



MODULE 3

Part 2: Bidding and securing an event



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Learning Outcome:

LO3: Apply the stages of the bidding process.

1. Introduction

Think about the last event that you attended. It's likely that you took note and were aware of much of what was needed to make the event a success, but organising an event involves a range of complexities – even before the beginning can begin. Part 2 of these notes will cover some of the standard requirements and processes necessary in event bidding.

2. Standard contents of a bid document

The contents of a bid document, which is compiled by an event company or agency, may vary according to the size and scope of the event, but generally the following sections should be included:

- **Candidate characteristics:** Candidate characteristics refer to two aspects. The first aspect being information relating to the event company, for example its size, previous event experience, staff compliment and annual turnover. This information is required so the event owner has an understanding of what type of company they are dealing with. The second aspect that needs to be outlined includes the social, economic and political framework within which the event is going to operate. The responsibilities of government or city on various levels should be clearly indicated.
- **Legal aspects:** The agency or team bidding for the event should ensure that the bid conforms to the legal requirements of the event owner, in particular the use of symbols, revenue raising and distribution, and customs and immigration procedures. For instance, the event may have a certain logo or certain sponsors' logos that need to be displayed on all event documentation. The financial arrangement between the parties with regards to the amount, timing and payment method should be established in a legally binding document. Often there are conditions of payment, for example a portion of the money is transferred only on completion of a certain part of the build of the event – this is generally applicable to large-scale events where both time and money are vital. It is important to stipulate whether deposits are to be paid or not, especially from a cash flow perspective because the event company may have to pay supplier deposits. In the case of larger events, certain items may need to be shipped in and out of the event destination. Certain products may have specific shipment methods or clearance requirements and all of this information should be laid out clearly in a legal document so as to cover both parties. Once the event has been awarded, essentially one legal document, also known as contract, should be drawn up between the event owner and the event company. All legal aspects should be covered in the contract.



- **Finance:** The financial cost of hosting the event should be clearly set out by the event team bidding for the event – capital expenditure on facilities, infrastructure and venues, as well as operational expenditure for hosting must be outlined. It is important that the figures are both competitive and realistic. Figures need to include the event company's mark up or, in some cases, rather a management fee. The budgeting outline should be detailed, but not too detailed that it allows for unnecessary nit picking on the part of the event owner.
- **Social, economic and environmental concerns:** Event owners generally require information on factors such as location of the city, altitude, temperature, humidity and rainfall. These factors are required because they may affect the event, especially if it is a sporting event. Any relevant social and economic factors need to be highlighted too. This is where the event company may have to do a bit of research and draw on the knowledge of visitor bureaus and DMCs.
- **Security:** This is usually the most critical aspect of the bid document, as the event owner needs to be assured that the event will proceed without any security breaches. Security plans need to be carefully developed and the following issues should be considered: crime prevention plans in the host city, security plans at venues, emergency evacuation plans, access control, and security for high-profile people. It is always a good idea for the event company to consult the experts like an event security company or SAPS when compiling a security plan.
- **Medical and health services:** The availability of medical care should be indicated and the event team should highlight any health considerations. The event owner will need to see that all aspects regarding health and safety have been covered, from emergency evacuation helicopters, ambulances and paramedics to the distance of the nearest emergency room.
- **Transport and traffic:** This includes travel to the host city, travelling in and around the host city, travel to and from venues, and transport for people with disabilities. It is important that the event company consults the traffic department with regards to any major traffic issues, to be able to best plan for any potential problems.
- **Event requirements:** Whether the nature of the event is sport, cultural or conference, the host and event team need to meet specific requirements in order to ensure the successful hosting of the event. The event owner identifies and determines these specifications and special emphasis is given to this aspect. For example, a cultural event may highlight the inclusion of local communities as one of their major requirements. It is then up to the event company to make sure that this requirement is met.
- **Accommodation:** Information on available accommodation types must be given. Special requirements for various groups attending the event may also be laid out. The ability to make large provisional bookings in advance through established relationships with accommodation establishments is a big plus.



- **Telecommunications infrastructure:** Large-scale international events generally depend on media coverage. The event owner therefore needs to be assured that proceedings will be available for broadcast and that there won't be any restrictions due to lack of infrastructure.
- **Event bid checklist:** It is essential for the event team bidding to host the event to establish a checklist – no matter how small or large the event may be. A checklist provides clarity, planning and structure. The box below provides some ideas of the types of questions that the event bidding team should be asking.

Event bidding checklist:

The event:

- What is the name, nature and scale of the event?
- How often is the event held and where has it previously been hosted?
- Where will the event take place, with respect to geographical area, city and suburb?
- Why does your organisation wish to bid to host the event?
- When will the event take place and over what period?
- Is there a forecast of impacts and attendance numbers from previous events?
- What potential linked events may be organised?
- Is there enough infrastructure or do we need to provide new infrastructure?
- Will the human resource requirements of the event be met?
- Is there clarity on the financial implications of the bid and the event?

The bidding process:

- What organisation owns the rights to the event?
- Is there a critical path for the bid? If so, what are the critical milestones?
- What other organisations are bidding to host the event?
- Is there a formal lobbying period?
- Will an evaluation team visit to assess your potential?
- Are there potential competing events occurring over the same period?
- Where would the bid headquarters be located?
- What are the strengths of your bid?
- What are the obvious weaknesses of your bid?
- Is there support from the national federation, SASC, and all levels of government?

The bidding meeting:

- What are the bidding and hosting requirements?
- Is there a specific bidding manual?
- Do you have enough time to meet the bidding requirements?
- Are there sufficient resources to meet the requirements?
- Is there adequate infrastructure to host the event?
- If not, what improvements or temporary facilities are needed?
- Do you have the technical infrastructure to host the event?
- Are dedicated training facilities required?
- What special transport arrangements will be required?
- What additional accommodation arrangements will be required?
- What media and IT infrastructure is required?
- What accreditation and security measures will be needed?
- What specialised equipment will be needed, which you do not presently have access to?
- Are all venues and modes of transport accessible to disabled people?
- What guarantees does the event owner in the bidding process require?

Organisational structure and capacities:

- What is the nature of your bidding committee?
- Who will lead your bid?
- Who are the decision makers in your bid?
- What is the composition of your committee or board?
- Is there sufficient organisational expertise to compete?
- Who are the stakeholders in the event at all levels?
- What will be expected of them in the bidding process?
- Do they have the capacity to assist within the time frames set?
- What systems are currently in place to run the bid?
- How much public sector input will be required from national, regional and local government level?

- What potential is there for South African participants to excel at the event?

Financial implications:

- What budget is required to submit your bid?
- What upfront finances exist to compete effectively in the bidding process?
- Is there an initial inflow of capital from the event owner?
- What funding arrangements are in place or are needed?
- Is there private sector interest in the bid and the event?
- How marketable is your event in terms of media coverage?
- What marketing and sponsorship restrictions apply to the bidding process and event?
- What sponsorship arrangements have been secured?
- Do you have financial assurance and insurance cover for the bidding process?
- Is the event financially and economically viable?

Feasibility study:

- Have you conducted a feasibility study? If so, please provide the documentation.
- What are the potential positive and negative impacts resulting from bidding and hosting the event?
- Please provide relevant documentation on the impact of the event. This includes environmental, social, economic and infrastructural impacts.
- What legacies will be derived from bidding and hosting the event?
- Which geographical area and who in particular will benefit?
- Will a post-event evaluation be completed?
- What monitoring and evaluation mechanisms will be established during the bidding process?
- How will the event fit into national and regional sports and tourism strategies?
- Why will participants and spectators want to come to your destination as opposed to any other?



- Are the human resources sufficient to meet the requirements for the event?
- If not, indicate the measures in place to meet this need.

In response to the bid, the event organiser would need to provide the following information in the tender document:

- An executive summary
- Company credentials
- Program overview
- Destination and venue details, including information on infrastructure, accessibility, attractions, etc.
- Detailed venue plans, floor capacities, facilities, accommodation, etc.
- Size of predicted target audience
- Marketing and promotional strategies
- Financial planning and budgets (these are not always stipulated)
- Proposed use of in-house systems
- Event staffing
- Staging, operation and logistics
- Technical requirements
- Health and safety issues
- Risk management assessment

It is not common for an event company to be presented with such a detailed bid or tender. Often, the event owner will only provide the essentials and, at times, there is a lot of crucial information missing. If this occurs, the event company should try and get in touch with the event owner and get the list of questions answered rather than make any assumptions. When it is not possible to contact the event owner directly, it is important to do research. For example, if the venue has been given and no further information, then contacting the venue to find out what they do and do not provide, as well as whether there are any restrictions, is the best option.



3. Timelines for the bidding process

Timelines for bids are usually set out by the event owners and are therefore not very flexible. They can also be fairly demanding. An important factor to consider is whether the timelines set out in the bid document are feasible and achievable. You are highly unlikely to get an extension on any deadlines. The best way to assess the feasibility of the timelines is to put together a critical path document.

This document outlines the key milestones up to the event delivery. With regard to large sporting events, it is always a good idea to try to schedule test events, to iron out any potential problems. Generally, the timelines do not allow for test events.

Key milestones should be prioritised in terms of importance. A chart can be an effective way of developing a timeline. It allows you to see the duration of each task as well as each task's relationship to the event timeline as a whole. Remember that each task can affect the other. If one task runs over its scheduled time allocation, it can have a domino effect on all the other tasks, causing them to run late and affect your end delivery date. Contingency plans for unexpected occurrences should be allowed for in the timeline. They essentially act as buffers against potential disasters. Role players need to be clearly informed of their responsibilities and time frames.

A critical path shows the event owner that the delivery elements of the event are in place, instilling a sense of confidence.

4. Terminology

- “Acceptable bid” means any bid, which, in all respects, complies with the specifications and conditions of the bid as set out in the bid document.
- “Bid” means a written offer in a prescribed or stipulated form in response to an invitation by an organ of State for the provision of goods, works or services.
- “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.
- “Comparative price” means the price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration.
- “Community or broad-based enterprise” means an enterprise that has an empowerment shareholder who represents a broad base of members such as a local community or where the benefits support a target group, for example black women, people living with disabilities, the youth and workers. Shares are held via direct equity, non-profit organisations and trusts.
Benefits from the shareholding should, in a measurable sense, be directed towards the uplifting of the community through job creation, welfare, skills development,



entrepreneurship and human rights. At the same time, directors and management of groups should significantly comprise black persons.

These arrangements are appropriate in situations where the activities or operations of an enterprise or industry directly impact on a community or are located in a community, or may benefit a community. Notable examples are large industrial projects, mining and tourism. Other instances, which do assist in broadening the shareholder base, are employee share ownership schemes; these are a viable empowerment shareholder option. In this and other circumstances, these arrangements should not detract from the ability of the shareholder to exercise significant influence or control over the operations of the business.

- “Consortium or joint venture” means an association of persons for the purpose of combining their expertise, property, capital, efforts, skills and knowledge in an activity for the execution of a contract.
- “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
- “Control” means the possession and exercise of legal authority and power to manage the assets, goodwill and daily operations of a business and the active and continuous exercise of appropriate managerial authority and power in determining the policies and directing the operations of the business.
- “Co-operative or collective enterprise” is an autonomous association of persons who voluntarily join together to meet their economic, social and cultural needs and aspirations through the formation of a jointly-owned enterprise and democratically controlled enterprise.
- “Corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
- “Force majeure” means an event beyond the control of the supplier and not involving the supplier’s fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- “RFP” means Request for Proposal.
- “RFT” means Request for Tender.
- “RFQ” means Request for Quotation.



- “SCC” means the Special Conditions of Contract.
- “Secretary” means the Secretary to Parliament.
- “Small, Medium and Micro Enterprises (SMMEs) bears the same meaning assigned to this expression in the National Small Business Act, 1996 (Act 102 of 1996).
- “Sub-contracting” means the primary contractor’s assigning or leasing or making out work to, or employing another person to support such a primary contractor in the execution of part of a project in terms of the contract.

5. Conclusion

For event agencies regularly involved in bidding, the level of competition is high as clients expect high-quality documentation that considers all external and organisational factors. Agencies that bid on a regular basis may have a success rate of only 10%. Therefore, the bidding process can be a bit disheartening, especially when one considers how much work is required.

In this module, you have:

- Learnt the definition of event bidding and explored the bid process.
- Identified the critical issues when deciding on whether or not to tender for an event.
- Gained an understanding of the pitching and tendering process within a competitive environment.
- Learnt about the planning processes involved in the bid and the development of the feasible timelines.
- Learnt what content is required in a bid document.

6. Bibliography

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