

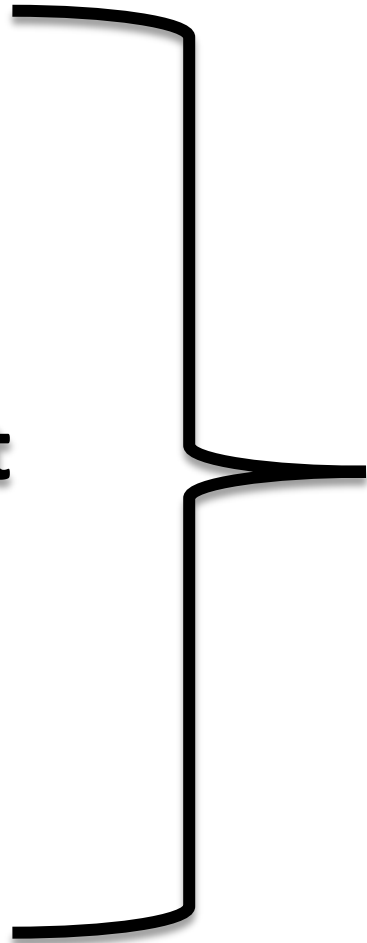
Evaluation Best Practices and Considerations

RFP Training Workshop



Putting RFP Excellence Into Practice

- Fair
- Open
- Transparent
- Value
- Integrity



Strategic Objective:

Become a “**Client of Choice**”
and attract
High-Performing Vendors
across your RFPs

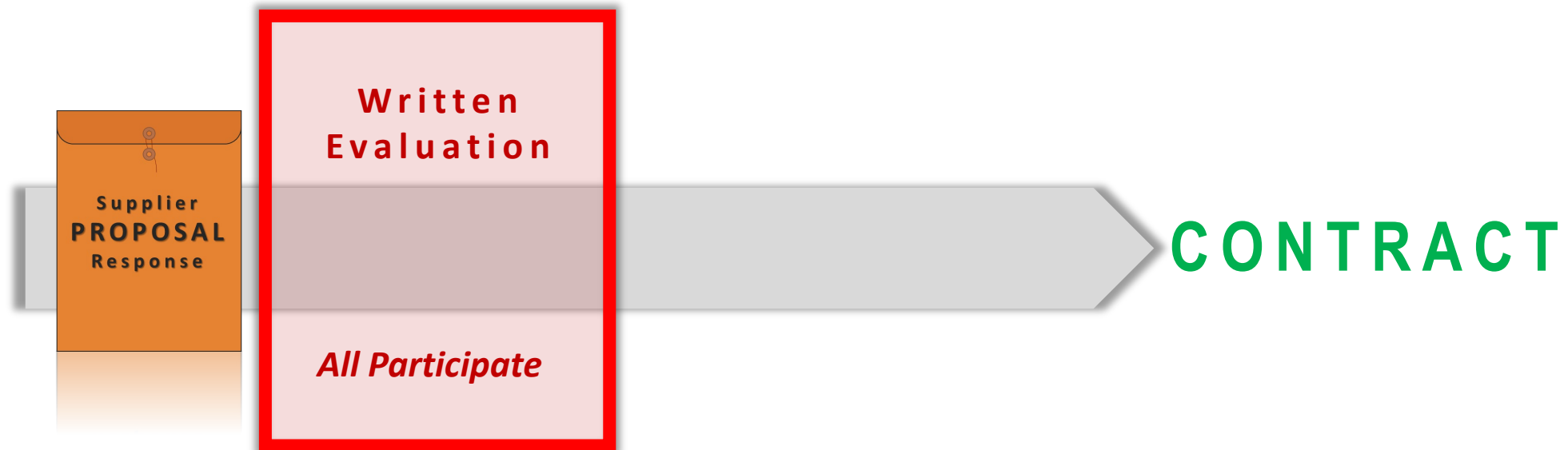
Why are these Foundations so Important?

- Obvious reason is to stay out of jail or the courtroom
- However...

**this is what drives good vendors to
your projects, and gets them to invest
their time and effort**

Let's Define It: Evaluation Period

- This is an area of weakness for many Clients and can lose **Fairness, Openness, Transparency, Value, and Integrity**



Evaluation Period



Procurement Activities	
1	Advertise / Issue the RFP
2	Proposal Due Date
3	Contract Signature

Evaluation Period

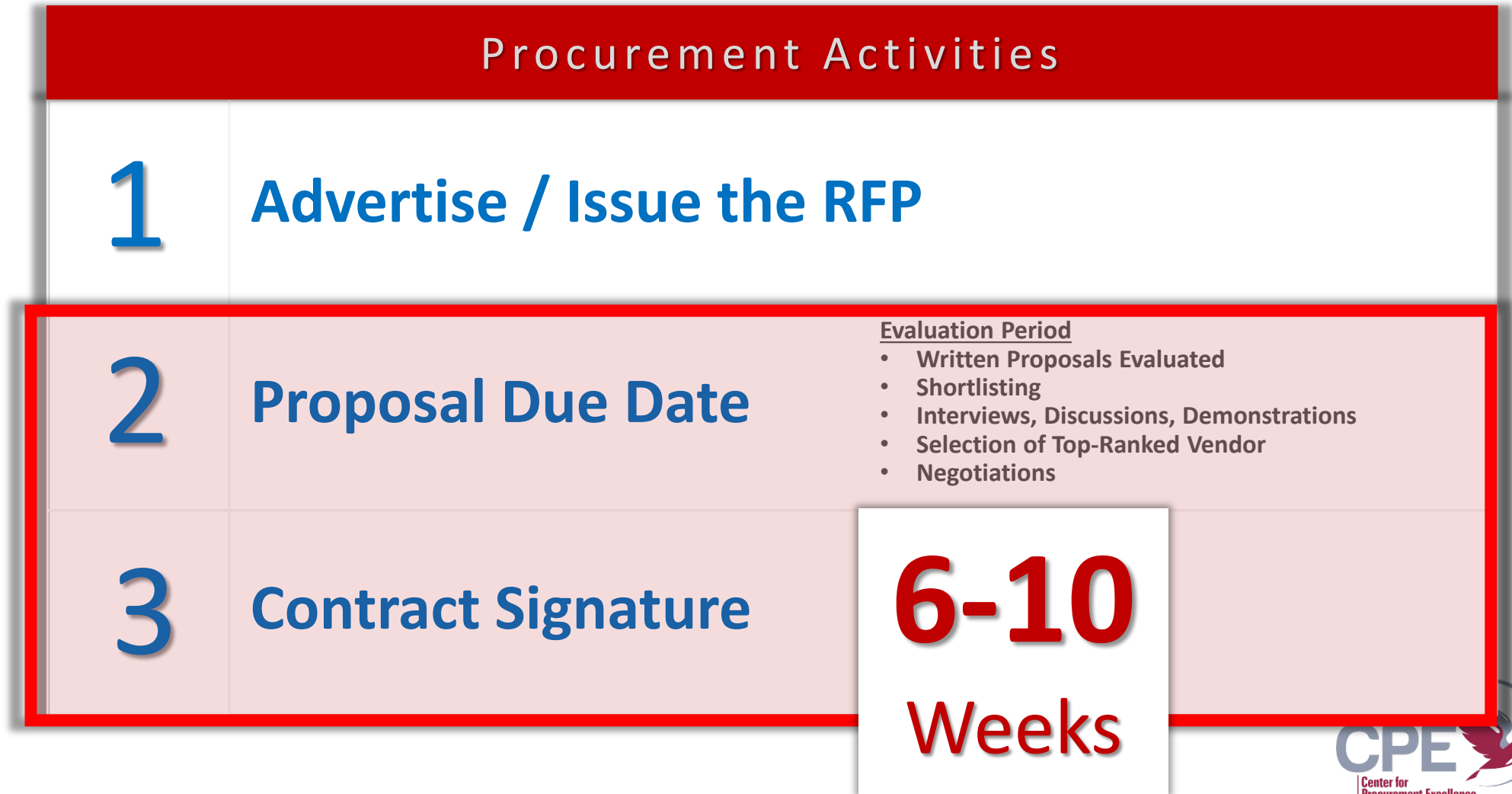
- Written Proposals Evaluated
- Shortlisting
- Interviews, Discussions, Demonstrations
- Selection of Top-Ranked Vendor
- Negotiations

Evaluation Period



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Evaluation Period



5 Tips to Improve Proposal Evaluations

Five Tips to Improve Proposal Evaluations



1. Understand the Different Types of Evaluation Criteria

Understand the Different Types of Evaluation Criteria

Weighted

used to formally compute the “best” proposal

Committee Scores

Vendor Proposals are rated by Client using an Evaluation Scale

e.g. Approach, Portfolio, other Qualifications

Numerical Calculation

Vendor Proposals provide Quantities for the Client’s Evaluation Matrix

e.g. Price, Past Performance, etc.

Non-Weighted

used for due diligence & minimum requirements

Mandatory Pass/Fail

Vendor Information that may disqualify them from participation

e.g. Minimum Quals, Financials, Insurance, etc.

Reference Information

Vendor Information for the Client’s review & consideration

e.g. Org Chart, History, Reference List, etc.

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Understand the Different Types of Evaluation Criteria:

Committee Scores

Written Proposal



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Committee Scores

Written Proposal



1) Verify **past experience**

- Team vs Individual experience
- Past Projects
- Resumes & References

Understand the Different Types of Evaluation Criteria:

Committee Scores

Written Proposal



1) Verify **past experience**

- Team vs Individual experience
- Past Projects
- Resumes & References

2) Verify **understanding of our needs**

- Approach & Methodology
- Solution & Workplan
- Schedule

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Understand the Different Types of Evaluation Criteria:

Numerical Calculation



- **Cost/Price should be numeric!!!**
- **Cost is generally submitted in a separate sealed envelope**
- **Not revealed to the Evaluation Committee until evaluation is complete (to minimize bias)**

Understand the Different Types of Evaluation Criteria

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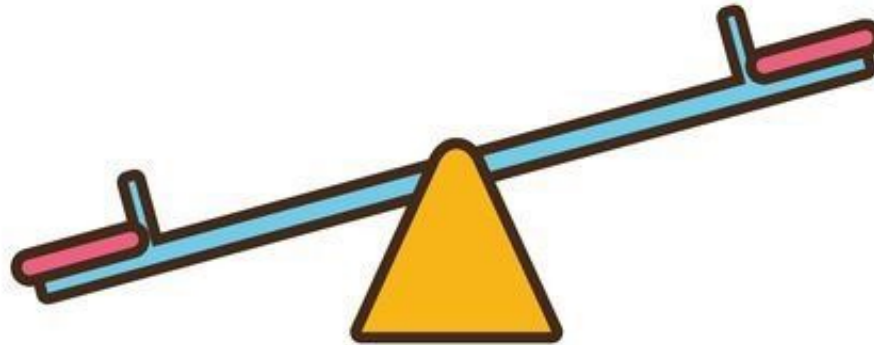
Reference Information

Vendor Information for the Client’s review & consideration

e.g. Org Chart, History, Reference List, etc.

Understand the Different Types of Evaluation Criteria: Mandatory Pass/Fail + Reference Information

- Keep these clear, concise, and understandable!!!
- Do not make these a lot of work for vendors to complete!!!



- What do you need to make an informed selection?
 - Will your org actually read & review this info from all proposals?
- Otherwise gather later but still before signing the contract!

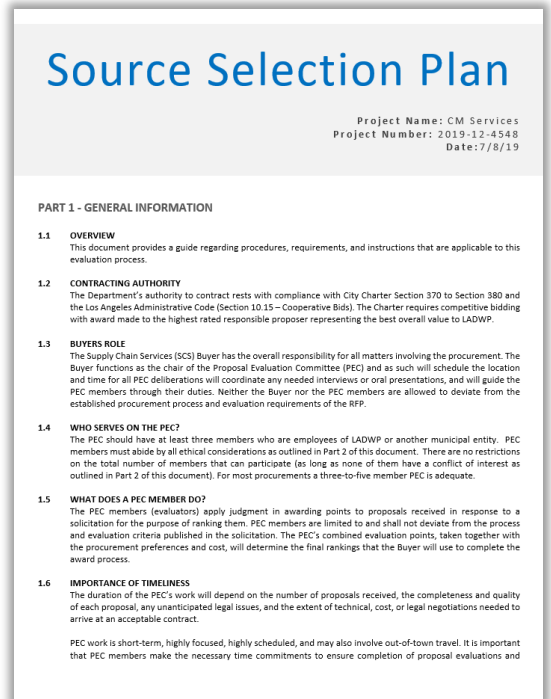
Five Tips to Improve Proposal Evaluations



1. Understand the Different Types of Evaluation Criteria
2. Establish a Source Selection Plan (SSP) before RFP release

Establish the SSP Before the RFP is Released

- Describes how the evaluation and scoring of proposals will be conducted
- Serves as a guide/instructions for evaluators
- This document can also be referred to as:
 - Source Selection Guide (SSG)
 - Proposal Evaluation Guide (PEG)



Establish the SSP Before the RFP is Released

- **Describes how the evaluation and scoring of proposals will be conducted**
 - **Roles & Responsibilities of Procurement / Buyer**
 - **Evaluation Procedures**
 - **Evaluation Instructions**
 - **Ethics and Conflicts of Interest**
 - **Critical Items**

Establish the SSP Before the RFP is Released

- Do not try to figure out the evaluation process after RFP is released....TOO LATE
- Create the SSP prior to releasing the RFP.
 - This allows the evaluators and SME's time to provide input before releasing the RFP.
- Minimizes time spent trying to figure things out
 - (or do something not permitted based on the RFP language)

The SSP should always
be documented to minimize the
Risk of Protest



Five Tips to Improve Proposal Evaluations



1. Understand the Different Types of Evaluation Criteria
2. Establish a Source Selection Plan (SSP) before RFP release
3. **Recognize that Evaluators have Bias**

Recognize that Evaluators have Bias



Recognize that Evaluators have Bias



Recognize that Evaluators have Bias

- Example #1



Recognize that Evaluators have Bias

- Bias is not always so “foreword” or “shocking”
- Usually, bias comes from Evaluators who:
 - Think they “already know” the best vendor
 - Look at logo/brand more than resources/approach
 - Have pre-conceived notions about the “right” approach
 - Are not open to new ideas

Evaluator Bias:

How do we detect bias during the evaluation process?

What strategies have worked for you to minimize evaluator bias?

Five Tips to Improve Proposal Evaluations



1. Understand the Different Types of Evaluation Criteria
2. Establish a Source Selection Plan (SSP) before RFP release
3. Recognize that Evaluators have Bias
4. **Avoid Consensus Meetings!**

Avoid Consensus Meetings!

- Avoid at all costs!!!



Avoid Consensus Meetings!

- Example #1: Tax-Accounting system for a State
- 3 vendors proposed. 5 evaluators.
- During consensus meeting, the internal IT “expert” stated:
 - “Vendor 1’s proposal may sound great....but they actually don’t have a major component of what the State needs (data warehousing)”.
 - This individual had done “a lot” of background research (outside of the proposals) and determined that this vendor is not capable of doing the work.
- So the evaluators all adjusted their scores based on what their internal expert said (scores dropped by 25-35%) – yikes!

Avoid Consensus Meetings!

- **Example #1: Tax-Accounting system for a State**
- **However, since only 3 vendors, all were shortlisted to Interviews.**
- **During interviews, Vendor 1 was asked about their inability to perform 'data warehousing'.**
 - The vendor laughed at the question!
 - Said that they have one of the largest data warehousing systems in North America. They went on to list major institutions that were using their systems.
- **After the interviews were over...the IT expert apologized to everyone and said that they were not aware.**

Avoid Consensus Meetings!

- It's amazing what actually happens behind the scenes!!!!
- These examples are not unique...they happen frequently.
- Which is why we NEVER recommend consensus meetings.
- They result in a lot of time being wasted, but more importantly, it encourages evaluator influence which goes against core procurement principles!
- If you want to streamline your evaluation process, and improve the fairness, just use the average evaluator scores. This is simple, takes less time, and is much easier to justify.

Individual Evaluations

- Evaluations must be performed **individually**
- Evaluators must **not discuss** with anyone
- Evaluations should be **non-biased**
- Evaluators must be **honest and fair** as possible with the rating
- The Buyer reserves the right to **clarify any ratings**, request additional evaluator comments, or modify/reject a rating.



Consensus Meetings:

We all like to talk, review, & confirm.

How might you introduce the idea of stopping (or limiting) consensus meetings in your organization?

Five Tips to Improve Proposal Evaluations



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3. Recognize that Evaluators have Bias
4. Avoid Consensus Meetings!
5. **Conduct Effective Interviews**

Interviews & Presentations:

What best practices do you use to run an effective interview process?

Conduct Effective Interviews

Interview Checklist:

- Identify an exact time for each interview
- Email the shortlisted vendors (topics and time slot)
- Reserve a room with adequate space (vendor + eval)
- Ensure proper equipment (computer, screen, wifi)
- Copies of rating sheets for evaluators



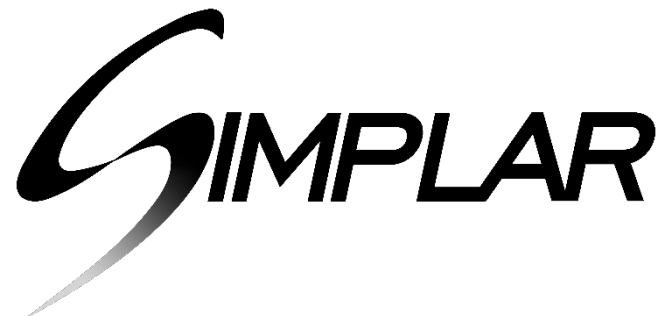
Traditional Presentation Process?



Key Personnel Interviews



- Conduct an actual 'interview' (not presentation)
- No notes, handouts, presentation material
- Interview 2-3 key personnel (primary, secondary, other SME if critical)
 - IT Software: Project Manager, Integration Lead, Technical Lead
 - Construction: Project Manager & Site Superintendent
 - Design: Lead Architect & Lead Engineer
 - Etc.



Whiteboard Exercise



- Lay out the project/service from start to end
- Identify areas of greatest risk/concern
- Anything that you need from us
- Opportunities for innovation



Five Tips to Improve Proposal Evaluations



- 1. Understand the Different Types of Evaluation Criteria**
- 2. Establish a Source Selection Plan (SSP) before RFP release**
- 3. Recognize that Evaluators have Bias**
- 4. Avoid Consensus Meetings!**
- 5. Conduct Effective Interviews**

Be sure to track Return on Investment!

- **So... does this save money (time)?**

- **Public utility providing electrical power to the Seattle metro area.**
- **10th largest public utility in the U.S.**
- **First in the US to own and operate a hydroelectric facility.**
- **In 2005, it became the first electric utility in the US to fully offset all its carbon emissions and has remained carbon neutral every year since.**

Results of Streamlined Evaluations



- Time Savings on City Light's Major RFPs/RFOs
 - 50% reduction in Evaluation time (per proposal)
 - 75% reduction in Interview time (per vendor)
 - 50% reduction in total procurement duration
- \$20K saved in evaluator time per RFP/RFO

Evaluation Training is Critical

- **Procurement / Buyers must be skilled at training their internal client teams on how to be better evaluators!**
 - Takes Soft-Skills → essentially acting as a “Teacher”
 - Can be difficult for younger / inexperienced Buyers
 - Right templates and tools for RFPs = much easier to accomplish!
- **Remember the “80/20” rule!!!**
 - Perhaps only 20% of transactions are RFPs... but might represent 80% of the dollars!



Q&A

What are some of the challenges you've experienced when conducting evaluations?