

# That Was Then, This is Now

## Why Suppliers Are Still Choosing to ‘No Bid’

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### EXECUTIVE SUMMARY

Entities sometimes issue solicitations with complex, dense, and excessive requirements, which can result in complicated and costly contract administration. This can lead suppliers to determine that the cost of proposing for a given project is too high, resulting in a “no-bid” outcome. Just as procurement professionals analyze the cost of conducting a sourcing process, suppliers must also determine the costs and benefits of responding to a competitive solicitation opportunity. If it is not cost effective for them to do so, they will not bid.

### BE TRANSPARENT

When solicitations are poorly crafted or favor the same suppliers repeatedly, procurement officials miss the opportunity to consider additional information that may lead to more creative and efficient solutions. Enabling a transparent, competitive sourcing process is essential to ensuring the goods and services purchased by public procurement professionals provide the best value and quality for an entity and community. The absence or limitation of competitive options for an entity potentially introduces lower-quality responses from potentially less-qualified suppliers.

The quality of a supplier’s response to a solicitation says as much about the entity issuing it as it does about the supplier responding to it. If an entity publishes a poor-quality solicitation that does not adequately address its needs, suppliers are likely to submit inadequate proposals. The more detailed a solicitation’s specification or scope of work, the more restrictive it becomes, potentially creating barriers to competition. Although an entity may feel that a very detailed specification will simplify the selection process and defend it against potential challenges (such as a protest), this approach may prevent opportunities for better, more cost-effective solutions.

When considering where to invest their time to pursue business opportunities, suppliers will mostly focus their efforts on entities that:

- Demonstrate an interest in partnering with suppliers for mutually beneficial contracts
- Create open, non-restrictive solicitations and sourcing processes
- Present requirements that do not favor specific suppliers or solutions
- Consider proposal and administration costs that impact suppliers when assembling a solicitation response and performing under a contract
- Are open to receiving information and learning about how to improve their solicitation and sourcing process

## PURSUE BEST VALUE

The public procurement profession advocates for entities taking advantage of a “best value” approach to sourcing for goods and services. A “best overall value” approach focuses on the overall solution that serves the best interest of the entity. This includes identifying the solution that provides the lowest total cost of ownership, improves the entity’s processes, reduces additional related costs, and is provided by a qualified supplier.

In general, suppliers are actively looking for business opportunities and want to increase their client portfolio and company revenue. Through effective supplier-practitioner communications, suppliers can develop a better understanding of the needs, goals, and challenges an entity faces, enabling them to produce more responsive submissions.

## NIGP BUSINESS COUNCIL

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