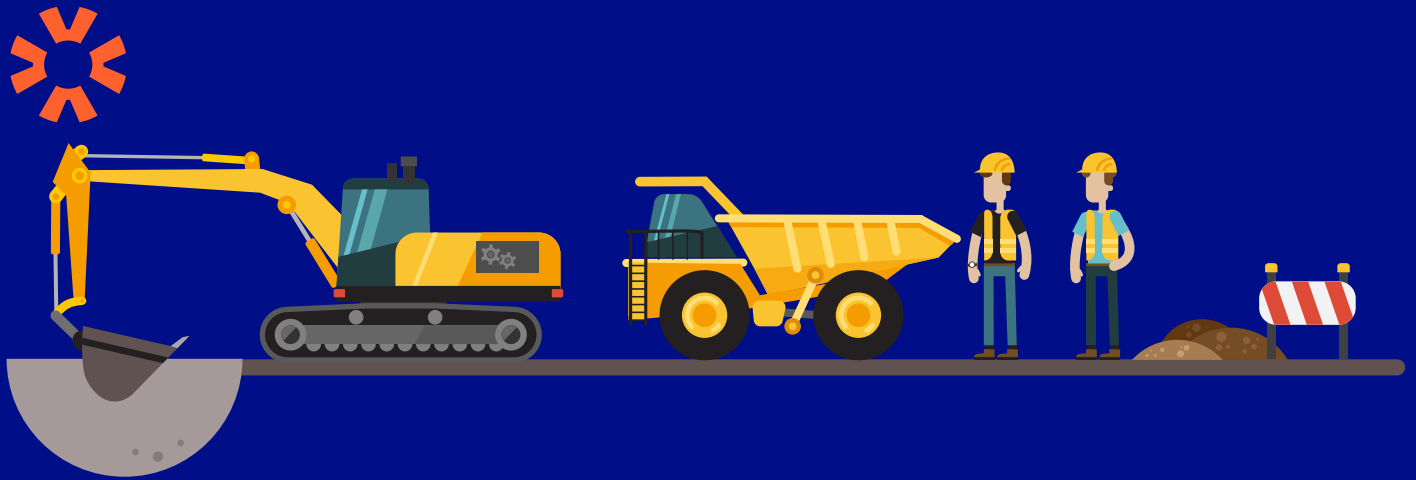
4. Include some references

So you've built up a great portfolio of completed work and you've listed it in your tender document. Now it is vital that you provide some references that the contractor can contact to confirm what you have stated.

It is important that you don't just list these references on the document. Make sure to contact them and make them aware that they may be getting a call, also let them know that you would appreciate if they provided a good reference.

If you can, list some references that the contractor would have worked with in the past. If you have completed great work for a company that they are aware of and trust make sure to include that reference first and foremost.



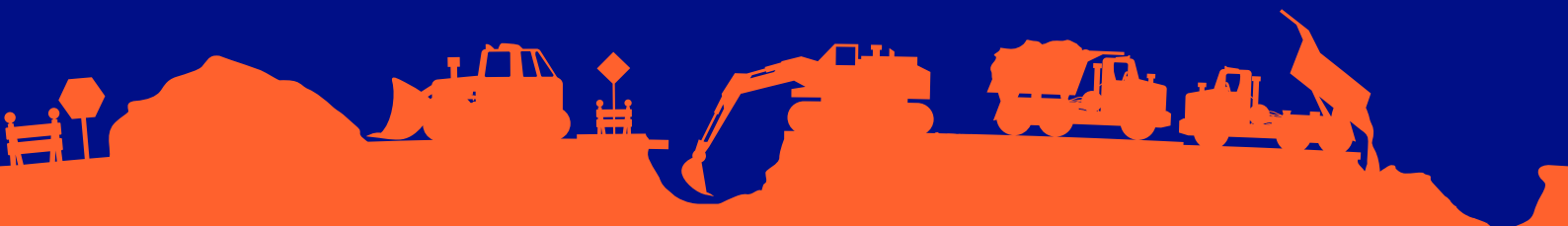


5. What resources do you have at your disposal

Now that you have shown your experience, get into the nitty gritty of your resources.

What machines do you own? How will they help complete this job? Make sure that you clearly list these machines along with their specs.

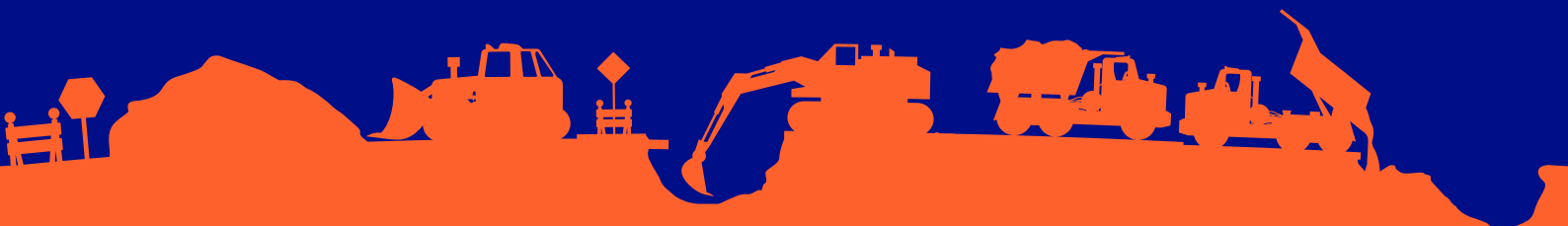
Furthermore, make sure you communicate you and your team's qualifications to operate these machines.





6. Do you have the finances to deliver this project?

You will often be required to show that you have the financial resources to deliver this project. This can be simply achieved by including a copy of your balance sheet. You will also need to consider the cash flow implications of the project and the payment terms and timelines the project owner can commit too. Last but not least, you should always run some checks on the client, are they going to be able to pay YOU! A great tool to use for this is creditorwatch.com.au.

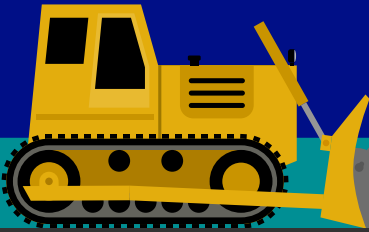
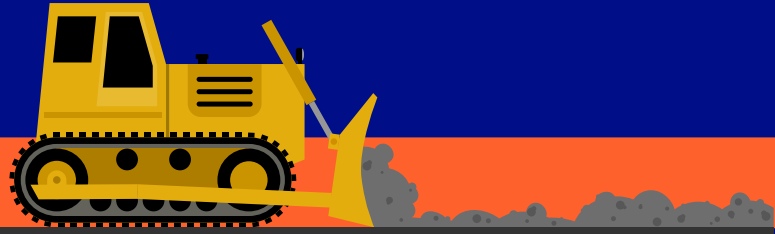




7. Work smarter not harder!

You need to offer something the other bidders haven't thought of. Look at ways of building the project that allows you to complete it sooner, cheaper or of higher quality. Sometimes presenting smart alternative designs can be attractive to the project owner and allow you to win the job without being the cheapest alternative. Maybe you're a little more expensive but you can finish the job 3 weeks quicker?



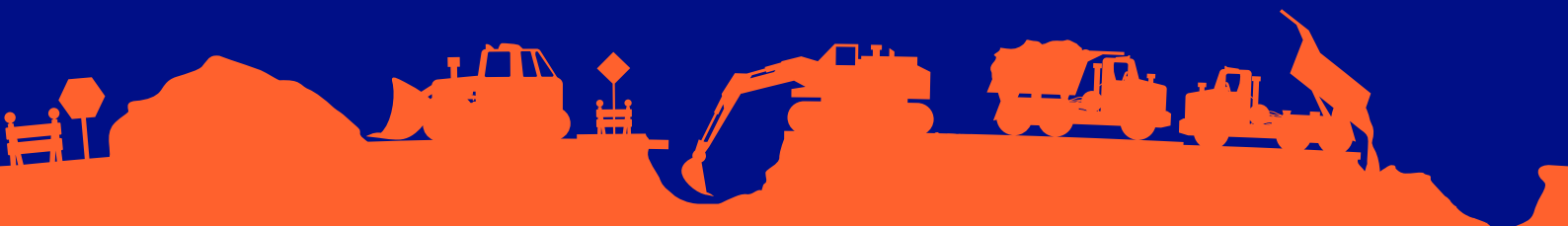


8. What price are you offering?

Obviously the price you are offering will have a significant impact on whether you win the tender. First, do some research into whether the price you are offering is competitive with your competitors. If you offer a price drastically higher than other tenderers there is next to no chance you will win the tender.

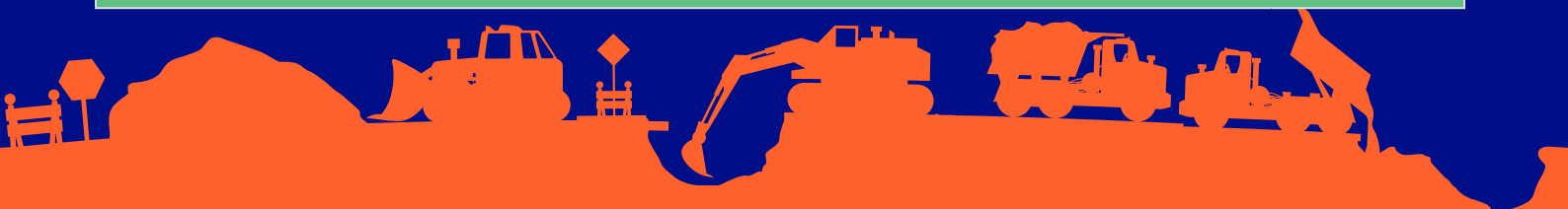
Secondly, ensure the price you are offering isn't too low. While offering a low price might mean you win the contract, it is not worth winning if you don't make a profit. Consider all your costs before pricing and make sure you have priced in a way that will deliver you a healthy profit once the project is complete.

Before you give out your plant hire rates to a contractor, there are factors that you need to consider first to ensure your pricing is competitive and profitable. Check out the guide below.



Guide for calculating the Plant Hire Rates

Type of Machine: Grader - (96-148kW) Initial Purchase Price	\$360,000.00
1. HOURLY OWNING COST	
Standing costs (on a per annum basis - % of initial purchase price)	\$31,500.00
a) Depreciation at 8.75% (based on 30% residual value)	\$7,956.00
b) Interest at 2.21%	\$6,120.00
c) Insurance at 1.7%	\$8,568.00
d) Replacement cost at 2.38%	\$54,144.00
e) Total annual owning cost	\$54,144.00
Total Hourly Owning Cost Assuming 1,500 hours operation per year (i.e.) \$54,144.00	\$36.10
2. HOURLY OPERATING COST	
a) Distillate Fuel 16 litres per hour @ \$1.30 per litre (\$1.62/litre less 32c Fuel Tax credit)	\$20.80
b) Battery Start	\$0.06
c) Engine Lube	\$0.27
d) Transmission Lube	\$0.32
e) Hydraulic Oil	\$0.15
f) Filters	\$0.20
g) Grease	\$0.13
h) Repairs	\$9.20
i) Tyres/Tracks	\$4.20
j) Ground Engaging Tools	\$1.00
Total Hourly Operating Cost	\$36.33
3. HOURLY PLANT OPERATOR COST (Labour)	
Building & Construction General On-Site Awards 2010 Lvl. 5 (CW/ECW5) Rate:	\$21.16
Plus on costs 89.8%	\$19.01
Total Hourly Operator Cost (Labour)	\$40.17
4. HOURLY RECOVERY OF OVERHEADS AND RETURN	
a) Overheads/Administration 15% of totals 2 & 3	\$11.48
b) Allowance for operating contingencies 10% of totals 1 & 2 excluding the interest portion	\$6.71
c) Return on depreciated value of plant employed at 15% less interest cost 2.21% per item 1(b) = 12.79%	
Original purchase price \$360,000 + 30% residual \$108,000 divided by 2	
x 12.79% divided by 1500 hours	\$19.95
Total Overheads and Return	\$38.14
5. TOTAL COST	
Owning	\$36.10
Operating	\$36.33
Labour	\$40.17
Overheads & Return	\$38.14
Total	\$150.74
\$151.00 / hour	



Read more on profitable plant hire rates here for more tips [here](#)



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And that's it! If you follow the above guide you'll be in good stead to compete on any construction tender you feel you would be a good fit for.

Remember, every tender is unique, so read over it carefully and ask for any additional information the company can provide. Then just let the past success of yourself and your company do the talking, build up trust and let them know that you are the best people for the job. All that's left to do now is go and write the thing, so get stuck in, follow this guide and then sit back and watch as those major contracts start to roll in.

