

---

*CONDUCTING BUSINESS* (cont'd):*Bidding for Projects* (cont'd)

To prepare an offer that is attractive will require significant effort and cost on the part of your company. Many times site visits will be necessary to properly understand the requirements of the project. Possibly a host of local or foreign suppliers will be needed to fulfil all the requirements of a turnkey project. They will be supplying prices to other bidders as well, thus, good market intelligence is required to know if they favour one company over another. Additional market intelligence can be of great benefit. For example, what is the customer's budget, is there a preferred supplier, who are the competitors agents and are they more powerful than yours, do your competitors have someone on the inside of the client organization, etc? Your contacts with people inside the client organization can be very important and helpful. Often they can provide insight into the project that can only be obtained by discussing issues with them. Therefore, they must know you and both of you have to have trust in each other before this can occur.

Winning projects in the Middle East is not an easy task. There is plenty of competition from both competent and incompetent businesses in the same field. Since the depressed oil prices of the mid 1980's client organizations are extremely price conscious. As a result, the low bidder is in the best position to receive the award. Prices near to the low bidder - within 5% - also stand a good chance of being considered. In cases like this it is extremely important to have your agent and his connections do their part to secure the contract. Often a low bidder does not succeed either due to non-compliance or weak representation inside the client organization.

In some cases, offers will be evaluated by a central tender committee of either the government or the client ministry. If this is the case it is important to know someone on this committee who may provide guidance and information. Sometimes your proposal will have to be submitted in two separate envelopes, one technical and one commercial. The evaluation committee will usually open the technical package first and perform a full evaluation of the technical offers. Then the commercial package would be opened and evaluated in the light of the technical proposals.

In all cases, bidding for work in these countries involves the active presence of your agent or Canadian manager, a lot of involvement of staff, and considerable time and expense. This is an undertaking that should not be embarked upon in a haphazard manner and is reason enough to ensure that your company's presence in the region is strong enough to allow you to compete.