



REQUEST FOR PROPOSALS

The Two-Step Method

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What You Will Learn

- What is an RFP
- What is a Bid
- What is an RFQ
- RFP – Advantages/Disadvantages
- Understanding the Process
- The RFP Document
- The Evaluation Process
- Making a Sound Recommendation

What is an RFP?

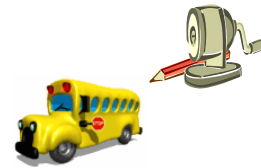


- *The document used to solicit proposals from potential providers for goods & services (Offers).
- Provides for the negotiation of all terms, including price prior to contract award.
- Evaluation based on criteria other than price alone
 - Experience
 - Qualifications
 - Proposed Solutions
 - Service After Award
- Used to obtain the “best overall value”
 - Discussion & Revised Offers permitted & encouraged

*National Institute of Governmental Purchasing, Inc. (NIGP) 2008

What is a Bid?

- *The response submitted by a bidder to an IFB or to a multi-step bid;
- Can become a contract upon acceptance by the government.
- Used when specification is explicitly clear to buyer & seller
- Adequate number of suppliers in the market
- Dollar value is large enough to justify the expense of formal process
- Award based solely on price
- Simpler-Cheaper-Faster
- No changes allowed after bids are opened
- Preferred technique



*NIGP 2008

What is an RFQu?

- Request for Qualifications
 - Qualification Based Selection
- Florida State Statute 287.055 (CCNA)
 - Architects, Engineers, Landscape Architects & Land Surveyors
- Florida State Statute 218.391
 - Financial Auditing Services
- Initial evaluation based on issues such as:
 - Capabilities
 - Adequacy of personnel
 - Past record
 - Experience
 - External quality control reviews
 - Any other factors that the Committee deems to be applicable to its particular requirements
- Price Considerations?

RFP Advantages/Disadvantages

- Advantages
 - Greater flexibility, more creative solutions
 - lower prices/better value
 - promotes competition
 - Psychological advantage for buyer
 - Buyer's better understanding of their needs
 - Predefined evaluation format for easier comparison
 - Better ability to identify vendors capabilities
 - Ability to negotiate
- Disadvantages
 - Time
 - Excessive staff time required for establishing requirements, evaluation and award process
 - Several employees may need involvement
 - Could take several months to complete
 - Cost
 - Administrative labor expenses: time = money
 - Hire Consultants
 - Alternate to in-house labor

Two-Step RFP Processes

- Offeror submittals in 2-separate sealed envelopes
 - Non-price factors
 - Price factors
- RFQ/RFP
 - Qualification based selection
 - RFP's to short listed firms

Qualification Based to RFP

- Often used in Construction
- Pre-qualify firms through qualification based selection (RFQu)
 - Short list
- Project more definitive through issuance of RFP
- Contractor's submit proposals
 - Includes cost

Need for Consideration



Needs Determination

- Expiration of an existing service agreement
- Regulatory Requirements
- Services Required



Agency Issues to Consider

- Budget and Funding Availability
- Agency Policy & Procedures
 - For Acquisition of Service
 - Financial Rules & Regulation
- Management Support
- Committee Selection
 - Number of Members
 - Qualifications of Members
 - Areas Within Your Agency Affected by Services Required

Legal Issues to Consider

- Public Records & Sunshine Laws
 - RFP's and Vendor Responses are Public Records
 - Vendor Must Provide Proof That Their Information is a "Trade Secret", Proprietary or Confidential Prior to Submittal
 - Proposals are "Closed" For Public Inspection for a Period of 10-Days After Opening

Legal Issues to Consider (continued)

- Standardized Agreements
 - Agency's
 - Vendor's
- Notifications & Postings
 - Release/Availability of Proposals
 - Legal Advertisements
 - Committee Meetings
 - Open to the "Sunshine"
 - Must be Posted
 - Vendors & the General Public May Attend



Creating Your Scope of Work

- Required Services
 - Review/Modify Last RFP Issued
 - Research Other Agency Proposals
 - Brainstorm With Committee Members or Other Stakeholders
 - Identify New Requirements
- Request for Information (RFI)
 - Good process when you're not sure what you want
 - Good for researching new & improved ideas

Building the RFP Document

- Section I – Proposal Information
 - Introduction & Purpose
 - Standard T's & C's
- Section II – Scope of Work
 - Agency Overview & Background
 - Tasks Required & Deliverables
 - Scope of Work
 - Minimum Vendor Qualifications
- Section III – Proposal Content
 - Proposal Format
 - Price/Cost Requirements



Building the RFP Document

- Section IV – Evaluation Criteria
 - Evaluation Procedure
 - Criteria/Points/Ranking
 - Selection Process
 - Award Process
- Section V – Appendix
 - Attachments & Exhibits
 - Standard Agency Agreement





SECTION I Proposal Information

- What is the purpose of the RFP
- Proposal Due Date & Time
- Pre-proposal Conference information
- Proposal Submittal Instructions
- Agency's Standard Requirements
- Special Conditions



SECTION I Standard T's & C's & Special Conditions

- Invoicing Information
- Acceptance & Rejection
- Award Information
- Conflict of Interest Statements
- Informalities
- Trade Secrets, Proprietary & Confidential Information Statement

SECTION I Issuing Your RFP

- To Your Vendor Community
 - Current Database
 - Vendors who have requested placement on your list
- Legal Advertisement Required
 - In newspaper of local circulation
- Publish in Professional Journals, Publications
- Post on Website, Electronic Clearing House

SECTION I Pre-Proposal Conference

- Must be published in Legal Advertisement
- Opportunity for vendors to ask questions and get responses
- Public forum for all to speak
- Minor clarifications can be made verbally
- Changes in the RFP requirements will need written addendum

Addendums

- Give deadline for questions in your RFP
- Must be issued before the proposal due date
- Respond in Writing
 - To all RFP holders on your list
 - Post on Website
- Give vendors ample time to respond to RFP
- Extend due date if necessary

SECTION II Agency Overview

- Describe your agency
 - Geographically
 - Politically
 - Historically
 - Demographics
 - User Department Structure
 - Provide a link to your website, or website address

SECTION II

Scope of Services

- Describe the Type of Work to be Done
 - Initial general overview
 - Specific responsibilities
- Describe Anticipated Results
 - Reports required
 - Services rendered



SECTION II

Minimum Vendor Qualifications

- Used to Establish an Expected Quality Level for Performance
 - Minimum number of years in their field of expertise (Financial Auditor example)
 - Auditor in charge has at least 10-years experience in local government single audit & test compliance
 - Experience in analysis of Charter School and Police Athletic League financials
 - Have errors & Omissions & Fiduciary Liability Insurance Coverage of at least \$10 Million
 - Auditor in charge meets educational requirements of F.S. Chapter 11.45

SECTION III

Proposal Format Requirements

- Describes How the Vendors are to Respond to your RFP
- Envelope #1 – Non-price factors
 - Letter of Transmittal
 - General Information
 - Summary of Qualifications & References
 - Technical Proposal
- Envelope #2 - Price factors
 - Cost Proposal

SECTION III

Proposal Time Line

- Let Your Vendors Know What to Expect and When
 - Advertisement Dates
 - Pre-Proposal Conference Date
 - Deadline for Questions
 - Proposal Submittal Date
 - Short-List Notification
 - Interviews
 - Award Recommendation
 - Contract Negotiations



SECTION IV Evaluation Procedure

- Explain Your Process
 - Selection Committee/Panel
 - By position/by name
 - No more than 7-members
 - Evaluation of Written Proposals
 - Non-price factors
 - May Conduct Interviews
 - Short List Firms

SECTION IV Criteria/Points/Rankings

- Mandatory Elements (examples) (no points assigned)
 - Licensed to Practice in State of FL
 - Independent firm
 - Professionally Certified Staff
 - No Conflict of Interest
 - Has submitted most recent Quality Control review report

SECTION IV

Criteria/Points/Rankings

- Place Technical Criteria into Document in Order of Importance (example)
 - Experience & Expertise (max. 35-points)
 - Approach & Discipline (max. 30-points)
 - Organization and Reporting capabilities (max. 10-points)

SELECTION IV

Selection Process

- After Proposals are Opened in a Public Forum
 - Each Committee Member to Receive Copies of
 - The RFP Issued by your Agency
 - Evaluation Matrix(s)
 - Copies of All Proposals Submitted
 - Schedule of Evaluation Committee Meetings
- Each Member Ranks all Written Proposals Individually
 - Do not discuss with other members

SECTION IV Evaluation Matrix Non-Price Factors

COMPANY NAME	Experience & Expertise	Approach & Discipline	Quality & Completeness of Proposal	SUB-TOTAL SCORE
	(0-35)	(0-30)	(0-10)	(0-75)
Proposer "A"				
Proposer "B"				
Proposer "C"				
Proposer "D"				
Proposer "E"				

NOTES/COMMENTS

Signature of Evaluator

SECTION IV Selection Process (continued)

- **Committee Meetings**
 - Must be Posted within a “Reasonable” time frame in Advance
 - Bulletin Board in Your Main Lobby
 - On Your Website
 - In the Newspaper
 - Notify Vendors in Writing
 - Open to the General Public
 - Vendors May Attend
- **Short List Based on Written Proposals Can Be Determined at this Meeting**

SECTION IV

Criteria/Points/Rankings

- Oral Presentations
 - May be done at the discretion of the evaluation committee
 - Can assign additional points
- Describe Oral Presentation Process in the RFP

Oral Presentations

- Schedule Committee Members First
 - Date & Time
 - 30-minutes
 - 15-presentations
 - 15- Q & A's
- Randomly Pick Vendor Presentation Times
- Call Vendors with Schedule
- Follow-up with Written Confirmation
 - Provide committee questions for vendor response
 - Don't forget to notify non-short-listed vendors that they were not selected
 - Don't forget to POST THE SCHEDULED INTERVIEWS



Oral Presentations (continued)

- Listen carefully to each proposer
 - Ask questions to make sure you understand their position
 - Take Notes
- Committee Discussion
 - When all presentations are completed
 - Re-rank proposals
 - Come to an agreement as a group
 - Make recommendation for short list

Oral Presentations (continued)

- Let your presenters know that this is public meeting
 - General Public & Vendors may attend
- Meeting Records must be kept
 - Have a staff member act as a scribe
 - Tape record interviews
 - Transcribe for Public Record requests

SECTION IV
Evaluation Matrix
Non-Price Factors (continued)

COMPANY NAME	Member	Member	Member	SUB-TOTAL
	No. 1	No. 2	No. 3	SCORE
Proposer "A"	60	64	76	66.67
Proposer "B"	74	63	70	69
Proposer "C"	75	73	72	73.33
Proposer "D"	64	62	30	52
Proposer "E"	65	61	67	64.33

SECTION IV
Criteria/Points/Ranking

- Dollar (\$) Per Point Method
 - Firm #1 received 500 points (committee average) with a proposal price at \$500,000, their cost per point is \$1,000 ($\$500,000/500$)
 - Firm #2 receives 700 points (committee average) with a proposal price at \$650,000, their cost per point is \$928.57 ($\$650,000/700$)
- There firm #2 is the best value

SECTION IV Criteria/Points/Ranking

- Reward Low Price
- Firm #1-\$200,000, Firm #2-\$400,000, Firm #3-\$500,000
 - Firm #1-max points of 20
 - Firm #2 \$200,000/\$400,000 or 50% of the max 20 points (=10 points)
 - Firm #3 \$200,000/\$500,000 or 40% of the max 20 points (=8 points)

39

SECTION IV Evaluation Matrix Includes Cost Factors (continued)

	Sub-total			FINAL
Short-Listed Firms	Points	Cost	TOTAL POINTS	RANKING
	(0-75)	(0-25)	(0-100)	
Proposer "C"	73.33	19	92.33	2
Proposer "B"	69	25	94	1
Proposer "A"	66.67	21	87.67	3

SECTION V Attach Exhibits

- Useful tools to help proposers
 - Analysis Statements
 - Fund Activity Logs
 - Organizational Charts
 - Investment Policies
 - Account Schematics



SECTION V Exhibit I Fee Proposal Form

PROPOSAL FORM
PROFESSIONAL AUDITING SERVICES
All-Inclusive/Not to Exceed Price

Item #	DESCRIPTION	ANNUAL FEE
1	2005/06 Audit	
2	2005/06 Annual PAL Audit	
TOTAL FIRST YEAR		
Item #	DESCRIPTION	ANNUAL FEE
1	2006/07 Audit	
2	2006/07 Annual PAL Audit	
TOTAL SECOND YEAR		
Item #	DESCRIPTION	ANNUAL FEE
1	2007/08 Audit	
2	2007/08 Annual PAL Audit	
TOTAL THIRD YEAR		
Item #	DESCRIPTION	ANNUAL FEE
1	2008/09 Audit	
2	2008/09 Annual PAL Audit	
TOTAL YEAR		

SECTION V

Standardized Check Sheet

- Create a Check-off sheet to assist with vendor's submittal
 - Letter of Transmittal
 - Proposal forms
 - Summary of Qualifications
 - Technical Response
 - Questionnaire Responses
- Make sure that you have a disclaimer at bottom of page
 - Check Sheet not to be construed as identifying all required submittal documents for the project
 - Each proposer responsible for reading entire document to ensure compliance

Committee Recommendation

- Must be made in writing
 - To your agency head
 - Posted
 - Letter to vendors with final ranking & group recommendation
- Request approval to negotiate
 - Through your Agency head
 - Through your Council/Commission

Negotiate/Award & Contract Document

- With your top-ranked firm – you can negotiate T's & C's



- Agency Standard Agreement
- Vendor's Standard Agreement
- Fine-tune the Scope of Work
 - Fine-tune the Cost
- If you cannot come to terms, move on to the 2nd ranked firm

Additional Considerations

- Protest Concerns
 - Best protection
 - Know your process
 - Know the laws





Things To Remember

- Use Request for Proposal for best value
- Two-step process
 - Separate Envelope Approach
 - RFQ/RFP Approach
- Legal Issues
- Building your RFP
 - Purpose/Background/Goals
- Include Weighted Criteria & Scoring Mechanism
- Questionnaires, check lists
- Allow for oral presentations
- Negotiate final Agreement