

Slide 1




Proposing Flexibility – RFP's for the Procurement Professional

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Slide 2

Learning Objectives

- By participating in this workshop, the participant will be able to:
 - Identify the reasons to use a Request for Proposals
 - Select the type of RFP to use
 - Discuss the steps taken in crafting the specification or Scope of Work.
 - Apply sound principles to evaluating RFP's.




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Methods of Source Selection

- Small dollar purchases
- Sole source purchases
- Emergency purchases
- Special procurements
- Informal quotes/formal competitive bids
- Competitive sealed proposals/request for proposals




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Invitations to Bid

- Relatively simple specifications or SOW
- Less effort to prepare
- Require less processing overall
- Lowest cost prevails
- Award to low responsive/responsible bidder
- Negotiations not necessary
- Bid document becomes the contract
- Relatively easy to administer




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Things to Consider

- Is the item/service complex?
- Will the item/service be difficult to compare?
- Are service issues important?
- Is selection to be based on qualifications?
- Is price of less importance?
- Do we even know what we want?
- Do we need to negotiate?



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What is an RFP?

- Request for Proposals – an offer
- Competitive proposal method
 - Promotes fair competition
 - Encourages innovative solutions
 - Allows flexibility in evaluation
- Value engineering
- Allows for give and take on both sides
- Complex and lengthy process




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Why Use an RFP? (1)

- Clear specifications or SOW cannot be established
- Concurrent interactive exchange of information is needed
- Negotiation of pricing is desired (BAFO)
- Combination of a series of factors determines best price
- Quick changing technology drives creativity




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Why Use an RFP? (2)

- Evaluation based on criteria set forth in RFP
 - Buyer and end user determine evaluation criteria
 - Can include price
- May include interview with proposers
- Negotiation with highest ranked allowed
- Includes many of the same steps as a bid




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Short-Listing

- Term used to describe the process by which an initial number of proposals is reduced to a more manageable amount
- Legal requirements may dictate minimum
- Look for natural cut lines
- Error on the side of caution and fairness
- Poll committee members for agreement with final list



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Types of RFP's (1)


- 1-A: Q&E based - only highest ranked vendor submits a technical proposal
- 1-B: Q&E based - all short-listed vendors submit a technical proposal
- 2-A: Q&E and tech. based - negot. SOW & price with highest ranked
- 2-B: Q&E and tech. based - ask for prices from all short-listed vendors
- 2-C: Q&E and tech. based - short-listed respond to revised SOW

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Types of RFP's (2)

- 3-A: Q&E, technical proposal evaluated - price kept separate
 - 3A-1: award based on being within budget
 - 3A-2: award based on best value
- 3-B: Q&E, technical proposal and price submitted all at once and evaluated



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Gathering Information

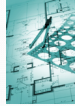
- Request for Information - document issued like a bid with a date-certain opening; provide a general statement of what the agency is trying to accomplish and ask vendors for input.
- Pre-solicitation conference - invite several vendors to come to your agency and make a presentation on their products/services.

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The Specification or SOW (1)

- What's the difference?
- Sources
 - Departments
 - Procurement
 - NIGP spec library
 - Trade or professional associations
 - Hire a consultant to write it
- Market research
- Minimum & restrictive requirements




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The Specification or SOW (2)

- Can say what we don't want
- Good specification or SOW should be:
 - Simple, consistent, exact
 - Identified with something on market
 - Capable of being checked
 - Fair to all
 - Capable of being met by several offerors
 - Clear and as up-to-date as possible
 - Flexible




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The RFP Document

- Calendar of events
- Table of contents
- Terms and Conditions
- Specification or Scope of Work
- Award procedures
- Evaluation criteria
- Proposal response – use of tabs




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Use Tabs for Ease of Viewing

- A - Letter of interest
- B - Technical proposal
- C - Past experience
- D - Resumes of personnel
- E - References
- F - Cost proposal




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Evaluation Criteria

- Pertinent to the objective of the RFP
- Relates to the specification/SOW
- Typical topics
 - Technical proposal
 - Project experience
 - Resumes of personnel to be used
 - References
 - Cost
 - Others




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Scoring Methods

- Verbal evaluations
 - A, B, C or 1, 2, 3
 - Go, no-go
 - Color coding or Adjectives
 - Tradeoff analysis
- Numerical evaluations
 - Fixed
 - Variable
 - Dollar per point
 - Grading




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Evaluation Committee

- Odd number to avoid tie scores: 3, 5, 7
- Ability and willingness to serve
- No conflict of interest
- Members:
 - Using department (careful of super./sub.)
 - Technical expert/outside consultant
 - Finance/legal/engineering/audit/IT
 - What about us?
 - And what about our political bosses?




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Evaluation Meetings (1)

- Packet to each member
 - List of proposers
 - Copy of each proposal
 - Code of conduct
 - Score sheets
- Read proposals and have tentative scores before first meeting
- Open to the public
- Alternate which member speaks first so everyone gets a chance




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Evaluation Meetings (2)

- Record or take summary minutes
- Short-listing
- Determine if oral presentations needed
- Holding oral presentations
- Final ranking
- Highest ranked vs lowest bidder




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Negotiations

- "Getting to Yes" by Fisher, Ury & Patton
 - Separate people from the problem
 - Focus on interests not positions
 - Create variety of options
 - Insist on objective criteria
- Have a team/pre-plan/practice
- Listen and watch body language
- Tactics




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Other Things to Consider


- Make your process known and follow it
- Debriefings
- Gaining experience
 - Take a LEAP course
 - Ask to work with someone in your agency
 - Shadow someone in another agency
 - Sit in on evaluation meetings
 - Do a "simple" RFP on your own



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Questions?



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