Effective Technical RFP Development: A Guide for Jurisdictions and Other Organizations

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Introduction

Many organizations – public and private – use formal competitive bidding instruments to procure technical products and services. This may be done by law, policy or practice. The driving reasons are to help ensure both clear understanding of the organization's requirements and expectations, as well as fairness in the marketplace to all potential respondents who wish to do business with the organization.

Conduct of a Request for Proposal (RFP, or other similarly-named instrument) follows a number of phases described in this document. Note that in some cases organizational policy or procedure may dictate how some or all of this process might unfold.

Initiation Phase

The initiation of a formal procurement process begins with a formal project initiation. A number of key steps take place in this phase:

Assemble the project support team: Team members will vary, but might include a project manager, a systems architect, systems/network Engineer, and a business analyst.

Identify feedback group and Evaluation Group: Identify programmatic staff and other project partners who will provide input and feedback for the development of the RFP. They will also work together to further define the precise roles and responsibilities in the production of the RFP. Some or all of these individuals will form the actual RFP evaluation team as well – they should be identified as early in the process as possible. Appropriate conflict of interest examination will be done in compliance with organization policy; disclosure statements will be collected and reviewed.

Develop evaluation methodology and factors: There are a variety of methodologies that can be selected for bid evaluation. Some are more rigid than others. In all cases, the purpose of the methodology is to maintain fairness in the bidding process. Some organizations proscribe specific methodologies so if that is the case projects must abide by those requirements. Specific methodologies that the organization might consider include:

- **Least Cost of Acceptable Alternatives:** In this method, a set of baseline (or minimum) requirements are described in the RFP. Bidders are evaluated based on their ability to meet these baseline requirements. Of the set of vendors who meet the requirements, a contract is pursued with the least-cost vendor.

Advantages:	*Disadvantages:*
• Evaluation rules are very clear and unambiguous	• Very rigid system: does not allow for important variations in

- Drives vendors to be very price competitive in tough economic times

solutions beyond cost to be considered

- Does not allow for a superior, but potentially more expensive solution to be selected over a cheaper solution that meets the minimum requirements

- **Detailed Scoring:** In this method, organizations prepared a detailed scoring template covering every aspect of the proposal and the specific factors related to each requirement. A scoring system is also developed. Weights are then assigned to each factor by agreement of the project team. During proposal review, each team member scores each proposal and the sums of the scores are tabulated and summed to determine the successful bidder.

Advantages:

- Evaluation rules are clear and unambiguous
- Many factors including cost enter into the selection decision

Disadvantages:

- Differences in interpretation may yield wide varieties in scoring
- Leaves no room for exceptions to the scoring formula due to exceptional elements of a proposal or other special circumstances
- All proposals needs to be fully evaluated by all team members regardless of likelihood of success

- **Best Value:** In this method, proposals are evaluated on a set of clearly identified measures, but cost is not the driving determining factor. All measures are considered and the proposal that demonstrates the “best value” to the organization – the strongest solution relative to its cost – is pursed for a contract.

Advantages:

- Many factors other than cost can enter into the selection decision
- Variations in proposed solutions can be considered
- Flexible enough for complex or non-traditional projects where wide variations in bidder’s approach may be expected
- Allows for sorting of proposals into

Disadvantage:

- Recommendations and decisions may appear to be subjective categories based on initial review with the potential to focus in on more acceptable proposals only for extensive review. If the RFP yields many responses this is one way to save time and focus on the best possible alternatives.

A Best Value approach to RFP evaluation offers a good balance of structure and flexibility in arriving at the best choice in a complex procurement. That being said, all these alternatives should be discussed with the project team openly and allow an informed decision to be made. Once the evaluation method is selected, appropriate tools and guides will be developed to explain and teach the methodology. A minimum of training should be necessary for experienced project participants.

Preparation Phase: Develop the RFP

This represents one of the most labor intensive phases of the project, but also one of the most interesting. The objective is to do what is necessary to complete a formal, properly-written RFP document typically for publication on the organization's website and/or circulation through another means. Key steps take place in this phase include:

Baseline Research: A certain level of baseline research should be conducted by the project team and other external stakeholders as required. Past RFPs should be collected and made available for inspection and review (from this organization and potentially others).

Confirm requirements: Review the requirements documented to date in order to verify that they are clear and unambiguous and therefore suitable for inclusion in the RFP. That information will be fed back to the requirements gathering team so that they can clarify the requirements with the appropriate stakeholders and make any necessary adjustments to the requirements gathering process. A finalized set of functional, technical and performance requirements should be finalized before preparing the RFP. Often a project team will conduct a series of facilitated discussions to identify and clarify RFP functional and technical requirements.

Preparing the draft RFP typically includes:

i. A clear and concise description of the work to be performed, services to be provided, problem to be solved, and the goals and objectives to be met
ii. An explanation, in realistic terms, of what the Vendor is expected to accomplish, including the desired approach to the problem and the specific functions, tasks, and activities that must be performed
iii. Business (functional) requirements

iv. Technical requirements and specifications
v. Legal limitations
vi. Established performance timelines, completion dates, and methods of measurement
vii. A description of the items, products and results to be delivered and method of validation
viii. The extent and nature of the assistance and cooperation from the organization that will be available to the development Vendor
ix. Instructions that describe the format that the proposal must follow and the elements it should contain, including proposal evaluation and Vendor selection criteria

In addition, specific RFP sections might include:

i. Introduction and Review of Requirements
ii. Rules Governing Competition
iii. Proposed Solution
iv. Administrative Requirements
v. Statement of Work Requirements
vi. Cost Proposal
vii. Proposal Format
viii. Proposal Evaluation
ix. Interview and/or Demonstration
x. Appendix – Sample Contract and Contract Terms

In addition, it is important that these sections include this information as well:

- **Background and Project Overview**, including clear descriptive text with appropriate background about the organization, and the specific project about which the RFP is being released. Include references to appropriate organization-wide plans and other documents.
- **Bidders Instructions about the process and timeline of the RFP**, including the format and organization of the bidder's response.
- **Scope of Work**: clear instructions documenting exactly what you want the bidder to do, and over what period of time. This may include specific deliverables (documents or technology deployment phases).
- **Selection Criteria**, including the specific factors that will be considered by the evaluation team when considering proposals. You might also include the weight being given to each major factor.
- **Timeline**, including
  - Submission timetable
  - Period and process for asking questions and posting responses
- **Proposal checklist**: This can be very useful to help bidders avoid forgetting any required information in their bids, and to help you keep track as well!

Some additional topics to be requested by respondents within the sections listed above might include, but not be limited to, the following:

- **Respondent organization background:** General information about the organization, including its mission and activities and financial stability.
- **Functional, technical, and performance requirements:** These may include detailed requirements (often included in one or more appendix) related to how the proposed system would achieve programmatically (functional), how it might achieve it (technical), and the expectations of how the technology performs (*e.g.,* response time, up time).
- **Schedule constraints:** Detailed expectations about how the project should unfold and the expected timetable for the bidder's completion of the project's requirements and deliverables.
- **Bidder qualifications and references:** Both descriptive text about the bidder's past experience as well as customer references related to relevant past work.
- **Personnel requirements and expectations:** Details about expectations for key staff in terms of their background and qualifications, physical presence in a jurisdiction, and time to be spent on the project.
- **Project management requirements:** Details about how you expect the bidder to interact with you if selected.
- **Compliance with any special requirements**, including minority/disadvantaged business contracting requirements or similar regulations.

Here are some additional issues and important questions always asked by vendors. The degree to which the organization can anticipate and answer these questions within the RFP text will assist vendors in quickly evaluating the RFP and their interest in responding:

- *Is there a project budget for this project?* It is always helpful to answer this outright in the RFP. If the budget cannot be disclosed, then day that up front and let the vendors know. Being silent on this issue only makes the vendors ask anyway.

- *Can we get a copy of the RFP in Word to facilitate our response?* The RFP should be posted both as an Acrobat file (the official version) and in Word (to facilitate response) *before* the vendors ask for it. Post any tables you want in Excel for the same purpose.

- Many proposals will contain multi-vendor teams, partnerships, or subcontractors. Be sure to request that bidders are *absolutely clear* on the extent of the vendors' prior relationship and partnerships, exactly which vendor is responsible for what activities, and the prime vendor's plan for coordination with other participating companies or organizations. Bids are often quite ambiguous on these issues – it is important to understand exactly who is supplying the products and key staff.

- It may be useful to clearly define a set of *mandatory requirements* against which proposals can be judged when initially received. Failure of any mandatory requirements would result in the disqualification of the proposal. A subset of the evaluation team could be assigned to do this initial, straightforward review to determine which proposals are eligible to proceed

RFP Release

Once the RFP is completed it should be distributed through whatever means are customary for the organization, typically posting to the organization's website.

Publicity Plan: A publicity plan should be developed for the RFP. Often overlooked, this plan will identify the strategies that will be used to publicize the existence of the RFP to vendor community to ensure an appropriate set of responses. Elements of this strategy might include:

- More prominent highlight of the RFP on organization websites (in addition to standard listing on a procurement page)
- Issuance of a press release
- Targeted e-mails or telephone calls to prospective bidders (if allowable by policy)
- Targeted e-mails to appropriate email lists
- Notification to appropriate membership organizations for publicity to their members through e-mail or newsletters

Once the RFP is issued, the publicity plan should be initiated within the first week of release.

Proposal Review and Project Completion

These activities are typical once an RFP is released:

Bidder's Questions: The organization should collect vendors' questions, draft responses to these questions, and produce and post official responses. Staff or other subject matter experts may need to be available to not only assist in preparing responses but to review and approve the final response document. Responses to bidder's questions are usually intertwined in a bidder's conference process (see below).

RFP Addenda: While impossible to predict with certainty, often it is necessary to develop official RFP addenda that may be required to uniformly and consistently inform prospective vendors of material changes to the RFP. Staff or other subject matter experts will need to be available to not only assist in preparing addenda but to review and approve the final document(s).

Bidder's Conference: Often a bidder's conference is held to review the contents of an RFP and allow time for verbal questions from potential respondents. If this is to take place, it is recommended that the organization allow at least a week from the release of the RFP before a bidder's conference is held. If possible, the organization should allow dial-in for prospective bidder's to promote the widest possible set of participants as possible. It is recommended that the organization allow at least four weeks from the bidder's conference to the due date of the RFP, and at least two weeks (and if possible more) from the time bidder's questions are answered to the due date of the RFP.

Written questions should be accepted up until the day before the bidder’s conference to allow time for them to be reviewed, and that prospective vendors should be encouraged to submit questions as early as possible to permit time for them to be reviewed and answered at the bidder’s conference. The organization should plan to respond to as many questions submitted in advance as possible at the bidder’s conference. Some questions may require research, or may have been submitted too late for adequate response at the bidder’s conference. The goal should be to respond to all questions submitted by the deadline, as well as all questions asked during the bidder’s conference, together in writing as soon as feasible.

It often occurs that responses to questions – however well intended – raise additional ambiguities in the minds of prospective vendors. This is a difficult situation as the organization does not want to get into an endless cycle of questions and clarifications. It is recommended that vendors be allowed to ask additional clarifying questions *based on the responses to the official bidders questions only* via e-mail, with no guarantee that the organization will respond to these questions at all. However, if the organization chooses to respond, it should be done in the form of an amendment to the RFP.

In addition, it is common that minor procedural questions may arise as vendors are working hard to finish their proposals (e.g., clarifications about page limits or standard forms). It is recommended, once again, that prospective vendors be allowed to ask these clarifying questions via e-mail with no guarantee that the organization will respond to these questions at all. However, if the organization chooses to respond, it should be done in the form of an amendment to the RFP.

Initial Proposal Review: The proposal review team will evaluate the technical component of the submitted proposals according to the evaluation criteria and methodology that has been established. The team members should record their findings about each proposal including strengths and weaknesses for inclusion in a recommendation report to the ultimate decision maker. Depending on the methodology selected, a “sifting” to identify the strongest proposals for more extensive review may or may not be permitted. Projects should follow the selected methodology carefully. References should be checked (by telephone if possible) if such a requirement was included in the RFP.

Facilitated work group sessions are a good way to discuss and review the proposals. Once again, the structure and number of these sessions will depend somewhat on the methodology selected for RFP review, and on the number of RFP responses received. These sessions should be documented and this documentation will available to all participants. Sessions may take place either in person or via teleconference.

It may be necessary to ask follow-up questions of bidders to seek clarification about something in a proposal, or to ask additional questions not anticipated by the proposal team. The project team should develop and transmit these questions via e-mail to the appropriate vendor contact(s). The organization should allow several days at least for bidders to respond to questions.

Vendor Selection – Oral Presentations: The proposal review team should select one or more bidders as “finalists” based on the evaluation methodology. Oral, in-person or remote presentations by the prospective winners can be very useful in making a final decision. An agenda and list of invitees for the presentations should be developed and transmitted to the bidder organizations. The presentation sessions should be facilitated with a follow-up session (either in-person or via teleconference) within a fairly short time of the oral presentations to review what was presented. All of these sessions should be documented.

Best and Final Offer: A “best and final offer” may be requested of one or more bidders based on any clarification to the original RFP or a desire to negotiate price. This can be done in writing or via an in-person or remote meeting. The organization should determine who should attend these meetings on behalf of the project and develop the agenda for the meeting. All sessions should be facilitated and documented as to the substance and results of these discussions.

Final Evaluation and Selection Report: At the conclusion of the process, a report should be prepared that documents the process used to review the proposals, the findings made about each proposal, and the recommendations to the organization. This report will draw largely upon the documentation developed during the entire process. A draft report will be prepared, and the team members should have an opportunity to provide comments and request changes or clarifications before a final report is prepared.

Bid Protests: It is always possible that a protest will be lodged by one or more unsuccessful bidders. Responding to a protest may include document preparation as well as attendance at any meetings or hearings that may be required. Depending on the organization’s policy, written feedback and/or oral debriefing sessions with bidders who were not awarded the project may be permitted.