



## **Considerations of Competitive Bidding in a Technical Communications Setting**

**By Jerry Grohovsky**

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Competitive bidding has always been an integral part of American business. In the current economy, it has its advantages for companies who are seeking the best delivery of product for the best price.

At JPG, we believe that competitive bidding also has its place in the realm of technical communications for certain types of projects, and under certain conditions. The decision to use or not use competitive bidding should be tempered with caution and project evaluation, and not be applied with a “broad brush stroke” approach.

To follow are some cautions (or arguments) regarding the use of competitive bidding for technical communications projects:

- What kinds of projects should be submitted for competitive bids?: Competitive bidding is recommended in cases where the client: 1) has projects large in scope and/or long in duration, 2) where frequency is low, and 3) in situations where a client does not have a trusty-worthy, long-term supplier relationship intact. Single, one-off projects, large in scope, are more compatible with competitive bidding than those projects that have significant “bandwidth” in frequency and number. The use of a single supplier is encouraged with repetition and quantity, as it lends itself to the use the same supplier resources (specialists) time after time, without having to retrain a new specialist for each project bid; additionally, use of the same specialist time-after-time cultivates efficiency and speed with each new project (especially in situations of high frequency).
- Even though competitive bidding may encourage some price reductions, what are some of the consequences which are not apparent initially? In the technical publications world, “cheaper” is not necessarily better. JPG has witnessed over the years several cases where a lower bid won out over a reputable firm (such as JPG). Later, it was discovered that the client was unhappy with the results. In these types of cases, the client actually spends more in the long run in terms of time and money fixing the problems associated with a low-cost, winning-bid supplier.

Clients should take into account not only price, but also evaluate the services and reputation of the supplier(s) involved. They should be asking themselves: Which supplier offers the best results, at a reasonable price? A client can unknowingly be wasting much time, effort, and money going through the exercise of competitive bidding, if an established supplier already has a track record of good performance at a reasonable price. So the question a client buyer should be asking: What is at stake to “shave” a dollar off the price.? Thus, the single dimension of cost as well as the degree of difference in cost should not be the sole consideration for purchasing services.

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The use of competitive bidding tends to break the “advantage of continuity”, where use of the same specialist time-after-time is considered to be a time/cost saver in terms of accuracy, speed and quality. Additionally, the added time required for training and “ramp up” in a corporate environment, etc., with each new person are cost considerations which are not readily apparent during the bidding process. Experience tells us: There is great value in using the same specialist for a given client time-after-time (as long as the specialist is a proven performer).

Finally, the client should consider the volume and frequency of the projects over a given calendar year before considering a bidding process. More volume and frequency can be a “break point” for deciding *not* to use competitive bids (which can quickly turn into a management nightmare). It slows down the entire publications process by consuming vast amounts of time and energy in managing bids, juggling various suppliers, and constantly introducing new specialists.

- If a client has an going relationship with a proven supplier, are bids really necessary? Obviously the objective of competitive bidding is to keep costs down, while reducing the risk of “inflating costs” of delivery over time. The suggestion to the client is to examine their current suppliers, and ask themselves:
  1. How long has a current supplier been servicing our company (or group)?
  2. What has been the quality of their services or delivery of product?
  3. Are their bill rates comparable to other suppliers of similar services? By asking these questions, the client may come to the conclusion that: a) if a current supplier has a long track record with us, and b) has delivered quality documentation using proven performers, and c) has applied cost-effective bill rates, then the motivation (or need) to use competitive bidding is somewhat neutralized.

In conclusion, the client should carefully consider all the above factors before introducing the competitive bidding process to their internal corporate technical communications environment. As discussed earlier, there are situations where the bid process is justified and works well to achieve the objective of price control. However, an “across the board” approach may lead the client to a situation where costs actually increase instead of decrease due to inefficiencies and reworks, where delivery dates are compromised, and the management and control of a project is jeopardized.