

# Developing a successful tender

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Voluntary sector organisations are increasingly seeking to diversify their income sources by incorporating strategies and techniques to achieve a sustainable funding base. Tendering for the delivery of goods or services under the terms of a contract is one of many options that can be considered to generate income.

Contracts are won, and lost, on the quality of the tenders submitted therefore being able to write a good tender is essential. This information sheet is intended to provide a brief overview of how to develop a successful tender.

## What is a tender?

When a purchasing body (organisations or entities that issue tenders to procure goods, services, or works, these bodies are typically responsible for the management of public funds or resources and operate under procurement laws and regulations). Typically issue an **Invitation to Tender (ITT)** or **Request for Quote (RfQ)** inviting any interested parties to bid, or tender, for the delivery of goods or services. A tender is the written document you submit in a response to this invitation.

A tender is written communication of your offer to the purchaser. It should demonstrate your understanding and capability of meeting their requirements, offer value for money and above all demonstrate your ability to deliver the required goods/services.

A tender should be an accurate representation of your organisation as you can be held accountable for all information presented in the tender if you are successful in winning the contract.

## Understanding the requirements

A good tender will demonstrate a thorough understanding of what the purchasing body requires and will propose effective and achievable solutions to meet these requirements. You must therefore fully understand what is being asked for and why, and be in a position to respond appropriately.

The purchaser's requirements are usually set out in a document called 'Specification' or 'Service specification' which must be studied carefully, along with any supporting information. Purchasers will also provide details of how tenders will be scored (evaluation criteria) which will help you understand the most important areas of the tender and how 'value for money' will be assessed. This is a very important section, and you must ensure you address all areas of the criterion on your tender.

## Preparation and planning

Putting together a winning tender takes time and resources. Before putting pen to paper draw up a work plan which may include:

- What information is being asked for and how long it will take to gather this
- Timetable for drafting, editing and checking your tender response
- Who else in your team might be needed to help you pull the tender together
- Consider how the work aligns with the organisations priorities and whether it would be a distraction/divert to many resources from other activities/services
- Does the work align with the organisation's primary purpose? If it does not you may have to [pay tax on money generated if it is above certain thresholds](#)

## What makes a good tender?

### 1. Follow instructions

Purchasers give instructions for a reason. This may include how the tender should look and when and where it should be submitted. If you do not follow the instructions, your tender is unlikely to be considered.

### 2. A thorough response

You must address all requirements set out in a purchaser's specification and awarding criterion. You may be expected to meet minimum standards to ensure that your tender is properly considered.

Demonstrate your understanding of the requirements with proposals based on your knowledge, experience and skills.

### 3. Evidence and examples

Provide evidence and examples to back up all statements made in your tender. Purchasers can only make a decision about whether a tender meets their requirements or not based on the information in front of them. Note that purchasers may not take into consideration any additional documents you provide, if you intend to do this check before submitting your tender.

### 4. Structure

The structure of a tender should be logical, coherent and follow the order of the tender documents which you have been sent. In poorly structured tenders important information can be missed during evaluation. You should also pay attention to word counts as often words beyond the limit may be discounted.

## **5. Quality of writing**

Tenders often fail on the basis of writing that is unclear, illogical and fails to get across the key messages of the offer being made. Tenders must be written in a way that is clear and unambiguous and gets to the point.

## **6. Grammar, punctuation and spelling**

Tenders should be grammatically correct, with proper use of punctuation and good spelling. Bad grammar and poor spelling looks unprofessional and will make your tender seem hurried.

## **7. Accurate financial information**

Cost your services in full by taking into account overheads and on-costs.

Provide enough information for the purchaser to make a decision on whether or not your tender offers value for money\* and gives them confidence in your ability to manage the contract effectively. Don't forget to account for inflation in your costs!

\*A note on 'value for money'. By this we do not mean make sure you are the cheapest tender. It is in your organisation's best interests to only take on contracts that cover their costs as a bare minimum. Ideally you would like to make additional income from delivering this service. By value for money, we mean that the value of your model of delivery is evident. Your costs might be higher than other providers, but you might be able to evidence stronger outcomes and additional impact.

## **8. Presentation**

A well presented tender will nearly always do better than a poorly presented one. Do not hand-write a tender unless it is completely unavoidable. An index is helpful, with pages clearly numbered and supporting information clearly labelled.

# **Why tenders fail**

Tenders are generally more bureaucratic than grants and have strict / inflexible procedures to follow. It is crucially important that you follow the guidelines given.

Tenders often fail for reasons that can be avoided:

- Simple administration failures – not signing the tender or not getting it in on time to the right place and person
- Additional or supporting information not provided, or sections being missed out entirely
- Questions not being answered in full or not at all
- Unclear and inconsistent responses
- References to additional documents that were not requested as part of the tender submission
- Not addressing all areas in the awarding criterion

# **Code of Practice for Funding the Third Sector**

The Code of Practice for Funding the Third Sector is part of the Third Sector Scheme, which outlines the relationship between Welsh Government and the voluntary sector in Wales. Work to update the Code took place in 2024, with the new version published in 2025. At the time of writing, it applies to how Welsh Government, and Local Authorities and Health Boards delivering Welsh Government funding, fund the voluntary sector. It is hoped that all Local Authority and Health Board funding in Wales will come under the Code in time.

The Code has five key principles which should be applied to grant schemes and contracts:

- Early and continuous dialogue
- Flexibility
- Equity
- Appropriate funding mechanism
- Valuing and outcomes

The Code can be used as a way for you to raise concerns with statutory grant-makers and commissioners to ensure that you have the best opportunity to deliver successfully.

## Summary and top tips

A quality tender:

- Understands and addresses all of the purchaser's requirements
- Is clear about the service you are offering and how it achieves the purchaser's defined outcomes/objectives
- Is competitive and offers value for money
- Is well written, easy to read, and well presented
- Meets all aspects of the specification and award criteria
- Offers added value – How the way you will deliver the service will provide additional benefit to the service users and/or purchaser or perhaps the wider community

## Remember

Remember that tendering takes time and resources and above all do not be afraid to ask questions!

## Further Information

### **Legalities**

[CC37: Charities and Public Service Delivery – The Charity Commission](#)

CC37 Charities and public service delivery, produced by the Charity Commission, sets out the considerations for charities when entering into a contract.

### **VAT for Charities**

[HMRC – Queries on the tax implications should be directed to HM Revenue and Customs.](#)

0845 302 0203

## Support

### [County Voluntary Councils \(CVCs\) in Wales Third Sector Support Wales](#)

County Voluntary Councils (CVCs) in Wales provide information on a wide range of funding and financial issues including tendering.

### [Lloyds Bank Foundation Value of Small](#)

## Additional Information Sheets



## [Introduction to procurement](#)



## [Introduction to tendering](#)



## [Costing your tender](#)