# **ENGINUITY TUTORIAL**



## **Bidding Strategy**

**Copyright Virtual Management Simulations** 



Each period the company is able to bid for a selection of jobs based upon the Marketing Decisions in the previous period.

The choice of which jobs to bid for can be crucial in order to win enough new work to keep growing the business.



🍘 MAKING Pro	ocurement decisions f	or period 9 in the Ea	rly Years			
Change period	Assessing performance	Industry information	Help			

	PROCUREMENT RESTRICTIONS													
							Company Based Limitations							
	NUMBER	R OF J	OBS	IN PRO	GRESS		VA	LUE OF WORK IN F	ROGRESS					
Atl	the start of the period, t	he num	ber of	jobs in pro	ogress is:	5 (job prog	gression screen)	The initial forwar	d workload is:	23,509,400	(job prog	gression	i screen)	
Ther	number of jobs in progre	ess afte	r biddir	ng cannot	exceed:	l jobs	Tł	he current value of the c	apital base is:	4,516,490	(financial decision screen)			
H	lence, the maximum nu	mber o	f jobs ti	hat can bi	e won is:	5 jobs duri	ing bidding The current capital b	ase can support forward	workload of:	45,164,900	(10 x ca	pital ba	se)	
			÷				Hence, the value of v	work that can be won ca	nnot exceed:	21,655,500	during b	idding		
											-	-		
	Ich Country Type BIM Size App Value Duration Description Sector Client Lob Bid Bid value													
Job	Country	Туре	BIM	Size	App Value	Duration	Description	Sector	Client		Job	Bid	Bid value	
192	United Kingdom	BO	Yes	Large	24,000,000	4	New medical school	Building & Commercial	Fenlands Cour	nty Council	192	No	0	
193	Iraq	DB	No	Medium	11,000,000	3	New aircraft hangar at Mosul Airport	Transport	Iraq TranGen 3	2009	193	No	0	
194	Australia	BO	No	Large	17,000,000	4	New Australian rules football pitch	Building & Commercial	Australian Spo	rt Institute	194	No	0	
195	Australia	BO	Yes	Medium	9,000,000	3	Aircraft hangar modifications	Building & Commercial	Mascot Airport	Corporation	195	No	0	
196	India	BO	Yes	Medium	10,000,000	3	Upgrade of existing steel plant	Industrial	Pune Steel		196	No	0	
197	United States	BO	No	Large	24,000,000	5	Offshore wind farm development	Energy	First Wind USA	4	197	No	0	
200	United Kingdom	BO	No	Small	5,000,000	2	New site access roads for HS2	Transport	HS Rail Conne	ection Group	200	No	0	
202	United Kingdom	DB	Yes	Medium	12,000,000	3	Construction of a new multi-faith centre	Building & Commercial	London City Co	ouncil	202	No	0	
203	United Kingdom	BO	No	Medium	8,000,000	4	Restoration work on Montgomery canal	Water & Sewage	English Water	ways	203	No	0	
214	France	BO	No	Small	2,000,000	3	Upgrade to the Bercy metro station	Transport	Paris Olympic (	Group	214	No	0	
220	United Kingdom	BO	No	Small	5,000,000	2	Fire Deluge Systems for sub-stations	Energy	Electragen		220	No	0	

Consider the following example.

The company is in period 9, and has a number of jobs that can be bid for.



PROCUREMENT RESTRICTIONS     VALUE OF WORK IN PROGRESS     VALUE OF WORK IN PROGRESS     At the start of the period, the number of jobs in progress is:   5 (job progression screen)   The initial forward workload is:   23,509,400   (job progression screen)     The number of jobs in progress after bidding cannot exceed:   10 jobs   The current capital base can support forward workload of:   4,516,490   (financial decision screen)     Hence, the maximum number of jobs that can be won is:   5 jobs during bidding   The current capital base can support forward workload of:   4,516,490   (financial decision screen)     Job   Country   Type   Bild   Size   App Vr   The current capital base (financial decision screen)   4,516,490   (financial decision screen)     192   United Kingdom   B0   Yes   Large   24,00'   No   Mem medical school   Building & Commercial   Fenlands County Council   192   No   0     193   Iraq   DB   No   Large   17   New Australian rules footbal pitch   Building & Commercial   Australian Spot Institute   194   No   0     194   Australia   B0   Yes   Medium	MAKING Procurement decisions for period 9 in the Early Years														
PROCUREMENT RESTRICTIONS       Company Based Limitations       VALUE OF WORK IN PROGRESS       At the start of the period, the number of jobs in progress is:     5 [job progression screen]     The initial forward workload is:     23,509,400 [job progression screen]       The number of jobs in progress after bidding cannot exceed:     10 jobs     5 jobs during bidding     The current value of the capital base is:     4,5164,900 [linancial decision screen]       Hence, the maximum number of jobs that can be won is:     5 jobs during bidding     The current value of work that can be won cannot exceed:     21,655,500     Bid     Bid <t< td=""><td>Change</td><td>e period Assessir</td><td>ng performa</td><td>ance</td><td>Industry i</td><td>nformation</td><td>Help</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	Change	e period Assessir	ng performa	ance	Industry i	nformation	Help								
Company Based Limitations     VALUE OF WORK IN PROGRESS     At the start of the period, the number of jobs in progress is:   5 (job progression screen)   The initial forward workload is:   23,509,400 (job progression screen)   The ourrent value of the capital base is:   4,516,430 (financial decision screen)     The number of jobs in progress after bidding cannot exceed:   10 jobs   5 jobs during bidding   The current capital base can support forward workload of:   4,516,430 (financial decision screen)     Hence, the maximum number of jobs that can be won is:   5 jobs during bidding   The current capital base can support forward workload of:   4,516,430 (financial decision screen)     Job   Country   Type   Bill   Size   App Vr     12   United Kingdom   B0   Yes   Large   24,00'     13   Iraq   DB   No   Medium   No   0     134   Australia   B0   Yes   Medium   New Australian rules footbal lpitch   Building & Commercial   Ascraft hangar modifications   Building & Commercial   Australian Sport Institute   134   No   0     196   India   B0   Yes   Medium   Upgrade of existing steel plant   Industrial								PROCU	REMENT RESTRICTION	IS					
NUMBER OF JOBS IN PROGRESS   VALUE OF WORK IN PROGRESS     At the stat of the period, the number of jobs in progress is:   5 (job progression screen)   The initial forward workload is:   23,509,400 (job progression screen)     The number of jobs in progress after bidding cannot exceed:   10 jobs   The current value of the capital base is:   4,516,490 (financial decision screen)     Hence, the maximum number of jobs that can be won is:   5 jobs during bidding   The current capital base can support forward workload of:   4,516,490 (financial decision screen)     Job   Country   Type   BIM   Size   App Vr     Yes   Large   24,00'   No   Merical school   Building & Commercial   Fenlands County Council   192   No   0     193   Iraq   DB   No   Medium   11,0'   New medical school   Building & Commercial   Fenlands County Council   192   No   0     194   Australia   BO   No   Large   17   New medical school   Building & Commercial   Australian Spot Institute   194   No   0     195   India   BO   Yes   Meri   Aircraft hangar modifications   Building & Commercial   Australian Sp								Com	any Based Limitations						
At the start of the period, the number of jobs in progress is:   5 (job progression screen)   10 jobs   The initial forward workload is:   23,509,400 (job progression screen)     Hence, the maximum number of jobs that can be won is:   5 jobs during bidding   The current capital base can support forward workload of:   4,516,490 (financial decision screen)     Hence, the maximum number of jobs that can be won is:   5 jobs during bidding   5 jobs during bidding   The current capital base can support forward workload of:   4,516,490 (financial decision screen)     Job   Country   Type   BIM   Size   App V/   No   Vertice		NUM	BER OF J	IOBS	IN PRO	GRESS			VA	LUE OF WORK IN P	ROGRESS				
The number of jobs in progress after bidding cannot exceed:   10 jobs   The current value of the capital base is:   4,516,490   (financial decision screen)     Hence, the maximum number of jobs that can be won is:   5 jobs during bidding   The current value of the capital base is:   4,516,490   (financial decision screen)     Job   Country   Type   BIM   Size   App Vr     192   United Kingdom   B0   Yes   Large   24,00'     193   Iraq   DB   No   Medium   11,0'     194   Australia   B0   No   Large   17'     195   Australia   B0   Yes   Medium   10'   Description   Sector   Client   Job   Bid   Bid value     195   Australia   B0   No   Large   17'   New Australian rules football pitch   Building & Commercial   Australian Sport Institute   194   No   0     196   India   B0   Yes   Medium   Upgrade of existing steel plant   Industrial   Pune Steel   196   No   0     196   India   B0   No   Smr	At	the start of the peri	od, the num	nber of	jobs in pro	ogress is:	5 (job pro	ogression scre	en)	The initial forward	d workload is:	23,509,400 (j	ob proc	ression	screen)
Hence, the maximum number of jobs that can be won is:   5 jobs during bidding   The current capital base can support forward workload of: Hence, the value of work that can be won cannot exceed:   45,164,900 (10 x capital base) 21,655,500 during bidding     Job   Country   Type   BIM   Size   App V/ 24,00'   ation   Description   Sector   Client   Job   Bid   Bid   Bid value     192   United Kingdom   B0   Yes   Large   24,00'   New medical school   Building & Commercial   Fenlands County Council   192   No   0     193   Iraq   DB   No   Medium   11,0'   New medical school   Building & Commercial   Australian Sport Institute   194   No   0     194   Australia   B0   Yes   Medium   Aircraft hangar at Mosul Airport   Transport   Iraq TranGen 2009   193   No   0     195   Australia   B0   Yes   Medium   Aircraft hangar at Mosul Airport   Industrial   Pune Steel   196   No   0     195   India   B0   No   Large   Offshore wind farm development   Energy   Fir	Ther	humber of jobs in pi	rogress afte	er biddir	ng cannot	exceed:	10 jobs	-	Tł	ne current value of the c	apital base is:	4,516,490 (	inancia	Il decisi	on screen)
Hence, the value of work that can be won cannot exceed:   21,655,500   during bidding     Job   Country   Type   BIM   Size   App V#     192   United Kingdom   BO   Yes   Large   24,00'     193   Iraq   DB   No   Medium   11,0'     194   Australia   BO   No   Large   17     195   Australia   BO   Yes   Medium   No   O     195   Australia   BO   Yes   Medium   No   O     196   India   BO   Yes   Medium   No   O     197   United Kingdom   BO   Yes   Medium   No   O     197   United Kingdom   BO   No   Sme <sup>2</sup> Offshore wind farm development   Energy   First Wind USA   197   No   O     202   United Kingdom   BO   No   Me <sup>2</sup> No   O   O   O     203   United Kingdom   BO   No   Me <sup>2</sup> No   O   O   O     <	E F	lence, the maximu	m number o	f jobs t	hat can b	e won is:	5 jobs du	uring bidding	The current capital b	ase can support forward	workload of:	45,164,900 (	10 x ca	pital ba	se)
Job     Country     Type     BIM     Size     App V#       192     United Kingdom     B0     Yes     Large     24,00'     New medical school     Building & Commercial     Fenlands County Council     192     No     0       193     Iraq     DB     No     Medium     11,0'     New aircraft hangar at Mosul Airport     Transport     Iraq TranGen 2009     193     No     0       194     Australia     B0     Yes     Medium     New Australian rules football pitch     Building & Commercial     Australian Sport     Iraq TranGen 2009     193     No     0       195     Australia     B0     Yes     Medium     New Australian rules football pitch     Building & Commercial     Australian Sport     195     No     0       196     India     B0     Yes     Medium     Upgrade of existing steel plant     Industrial     Pune Steel     196     No     0       197     United Kingdom     D8     No     Mo     0     197     No     0       200     United Kingd									Hence, the value of v	work that can be won ca	nnot exceed:	21,655,500	luring b	idding	
JobCountryTypeBIMSizeApp V/s192United KingdomB0YesLarge24,00'193IraqDBNoMedium11,0'194AustraliaB0NoLarge17195AustraliaB0YesMedium196IndiaB0YesMedium197United StatesB0NoLarge198United KingdomB0NoLarge199United KingdomB0NoLarge190United KingdomB0NoSme'201United KingdomB0NoSme'202United KingdomB0NoMe'203United KingdomB0NoMe'204United KingdomB0NoMe'205United KingdomB0NoMe'206United KingdomB0NoMe'207United KingdomB0NoMe'208United KingdomB0NoMe'209United KingdomB0NoMe'200United KingdomB0NoMe'201United KingdomB0NoMe'202United KingdomB0NoMe'203United KingdomB0NoMe'204United KingdomB0No205NoNoMe'206United KingdomB0No20															
JobCountryTypeJinSizeApp v/ attorattorDescriptionSectorClientJob	lab	Country	Tuno	DIM	Sizo	App Ma	ation	Descriptio		Contor	Client		lab	Did	Pidvalue
Total of the second s	192	Linited Kingdom	BO	Yes	Large	24 00/	1	New medica	l school	Building & Commercial	Eenlands Cour	tu Council	192	No	
194AustraliaB0NoLarge17New Australian rules football pitchBuilding & CommercialAustralian Sport Institute194No0195AustraliaB0YesMediumAircraft hangar modificationsBuilding & CommercialAustralian Sport Institute194No0196IndiaB0YesMediumAircraft hangar modificationsBuilding & CommercialMascot Airport Corporation195No0197United StatesB0NoLargeOffshore wind farm developmentEnergyFirst Wind USA197No0200United KingdomB0NoSmarIew site access roads for HS2TransportHS Rail Connection Group200No0202United KingdomB0NoMerInstruction of a new multi-faith centreBuilding & CommercialLondon City Council202No0203United KingdomB0NoMerInstruction of a new multi-faith centreBuilding & CommercialLondon City Council202No0203United KingdomB0NoMerInstruction of a new multi-faith centreBuilding & SewageEnglish Waterways203No0214FranceB0NoImagerImagerImagerImagerImager194No0220United KingdomB0NoImagerImagerImagerImagerImagerImager197No0 <td>193</td> <td>Iran</td> <td>DB</td> <td>No</td> <td>Medium</td> <td>11 0</td> <td></td> <td>New aircraft</td> <td>hangar at Mosul Airport</td> <td>Transport</td> <td>Iran TranGen 2</td> <td>2009</td> <td>193</td> <td>No</td> <td>0</td>	193	Iran	DB	No	Medium	11 0		New aircraft	hangar at Mosul Airport	Transport	Iran TranGen 2	2009	193	No	0
195AustraliaB0YesMedium196IndiaB0YesMedium196IndiaB0YesMedium197United StatesB0NoLarge200United KingdomB0NoSme'201United KingdomDBYesMer'202United KingdomB0NoSme'203United KingdomB0NoMer'204United KingdomB0NoMer'205United KingdomB0NoMer'206United KingdomB0NoMer'207United KingdomB0NoMer'208United KingdomB0NoMer'209United KingdomB0NoMer'200United KingdomB0NoMer'201United KingdomB0No202United KingdomB0No203United KingdomB0No204NoNo205United KingdomB0No206NoNo207NoNo208NoNo209NoNo200NoNo201NoNo202NoNo203NoNo204NoNo205NoNo206NoNo207NoNo208NoNo	194	Australia	BO	No	Large	17		New Austral	ian rules football pitch	Building & Commercial	Australian Spo	rt Institute	194	No	0
196IndiaB0YesMedium197United StatesB0NoLarge200United KingdomB0NoSme201United KingdomDBYesMer202United KingdomDBYesMer203United KingdomB0NoMer204United KingdomB0NoMer205United KingdomB0NoMer206United KingdomB0NoMer207United KingdomB0NoMer208United KingdomB0NoMer209United KingdomB0NoMer200United KingdomB0NoMer201United KingdomB0NoMer202United KingdomB0NoMer203United KingdomB0NoMer204NoMerMer205United KingdomB0No206NoNoMer207NoO208NoNo209NoNo200NoNo201NoNo202NoNo203NoNo204NoNo205NoNo206NoNo207NoNo208NoNo209NoNo209NoNo200 <td>195</td> <td>Australia</td> <td>BO</td> <td>Yes</td> <td>Medium</td> <td></td> <td></td> <td>Aircraft hang</td> <td>jar modifications</td> <td>Building &amp; Commercial</td> <td>Mascot Airport</td> <td>Corporation</td> <td>195</td> <td>No</td> <td>0</td>	195	Australia	BO	Yes	Medium			Aircraft hang	jar modifications	Building & Commercial	Mascot Airport	Corporation	195	No	0
197United StatesB0NoLargeOffshore wind farm developmentEnergyFirst Wind USA197No0200United KingdomB0NoSmallSmallImage: SmallSmallImage: SmallImage: Small <td< td=""><td>196</td><td>India</td><td>BO</td><td>Yes</td><td>Medium</td><td>7</td><td></td><td>Upgrade of</td><td>existing steel plant</td><td>Industrial</td><td>Pune Steel</td><td></td><td>196</td><td>No</td><td>0</td></td<>	196	India	BO	Yes	Medium	7		Upgrade of	existing steel plant	Industrial	Pune Steel		196	No	0
200   United Kingdom   B0   No   Small     201   United Kingdom   DB   Yes   Mer   Instruction of a new multi-faith centre   Building & Commercial   London City Council   202   No   0     203   United Kingdom   B0   No   Mer   Storation work on Montgomery canal   Water & Sewage   English Waterways   203   No   0     204   France   B0   No   Mer   Instruction of a new multi-faith centre   Water & Sewage   English Waterways   203   No   0     204   France   B0   No   Mer   Instruction of a new multi-faith centre   Building & Commercial   London City Council   202   No   0     205   United Kingdom   B0   No   Mer   Instruction of a new multi-faith centre   Building & Commercial   London City Council   203   No   0     205   United Kingdom   B0   No   Mor   Instruction of a new multi-faith centre   France   Paris Olympic Group   214   No   0     205   United Kingdom   B0   No   No   0 <td< td=""><td>197</td><td>United States</td><td>BO</td><td>No</td><td>Large</td><td></td><td></td><td>Offshore wir</td><td>d farm development</td><td>Energy</td><td>First Wind USA</td><td>۸.</td><td>197</td><td>No</td><td>0</td></td<>	197	United States	BO	No	Large			Offshore wir	d farm development	Energy	First Wind USA	۸.	197	No	0
202   United Kingdom   DB   Yes   Mer   Instruction of a new multi-faith centre   Building & Commercial   London City Council   202   No   0     203   United Kingdom   B0   No   Mer   Storation work on Montgomery canal   Water & Sewage   English Waterways   203   No   0     214   France   B0   No   Mer   Instruction of a new multi-faith centre   Building & Commercial   London City Council   202   No   0     214   France   B0   No   Mer   Instruction work on Montgomery canal   Water & Sewage   English Waterways   203   No   0     220   United Kingdom   B0   No   No   0   0   0   0     220   United Kingdom   B0   No   No   0   0   0   0   0   0   0     220   United Kingdom   B0   No   No   0   0   0   0   0   0   0   0   0   0   0   0   0   0   0   0   0   0	200	United Kingdom	BO	No	Sma'			lew site ac	cess roads for HS2	Transport	HS Rail Conne	ction Group	200	No	0
203   United Kingdom   B0   No   M   Storation work on Montgomery canal   Water & Sewage   English Waterways   203   No   0     214   France   B0   No   No   0   0   0     220   United Kingdom   B0   No   0   0   0   0     220   United Kingdom   B0   No   0   0   0   0	202	United Kingdom	DB	Yes	Mer			Instruction	of a new multi-faith centre	Building & Commercial	London City Co	ouncil	202	No	0
214 France BU No   220 United Kingdom BO No	203	United Kingdom	BO	No	M			storation	work on Montgomery canal	Water & Sewage	English Water	vays	203	No	0
220 United Kingdom BU No eluge Systems for sub-stations Energy Electragen 220 No U	214	France	BO	No	ļ			rade to	the Bercy metro station	l ransport	Paris Ulympic (	aroup	214	No	0
	220	United Kingdom	BO	No				eluge	Systems for sub-stations	Energy	Electragen		220	No	U

The company already have 5 jobs in progress on the Job Progression Screen.

After the bids have been processed potentially 10 jobs can be in progress, which includes the 5 jobs already in progress and any jobs won this period.

Hence, there is scope to win up to 5 new jobs this period.



🖗 MA	KING Procure	ement o	lecisio	ons fo	r period	9 in the Ear	ly Years								
Chang	e period Asse	essing pe	rforma	nce 1	Industry i	nformation	Help								
								PROCUBEME	NT RESTRICTION	IS					
								Company I	Based Limitations						
	N	UMBEF	l OF J	OBS	IN PRO	GRESS			VA	LUE OF WORK IN F	PROGRESS				
At	the start of the	period, tł	he num	ber of	jobs in pro	igress is:	5 (job prog	gression screen)		The initial forwar	d workload is:	23,509,400	job prog	gressior	n screen)
The	number of jobs i	in progre	ss after	r biddir	ng cannot	exceed:	10 jobs		Th	ne current value of the c	apital base is:	4,516,490	financia	il decisi	ion screen)
H	Hence, the max	imum nu	mber of	jobs ti	hat can be	e won is:	5 jobs dur	ing bidding	The current capital b	lase can support forward	d workload of:	45,164,900	10 x ca	pital ba	ise)
									Hence, the value of v	vork that can be won ca	annot exceed:	1,655,500	during b	idding	
Job	Country		Туре	BIM	Size	App Value	Duration	Description		Sector	Client		Job	Bid	Bid value
192	United Kingdor	m	BO	Yes	Large	24,000,000	4	New medical scho	ol	Building & Commercial	Fenland <sup>2</sup>	Council	192	No	0
193	Iraq		DB	No	Medium	11,000,000	3	New aircraft hanga	ar at Mosul Airport	Transport	Iraq T	/09	193	No	0
194	Australia		BO	No	Large	17,000,000	4	New Australian rule	es football pitch	Building & Commercial	Aus'	Institute	194	No	0
195	Australia		BO	Yes	Medium	9,000,000	3	Aircraft hangar mo	difications	Building & Commercial	M	Corporation	195	No	0
196	India		BO	Yes	Medium	10,000,000	3	Upgrade of existing	g steel plant	Industrial	,		196	No	0
197	United States		BO	No	Large	24,000,000	5	Offshore wind farm	development	Energy			197	No	0
200	United Kingdor	m	BO	No	Small	5,000,000	2	New site access ro	ads for HS2	Transport		ction Group	200	No	0
202	United Kingdor	m	DB	Yes	Medium	12,000,000	3	Construction of a r	ew multi-faith centre	Building & Comm		ouncil	202	No	0
203	United Kingdoi	m	RO	No	Medium	8,000,000	4	Hestoration work of	n Montgomery canal	Water & Sewa		ways	203	No	0
214	France		BO	No	Small	2,000,000	3	Upgrade to the Be	rcy metro station	Transport		Group	214	No	0
220	United Kingdoi	m	RO	No	Small	5,000,000	2	Fire Deluge System	ns for sub-stations	Energy			220	No	0

The company's capital base, which represents the infrastructure of the business, governs the amount (or value) of work the company can support at any point in time.

At the start of period 9 the amount of work that can be supported is10 times the current value of the capital base, in this case 45,164,900 (10 x 4,516,490).



🇊 MA	MAKING Procurement decisions for period 9 in the Early Years														
Chang	e period Assessing	performa	ince 🔅	Industry i	nformation	Help									
							PROCUREME	NT RESTRICTION	IS						
	Company Based Limitations														
NUMBER OF JOBS IN PROGRESS VALUE OF WORK IN PROGRESS															
At	the start of the period	d, the num	iber of	jobs in pro	ogress is:	5 (job prog	gression screen)		The initial forwar	d workload is:	23,509	23,509,400 (job progression screen)			screen)
The number of jobs in progress after bidding cannot exceed: 10 jobs The current value of the capital base is: 4,516,											4,516,490 (financial decision screer			on screen)	
H	Hence, the maximum	number o	f jobs t	hat can b	e won is:	5 jobs dur	ing bidding	The current capital b	ase can support forward	d workload of:	45,164	,900 (1	10 x caj	pital ba	se)
								Hence, the value of v	vork that can be won ca	annot exceed:	21,655	,500 d	luring bi	idding	
_															
Job	Country	Туре	BIM	Size	App Value	Duration	Description		Sector	Client			Job	Bid	Bid value
192	United Kingdom	BO	Yes	Large	24,000,000	4	New medical scho	ol	Building & Commercial	Fenlands Co	c	cil	192	No	(
193	Iraq	DB	No	Medium	11,000,000	3	New aircraft hanga	ar at Mosul Airport	Transport	Iraq Tran			193	No	
194	Australia	BO	No	Large	17,000,000	4	New Australian rule	es football pitch	Building & Commercial	Australi		э	194	No	
195	Australia	BO	Yes	Medium	9,000,000	3	Aircraft hangar mo	difications	Building & Commercial	Masr		ion	195	No	0
196	India	BO	Yes	Medium	10,000,000	3	Upgrade of existing	g steel plant	Industrial	P			196	No	0
197	United States	BO	No	Large	24,000,000	5	Offshore wind farm	development	Energy	V			197	No	0
200	United Kingdom	BO	No	Small	5,000,000	2	New site access ro	oads for HS2	Transport			μ	200	No	0
202	United Kingdom	DB	Yes	Medium	12,000,000	3	Construction of a r	ew multi-faith centre	Building & Commer				202	No	0
203	United Kingdom	BO	No	Medium	8,000,000	4	Restoration work of	n Montgomery canal	Water & Sewag				203	No	0
214	France	BO	No	Small	2,000,000	3	Upgrade to the Be	rcy metro station	Transport				214	No	0
220	United Kingdom	BO	No	Small	5,000,000	2	Fire Deluge Systen	ns for sub-stations	Energy				220	No	0

The company already has 23,509,400 of work in progress, based upon the jobs in progress on the Job Progression Screen.

The initial work in progress is subtracted from the level of work that can be supported to give the value of work that can be won in the current period.

Hence, the value of work that can be won in period 9 is 21,655,500 (45,164,900 – 23,509,400)



## Bidding Strategy

🎁 MAKING Pr	ocurement decisions f	or period 9 in the Ea	rly Years				
Change period	Assessing performance	Industry information	Help				
				PROCUREM	ENT RESTRIC	TIONS	

	Lompany Based Limitations													
	NUMBER	R OF J	OBS	IN PRO	GRESS		VA	LUE OF WORK IN F	PROGRESS					
At	the start of the period, t	he num	ber of	jobs in pro	ogress is:	5 (job prog	pression screen)	The initial forwar	d workload is:	23,509,400 ()	job prog	gression	i screen)	
The	number of jobs in progre	ess afte	r biddir	ng cannot	exceed:	10 jobs	Tł	e current value of the c	apital base is:	4,516,490 (	financia	al decisi	on screen)	
H	Hence, the maximum nu	mber ol	f jobs tl	hat can be	e won is:	5 jobs duri	ng bidding The current capital b	ase can support forward	d workload of:	45,164,900 (	10 x ca	pital ba	se)	
							Hence, the value of v	vork that can be won ca	annot exceed:	21,655,500	luring b	idding		
Job	Country	Туре	BIM	Size	App Value	Duration	Description	Sector	Client		Job	Bid	Bid value	
192	United Kingdom	BO	Yes	Large	24,000,000	4	New medical school	Building & Commercial	Fenlands Cr	Council	192	No	0	
193	Iraq	DB	No	Medium	11,000,000	3	New aircraft hangar at Mosul Airport	Transport	Irag Traní	<u>09</u>	193	No	0	
194	Australia	BO	No	Large	17,000,000	4	New Australian rules football pitch	Building & Commercial	Austra	. Institute	194	No	0	
195	Australia	BO	Yes	Medium	9,000,000	3	Aircraft hangar modifications	Building & Commercial	Ma	. Corporation	195	No	0	
196	India	BO	Yes	Medium	10,000,000	3	Upgrade of existing steel plant	Industrial	7		196	No	0	
197	United States	BO	No	Large	24,000,000	5	Offshore wind farm development	Energy	/S	A	197	No	0	
200	United Kingdom	BO	No	Small	5,000,000	2	New site access roads for HS2	Transport	/nn	ection Group	200	No	0	
202	United Kingdom	DB	Yes	Medium	12,000,000	3	Construction of a new multi-faith centre	Building & Com	,ity C	ouncil	202	No	0	
203	United Kingdom	BO	No	Medium	8,000,000	4	Restoration work on Montgomery canal	Water & Se <sup>,</sup>	Water	ways	203	No	0	
214	France	BO	No	Small	2,000,000	3	Upgrade to the Bercy metro station	Transpor'	(ympic	Group	214	No	0	
220	United Kingdom	BO	No	Small	5,000,000	2	Fire Deluge Systems for sub-stations	Energy	agen		220	No	0	

Ideally the company needs to win as close to 21,655,500 of new work as possible to fully utilise the capital base, otherwise resources are being wasted.

How does the Procurement Manager now go about deciding upon a bidding strategy to try and win as close to 21,655,500 possible ?

We will look at some possible scenarios, and their pros and cons.



MAKING Procurement decisions for period 9 in the Early Years	

Change period Assessing performance Industry information Help

	PROCUREMENT RESTRICTIONS													
							Company Based Limitations							
	NUMBER	R OF J	OBS	IN PRO	GRESS		VA	LUE OF WORK IN P	ROGRESS					
At	the start of the period, t	he num	ber of	jobs in pro	gress is:	5 (job prog	gression screen)	The initial forward	d workload is:	23,509,400 (	job prog	ressior	i screen)	
The	number of jobs in progre	ess afte	r biddir	ng cannot	exceed: 1	0 jobs	Tł	e current value of the c	apital base is:	4,516,490	financia	l decisi	on screen)	
H	lence, the maximum nu	mber of	f jobs ti	hat can be	e won is:	5 jobs duri	ing bidding The current capital b	ase can support forward	workload of:	45,164,900	10 x caj	pital ba	se)	
							Hence, the value of v	vork that can be won ca	nnot exceed:	21,655,500	durina bi	iddina	ŕ	
	Country Dist Size Ann Malue Duration Description Client													
Job	Country	Туре	BIM	Size	App Value	Duration	Description	Sector	Client		Job	Bid	Bid value	
192	United Kingdom	BO	Yes	Large	24,000,000	4	New medical school	Building & Commercial	Fenlands County	y Council	192	No	0	
193	Iraq	DB	No	Medium	11,000,000	3	New aircraft hangar at Mosul Airport	Transport	Iraq TranGen 20	)09	193	No	0	
194	Australia	BO	No	Large	17,000,000	4	New Australian rules football pitch	Building & Commercial	Australian Sport	Institute	194	No	0	
195	Australia	BO	Yes	Medium	9,000,000	3	Aircraft hangar modifications	Building & Commercial	Mascot Airport C	Corporation	195	No	0	
196	India	BO	Yes	Medium	10,000,000	3	Upgrade of existing steel plant	Industrial	Pune Steel		196	No	0	
197	United States	BO	No	Large	24,000,000	5	Offshore wind farm development	Energy	First Wind USA		197	No	0	
200	United Kingdom	BO	No	Small	5,000,000	2	New site access roads for HS2	Transport	HS Rail Connect	tion Group	200	No	0	
202	United Kingdom	DB	Yes	Medium	12,000,000	3	Construction of a new multi-faith centre	Building & Commercial	London City Cou	incil	202	No	0	
203	United Kingdom	BO	No	Medium	8,000,000	4	Restoration work on Montgomery canal	Water & Sewage	English Waterwa	ays	203	No	0	
214	France	BO	No	Small	2,000,000	3	Upgrade to the Bercy metro station	Transport	Paris Olympic Gr	oup	214	No	0	
220	United Kingdom	BO	No	Small	5,000,000	2	Fire Deluge Systems for sub-stations	Energy	Electragen		220	No	0	

Firstly, when forming a bidding strategy it is **vital to bear in mind that any bids submitted are processed in strict job number order** e.g., job 192 first , then job 193 through to job 220.

This job number order can influence bidding strategy.



🎲 MA	AKING Procurement decisions for period 9 in the Early Years													
Chang	e period Assessing pe	erforma	nce 1	Industry i	nformation	Help								
							PROCUREMENT RESTRICTION	19						
							Company Based Limitations							
	NUMBER	R OF J	OBS	IN PRO	GRESS		VA	LUE OF WORK IN F	ROGRESS					
At	the start of the period, t	he num	ber of	jobs in pro	ogress is:	5 (job prod	gression screen)	The initial forwar	d workload is:	23,509,400	(job prod	ressior	n screen)	
The	number of jobs in progre	ess afte	r biddir	ng cannot	exceed:	l0 jobs	Tł	ne current value of the c	apital base is:	4,516,490	(financia	- al decisi	ion screen)	
H	Hence, the maximum nu	mber ol	f jobs ti	hat can b	e won is:	5 jobs dur	ing bidding The current capital b	ase can support forward	d workload of:	45,164,900	(10 x ca	pital ba	se)	
							Hence, the value of v	vork that can be won ca	innot exceed:	21,655,500	during b	idding		
Job	Country	Type	BIM	Size	App Value	Duration	Description	Sector	Client		Job	Bid	Bid value	
192	United Kingdom	BO	Yes	Large	24,000,000	4	New medical school	Building & Commercial	Fenlands Cour	ty Council	192	Yes	25,140,830	
193	Iraq	DB	No	Medium	11,000,000	3	New aircraft hangar at Mosul Airport	Transport	Irag TranGen 3	2009	193	Yes	11,826,110	
194	Australia	BO	No	Large	17,000,000	4	New Australian rules football pitch	Building & Commercial	Australian Spo	rt Institute	194	Yes	18,027,560	
195	Australia	BO	Yes	Medium	9,000,000	3	Aircraft hangar modifications	Building & Commercial	Mascot Airport	Corporation	195	Yes	9,869,450	
196	India	BO	Yes	Medium	10,000,000	3	Upgrade of existing steel plant	Industrial	Pune Steel		196	Yes	10,865,240	
197	United States	BO	No	Large	24,000,000	5	Offshore wind farm development	Energy	First Wind USA	1	197	Yes	24,962,500	
200	United Kingdom	BD	No	Small	5,000,000	2	New site access roads for HS2	I ransport	HS Rail Conne	ection Group		Yes	5,204,335	
202	United Kingdom	DB	Yes No	Medium	0.000,000	3	Construction or a new multi-raith centre	Building & Commercial	London Lity Li		202	Yes	0.2454,360	
203	France	BO	No	Small	2,000,000	4	Hograde to the Bercy metro station	Transport	CTIQUE		(214	Yes	2 299 518	
220	United Kingdom	BO	No	Small	5,000,000	2	Fire Deluge Systems for sub-stations	Energy			220	Yes	5 438 864	
220	onicoantingdoni	00		omai	0,000,000	-	The beinge eyeans for sub-stations	Let 101.30		_	220	.00	0,100,004	

#### SCENARIO 1: BID FOR EVERY JOB

A 'no science' approach, i.e., bidding for every job available, might seem like a good option, but it has a number of drawbacks :-

- Some jobs that are bid for cannot be won due to their size exceeding the amount of work that can be won e.g., jobs 192 and 197 exceed the 21,655,500 of work that can be won.
- Crucially, every job incurs a bidding cost, shown in the "Industry parameters", and bidding for every job can incur a huge bidding bill (shown in the overhead costs), which can cripple company operating profit in a period.

#### The "bid for every job" scenario is not a sensible option, and a more selective approach is needed.

👹 Industry parameters			
FINANCE	OVERHEADS	PROCUREMENT	JOB PROGRESSION
BIDDING COS	<b>FS</b> The cost of bidding for a	job is: 0.2 % of the approxir	nate job value



203 United Kingdom

220 United Kingdom

214 France

Cł

## **Bidding Strategy**

MA	IAKING Procurement decisions for period 9 in the Early Years													
ang	e period	Assessing per	rforma	ince	Industry i	nformation	Help							
								PROCUREMENT RESTRICTION	NS					
								Company Based Limitations						
		NUMBER	l OF J	IOBS	IN PROC	GRESS		VA	LUE OF WORK IN F	ROGRESS				
At	the start o	f the period, th	ne num	ber of	jobs in pro	ogress is:	5 (job prog	gression screen)	The initial forwar	d workload is: 🔰 23,509,4	. <mark>00</mark> (job p	ogressio	n screen)	
[he]	number of	jobs in progres	ss afte	r biddir	ng cannot	exceed:	10 jobs	TI	he current value of the c	apital base is: 4,516,4	90 (finan	cial decis	ion screen)	
H	lence, the	e maximum nur	nber ol	fiobs t	hat can be	e won is:	5 iobs duri	ing bidding The current capital b	base can support forward	workload of: 45.164.9	00 (10 x i	capital ba	isel	
							-	Hence, the value of t	work that can be won ca	innot exceed: 21,655,5	i00 during	hiddina	,	
Thereby the value of work that can be work cannot exceed. 21,000,000 during bidding														
ob	Country		Туре	BIM	Size	App Value	Duration	Description	Sector	Client	Jol	Bid	Bid value	
92	United Ki	ngdom	BO	Yes	Large	24,000,000	4	New medical school	Building & Commercial	Fenlands County Council	193	2 No	0	
93	Iraq		DB	No	Medium	11,000,000	3	New aircraft hangar at Mosul Airport	Transport	Iraq TranGen 2009	193	} Yes	11,826,110	
94	Australia		BO	No	Large	17,000,000	4	New Australian rules football pitch	Building & Commercial	Australian Sport Institute	19	L N	0	
95	Australia		BO	Yes	Medium	9,000,000	3	Aircraft hangar modifications	Building & Commercial	Mascot Airport Corporatio	n 101		0	
96	India		BO	Yes	Medium	10,000,000	3	Upgrade of existing steel plant	Industrial	Pune Steel		40	0	
97	United SI	ates	BO	No	Large	24,000,000	5	Offshore wind farm development	Energy	First Wind USA		No	0	
200	United Ki	ngdom	BO	No	Small	5,000,000	2	New site access roads for HS2	Transport	HS Rail Com		No	0	
202	United Ki	ngdom	DB	Yes	Medium	12,000,000	3	Construction of a new multi-faith centre	Building & Commercial	Lond		No 2	0	

#### SCENARIO 2: BID FOR WORK, BUT NO WHERE NEAR THE AMOUNT THAT COULD BE WON

This scenario is the complete opposite to the previous approach, in that the company have bid for just one job, around 12m.

Restoration work on Montgomery canal

Upgrade to the Bercy metro station

Fire Deluge Systems for sub-stations

Water & Sewage

Transport

Energy

The drawbacks with this approach are :-

BO

BO

BO

No.

No

No

Even if the bid is successful, it would be nowhere near the 21,655,500 that could be won

4 3

2

8,000,000

2,000,000

5,000,000

Medium

Small

Small

Crucially, what happens if the jobs is lost? There is no plan B, and no work would be won, which would cause the forward workload an margin KPIs to plummet

#### This scenario is also not a sensible option.

\_ 🗆 🗙

0

0

0

.03

214

220

No

No

No



#### MAKING Procurement decisions for period 9 in the Early Years

Change period Assessing performance Industry information Help

	PROCUREMENT RESTRICTIONS													
Company Based Limitations														
	NUMBER OF JOBS IN PROGRESS VALUE OF WORK IN PROGRESS													
At the start of the period, the number of jobs in progress is: 5 (job progr							gression screen)	screen) The initial forward workload is: 23,509,400			(job progression screen)			
The number of jobs in progress after bidding cannot exceed: 10							) jobs The current value of the capital base is: 4,516			4,516,490	90 (financial decision screen)			
H	lence, the maximum nu	mber ol	jobs ti	hat can be	e won is:	5 jobs during bidding The current capital base can support forward workload of: 45,164,900				15,164,900	) (10 x capital base)			
Henc								nce, the value of work that can be won cannot exceed: 21,655,500 during bidding						
Job	Country	Туре	BIM	Size	App Value	Duration	Description	Sector	Client		Job	Bid	Bid value	
192	United Kingdom	BO	Yes	Large	24,000,000	4	New medical school	Building & Commercial	Fenlands County Council		192	No	0	
193	Iraq	DB	No	Medium	11,000,000	3	New aircraft hangar at Mosul Airport	Transport	Iraq TranGen 2009		193	No	0	
194	Australia	BO	No	Large	17,000,000	4	New Australian rules football pitch	Building & Commercial	Australian Sport Institute		194	Yes	18,027,560	
195	Australia	BO	Yes	Medium	9,000,000	3	Aircraft hangar modifications	Building & Commercial	Mascot Airport Corporation		195	N-	0	
196	India	BO	Yes	Medium	10,000,000	3	Upgrade of existing steel plant	Industrial	Pune Steel		101		0	
197	United States	BO	No	Large	24,000,000	5	Offshore wind farm development	Energy	First Wind USA			.0	0	
200	United Kingdom	BO	No	Small	5,000,000	2	New site access roads for HS2	Transport	HS Rail Connection			No	0	
202	United Kingdom	DB	Yes	Medium	12,000,000	3	Construction of a new multi-faith centre	Building & Commercial	London C*		1	No	0	
203	United Kingdom	BO	No	Medium	8,000,000	4	Restoration work on Montgomery canal	Water & Sewage	En		3	No	0	
214	France	BO	No	Small	2,000,000	3	Upgrade to the Bercy metro station	Transport			<i>∠</i> 14	No	0	
220	United Kingdom	BO	No	Small	5,000,000	2	Fire Deluge Systems for sub-stations	Energy			220	No	0	

#### SCENARIO 3: PUTTING ALL YOUR EGGS IN ONE BASKET

This scenario is similar to the previous one, in that **the company have put all their eggs in one basket** by bidding for just one job, but at least this time the bid value, at 18m, is close to the 21,655,500 that could be won.

However, the drawback is once more that it is a very risky strategy. It would pay off if the job is won, keeping bidding costs low, but again what happens if the jobs is lost? There is no plan B, and no work would be won, which would cause the forward workload an margin KPIs to plummet

This scenario, although probably the best so far, is still not the ideal one.



MAKING Procurement decisions for period 9 in the Early Years															
Change	e period Asses	sing perfo	rmano	ce I	Industry i	nformation	Help								
	Company Based Limitations														
NUMBER OF JORS IN PROGRESS VALUE OF WORK IN PROGRESS															
At	At the start of the period, the number of jobs in progress is: 5 (job progression screen) The initial forward workload is: 23 509 4									23,509,400 (	0 (iob progression screen)				
The	The number of jobs in progress after bidding cannot exceed: 10 jobs The current value of the canital base is: 4516.49										4.516.490	) (financial decision screen)			
Hence, the maximum number of jobs that can be won is: 5 jobs during bidding The current capital base can support forward workload of: 45.164.900									45,164,900	(10 x capital base)					
								Hence, the value of work that can be won cannot exceed: 21,655,5				) during bidding			
lab	Country	Т			Sizo	App Value	Duration	Departmention	Contor	Client		lab	Did	Ridualua	
192	United Kingdom	B	pe t n l v	Yes Yes	Large	24 000 000	A	New medical school	Building & Commercial	Eenlands County Council		192	No		
193	Iran		B	No	Medium	11 000 000	3	New aircraft bangar at Mosul Airport	Transport	Iran TranGen 2009		193	No	0	
194	Australia	B	ŏ	No	Large	17.000.000	4	New Australian rules football pitch	Building & Commercial	Australian Sport Institute		194	Yes	18.027.560	
195	Australia	B	ō	Yes	Medium	9,000,000	3	Aircraft hangar modifications	Building & Commercial	Mascot Airport Corporation		195	Yes	9,869,450	
196	India	B	0 `	Yes	Medium	10,000,000	3	Upgrade of existing steel plant	Industrial	Pune Steel		196	Yes	10,865,240	
197	United States	B	0	No	Large	24,000,000	5	Offshore wind farm development	Energy	First Wind USA		197	No	0	
200	United Kingdom	B	0	No	Small	5,000,000	2	New site access roads for HS2	Transport	HS Rail Connection Pr		200	No	0	
202	United Kingdom	D	B	Yes	Medium	12,000,000	3	Construction of a new multi-faith centre	Building & Commercial	London City C		202	No	0	
203	United Kingdom	B	0	No	Medium	8,000,000	4	Restoration work on Montgomery canal	Water & Sewage	English		203	No	0	
214	France	B	0	No	Small	2,000,000	3	Upgrade to the Bercy metro station	Transport		_	214	Yes	2,299,518	
220	United Kingdom	B	0	No	Small	5,000,000	2	Fire Deluge Systems for sub-stations	Energy		_	220	No	0	

#### SCENARIO 4: SELECTIVE BIDDING FOR MORE WORK THAN COULD BE WON

In this scenario the company have bid for around 41m of new work, almost double what can actually be won. However, the strategy has numerous advantages over the previous ones :-

- Bidding costs are not excessive with only 4 jobs bid for
- If job 194, the 18m bid, is secured then jobs 195 and 196 cannot be won due the capital base not supporting more than 21,655,500 of new work. However, the small job (job 214) may also be won, and the company is guaranteed to win close to the 21,655,500 threshold
- Crucially if job 194 is lost, there is a PLAN B with the next two bids totalling just over 20m, and one or both could be secured if the bids are competitive enough.

This scenario is the best one to adopt.