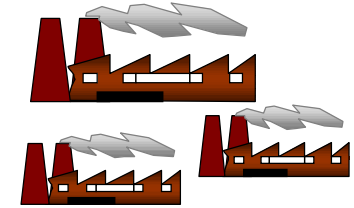


Restricted tendering



● It is most appropriate when:

- ☐ Your company's requirement is specialised
- ☐ You already know which suppliers are best capable of meeting your requirement
- ☐ Only a few suitable suppliers available
- ☐ The required lead-time and/or value of the purchase does not justify the time and/or expense of an open tender





1 + 1

Two-stage tendering:

Features:

- ☐ When undesirable or impractical to prepare complete technical specifications in advance of the tender due to:
 - The complexity of the requirement or insufficient expertise
 - The requirement is subject to rapid technological advances
- ☐ The supplier's knowledge helps to optimise the specification

The first stage

- Invite suppliers to present un-priced technical proposals based on conceptual design or - preferably - a performance specification
- Seek technical & commercial clarifications as needed
- Exclude some suppliers if your requirements not met

The second stage

- Request remaining bidders to submit final proposals - including revisions from the first stage - and prices
- Select the best priced offer (only technical offers acceptable to you are allowed into this stage)



Two-stage tendering

List three advantages and three disadvantages of two-stage tendering

- Advantages:

- Disadvantages:

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Comparing different methods of obtaining offers

Assessment factor	Informal	Enquiry-quotation	Formal tendering
When the method is most appropriate	◆ Low value, one-off routine purchases ◆ Suppliers known & trusted ◆ For certain emergency requirements	◆ Products are fairly complex & non-standard ◆ The level of expenditure is reasonably significant ◆ Some supply risk is involved	<u>General</u> : ◆ The requirement is complex or very high value <u>Open tendering</u> : ◆ The requirement can be easily specified ◆ There are many suppliers ◆ Price advantage can be significant and is the most important criterion <u>Restricted tendering</u> : ◆ Specialised requirements ◆ Few suppliers and /or you know which are best ◆ Lead-time or value does not justify open tendering <u>Two-stage tendering</u> : ◆ Supplier's inputs are needed to finalise the specification