



# Public Procurement Improving Fairness, Value, and Accountability

## CURRENT POLICIES

### ITB (Invitation to Bid)

- Is a solicitation that awards projects based on lowest price
- Best suited for simple projects or services
- Can cause significant issues on risky (more complicated) projects where hiring the best team is critical to project success (you probably wouldn't want to hire a brain surgeon based on lowest cost alone!)

### RFP (Request For Proposal)

- Is a solicitation process that awards based on multiple factors besides lowest cost
- Provides the State with an alternative manner to award complicated, complex, or risky projects (the State can consider qualifications, experience, and past performance of the team)
- However, if this process is not properly implemented or administered, it can contribute to poor perception by the public (Agencies are not being fair, picking their favorites, not allowing for full and open competition)

## RECOMMENDATIONS

Provide more structure to agencies that use the RFP method to ensure that the process is:

1. **Fair** (all contractors have an equal opportunity to win / no favoritism)
2. **Open** (open to all contractors)
3. **Transparent** (all contractors and the public clearly understand the evaluation criteria and factors for award)
4. **Efficient** (provides the best-value to the Agency/public)
5. **Accountable** (provides metrics on the results of the project/service)

## KEY LANGUAGE FOR RFP ADMINISTRATION

- Utilize an “**Anonymous**” proposal process [evaluators are not aware of contractor names to prevent bias or influence)
- Require that each evaluation factor is **weighted no more than 35%** of the total
- Use evaluation criteria that captures contractors' ability to **identify risk and mitigation strategies**
- Require that all Agencies receive proper **education and training** on using the RFP Process
- Require third-party **procurement oversight** on large projects to ensure the process is “fair, open, and transparent”

## RESULTS

Using the recommend approach to RFP administration has been shown to:

- Provide a transparent structure to assess “value for money” in public sector projects and services
- Increase the speed and efficiency of public procurement
- Improve the quality of public projects and services

## CENTER FOR PROCUREMENT EXCELLENCE

- CPE is an international advocacy group that works with Public and Private Organizations to improve the fairness and effectiveness of procurement practices.
- Members Include: Faculty, Researchers, Public and Private Owners, and Contractors