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How to Get Government Contracts – 5 Useful Tips

in Growing by Nigel Bowen

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Tendering for government contracts is much like tendering for ones from private companies... except when it isn't. Here are five tips for getting government work.

1. Government organisations operate independently, mostly

Speaking of the 'government market' makes about as much sense as referring to the 'private enterprise' market. Just as the latter is made up of diverse

businesses, the former is made up of approximately 120 departments, agencies, authorities and companies (you can find a list of them all at australia.gov.au). And within a single government organisation, there are often many areas involved in the purchase of goods and services.

As with any other potential client, it's essential you identify the particular business requirements of the government organisation (or subdepartment within it) you are targeting. Alternatively, especially with more generic goods and services, government organisations may band together to bulk buy. In these cases, you should emphasise the broad appeal of what you're selling.

2. Everything has to be done by the book

Unlike their private sector counterparts, government employees are obliged to do everything strictly by the book. That means if your tender arrives late, doesn't adequately address the stated selection criteria or fails to provide the requested information then it's headed straight for the reject pile, no matter how compelling it might otherwise be.

3. Government business is all about relationships too

When chasing government business, you will be dealing with human beings rather than an impersonal bureaucratic entity. Those human beings, just like their peers in the corporate sector, prefer to do business with people they know, trust and like. So identify the officials who are responsible for making purchasing decisions with government departments or subdepartments and seek to build relationships with them. Be aware, however, that strict anti-bribery regulations rule out providing anything that could be seen as a gift or favour.

4. Understand the process

Government departments are charged with making sure they get value for the taxpayers' money. While businesspeople may be able to go on gut instinct when awarding contracts, government officials need to be able to justify why they chose one supplier over others. The criteria the government officials base their decision on are the performance history of the supplier, the costs and benefits over the life of the procurement, the flexibility of the proposal and the anticipated price that could be obtained, or cost incurred, at the time of disposal.

5. Get on a multi-use list and watch AusTender like a hawk

Unless it involves a relatively small purchase, government departments typically go through a tender process to award contracts. All public tender opportunities are advertised on the AusTender website (tenders.gov.au). Agencies also have their own websites that may indicate what they are likely to be in the market for, but the AusTender website is the one to monitor closely.

Tendering will be easier if you get yourself on a 'multi-use list' - a list of potential suppliers established by either a particular government organisation or a group of them. Getting on a multi-use list is likely to raise your company's profile and it is sometimes the case that government agencies will only invite those on a multi-use list to tender for contracts.

Pursuing government contracts can involve jumping through a number of bureaucratic hoops, but on the plus side the process is designed to be as fair and transparent as possible. If you miss out on a contract, you can also request a debriefing in which it will be explained to you what the weaknesses were in your tender.

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