

➤ Only one bid... now what?

There it is in front of you: A nice fat envelope. The only envelope. Welcome to the world of “one bid” (cue the background music). After you have said a few rude remarks under your breath (relax, we’ve all done it), and considered hitting the bid box to make more bids appear (doesn’t work at all, but it does show that you have the intellect for management), it’s time to consider your next actions. Even after all your review and considerations, it really won’t tell you anything other than the bid information from one of your bidders. It’s not a snapshot of the marketplace, nor is it an true indication of current market conditions.

There are reasons that you have received one bid, and before you decide whether to open it or not, you need more information. Let’s first examine some of the factors – both internal and external, some under your control, others not – that resulted in one bid. First, did you call the bidders during the bid period to determine if they would bid or not? If not, why? Are there things you can change to make the bid papers more palatable to them as bidders?



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Internal factors include the specifications. Were they written to allow multiple bidders, or were they targeted toward one bidder or product? Are they clear? Is your pricing formula fair and consistent with how the marketplace prices its product? Are you asking for something

the marketplace cannot provide or that is too complicated? Are your terms and conditions unreasonable?

What research did you do prior to sending out the bid? Did you survey the marketplace? Are you dealing with a sole or proprietary source? Is the marketplace stable enough to give you a firm price? If not, do you have the appropriate price adjustment clause that will keep both you and the bidder whole during the term of the contract? What input, if any, did your end user give to you in producing the bid papers? Did they get it from independent research or from one outside vendor?

Did you check with your colleagues around the country to see if they are having the same problems as you? Market conditions change from region to region and are sometimes localized.

What research did you use to develop your bid list? Did you use the same bidders as last time or did you add new ones? Have you checked sources outside your local area? Did you contact a trade association to see if they have members that could assist you? Does the trade association have standard specifications that you could use instead of your home-grown specifications?

After you consider all this, and still decide to open the bid (if your procedures allow it), what are you going to do with the information? How will you verify that the prices are fair and reasonable? If you assure yourself, based on research, that they are, what internal documents do you need to process in order to make an award?

Personally I have never liked receiving one bid, as it really never told me anything. It’s as bad as not receiving any bids. I felt it reflected on my professionalism, and nothing annoyed me more than not being able to say that a price is fair and reasonable. It’s a disservice to our internal clients. I realize that’s a harsh view, but feeling that way made me not take the bid process for granted. Treat each bid as a separate challenge, do your research, ask your questions and eliminate one, or no, bids. And thanks to M.C. of Halifax Water for the idea for this article.

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