Organizing Your Next RFP for Procurement Excellence FAQs

Webinar recording: https://center4procurement.org/organize-next-rfp/

RFP Format

1. **By creating a bidding environment that rewards established bidders, do you restrict your agency to the status quo vendor pool, reducing room for new or not as well-connected vendors?**
   Yes, potentially. If owners are focusing on companies that have a working history with them, newer companies may perceive that they may be at a competitive disadvantage. Using fair and transparent proposals will give newer companies the confidence in submitting the proposal and best serve your organization's project outcomes.

2. **Seeing new companies does typically give me pause. However, is it fair to say that the company can be comprised of those with great knowledge and experience gained from another "well-known" company that could be an asset to the project being successful?**
   A well-known company is different than expert project team. Proposals can be structured to vet the qualifications of the team, be it the project team of a well-established company or a fairly newer company. Sometimes the logo on the door does not provide an accurate representation of the qualifications and expertise of the project team.

3. **How many other States use Pass/Fail within the evaluation matrix when scoring specific criteria asked for within the offeror qualifications or other specific areas?**
   We are not an expert in that; therefore, we would not be able to answer that. However, evaluation criteria that would lead the evaluators to score very closely, for instance, 7.1 vs 7.4 vs 7.3, therefore it becomes very hard to justify these scores. Such evaluation criteria can be made as a Pass/Fail criterion (since they would not lead to much differentiation in the scores anyway). For instance, licensure, financial capabilities, etc. to make things easier, furthermore, evaluation criteria which are a simple yes or no should be Pass/Fail criteria.

4. **What is a Best-Value (BV) method?**
   Best-Value (BV) is any solicitation that used both cost and qualifications criteria to choose a vendor. Qualifications Based Selection (QBS) was the beginning of BV. QBS was a federal program started in the early 1970s, which stated that professional design consultants (such as architects and engineers) must be hired on the basis of qualifications and expertise *without* considering price at all. Best-Value is a derivative of QBS, pricing is evaluated in addition to qualifications.

5. **What evaluation criteria should be used in Best-Value (BV) procurement projects?**
   When using BV, owners should pick evaluation criteria that are proven to differentiate vendors and not chose evaluation criteria which would put one vendor to an advantage or disadvantage.

6. **BV has become, in the state if Oregon, a 2-fold process. 1) The "Buyer", in consultation w the client(s), selects criteria for evaluation. Then the current trend is to awards to as many Proposers as there are, leaving it for the client/customer/end users to 2) do another BVA for their own**

organization. This duplicates efforts and alleviates the responsibility to do a sensible BV the first time around.

We have seen two step evaluations function as a pseudo-Low-Bid method. For example, some clients will short-list based on qualifications in the first step. Then in the second-step they can be tempted by Low-Bid. Effectively this becomes a low-bid project and waste times and money. CPE recommends owners use a High-Performing RFP that includes (1) a good Statement of Work, (2) properly stated evaluation criteria, and (3) a fair, open, and transparent evaluation process. Doing this would bring value to the project, the end-users, and the client organization overall.

Budget

1. **We state budget but use words like anticipated or estimated so as to NOT cap budget. By capping the dollars, we would have to resolicit for additional dollars.**
   That is common, we recommend giving the real number with whatever caveat you need. Many orgs only give a range, or only state 80%....... these are all troublesome because they can create confusion among the vendors and lead to pricing that is not apples-to-apples.

2. **If there is a natural duopoly, where the control of a service in a particular market is vested in just two bidders, should the budget still be provided?**
   Yes, always release the budget. The budgets allows the actual experts in the vendor organization to show they are truly better (more expert) than their competitors. The individual project team members sent to work on your project can be as or more important than the logo on the door (every vendor has A-Teams and C-Teams… CPE is all about attracting the A-Teams). and C teams.

   Sharing the budget is low-risk if your organization has solid records of historic spend. You can even release the historic spend records and state that your organization is looking for competition around the levels of your historic spend data.

   Fairness is another consideration. If there are truly only 2 vendors (or a limited pool of vendors), then the incumbent will have the advantage of knowing your historic spend and all other competitors will be kept in the dark. Releasing this information puts vendors on an even playing field and leads to better competition.

   Please contact us for our White Paper on Sharing the Budget!

3. **You mentioned Construction. In traditional Design-Bid-Build during Construction process I don't think budget should be stated. Why would you think it would be a good idea to do that? These are ITB's not RFP's. Under an alternative Construction (CM/GC or Design-Build) I could see putting budget in as these are RFP's.**
   Not every organization can do a non-low bid for Design-Bid-Build projects. But organizations that can, will greatly benefit from it. Using best-value (BV), clients can learn a lot of the vendor's qualifications. When the budget is published, vendors have a better idea of the client's need, and it helps vendors are proactively thinking of events that can provide deductive change order for the owners.

4. **You recommend disclosing budget. Big no-no in my state. Won't you increase costs for those planning to charge less, and reduce competition by discouraging those who would charge more?**
   Please contact us for our White Paper on Sharing the Budget! It discusses all the pros / cons of these concerns.

Evaluation Forms & Source Selection Plans

1. **Do you have recommendations for creating a "bullet proof" pricing bid sheet?**
   The purpose of the proposal should be obtaining pricing that could be compared in an apple to apples manner. To CPE, a bullet proof pricing would be to receive back pricing that are apples to apples, so that the evaluation team does not have to make the decision of which pricing is the "the most accurate" by making assumptions in their thought process. We use particular pricing forms to achieve apples to apples comparison by grounding the pricing in the specific project SOW (and treating alternatives and innovations as separate criteria so they are not mixed with the base pricing). Using a pricing sheet or cost form allows the cost evaluations to be conducted in a quantitative – and non-biased – manner.

2. **How do you determine page limits? Is there a standard?**
   If vendors are given unlimited pages to fill, they feel obligated to fill as much information as possible. Or in other words, they are trying to pass the "weight test" because they have seen clients who adhere to the mantra of "more pages = more qualified."

   Limited pages forces vendors to be more precisely and think about that particular project's needs. The marketing fluff goes away because there is no room for it! This also allows expert vendor to differentiate themselves by providing project specific and important information succinctly. Limited pages also make it easier for the evaluation and the legal team, as it reduced the chances of protest.

3. **Should the font type, font size, and margin of the proposal submission be dictated?**
   Yes. 10 or 12 point is small enough!

Evaluation Scoring

1. **What study/information leads authoritatively to the statement that price should never be more than 35% of the evaluation criteria?**
   CPE's recommendation is based on math and experience of how most RFP evaluation processes work.

   For example:
   - Most processes include some type of interview, presentation, or demonstration that is worth 20 to 40% of the total evaluation process. But these are not held until after a short-list has been determined.
   - The short-list is typically determined based on the other 60 to 80% of evaluation criteria. These are usually some combination of written qualifications and price.
   - If any of the short-list criteria (such as price) are given a weight of more than 35%, that criterion will represent a mathematical majority of the short-list decision (50% or more of the pre-short-list scores)

   In other words, any criteria that is weighted as more than 35% will have a disproportionate and sometimes overwhelming influence on the evaluation outcome. If price is more than 35%, the math skews the evaluation process to the point that it is effective a Low-Bid Procurement.

2. **How do you maintain an open transparent apples to apples evaluation process and evaluate innovations proposed by vendors that would be different for each proposal?**
   Everyone has the same opportunity to provide innovative ideas. You can evaluate their ability to "think" and not especially "will the innovation work?" It can be a filter to the "next step" (interviews?). An indicator of an expert is a person that can think about your project and provide ideas that is in the best interest of your project. In some areas the innovation idea is not scored, but we recommend scoring them with a lower value (5-10% max)

Remember to keep the Cost Proposal completely separate from the innovative ideas or other alternates. The Cost Proposal should be for the client's Statement of Work so that vendors all quote it in an apples-to-apples manner.

Conducting Effective Interviews

1. **How much weight would you recommend for Oral presentations/Demos?**
   CPE recommends that no more than 35% of the "points" be allocated to any one criterion. That said, for certain project types, we have seen interviews (not true presentations) be weighted at 40%. For presentations, 35% is high. For demos (IT) it is high too. In our research we have shown that most demos are not true demos as they are often specializing programs built for a demo and not the actual system you will work on.

2. **We send out a list of what we want software vendors to specifically demo, based on what we've seen in the responses and functionality of the software that is important to us, either existing pain points, or something we're expecting to use a lot and hasn't been adequately explained in the response. This has worked well for us in our demos.**
   Yes, that is very standard. One of the specific challenges we have seen (over and over again) is that they can demo it for a specific presentation, but their system does not do it as efficiently or is more complicated. We have even seen demos done via PowerPoint. Demos are one of the most "gamed" type of presentations we have seen. we have specific recommendations for these, but it is not easy and requires training for both you as the buyer and the vendors.

Debriefs

1. **What do you include in the debriefs? Our legal team has suggested that we don't do these.**
   We advocate for fair, open, and transparent procurement processes. Based on our experience, vendors do not wish to ask for debriefs to find ways to protest, but in majority of the cases, the vendors genuinely wants to know what they could do better in their proposal so that they may set themselves up for success in future proposals. That said, in debriefs, owners should not pull up the winning bidders proposal and tell the vendor this is what they should do, rather they should provide the vendor with feedbacks from the evaluation committee and if possible some percentage score comparison from other proposers, without revealing the identities and cost information.

2. **How do you approach vendor requests for proposals of the winning bidder under FOIA? How do you approach deciding to release or not release confidential information or trade secrets in the winning proposals?**
   We are not an expert on this, that is we are not attorneys; therefore, it is best to consult your legal department/attorney. One thing vendor can do is, to reach out to a community of vendors on 'what is proprietary', this can enhance vendors knowledge on this subject which they can then provide to an attorney as supplemental information.