Directors Corner Article

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Why Did I Lose My Bid?

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As a business owner it is important for you to seek out opportunities to promote growth in your business. This business process should include both the successful and unsuccessful opportunities. Evaluating both your successful and unsuccessful results can provide the avenues to give your business an edge and enhance your ability to generate growth. In most cases however, the unsuccessful bid evaluation can provide the easiest and fastest answers to your question, “Why Did I Lose My Bid”?

Based on the question, “Why Did I Lose My Bid”, in this article we will discuss several issues that all business personnel should be aware of. First, without learning the rules of engagement of the business market you are participating in, you place yourself at a disadvantage before you even begin. Learn to read and understand the requirements of the solicitation you are preparing to quote or bid on. Once you’ve completed reading and understand what is required, complete the package. Next we need to review what we’ve done as follows:

Did Your Bid Meet All Essential Solicitation Requirements? This means you conformed to all the specifications, descriptions, and delivery dates as specified in the solicitation. Remember, your bid must reflect what the government needs. The Government will be looking at your business capabilities to make sure you have the experience (or past performance) and finances to perform. Like everyone else - the government wants compliance. Being late will cause them to give you a bad score – no excuses.

Did You Price To Win Your Bid? This means research and gathering pricing information. Did you ask if it had been purchase before? Do you also know your competition and what they sell? Because estimating the bid price is single most important element in winning bids, price is the primary reason (in many cases, it’s the only reason) in determining the successful bidder.

Let’s remember the two most important areas that need to be reviewed in all bids are you being Responsive, Responsible. 
Responsive – Have you explained to the contracting officer how you will meet the needs of the solicitation? Do you understand what he needs and you have filled out all of the required bid pages for his review correctly? 
Responsible – Show you have the experience, abilities as well as the company organization to provide the product or services that the contracting officer needs. Examples: cash flow to buy
the product, federal registrations complete and show the proper NAICS codes, references, as well as past performance are available.

If You Did Not Win - Stay Persistent. There can be numerous reasons why you lose a bid. Remember, it takes time to learn the rules of engagement. In a 2012 survey active businesses indicated it took almost two years on average to win their first government bid.

Make yourself a simple checklist of Items That Can Enhance Your Chances of Winning Your Bid:

Be responsive to the solicitation, sign the bid, and acknowledge all amendments, if any. If submitting an alternate bid item provide information on or equal item if not bidding on specified item. Attend site visit and provide your experience/past performance if required. Make sure you meet the size standard, the set-aside preference, and you are registered and active in SAM.

You must also review your bid costs such as: Common Occurrence – Costs + Profit = Bid. Failing to take into account economic and market conditions can create the issue of making your price too high and can result in you missing out on winning your bid.

If you failed to win the bid was it because you lost to a more qualified bidder? Another likely possibility why you lost your bid was because another bidder was more qualified than you and this was considered more important than the lowest quoted prices. (See individual evaluation factors in solicitation).

Did you have errors or oversights in your bid? Making a mistake in your bid package can cost you a win. It is critical that you take time to read the solicitation and make sure you dotted all the I’s and cross all the T’s. Make sure you double and triple check everything.

Then, if you lose the bid and it is a federal bid: ask for a Debrief. This is a procedure where the contracting officer compares the winning bid against your bid and discusses issues that you can use to improve your bidding for future opportunities. But you must ask for a Debrief as a pre-award or after the award is made (normally within 3 days) to use this opportunity for improving your future bids.

The Arkansas Procurement Assistance Center (APAC) is available to help you review your bid before you submit as a second pair of eyes to find issues that may be corrected before you submit the bid for review by the contracting officer. Remember, be steadfast and realize that you will not win every bid; be consistent and continue to bid and your success rate on average should be approximately three wins out of ten attempts.

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