

Tender persuasion

In December, tenders brought tears to the eyes of Dean Parker, production manager of Wilde Ones. It seems the topic has touched some nerves. Here, Mish Toszeghi, owner and director of KP Events, discusses his procurement experiences, as the ugly topic of tendering rears its head. Again...

A few months ago I was invited to attend a 2012 seminar for London-based businesses. Its purpose was to clarify the structure of the principal organising bodies and to explain the procurement processes that have been put into place. It was an interesting session and I was reassured to hear their pledge to ensure that small and medium-sized London businesses would be very well represented within the pool of organisations charged with the many tasks of putting on an Olympic Games. More on this later.

As a result of the “pep-talk” I enthusiastically registered my company on a number of procurement websites – among them competefor.com and supply2gov.uk. Although Olympic or Cultural Olympiad event management offers haven’t really started appearing yet, my registration did coincide with the quietest time my small events company has experienced for a number of years. And so, for the first time, I began that joyous task of writing speculative tenders, completing pre-qualification questionnaires (PQQ) and compiling a formidable list of company policies. I have dozens of them now.

*Pictured below:
Mish Toszeghi*

Nobody would disagree with the idea that just having a health and safety policy is a worthy thing – it means at the very least that attention has been drawn to the fact that a minimum level of health and safety standards is expected of the company in question. That said, it proves absolutely nothing about how seriously an organisation takes the issue, and indeed whether any measures to address health and safety issues are actually ever taken. On the upside, it does mean that someone, somewhere a little further down the litigious paper trail, can tick the box, and presumably sleep easy while we event organisers stress over ensuring that our events actually do take place safely and trouble-free.

The same can be said of our working with children, lost children, environment and sustainability, financial procedures, quality assurance, equal opportunities, complaints procedure policies and the rest. What’s next? Our employees’ personal hygiene policy or our dealing with animals injured on-site policy? Of course, we can have a laugh about the absurdity of much of it, but the reality is that without having these various documents in place, you will be limiting your potential success in the tender stakes.

With the credit crunch seemingly hitting our industry a little harder now than it did last year, many more companies are actively seeking out contracts with the result that any openly advertised projects are attracting huge numbers of applications. The first hurdle is usually the PQQ, and if your policies aren’t in place, you’re presumably a likely candidate for the “do not invite to tender” pile.

Reality bites

It seems that the little companies have two choices. Either they employ a consultancy to examine their organisation and create customised company policies that are





accurate and relevant, or they just botch something off the Internet. The former will generally not be a viable proposition to many smaller companies that simply don't have the budgets available to spend on formal policy writing, so they opt for the latter. The result is of course fairly meaningless – it's just a load more paperwork – but a seeming necessity in the game.

Now the other part of the game is the tender itself.

In the last three months I have tendered for six publicly-funded London event projects. While one is still outstanding, the outcome of the other five has been one failure to get beyond the PQQ, another failure at the proposal stage and three short-listed proposals that resulted in an invitation to meet the procurers. In two of these cases, I had a good time meeting them, got on well with very nice and sensible people, came away feeling positive, and soon after, received a note how much they enjoyed meeting me, how grateful they were that I had gone to the trouble of putting together such a detailed proposal... and that they had decided to offer the contract to someone else! In the third case, I'm pleased to say we were actually awarded the contract.

Disappointing as it is each time when a good chunk of work comes to nothing, we all have to accept the reality which is that these opportunities will only rarely have a happy ending. It's not so much the competition against which we are battling, but whether what you believe to be a genuine tender is actually that.

Fair game?

Organisations are now obliged to tender out anything above a certain financial threshold – whether they want to or not. It's no surprise, therefore, that in many situations a procurer will know precisely who they want to appoint – it's the company with whom they have a long-

standing, established working relationship; the company that they trust and that they know will deliver – on time, on budget and with a smile. Why on earth should they look elsewhere? Yes, they need to be confident that they're paying a fair rate, but there are far more straightforward ways of assessing that.

Instead, they launch into a full-blooded procurement process, define and weight the parameters in such a way that their preferred supplier has an advantage, and then appoint them in the fullness of time – effectively, a show trial.

This is all fine – it's right that their favoured supplier gets the contract, as they have shown themselves to be worthy partners in the past. It's also right – or at least entirely understandable – that people will be prepared to “bend the rules” a little, in order to facilitate the outcome they desire.

The unfortunate fallout in all of this is that each time a tender of this nature is put into the public domain, it sets into motion a chain of wasted endeavour. Lots of people spending lots of time doing lots of work... for nothing.

Which brings me back to one of the events in my catalogue of recent pitches – the failure at proposal stage. This was a one-off event for a London borough for which I submitted a 20-plus page document. I think it is fair to say that it was an extensive, well-presented, thoroughly researched and detailed document that addressed everything highlighted in the brief. It also came from a consortium of organisations, which indisputably have the credentials, background and experience to fulfil the remit. The response was a two-line note stating that they had received “a number of higher quality applications” and that we had not been successful. And as a nice touch they had addressed me in the email as “Dear John”, which I can assure you is not my name.

I was of course hugely irritated by

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Do you find the tender process for London 2012 events and the Cultural Olympiad a chore?

this and wrote to their chief executive to make my point. I have absolutely no issue with the fact that my ideas may not have appealed – that's perfectly OK. I was, however, deeply incensed by the tone of the response and the screaming absence of even a modicum of “politesse”. Any procurer that initiates a public tender really ought, at the very least, to adhere to the absolute basic standards of business etiquette in the process. That means a courteous response and some coherent, constructive feedback. Oh, and getting the name right.

Of course the *raison d'être* for the policy demands of tenderers is all to do with countering nepotism and fraud, as well as creating a fairer playing field. I'm not convinced that it achieves that. I actually think that in the long-term, the principal effect will be analogous to what has happened in the grocery market, with butchers, bakers, fishmongers and greengrocers in terminal decline while the big supermarkets flourish. Currently, the “Big Four” in the UK's supermarket world account for more than a 75 per cent share of the grocery market. We're not quite there in the event world, but with the smaller organisations being nudged out by unreasonable demands, I'd put good money on it going that way.

And so back to the Olympic Games – and the “jobs for the boys” rhetoric. Will they really be giving any significant event projects to small businesses?

“*Citius, Altius, Fortius*” (Swifter, Higher, Stronger) – the motto bestowed upon the Games back in 1921 – though I'm sure it was meant as a reference to the athletes and not the contractors!

● Do you agree with Toszeghi and Parker? Is the procurement process a waste of time? Local authorities – does tender documentation cause you a headache also? Do you wish the Government would simplify the tender process? Email your thoughts to caroline@cimltd.co.uk