



## State of Louisiana Procurement Training

# RFP Fundamentals





# Welcome and Introductions

## YOUR INSTRUCTORS TODAY:

MAKING PUBLIC PROCUREMENT  
A STRATEGIC ASSET



civicinitiatives



**Dustin Lanier, CPPO**  
Principal Consultant



**Theresa Webb, NIGP-CPP, CPPO, CPPB**  
Sr. Consultant



# Best Practices in RFPs

Section 1: Factors that Impact Procurement Planning and Implementation

Section 2: Chartering the Procurement Project Team

Section 3: Assessing Procurement Methods

Section 4: Building the RFP


Section 5: Planning the Evaluation


Section 6: Conducting the Evaluation

Section 7: Strategies for Success in the RFP Process



# Section 1: Factors that Impact Procurement Planning and Implementation


 Managing procurement with a focus on value creation

 Funding sources

 Governance in the RFP process

 Internal and state policies

 Types of RFPs

 Managing risk in RFP process

 Review



# Section 1: Factors that Impact Procurement Planning and Implementation

## Managing procurement with a focus on value creation

- Historically creating value was procurement's ability to save costs or mitigate cost increases
- Going forward procurement works collaboratively with suppliers to create value by gaining access to innovative technologies, better quality and improved service offerings







# Section 1: Factors that Impact Procurement Planning and Implementation

## Managing procurement with a focus on value creation

- Shift from:
  - Lowest unit price
  - Adversarial win/lose negotiations
- Shift to:
  - Best value / total cost of ownership
  - Leveraging supplier expertise to offer better products





# Section 1: Factors that Impact Procurement Planning and Implementation

## Funding Sources

- RFP process must be mindful of funding requirements
- If required to access funds, typically supersedes normal rules.
- Typically, most stringent requirement takes precedence
- General federal award recipient rules (2 CFR 200)
  - § Eg: prohibition on local geographic vendor preferences (2 CFR 200:319)
- CMS (Medicaid), HUD (community dev.), USDA (child nutrition)
- HIPAA / IT security requirements



# Section 1: Factors that Impact Procurement Planning and Implementation

## Why governance is important in the RFP process

- RFP process is not built for speed but done well and with governance it can move quicker
- Governance is about compliance
- Improved quality
- Maintain consistency
- Ensure compliance







# Section 1: Factors that Impact Procurement Planning and Implementation

## Internal policies

- Agencies may have their own internal procedures (e.g., for approval of an RFP)
- Agencies can create their own policies in cases where OSP allows latitude (e.g., allowing electronic signatures)





# Section 1: Factors that Impact Procurement Planning and Implementation

## State policy/laws that apply to RFPs

- Title 39, Public Finance
  - Chapter 17, Louisiana Procurement Code
    - Part III – Source Selection and Contract Formation
  - R.S. 39: 1595, Competitive sealed proposals
    - Complex Services – La. R.S. 39:1595.A
    - Consulting and Social Services – La. R.S. 39:1595.B
- LA Administrative Code
- OSP Procedure Memos



# Section 1: Factors that Impact Procurement Planning and Implementation

## LA Statute Quick Reference Guide

**Methods of Source Selection** – RS 39:1593 (see also, Common Procurement Methods)  
**Mistakes in Bids** – RR 321; VG - Sect. 9.2 & 11.4  
**Mistakes Made by Vendors** – Vendor Guide OSP WS/Vendor Center  
**Multi-year Contracts** – RS39:1615; RR 1901-1905  
**Negotiation Prohibited** – RR 327.E  
**Net Prices** – RR 307.F  
**NIQP** – OSP WS/Purchasing/Agency Center  
**Notifying Unsuccessful Bidders** – RS39:1606; RR 335; PTN-24  
**Oral Discussions** – RR 323.B; PHB - Sect. 17; VG-Sect. 9.9  
**P Card** – see LaCarte Credit Card  
**Performance Bonds** – RR 323.B; PHB - Sect. 17; VG-Sect. 9.9  
**Period of Inquiry** – PHB-Sect. 11; RFPM-pg. 11; PSR/FPM - pg. 14  
**PPI** – <http://stats.bls.gov/ppi/>  
**Prebid Conference** – RR 311; PHB - Sect. 10  
**Product Category** – see Commodity List  
**Preference(s) & Calculation** – PHB - Sect. 16; PTN-21; RS 39:1604, 1604.1-1604.6; VG-Sect. 11.6; RR 2105; PPM 59  
**Printing** – RS43:1-34; PPM 64; OSP WS/Purchasing/Featured Contracts; Memo OSP 15-08  
**Prison Enterprise Contracts** – PHB - Sect. 7; RS 15:1157.A (1)  
**Prison Enterprises Mfg. Raw Materials Solicitations**-PTN-Sect. 39  
**Procurement Code** – RS39:1551-1716  
**Procurement Methods** – RS39:1593-1600; PHB - Sect. 7; VG-Sect. 8.0  
**Procurement Statutes** – PHB - Sect. 3; VG-Sect. 5.0  
**Procurement Support Team**- RS 39:2001, 39:1621.C & 1622. E & G; RR 2549, 2551, 2557; RR Chapter 55-Sect. 5513  
**Professional Organizations** – OSP WS/Purchasing/Agency Center  
**Professional Services Contracts:**  
**General** – OSP WS/Professional Contracts; RS 39:1617, 39:1626, 39:1613, 39:1595.1, 39:1590 & 39:1567 (B); PSCG pg 1-45; PPM 55 & 56; Memo OSP 16-03; Memo OSP16-12; RR Chapter 25;  
**Consulting** – RS 39:1621  
**Personal** – RS- 39:1620  
**Professional** – RS 39:1617  
**Attorney** – PPM- 50; Memo OSP15-03, 15-04 & 15-06  
**Social Services** – RS 39:1619; PPM- 55  
**Performance-based energy efficiency contracts** – RS 39:1622; RR2505; OSP WS/Professional Contracts/For State Agencies  
**Cooperative Endeavor Agreements (CEAs)** – PPM- 54; EO JBE 2016-36; OSP WS/Professional Contracts/For State Agencies/Executive Orders  
**Line Item Appropriations (LIAs)** – OSP WS/Professional Contracts/For State Agencies/Executive Orders; and EO JBE2016-38  
**RFPs** – Memo OSP16-08;  
**Proprietary Specifications** – RS39:1655; RR 109; PHB - Sect. 7 & 27; PTN-06; VG-Sect. 8.3  
**Protests** – RS39:1671, 39:1683; PHB - Sect. 16; PSCG pg. 16; VG-Sect. 9.11  
**Public Contracts** – RS38:2211-2296  
**Records** – OSP WS; RS44:1-41; RS39:1557, 39:1594.D, 1003; VG - Sect. 10.4 & 10.5  
**Records Request** – OSP WS  
**Records** – RS39:1594.G; RR 335; PHB - Sect. 22;

**Purchasing & Professional Contracts Rules & Regulations** – LAC Title 34, Part I; OSP WS/Purchasing/Legal Information; OSP WS/Professional Contracts/Legal Information  
**Qualified Products List** – RR1309.C; PTN-35  
**Quasi Agency List** – OSP WS/Purchasing/About Us/Contacts  
**Reciprocal Preferences** – RS39:1604.1 & 2; PHB - Sect. 19; PPM - 59  
**Regional Map** – OSP WS/Purchasing/ Vendor Center  
**Rejection of Bids** – RR Chapter 13; RR 331A; RS 39:1602; VG-Sect. 11.7  
**Rejection of Proposals** – RR Chapter 13; RFPM pg. 23  
**Renewal of Contracts** – RR 2101-2103; PHB - Sect. 34; PTN-28  
**Rentals/Leases** – RR Chapter 20; PHB - Sect. 29  
**Reporting Requirements** – RS39:1567, RS39:1568.1, RS 39:1736, RS 39:1569, RS 39:1590, RS39:1696.A; RR 109, 329, 905.B, 1111.B, 2505, 2506; PHB-Sect. 27 & 31; PPM- 37; Memo OSP 16-03  
**Request for Proposal** – RS39:1593.C; PHB - Sect. 35; OSP WS/Purchasing/Agency Center; RFPM; PTN-44  
**Requisition/Shopping Cart Review** – PHB - Sect. 12  
**Requisition/Shopping Cart Renewals** – PHB - Sect. 34  
**Requisition/Purchase Order Process Overview** – PHB - Sect. 9  
**Resale Items** – RS39:1594.H, RS 39:1615.D (1); RR 905.A,2,c  
**Resident Business** – RS39:1594.H, 39:1556 (46)  
**Responsible Bidder** – RS39:1556 (49) RS39:1606; RR327.B and Chapter 15; VG-Sect. 11.3  
**Responsive Bidder** – RS39:1556(48); RR 327.B; VG-Sect. 11.2  
**Reverse Auction** – RS 39:1593(6)(d), 39:1556(50),39:1600; RR Chapter 5  
**Rules and Regulations** – OSP WS/Purchasing/ Legal Information  
**Sealed Bidding (definition)** – RS39: 1556(22); See also Competitive Sealed Bids  
**Sheltered Workshops** – RS39:1604.4, RS39: 1604.4(1); RR 2105; PHB - Sect. 7  
**Signature (Definition)** – RS 39:1556 (53)  
**Small and Emerging Business (SEB)** – RS39:1731-1738; EO JBE 2016-39; OSP WS/Purchasing/About Us; VG-Sect. 14.0; PHB - Sect. 38  
**Small Entrepreneurship/Hudson Initiative (SE-HI)** – RS39:2001, et. seq., RS51:931; LAC 19:VII.Chapters 11 and 15; PHB -Sect. 38; VG - Sect. 15.0; OSP WS/Professional Contracts/For State Agencies; OSP WS/Purchasing/Home  
**Social Services Contracts** – see Professional Services Contracts  
**Small Purchase** – RS39:1596; EO JBE 2016-39; OSP WS/Legal Information, RR 701; VG-Sect. 5.4 & 8.1  
**Sole Source** – RS39:1597; RR Chapter 9; PHB - Sect. 27; RR 2545.A,2, 2554; PSCG pg. 10 & 27  
**Soliciting Prior Contractors** – RS39:1594, C(1); PTN-11  
**Solicitations** – PHB - Sect. 14; PTN-11  
**Source Selection Methods** – RS 39:1593  
**Specifications** – RS39:1651-1658; RR Chapter 1; PHB - Sect.13; VG - Sect. 9.10  
**Split Award** – R&R 331.F.2  
**Split Purchases (ie Artificially Divided Purchase)** – RR 701; RS 39:1596; EO JBE 2016-39  
**SPO Commodities** – OSP WS/ Purchasing/About Us/Contacts  
**State Agency List** – OSP WS/ Purchasing/About Us/Contacts  
**State Regional Map** – OSP WS/Purchasing/Vendor Center; VG-Sect. 7.8  
**Types of Contracts** – RS39:1611-1622; RR Chapter 17; PHB - Sect. 36; PSCG-all; VG-Sect. 8.11; OSP WS/Purchasing/Featured Contracts and OSP WS/Professional Contracts

**Stay of Award during Protest** – RS39:1671.F; P.  
**Tabulation (i.e. recorded/recording/documental)** – RS39:1594.D; R&R 319.B; RR 335; PHB-Sect. 19-p, RS39:1594.D; R&R 319.B; RR 335; PHB-Sect. 19-p,  
**Taxes** – RR 307.G; VG - Sect. 9.7; PTN-31  
**Telecommunications** – RS39:1751-1755; LAC Title 4, Part I.  
**Tie Bids** – RS 39:1594.H, RS39:1626.C; RR 329, RR 511, & RR Chapter 23; VG-Sect. 11.5; PHB - Sect. 20  
**Trade-in of Used Equip.** – PHB - Sect. 28  
**Travel** – OSP WS State Travel PPM 49  
**Unsigned Bid** – RR 321.B.2  
**Used Equipment** – RS39:1600.C; RR 905.B  
**Vendor Registration** – OSP WS/Purchasing/ Vendor Center  
**Violation of Procurement Code** – RS39:1679  
**W-9** – OSP WS/Purchasing/Vendor Center/Vendor Registration or OSP WS/Purchasing/Online Forms/Vendor Forms  
**Withdrawal of Bids** – RS39:1594.F; VG - Sect. 9.4; RR 509  
**Written (definition)** – RS 39: 1556(62)

**Quick Reference Guide for State Entities Governed by the Procurement Code**



**Purchasing & Professional Contract Reference Information**

**Mailing Address:**  
Office of State Procurement  
P. O. Box 94095  
Baton Rouge, LA 70804-9095

**Physical Address:**  
Office of State Procurement  
1201 North Third Street, Suite 2-160  
Baton Rouge, LA 70802

**Purchasing Help Desk:**  
[DOA-OSPhelpdesk@la.gov](mailto:DOA-OSPhelpdesk@la.gov)

**Professional Contracts Help Desk:**  
[DOA-PChelpdesk@la.gov](mailto:DOA-PChelpdesk@la.gov)

**Vendor Inquiries:** [Vendr\\_inq@la.gov](mailto:Vendr_inq@la.gov)

**Tel: (225) 342-8010**  
**Fax: (225) 342-8756**

**Website:** <http://doa.la.gov/Pages/osp/index.aspx>

*Revised 3/14/17*

**PSGC** - pg. 16, 17, 19-22, 25, 41; RS 39:1595.B.(7)(a)  
**ve Bids** – RS 39:1643  
**olation of law** – RS 39:1697  
**is** – RR 323; PHB - Sect. 17 & 40; VG-Sect. 9.8  
**Time** – RR 303  
**ation** – RR 327; PHB - Sect. 19 & 40; RS 39:1594. E; PTN - s - RR 307.A  
**ite** – RR 309; PHB - Sect. 40; PTN 09 11  
**ing Date** – RS39:1594.D; RR 303,  
**ings** – RS39:1594; RR 319; PHB - Sect. 15 & 40; PTN-19  
**ity Instruments** – PHB - Sect. 17 & 40; RR 323; VG-Sect. 10  
**ity Instruments** – PHB - Sect. 17 & 40; RR 323; VG-Sect. 8 & 9.9; PTN 23  
**issions** – RR 307, RS 39:1594.C (4) & G; VG - Sect. 9  
**ite** – PHB - Sect. 40  
**me Contract Procedures (Establishment & Changes**  
– PHB - Sect. 36 and OSP WS/Purchasing/Vendor  
er/How to Do Business/ & OSP WS/Purchasing/Featured  
Contracts/Brand Name or LaMAS; PPM 57; VG-Sect. 8.12 &  
**me Contract Procedures for Microcomputers** –  
WS/Purchasing/Vendor Center; VG-Sect. 8.16  
**equal specification** – RR 109.B  
**ion of Purchase Order or Contracts** – PHB - Sect. 23;  
307, 2515; VG-Sect. 13.1 & 13.2  
**ion of Solicitation** – RR Chapter 13; PHB - Sect. 21;  
9:1605; PTN - Sect. 16; VG-Sect. 11.7  
**ion of Solicitation Reasons** – RR 1307; RS 39:1595  
7(b)&(8); RFPM pg. 23  
**counts** – RR 331. C.; PHB - Sect. 19; VG-Sect. 9.5  
**Orders** – RS39:1661; PHB - Sect. 23  
**Ethics** – RS 42:1101-1170  
**or Identical Bidding** – RR Chapter 23  
**ities by SPO** – OSP WS/Purchasing/About Us/Contacts-  
ity List – OSP WS/Purchasing/Vendor Center  
(Vendor Registration)  
**ion** – RS39:1655,  
**ive Sealed Bids** – RS39:1556 (9), 39:1593(1), & 39: 1594;  
hapter 3; VG - Sect. 8.6 & 8.20  
**ned Bids** – RR 307.C  
**tion** – RS38:2211-2296  
**ig Services** – see Professional Services Contracts  
**s** – RS39:1568.1, RS 39:1611-1616; RR Chapter 17;  
OSP WS/Contracts; PHB - Sect. 36  
**trovery** – RS39:1673, 1716; Memo OSP16-09  
**ing** – RS39:1661 and 1625  
**ltering** – RS39:1569.1, 39:1595(9)(9) & (10), PHB - Sect.  
xg 58-59; RFPM pg. 25  
**ination** – RFPM pg. 24; PSCG pg. 6; RR 2515  
**ive Purchasing** – RS39:1702-1709; RR Chapter 27;  
154; VG - Sect. 8.16  
**is for Public Records** – LAC Title 4, Part I, Chapter 3  
**in or Withdrawal of bids** – RS39:1594.F; RR 315, 321, 509  
**s-a percentage-of-Cost Contracts Prohibited** –  
1/05; RS 39:1611  
**s//stats.bls.gov/cpi/**  
**cessing** – see Information Technology Procurement  
**if Contractor** – RS39:1661.C  
**y/Complaints** – PHB - Sect. 25; VG - Sect. 12.2  
**ns**

**Procurement Code** – RS39:1556, 1732, et.  
**Rules and Regs.** – RR 101, 109, 301,307, 321,  
1103, 1501, 1801, 2309, 2503, 2505.D.1.b.s,  
PHB - Sect. 13, pg. 24, Sect. 19, pg. 37, Sect. z,  
pg. 43, Sect. 40; PSCG pg. 24-28  
**Delegated Authority** – RS39:1566; R&R 105, 2501, 2527;  
PHB - Sect. 6; Memo OSP 03-13, 15-08, and 16-03; PTN-01,  
PPM 56; VG - Sect. 33  
**Delivered (Net) Prices** – RR 307.F; PHB Sect 19  
**Deliveries/Deliverables** – RR 33 & 2536; RS 39:1594.B (c) &  
(d), 39:1623A(6)  
**Difference between ITB and RFP** – PHB - Sect. 8; VG-Sect. 8.22  
**Directions to State Purchasing** – OSP WS/Purchasing/About Us  
**Disbursements (Procurement)** – PPM 7  
**Documentation of Award** – RR 333; PHB - Sect. 19  
**eCart** – OSP WS -Purchasing/Featured Contracts  
**Email addresses** – OSP WS/ Purchasing/About Us/Contacts  
(includes contact info for PC Team also);or, OSP  
WS/Professional Contracts/About Us/Contact Information  
**Emergency** – RS 39:1508, 1621.A & B, 1619.B; RR 1101-1111,  
2542.A.1, 2556; PHB-Sect. 31; PSCG pg. 11 & 25  
**Escalation Clause** – RS39:1656  
**Ethics** – RS 42:1111-1170; PHB - Sect. 2; VG-Sect. 4.0  
**evaluation of Bids** – RS39:1594.E; RR 327; PHB - Sect. 19;  
VG-Sect. 11.0  
**Exempt from Central Purchasing Agency** – RS 39:1572  
**Exempt Goods & Services** – RS39:1594I  
**Faxed Bids/Quotations** – PHB - Sect. 32; RR 309; EO JBE2016-39;  
PTN 45  
**Financed Purchases** – RS39:1616; OSP WS/Travel; PHB - Sect. 30  
**Freight Terms (FOB)** – PHB - end of Sect.19  
**Frequently Asked Questions** – OSP WS/Purchasing/Agency and  
Vendor Center; OSP WS/Professional Contracts/Agency  
Training Resources  
**Glossary of Purchasing Terms** – PHB -Sect. 40  
**Governing Law** – RS9-2778  
**Group Purchasing** – RS39:1600.B  
**GSA Contracts** – see LaMAS Contracts  
**Holiday postponement of bid opening** – RR 319.C; PTN-07  
**Information Technology Procurement(s)** – RS 39:196-200;  
RR Chapter 55  
**Inspection of Bids** – RS44:33, RR 319.B.2  
**Inspection of Contractor facilities** – RS 39:1629, RR 2201  
**Installment (Financed) Purchase** – RS39:1616; OSP WS; PHB -  
Sect. 30  
**Invitation to Bid (ITB)** – see Competitive Sealed Bids  
**Key Internal Controls** – PSCG pg. 8, 9; OSP WS/  
Purchasing/Agency Center/RFP Manual w/ Exhibits  
**Labor and Materials** – RS38:2211-2296  
**LaCarte Credit Card** – OSP WS; PHB - Sect. 5; VG-Sect. 8.10  
**LaPAC** – OSP WS  
**Late Bids** – R&R 317; PHB - Sect. 40; PTN 18; VG-Sect. 10.2  
**Late Payment** – RS39:1695; RS13:4202(B); PHB - Sect. 26  
**Law Search** – OSP WS/Purchasing/legal; OSP WS/Professional  
Contracts/Legal Information  
**Lease-Purchase** – RS 39:1761 et seq. RR 2005; RR-  
3411.3.53.501  
**Leases (Procurement)** – RR Chapter 20  
**Location of State Purchasing Office** – OSP WS/About Us  
**Maintenance and Services PPM 51** – OSP WS/Legal  
**Map of our location** – OSP WS/Purchasing/About Us



# Section 1: Factors that Impact Procurement Planning and Implementation

## Types of RFPs

- Consulting/Social Services
  - Differentiated from normal noncompetitive PPCS contracts by evaluation of technical and cost components to identify best value
- Complex Services
  - Differentiated from normal purchasing contracts by evaluation of technical component to identify best value







# Section 1: Factors that Impact Procurement Planning and Implementation

## Managing risk in RFP process

- Inaccurate needs analysis
- Poor supplier selection
- Legal non-compliance
- Contract non-compliance
- Schedule delays
- Poor supplier management / relationships
- Inadequate budget







# Section 1: Factors that Impact Procurement Planning and Implementation

## Managing risk in the RFP process – minimizing risk

- Standardized procurement processes
- Maximize technology and automation
- Improve communication
- Foster collaborative supplier relationships





# Pop Quiz

## Question #1

Which of the following is not a way to manage and minimize risks in the RFP process?

- A. Standardized procurement processes
- B. Collaborative supplier relationships
- C. Poorly designed specifications
- D. Maximizing technology and automation





Discussion, comments, or questions on factors that impact procurement planning and implementation





# Section 2: Chartering the Procurement Project Team

? When to form and who to include

👥 Sub teams

🏗️ Benefits of cross function teams

👤 Roles and responsibilities of the evaluation team

✍️ Developing a procurement plan and documenting decisions

📌 Review



# Section 2: Chartering the Procurement Project Team

## When to form & who to include

- When: early in the planning phase
- Who: stakeholders (3 – 6 core members)
  - End users who have a vested interest in the needed good or service
  - Individuals who have knowledge and skills to fill a particular area of expertise or discipline
  - Individuals with previous experience who can assist in identifying critical business requirements
  - Subject matter experts who can contribute to the effort based on their expertise





# Section 2: Chartering the Procurement Project Team

## When to form & who to include

- Example of other individuals that may be included in the procurement project team are:
  - Program subject matter expert with expertise in the business
  - Technical subject matter expert with expertise in the technical aspects
  - Financial subject matter expert with expertise in financial analysis
  - Procurement subject matter expert (or assigned buyer)
  - Legal subject matter expert with expertise in procurement and contracts
  - Key end user stakeholders



# Section 2: Chartering the Procurement Project Team

## Sub-teams

- RFP development team
  - Buyer/drafter
  - Project manager, end user, other key stakeholders
  - Reviewer
  - Subject matter/external experts
- Proposal evaluation team
  - Buyer
  - Meeting facilitator
  - Evaluators
  - Subject matter/external experts
- Negotiation team
  - Buyer
  - Lead negotiator
  - Project manager, end user, other key stakeholders
  - Supplier representatives
  - Reviewer



# Section 2: Chartering the Procurement Project Team

## Benefits of cross-functional team

- Mitigates bias
- Prevents blind spots
- Each brings a different perspective
- Brings added value to the process
- Prevents tunnel vision
- Mitigates 'group think'





# Section 2: Chartering the Procurement Project Team

## Documenting team decisions + strategies



- Why document
  - Transparency
  - Future reference
- What to document – meeting minutes
  - Decisions made
  - Rationale for decisions
  - Any alternatives considered
  - Listing of those who participated



# Section 2: Chartering the Procurement Project Team

## Roles + Responsibilities of the evaluation team

- Buyer
  - Manage the procurement process
  - Receive proposals
  - Review proposals for responsiveness and responsibility
  - Distribute scoring forms and proposals to evaluators
  - Contact liaison with proposers
  - Non-voting member







# Section 2: Chartering the Procurement Project Team

## Roles + Responsibilities of the evaluation team

- Evaluation meeting facilitator
  - Schedule meetings and sends invites
  - Guides the meeting and discussions
  - Ensures protocol and policy are followed during meeting
  - Summarizes strengths + weaknesses
  - Non-voting member

NOTE: Buyer and facilitator may be the same person





# Section 2: Chartering the Procurement Project Team

## Roles + Responsibilities of the evaluation team

- Evaluators
  - Assist with development of evaluation criteria
  - Objectively review proposals based on criteria
  - Make recommendation for award
  - Voting member
- External experts
  - Provide expert information for consideration by procurement project and evaluation teams
  - Assist with development of evaluation criteria
  - Non-voting member





# Section 2: Chartering the Procurement Project Team

## Developing a procurement plan

- Identify the team and team roles
- Define scope and/or specifications
- Define deliverables and critical business requirements
- Determine the procurement method
  - Typically will be RFP
  - On existing state-wide contract
  - Establish the procurement schedule





# Section 2: Chartering the Procurement Project Team

## Developing a procurement plan

- Establish estimated costs
- Determine contract performance measures (if applicable)
- Determine the contract type
- Establish the decision criteria and key considerations
- Identify risks







## Pop Quiz Question #2

Question #2: Which of the following is a key role of evaluation team members?

- A. Providing expert information to the evaluation team for consideration
- B. Determining the procurement methods
- C. Objectively reviewing the proposal based on criteria
- D. Ensuring policy and protocol are followed during the meetings







Discussion,  
comments, or  
questions on  
chartering the team





# Section 3: Comparing Procurement Methods



Overview of methods



Elements and factors that determine the procurement method



Shifting focus to solution-based outcomes



Market research



Value analysis



Spend analysis



Review



# Section 3: Assessing Procurement Methods

## Comparing Methods – ITB vs RFP

- ITB
  - Responsive/responsible
  - Detailed scope/specs
  - Lowest cost
- Traditional RFP
  - Responsive/responsible
  - Detailed scope/specs
  - Best value
- Solution-based RFP
  - Responsive/responsible
  - Limited scope/requirements
  - Defined issue/problem
  - Best solution



# Section 3: Assessing Procurement Methods

## Comparing methods - ITB vs RFP

### ITB

- Commoditized
  - Commonly available
  - Large vendor pool
- Out-put based
- Familiarity with good/service
- Cost is significant differentiator
  - Uniform selection and quality, but costs varies significantly
- Realistically predict usage

### RFP

- Unique
  - Not 'off-the-shelf'
  - Vendor pool may be limited
- Outcome-based
- Unknown good/service
- Cost is a lesser differentiator
- Agility in negotiation is needed
- Actual usage is unknown/less predictable



# Section 3: Assessing Procurement Methods

## Comparing methods - ITB vs RFP

	Competitive Sealed Bid	Competitive Proposal
Formal Solicitation	Yes – ITB	Yes – RFP
Advertising Required	Yes – for minimum period dictated by law	Yes – for minimum period dictated by law
Goal	Lowest Price	Best Value
Response Evaluated By	Buyer, with assistance from user, as needed.	Formal Evaluation Committee w/multiple participants
Cost Evaluation Process	Costs are compared to each other to identify lowest cost	Costs are compared to each other to identify lowest cost (standard formula) and added to the technical score
Vendor allowed to revise response and submit a BAFO	No	Yes
Negotiation Allowed	No	Yes
Award Basis	Lowest responsive and responsible vendor	Vendor w/ highest overall score/rank wins





# Section 3: Assessing Procurement Methods

## Market research

- Collect data and information
- Identify viable sources, potential proposers
- Discover any emerging technologies or upcoming products
- Insight into marketplace and trends within the industry
- Discover opportunities and risks





# Section 3: Assessing Procurement Methods

## Market research

- Ascertain the pricing structure for the good or service and the factors that need to be included
- Identify primary cost drivers that affect costs and availability
- Useful in determining the procurement method
- Provides a basis for determining pricing structure





# Section 3: Assessing Procurement Methods

## Market research resources

- Other states
  - NASPO message board
- Internet
  - Supplier websites
  - Government websites
  - Industry websites
  - Bureau of Labor Statistics (BLS)
- Industry or national publications
- Previous State procurements
- Pre-vendor meetings
- Request for Information
- Funding requirements (e.g., grant)





# Section 3: Assessing Procurement Methods

## Value analysis

- User + buyer conduct value analyses of current, new, and alternative products
- Review, identify, and eliminate features that add no value
- Value analysis includes:
  - Information gathering
  - Sourcing options
  - Cost analysis (to include life cycle cost)
  - Product testing
  - Analysis/evaluation of findings
  - Incorporate findings into RFP requirements





# Section 3: Assessing Procurement Methods

## Spend analysis



- Obtain data from State and/or supplier databases
- Convert data into a standard format
- Verify and validate data accuracy
- Classify/sort data by commodity type
- Analyze data





# Pop Quiz

Question #3: Why is market research a valuable tool in the RFP process

- A. It provides insights into trends in the marketplace
- B. It helps to classify and sort data
- C. It is an alternative to product testing
- D. Provides insights on, or eliminates features, that add no value





Discussion, comments or questions on assessing procurement methods















# Break



# Section 4: Building the RFP

-  Establishing and managing RFP development
-  Structuring the document to facilitate responsive proposals
-  Activities that impede the process
-  Defining need to strengthen competition
-  Advanced specification/SOW writing
-  Developing evaluation criteria and oral presentation requirements
-  Relationship between RFP elements (e.g., specs/scope, supplier response, eval criteria)
-  Contract insertion
-  RFP review process
-  Review



# Section 4: Building the RFP

## Establishing and managing RFP development - roles and responsibilities

- **User/Requestor**

- Provides requests
- Provides draft scope requirements and expected outcomes
- Market research
- Draft proposal response requirements

- **Procurement**

- Market research
- Review of requirements; outcome-focused, competitive
- Review proposal response requirements
- Provides all T&Cs

- **RFP development Team**

- Provides multi-functional expertise
- Supports in development
- Collaborates with user and Procurement to develop eval criteria and methodology

- **Other Key Stakeholders**

- Subject matter experts
- Provide context and clarification





# Section 4: Building the RFP

## Establishing and managing RFP development

Define project

Conducting market  
research

Identify key  
stakeholders and  
SMEs

Draft  
SOW/specifications

Determine  
evaluation criteria

Determine  
evaluation  
methodology

Quality reviews and  
approvals

Factors that  
Impact

Chartering the  
Team

Procurement  
Methods

Building the RFP

Planning the  
Evaluation

Conducting  
the Evaluation

Strategies for  
Success



# Section 4: Building the RFP

## Establishing and managing RFP development

01

Recurring Awareness: is RFP for ongoing needs

02

Profile Awareness: Is RFP for complex or highly-sensitive items?

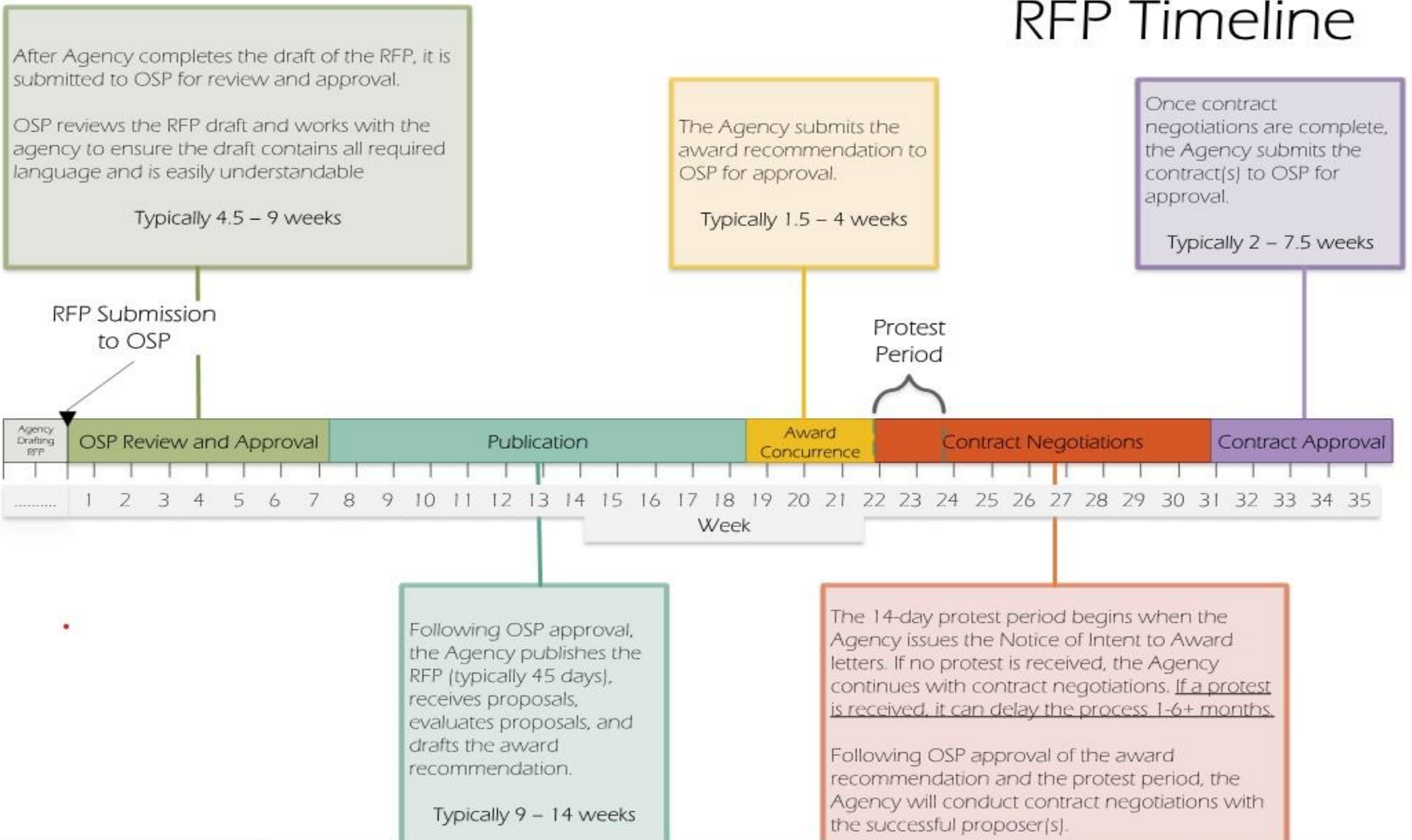
03

Timing Awareness: Is RFP for a time sensitive need?

04

Protest Awareness: Is there a history of protest for this item?

# RFP Timeline





# Section 4: Building the RFP

## Collaboration: RFP development team with OSP + external experts

- Seek assistance, when needed
- Work with OSP to determine the type of specification based on the identified need(s)
- Collaborate to differentiate between key requirements
  - Mandatory
  - Desirable
  - Nice to haves





# Section 4: Building the RFP

## How we have traditionally crafted scopes of work in RFPs

- Defined:
  - Who's going to do 'it'
  - What they are going to do
    - Deliverables
  - How they will do 'it'
    - Essential characteristics for accomplishing
    - Often prescriptive of specific process
- It was in the last RFP







# Section 4: Building the RFP

**Shifting focus to solution-based outcome RFPs that are focused on strategy rather than tactics**

When you are restricted in what you are taking to market, you can end up "looking for tractors, not for how to best plow the field."





# Section 4: Building the RFP

## Shifting focus to solution-based outcome RFPs

### What is a solution-based RFP?

- Outcome-focus rather than low price
- Identify the business need, the problem and goals
- Minimal requirements and specifications
- Allows suppliers to be creative and innovative
- Should encourage competition
- Allows agency to select the solution that best meets its needs



Outcomes



Identify Goals



Minimal Specifications



Allows for Innovation



Encourages Competition



Best Solution



# Section 4: Building the RFP

## Shifting focus to solution-based outcomes

- Requires a cultural shift
  - May not be suitable for business-critical goods and services
  - Responses evaluated on validated proposed value
- Advantages of solution-based RFPs
  - Potential for cost savings and greater value/higher quality
  - Increased flexibility in considering multiple options
  - Expands competition



SAVINGS



OPTIONS



COMPETITION



# Section 4: Building the RFP

## Specification writing best practice – solution-based

- Outcome expected
- What this good/service allows the user to do
- Essential characteristics
- How will performance/quality be measured





# Section 4: Building the RFP

## Specification writing best practice – solution-based

- The key functions goods/services must fulfill
- The expected/approved budget
- Delivery requirements
  - Where goods will be delivered and/or services performed
- Specific quality or quantity needs to consider







# Section 4: Building the RFP

## Advanced specification writing best practice – solution-based scope



Background information on the agency and the project



Any specific procedures, legal, business mandates



Description of agency environment that could impact the project.



Clear definition of the business problem to be solved (but not the desired solution).



Basic specifications that describe the required characteristics required.



# Section 4: Building the RFP

## Advanced specification writing best practice – solution-based



Clear objectives/ end results / “definition of done”



Address contract risks



Define measurements for testing outcomes



Don't overcomplicate



Consider a hybrid for large scale projects



Clear pricing and incentives / penalties



# Section 4: Building the RFP

## Relationship between RFP components – aligning evaluation criteria with scope

- Scope must have well-defined expected outcomes or problem statement
- Importance in the scope / outcomes – is higher rated evaluation criteria
  - Example



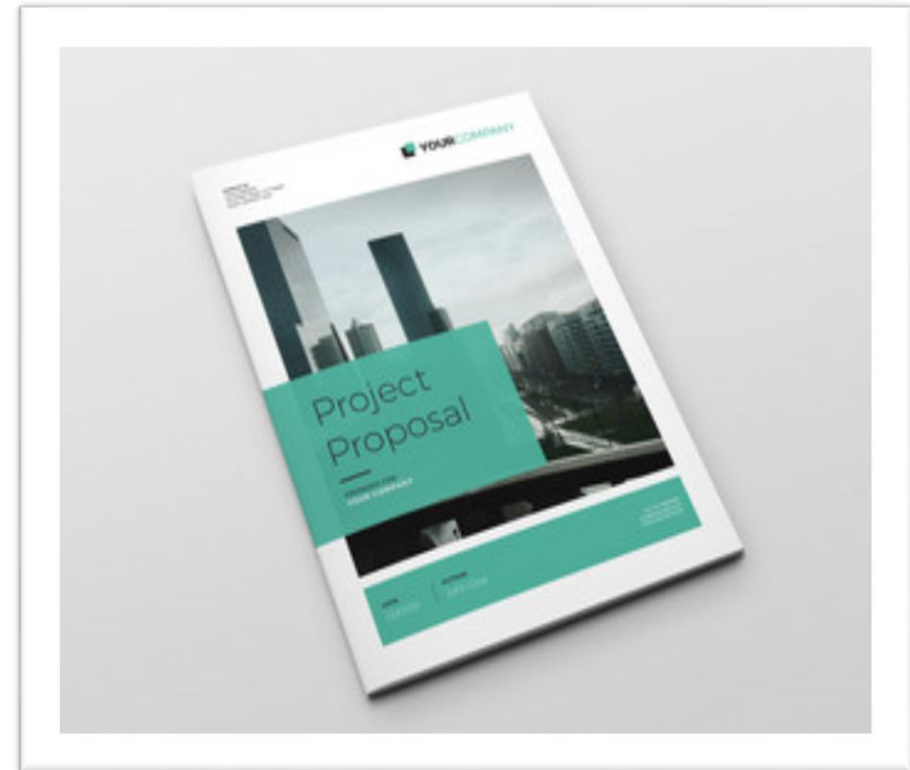


# Section 4: Building the RFP

## Relationship between RFP components - aligning proposal response requirements with evaluation criteria

- Response requirements (sections that correspond to each evaluation criterion)
- RFP should request information that aligns with each criterion that proposals will be evaluated and scored on

Example: if there is an evaluation criterion for understanding of the problem and viability of the solution proposed, ensure there are questions that are tailored to obtain corresponding information about their understanding and their solution





# Section 4: Building the RFP

## Structuring the document to facilitate responsive proposals



INFO



SCOPE



TERMS



INSTRUCTIONS



CONTRACT



FORMS

- Delineate each section of the RFP
  - General info (e.g., when and where to submit, contact person)
  - Scope
  - T&Cs
  - Instructions to proposers
  - Sample contract
  - Information to submit
    - Forms





# Section 4: Building the RFP

## Structuring the document to facilitate responsive proposals

- Review previous RFP file
  - Q&A
  - Addenda
  - Protest or concerns raised by suppliers



Q&A



ADDENDA



PROTEST /  
CONCERNS



# Section 4: Building the RFP

## Contract Insertion

- Include a sample in RFP
- Instruct proposers to review and submit any questions or request for modifications with proposal
- Request any supplier specific T&Cs or forms they will request be included in the contract





# Section 4: Building the RFP

## Activities that impede the process



TOO  
PRESCRIPTIVE



RIGID  
REQUIREMENTS



OVER-  
ENGINEERING



NARROW  
FOCUS



BLIND SPOT



# Section 4: Building the RFP

## Typical current RFP review process – roles and responsibilities

- Agency uses their template or OSP's template to draft RFP
- Agency conducts internal review.
- Agency submits RFP to OSP
- OSP will review and consult with agency on recommended changes.



Agency drafts  
RFP



Agency  
reviews



Agency  
submits to OSP



OSP reviews



# Section 4: Building the RFP

## Establishing and managing the RFP review process

- Adapt review to internal agency review process
- Determining the level of review-how much is too much
  - Depends (e.g., complexity & dollar value)
  - Are there proposed changes to T&Cs
- Standardizing the review elements
  - Collaboration between departments, agencies and OSP
  - Use review form or checklist







# Section 4: Building the RFP

## Agency RFP review process – review checklist

	Item
✓	Avoidable ambiguity
✓	Excessive specificity
✓	Clarity - Technical terminology and lingo defined
✓	Clarity - Acronyms spelled out
✓	Consistency - same word to describe throughout
✓	“Shall” - conduct search (CTRL + F)
✓	Used standard template
✓	Editing ‘boilerplate’ language



# Section 4: Building the RFP

## Agency RFP review process – review checklist

	Item
✓	Easy to understand the end goal
✓	Clearly and consistently describes the most important evaluation elements
✓	Detail provided corresponds to point value
✓	Specifications/scope or criteria are not oriented to a particular supplier/approach
✓	If specifications/scope or criteria aren't impartial is there justification, is there a "X or equal" type scenario
✓	Proposer requirements vs Contractor requirements



# Section 4: Building the RFP

## Agency RFP review process

- Engaging a Legal department representative
- Engaging a representative from Risk
- Engaging the evaluation team members
- Engaging the designated contract manager



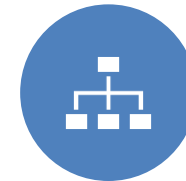
LEGAL



RISK



EVAL TEAM



CONTRACT  
MANAGER



# Section 4: Building the RFP

## OSP RFP review process – review checklist

- Is there avoidable ambiguity in the specs?
- Is there excessive specificity (use of 'Shall') in the specs
- Would solution-based outcome be a better fit?
- Is this truly a requirement, or is it a desirable characteristic to be negotiated?
- Are technical terminology and lingo defined?
- Are all acronyms spelled out on first reference?
- Is terminology throughout the RFP consistent?



# Section 4: Building the RFP

## OSP RFP review process – review checklist

- Was standard template used or is there editing of boilerplate language?
- Could a lay person read the RFP and be able to explain what the agency is seeking? What is the end game?
- Does the RFP clearly and consistently describe what are the most important elements under evaluation?
- Does the amount of space, time, and detail allocated to each section generally correspond to its point value?
- Are there any specifications or criteria which appear oriented towards a particular supplier, proposer, or approach?



# Pop Quiz

## Question 4:

Which of the following should be considered as part of the Agency's review of the RFP before submitting to OSP?

1. Consistent terminology, no excessive specifications/use of shall, are there enough pages in the document
2. Consistent terminology, no ambiguity, no excessive specifications/use of shall
3. No ambiguity, if solution-based is better fit, how many evaluation criteria are listed







Discussion or  
questions on factors  
that implement





Break



# Section 5: Planning the Evaluation



Developing evaluation criteria



Providing guidance to the team



Factors that are evaluated



Applying independent judgement to assess objective and subjective criteria



Leading practices in designing and implementing usable technical and cost evaluation criteria



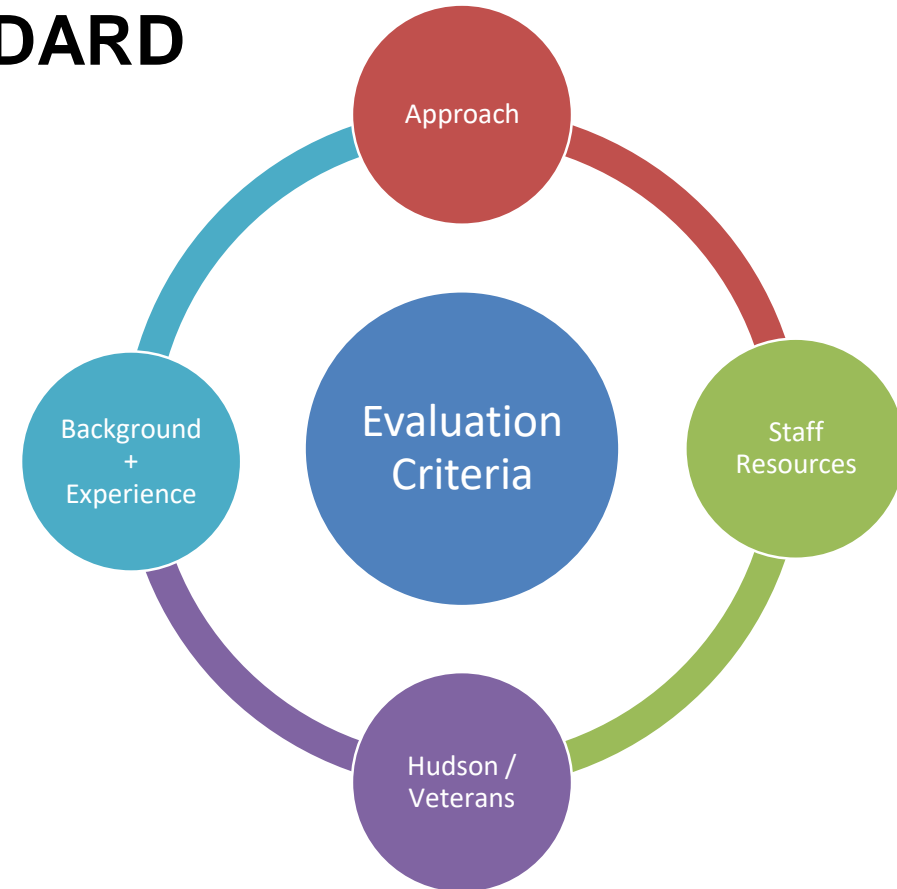
Review



# Section 5: Planning the Evaluation

## Developing evaluation criteria - STANDARD

- Hudson and Veterans Initiative
- Cost
  - 30-40% for complex
  - 25% for professional

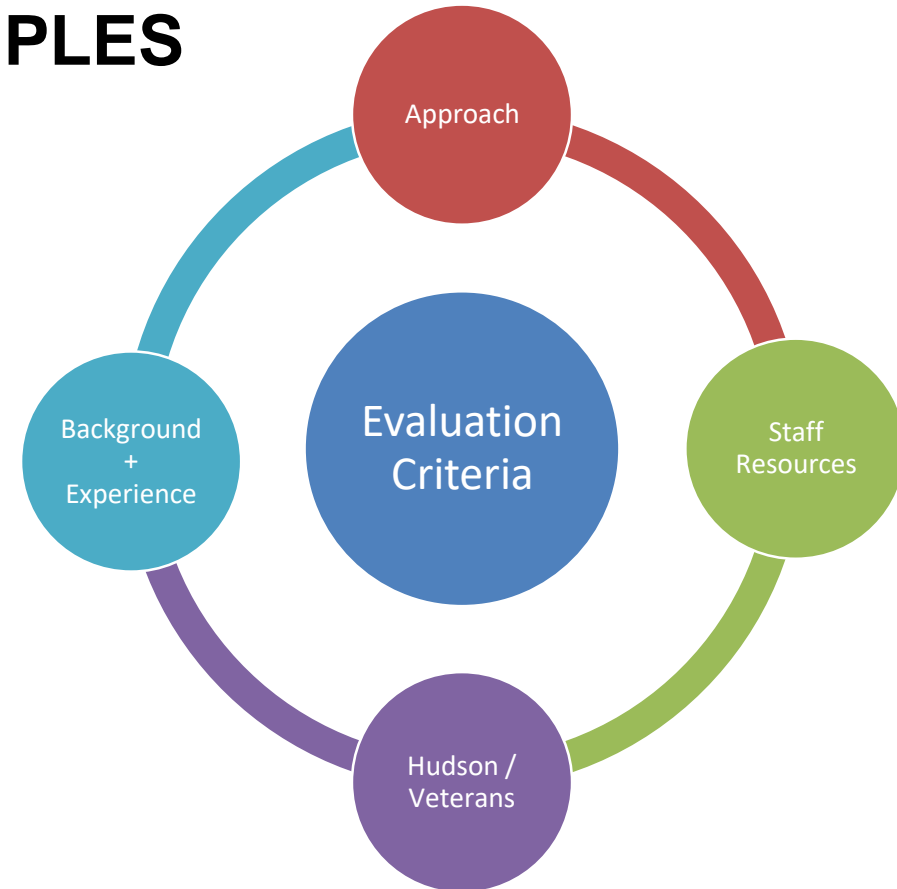




# Section 5: Planning the Evaluation

## Developing evaluation criteria - EXAMPLES

- Company background and experience
- Approach and methodology
- Company staffing resources / qualifications

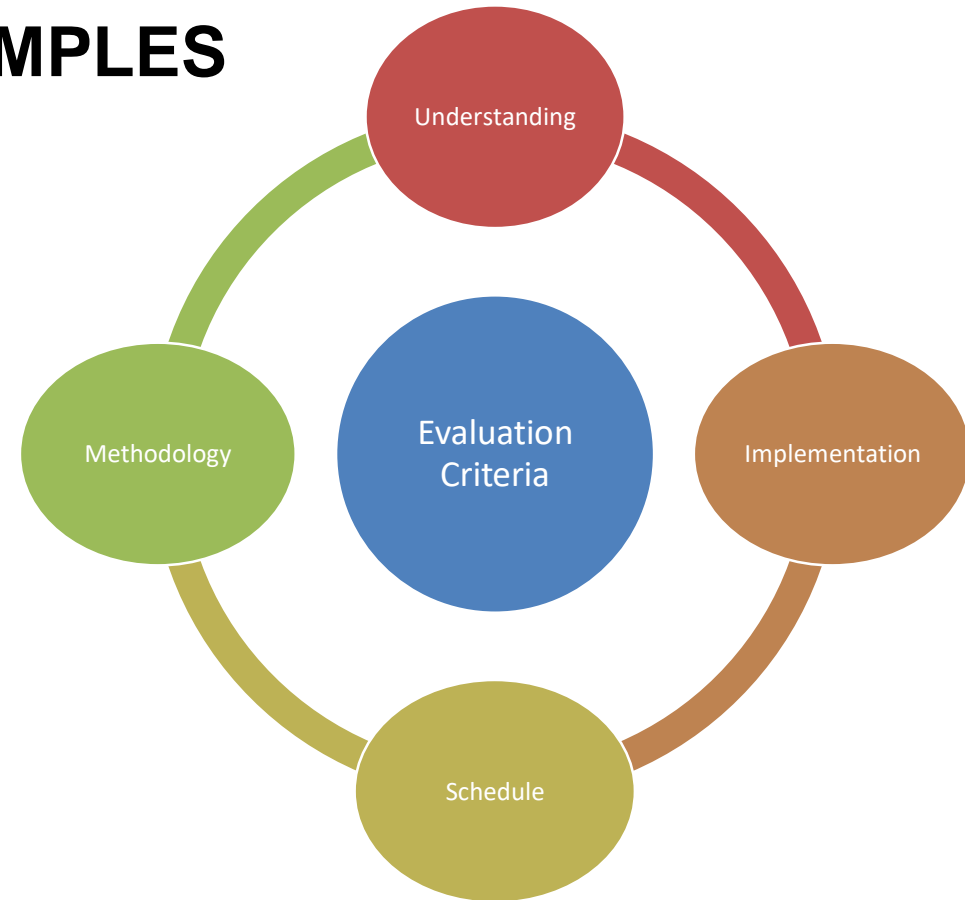




# Section 5: Planning the Evaluation

## Developing evaluation criteria - EXAMPLES

- Understanding the project
- Methodology used for the project
- Implementation/orientation/start-up procedures and efforts
- How soon can service/work begin

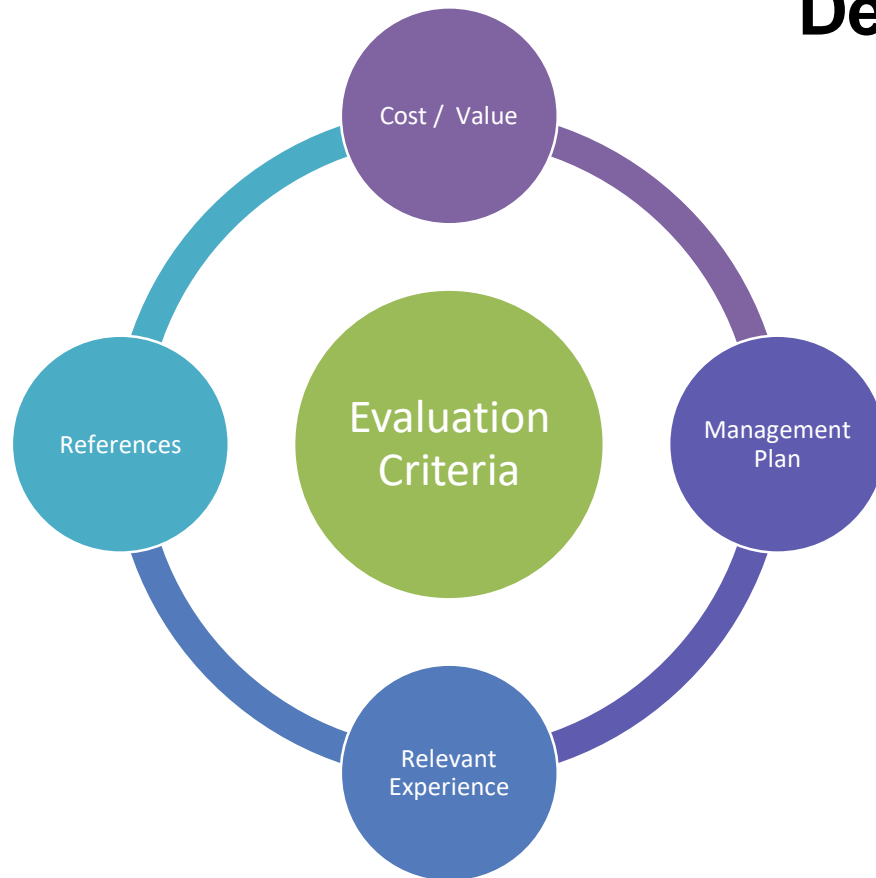






# Section 5: Planning the Evaluation

## Developing evaluation criteria - EXAMPLES



- Management plan for the project
- References - existing or prior customer satisfaction
- Relevant experience – personnel qualifications and skills
- Cost or price / value – NOTE: If cost is greater than 50%, Discuss with OSP.



# Section 5: Planning the Evaluation

## Developing evaluation criteria - EXAMPLES

- Quality assurance plan
- Proposer's facilities
- Training, reports and documentation
- Maintenance
- Expansion and Upgrade capability
- Problem resolution process
- Past Performance
  - Proposer's efforts on similar projects
  - Satisfactory record of integrity, judgment and performance
  - Relevant experience similar in size, scope, and complexity
- Environmental objectives (if applicable)
- Cultural Sensitivity (if applicable)



# Section 5: Planning the Evaluation

## Developing evaluation criteria

- Just because it was in previous RFP doesn't mean it is still important and necessary
- Differentiating requirements such as minimum qualifiers / mandatory requirements
  - Not just pass/fail





# Section 5: Planning the Evaluation

## Developing evaluation criteria

- Pre-defined evaluation standards
  - Varies based upon good/service
- Content guidelines for each evaluation criteria
  - What is ideal?
  - What is acceptable / unacceptable

Avoid being microscopic





# Section 5: Planning the Evaluation

## Developing solution-based evaluation criteria

- Mutually beneficial risk-sharing
- Proposal factors that could negatively impact the project
- Proposals factors that could have a positive impact on the project
- Can the proposed solutions be evaluated equally
- Industry standard



Risk sharing



Negative  
Project impact



Equal  
evaluations



Industry  
standard



Positive  
project impact



# Section 5: Planning the Evaluation

## Providing guidance to evaluation teams

- Meeting facilitator training
- Evaluator training
  - 3-7 days prior to due date
  - Response requirements
  - Response evaluation forms
    - Strengths + Weaknesses
  - Consensus scoring







# Section 5: Planning the Evaluation

## Providing guidance to evaluation teams (prior to proposal opening)

- Evaluator and response evaluation training:
  - Responsibilities
  - Guidelines
  - Goals and scope of the project
  - Differentiators between Inadequate, Very Poor, Poor, Good, Very Good, and Excellent on each criteria.
  - Eval criteria
  - Critical elements
  - Evaluator scoring forms





# Section 5: Planning the Evaluation

## Factors that are evaluated in a proposal

- Evaluation factors and priorities of the evaluation committee should be the same factors and priorities articulated in the RFP
- Evaluation committee member cannot substitute their judgement for what the RFP actually states (or doesn't state)





# Section 5: Planning the Evaluation

## Applying independent judgement to assess objective and subjective criteria



- Conducting the evaluation and selection
  - Be impartial
  - Be fair
  - Be transparent
  - Be consistent
  - Be non-discriminatory



# Section 5: Planning the Evaluation

## Leading practices in designing and implementing usable technical and cost evaluation criteria

- Take care in using sealed cost evaluation (calculation matrix) models
- Develop multiple scenarios and evaluate outcomes
- Potential for 'gaming' the scoring

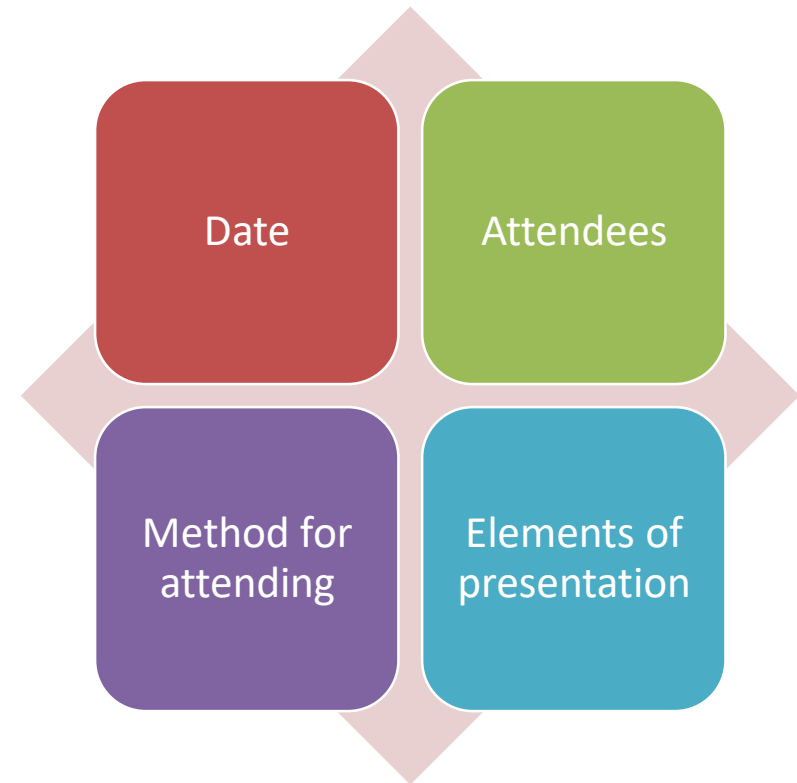




# Section 5: Planning the Evaluation

## Developing oral presentation requirements

- Establish date
- Agree upon required and optional attendees
- Agree upon method(s) for attending
- Elements of demonstration or oral presentation
  - Info on how demonstrations / presentations will be evaluated
  - Any restrictions or legal considerations







# Pop Quiz

Question #5:

When conducting proposal evaluations, the evaluator must be:

- A. Impartial, consistent, judgmental
- B. Consistent, impartial, transparent
- B. Transparent, partial, consistent







Discussion, comments,  
or questions on planning  
the evaluation






# Break




# Section 6: Conducting the Evaluation

 Determining responsive and responsible


 Response evaluation process

 Evaluation methods

 Role of OSP

 Documenting the process

 Clarifications, short-list, oral presentations

 BAFOs and negotiations

 Review



# Section 6: Conducting the Evaluation

## Determining responsive and responsible

- Responsive: Proposal that fully matches or conforms in all material respects of the RFP including:
  - Requirements
  - Forms
  - Information
- Responsible: has the resources and capacity to perform/deliver the required goods or services



# Section 6: Conducting the Evaluation

## Response evaluation process

- Compliance
- References
- Technical / Solution
  - Any deviations
- Preference
- Leverage external and internal expertise
- Consensus scoring

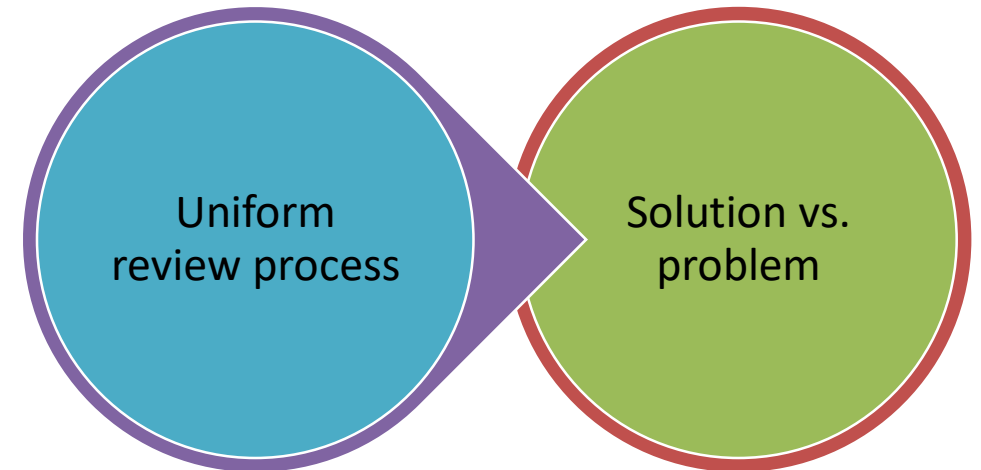




# Section 6: Conducting the Evaluation

## Response evaluation process

- Use a uniform methodology in the response review process
- Consider how the proposal or solution addresses the problem







# Section 6: Conducting the Evaluation

## Response evaluation process

### Technical evaluations

- Financial Proposal and Veteran and Hudson Initiative evaluation
  - Minimum score equivalent to fifty percent (50%) of the possible points
- Combine with technical evaluation to determine the overall score or ranking
- Highest overall score will be recommended for award



# Section 6: Conducting the Evaluation

## Response evaluation process

### Two-Step Evaluation

- The Financial proposal is packaged and sealed separately from the Technical Proposal.
  - Provided to evaluators upon completion of technical evaluations
- A Proposer's base cost score will be based on the cost information provided and computed as follows:
  - Calculation:  $\text{Lowest Cost} \div \text{cost of proposer being evaluated} \times \text{points for financial}$
  - Cost vs. value



# Section 6: Conducting the Evaluation

## Evaluation methods

- Scoring
  - Assigns a weight (%) or score to each element
  - Sufficient span to cover granular requirements within each criteria
- Ranking
  - Place responses in hierarchy order based on level in which requirements are met and/or viability of solution
- Adjectival Ratings
  - Descriptive terms (e.g., excellent, good, unacceptable)



# Section 6: Conducting the Evaluation

## Evaluation methods

Impact of adjectival discussions on evaluations





# Section 6: Conducting the Evaluation

## Evaluation methods

- **Max Score - Excellent:** Meets all requirements / Exceeds expectations / excellent probability of success in achieving all objectives / very innovative
- **High Score - Good:** A sound response / Fully meets most requirements / Very good probability of success / achieves all objectives in a reasonable fashion

- **Median Score - Fair:** Acceptable at a minimum level / Meets basic requirements / has a reasonable probability of success / some objectives may be met
- **Below Median Score - Poor:** Falls short of meeting basic expectations / has a low probability of success
- **Unacceptable:** The response is completely unacceptable, risk of unsuccessful performance is high



# Section 6: Conducting the Evaluation

## Role of OSP in the evaluation process

- OSP's role is not to re-evaluate all the proposals
- OSP's role is to assist the evaluators with drafting strengths and weaknesses
  - Confirm the S & W correlated with scores
  - Do similar inputs consistently result in similar outcomes?
  - Two competing sections with identical/similar notes should not have substantively different scores.
  - Would a lay person who read the strengths and weaknesses be able to tell which proposers outperform others without seeing the scores?







# Section 6: Conducting the Evaluation

## Documenting the evaluation process

- Currently, most agencies use their own templates to document the evaluation
- Moving forward OSP's template will be used





# Section 6: Conducting the Evaluation

## Documenting the process

- Do similar inputs consistently result in similar outcomes
- Two competing sections with identical/similar notes should not have substantively different scores
- Would a lay person who read the strengths and weaknesses be able to tell which proposers outperform others without seeing the scores





# Section 6: Conducting the Evaluation

## Documenting the process

EVALUATION SUMMARY				
RFP Title:				
RFP Number:				
TECHNICAL	Assigned Points	Company A	Company B	Company C
Corporate Background and Experience	0	0.00	0.00	0.00
Proposed Staff	0	0.00	0.00	0.00
Approach and Methodology	0	0.00	0.00	0.00
Technical Evaluation Total Score	0	0.00	0.00	0.00
FINANCIAL PROPOSAL EVALUATION	Assigned Points	Company A	Company B	Company C
Financial Proposal Evaluation Total Score	0			
HUDSON/VET EVALUATION	Assigned Points	Company A	Company B	Company C
Hudson/Vet Evaluation Total Score	0			
<b>TOTAL POINTS</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>RANK</b>				

Evaluation Criteria	Company A	Company B
Technical ( __ Points Total)	Evaluation and Points	
Corporate Background and Experience	<u>Strengths:</u>	<u>Strengths:</u>
Criteria include:		
Criteria Example. Indicate criteria specific to your RFP	<u>Weaknesses:</u>	<u>Weaknesses:</u>
( __ Available Points)	<u>Points:</u>	<u>Points:</u>
Proposed Staff	<u>Strengths:</u>	<u>Strengths:</u>
Criteria include:		
Criteria Example. Indicate criteria specific to your RFP	<u>Weaknesses:</u>	<u>Weaknesses:</u>



# Section 6: Conducting the Evaluation

## Documenting the process

- If S&W aren't clear
  - Scoring may need to be revisited
  - Eval Committee needs to add some more detail
- Purpose of specificity in strengths and weaknesses helps everyone.
  - Mitigates potential for protest
  - Helpful to 'losing' proposers, so that they can learn from their shortfalls
- If a stated strength/weakness is relying upon a straightforward fact, it is a good practice to spot-check 'facts' for accuracy



# Section 6: Conducting the Evaluation

## Clarification, short-list, oral presentations

- Clarifications
  - Evaluators initiate the request
  - OSP/designated buyer to obtain
- Oral presentations, demonstration with Short-List
  - Schedule in advance
  - Use systematic method for determining presentation order
  - Confirm attendance with short-listed suppliers
  - Provide suppliers with the agenda and timeline.
  - Focus questions on clarifying proposals or providing demonstrations of capabilities/methods – Technical aspects of proposal



# Section 6: Conducting the Evaluation

## Best and final offers + negotiations

- BAFO's
  - Evaluators initiate the request to designated contact
  - Designated contact to obtain
  - Short-listed proposers or those with a score/ranking within the top percentile
  - Proposer can review and revise their proposal based upon discussions, presentations, clarifications (Focused on price)
  - Evaluation Committee can ask proposers “reasonably susceptible for award” to revisit their pricing or operational assumptions, or units of measure





# Section 6: Conducting the Evaluation

## Best and final offers + negotiations

- Conduct a pre-negotiation meeting with negotiators
  - Define roles of the negotiation team
  - Determine non-negotiable items
- Negotiation team
  - OSP/designated buyer
  - Contract administrator, user,
  - key stakeholders,
  - Legal and finance, as applicable





# Section 6: Conducting the Evaluation

## Best and final offers + Negotiations

- Negotiations are not zero-sum
- Finalize pricing and terms with apparent 'winner'
- Resolving any unanswered questions
- Be flexible
- Confer with OSP for any substantial changes from RFP





# Section 6: Conducting the Evaluation

## Best and final offers + negotiations



- Execution of contract by supplier. (Prior to approval by OSP)
  - Eliminates the tendency by suppliers to want to changed one or two of the terms after approval
  - Ensures that the contract approved by OSP is the contract that is issued
- Final execution by agency or OSP



# Brainstorming Session

You are part of the procurement project team that is putting together a solution-based RFP for a procurement software package. The current system is over 25 years old and has virtually no reporting capabilities or functionality that allows for electronic distribution of the RFP or acceptance of proposals. Using what we have discussed put together some examples of items for inclusion in the proposal response section :

- Outcome-focus rather than low price
- Correspond to the problem and goals
- Allows suppliers to be creative and innovative

Take notes and be prepared to share with the entire group. You will have 5 minutes to put together your list.





Discussion, comments,  
or questions on  
conducting the  
evaluation?





# Pop Quiz

Question #6:

What are the elements of a proposal that would warrant a score/rank of EXCELLENT?

- A. Achieves all objectives in a reasonable fashion
- B. Meets the requirements
- C. High probability of success + very innovative







# Break



# Section 7: Strategies for Success in the Procurement Process



Current and future RFP practices



Additional alternative solicitation approaches



Trending concept



Technology in RFP preparations



Review



# Section 7: Strategies for Success in the Procurement Process

## Current and future RFP processes RFP Drafting

- Current: Agency drafts entire RFP
- Future: Agency drafts the background, SOW, and eval factors
- Future: OSP handles boilerplate terms and recurring eval language
- Current: OSP must review the entire RFP
- Future: OSP reviews only the background, SOW, eval factors, and redlines



# Section 7: Strategies for Success in the Procurement Process

## Current and future RFP processes

### RFP Posting/Contact

- Current: Agency posts RFP and is the point of contact, ensuring blackout
- Future: OSP posts RFP and is the point of contact, ensuring blackout

### RFP Evaluation

- Current: Agency evaluation committee meets in person behind closed doors
- Future: Evaluation committee posts sub-scores in real-time in Ariba/LESA and then has a consensus scoring discussion with OSP present



# Section 7: Strategies for Success in the Procurement Process

## Current and future RFP processes

### Protests

- Current: OSP receives a protest and requests records from agency
  - Often a time delay in receiving
- Future: OSP & Legal have independent immediate access to all system records



# Section 7: Strategies for Success in the Procurement Process

## Current and future RFP processes

### Other current processes

- RFI - gather information
- Pre-solicitation – fact finding
- Pre-offer meeting Q&A
  - Document all questions and answers and publish
- Q&A Period – Supplier questions in writing. Q&A published
- Addenda – OSP/Agency drafts and posts





# Section 7: Strategies for Success in the Procurement Process

## Current and future RFP process

### Future processes

- Blackout – during solicitation phase
  - Contact is designated, recommend this be OSP/designated buyer
- Disposition of unopened proposals



POLICY ON BLACKOUT  
PERIOD



POLICY ON DISPOSITION  
OF UNOPENED  
PROPOSALS



# Section 7: Strategies for Success in the Procurement Process

## Current and future processes

### Statutory Revisions

Act 273 by Rep. Ivey

- Title 39 only
- Aims to increase procurement flexibilities in two ways
  - Authorizes Legislature to approve alternate procurement methods for case-by-case IT projects requested by OTS
  - Increases five outdated procurement thresholds eroded by inflation, to restore their original purchasing power





# Section 7: Strategies for Success in the Procurement Process

## Current and future processes

### Statutory Revisions

- Complex service / IT PST requirement increased from \$100,000 → **\$225,000**
- University IT purchases without OSP review increased from \$100,000 → **\$150,000**





# Section 7: Strategies for Success in the Procurement Process

## Current and future processes

### Statutory Revisions

- Revised thresholds, requiring RFP for consulting services from \$50,000 to \$75,000 over a 12-month period
- Revised thresholds requiring PST for consulting services from \$140,000 to \$225,000
- Fines for intentional violation of Procurement Code increased from \$500 to \$1,000





# Section 7: Strategies for Success in the Procurement Process

## Additional alternative solicitation approaches

### Two-Step Vendor Pools

- “Anchor Tenant” variant
- Advantages
  - Market driven pricing that benefit from spot purchasing
  - Category with the same set of vendors responding every time to solicitations
  - Project based contracting where we know everything but the specific work to be done





# Section 7: Strategies for Success in the Procurement Process

## Additional alternative solicitation approaches

### Two-Step Vendor Pools

- Same basic contract setup as vendor pools
- Contract firms up everything but scope and cost
- Contract establishes a process for accessing the vendor pool in a competitive manner
  - Buyers submit SOW to pool
  - Vendors responds with cost and other required information
  - Buyer chooses best vendor response
  - Buyer establishes formal agreement
- Contract creates a system





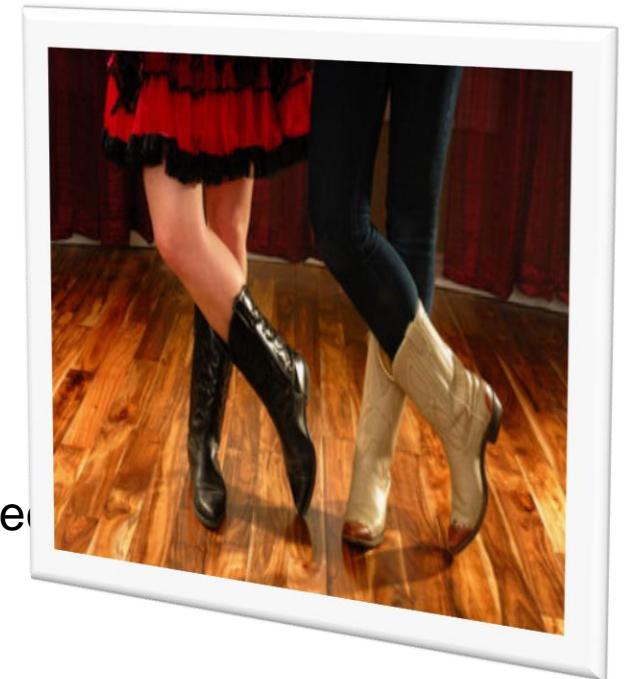


# Section 7: Strategies for Success in the Procurement Process

## Additional alternative solicitation approaches

### Example: Two-Step Vendor Pools: GIS imagery (category has many 'players')

- Agencies were going to bid regularly for specific projects in a one-off
  - GIS in the state was highly dysfunctional
- Executed a contract that:
  - Established standard requirements for execution of service
  - Established standard terms and conditions for all vendors
  - Established NTE pricing for basic service sets
  - Established a process for getting firm pricing on specific SOW driven projects
  - Established a means of cooperation not previously available
- Agencies submit an SOW, get a price, get to work!





# Section 7: Strategies for Success in the Procurement Process

## Additional alternative solicitation approaches

### Anchor Tenant variant

- Develop a two-step pool with one or more initial tenants named in the solicitation
- Reason to use “Anchor Tenants”
  - One or more large agency solicitations is already in path to release, especially if a powerful agency or a highly customized scope for what could be a general category





# Section 7: Strategies for Success in the Procurement Process

## Additional alternative solicitation approaches

### EXAMPLE - “Anchor Tenant” variant (Document Imaging)

- Pre-existing category contract with insufficient offerings, and insufficient vendor competition
- Powerful agency with an extremely large solicitation for document imaging “requested” an exception
- Negotiated leveraging the solicitation as a way to redo the category by attaching the solicitation as the first statement of work to be issued against a fully revamped category contract
- Agency was able to keep all aspects of their spec; agreed as a component of leaving good value for the state downstream
- Over 90 vendors attended the vendor conference
- Awarded multiple new vendors and commoditized services
- Agency able to advance their own project



# Section 7: Strategies for Success in the Procurement Process

## Additional alternative solicitation approaches

- LaPS Rule-Request for Responses
- Bake-offs
  - Ultimately purchasers are intuitively trying to pass the “Dichter Test” about involvement and fulfilling roles
  - “Bake-offs” (no pun intended) across multiple potential co-op contracts is also a strong alternative
  - Examples” staff augmentation contract, IPM third part financing)







# Section 7: Strategies for Success in the Procurement Process

Additional  
alternative  
solicitation  
approach

Managing  
Supplier  
Performance

## CATEGORY SUMMARIES

This table shows your points in each of the five 20-point categories that make up your Total Score.

CATEGORY	POINTS	EXPLANATION
<b>Successful Placement</b> The vendor placing the most candidates receives 20 points. Other vendors receive a proportion relative to the top vendor's placement total.	0.0	The top performing vendor placed 3 candidates. You placed 0.
<b>Quality</b> There are 2 measures for Quality, each worth 10 points: <ul style="list-style-type: none"> <li>The number of Acceptable Candidates relative to the number of resumes you Submitted</li> <li>The number of Interviewed Candidates relative to the number of Acceptable Candidates you Submitted</li> </ul>	10.0	Submitted resumes: 24 Acceptable: 24 Interviewed: 0
<b>Customer Satisfaction</b> DIR tracks information on submission quality and tracks customer incident reports. Any vendor with sales reported for the quarter starts with the full 20 points. Points are deducted for each documented infraction.	20	Details of applicable infractions are attached
<b>Compliance</b> This score is based on observance of contractual standards. Each quarter the vendor starts with full points. Points are deducted for each infraction.	14	Details of applicable infractions are attached
<b>Responsiveness</b> The number of Work Order Solicitations that were awarded during the quarter responded to by the vendor compared to the number of those awarded opportunities the vendor was eligible for.	10.7	Eligible solicitations: 41 You responded to 22.



# Section 7: Strategies for Success in the Procurement Process

## Trending concept

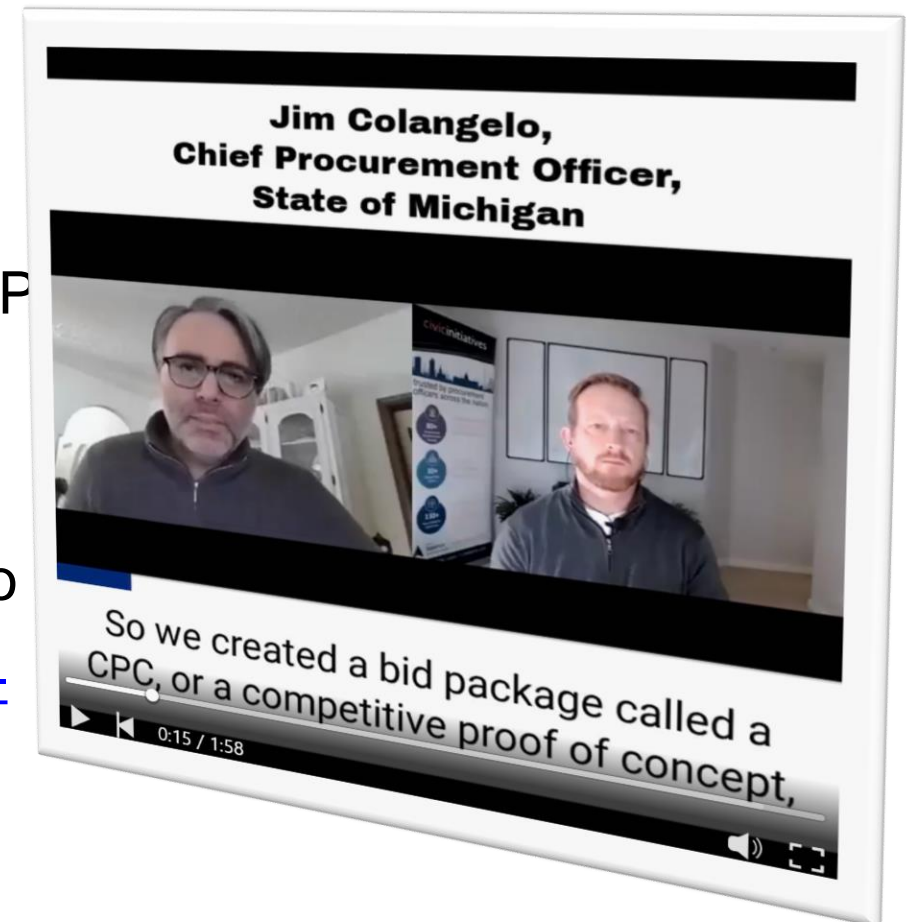
### Competitive Proof of Concept

- Michigan has embedded Proof of Concept in the RFP process
- Templates available on the Civic website

Below is the link to this LinkedIn podcast and the video

<https://anchor.fm/ppca/episodes/Jim-Colangelo--CPO-State-of-Michigan-11-eqs02i>

<https://www.civicinitiatives.com/jimc-video/>







# Section 7: Strategies for Success in the Procurement Process

## Technology in RFP preparation

### Tools

- Rolling out e-signatures
  - Adobe now, DocuSign in future
- Video Job Aids / Video walkthroughs of LESA



eSignature



Job Aids



# Section 7: Strategies for Success in the Procurement Process

## Technology in RFP preparation

### Advantages of automation

- Standardized library of T&Cs
- Electronic templates / boilerplate rails
  - Automatic redlines of any changes
- Built in the delegations for staff, supervisors, and managers
  - Workflow and approvals are automated
  - System looks at header data and builds out the approval flow
- Built-in policies that guide the creation process



LIBRARY OF TERMS



ELECTRONIC TEMPLATES



WORKFLOWS + APPROVAL



BUILT-IN POLICIES



# Section 7: Strategies for Success in the Procurement Process

## Technology in RFP preparation

### Advantages of automation

- Single standardized RFP process across all agencies to drive consistency

### RFP project management tools

- Task lists
- Notifications



SINGLE PROCESS  
ACROSS AGENCIES



RFP  
MANAGEMENT  
TOOLS



INTEGRATION WITH  
SAP/LAGOV



# Section 7: Strategies for Success in the Procurement Process

## Technology in RFP preparation

### Advantages of automation

- Expedited RFP drafting for agencies
- Automated submittal of SOW and evaluation criteria
- On-line RFP distribution
- Electronic receipt and evaluation of proposals
- Online review of ROA
- Online tracking and approval of contract negotiations





# Section 7: Strategies for Success in the Procurement Process

## Technology in RFP preparation

### Advantages of automation

- Online Approval of Contract
- Contract Management
- Audit trail
- Central repository
- Integration with SAP ECC / 4Hana (LaGov)





Discussion,  
comments, or  
questions on  
anything we have  
covered today?







# Review and Wrap-up





# Exercise

In order to participate, you will need your cell phone or other mobile device (preferably not the device you are using to attend). It's super simple.....piece of cake!

1. Take out your cell phone
2. Open your internet browser
3. Type in: [AHAslides.com/9EEB6](https://AHAslides.com/9EEB6)





Type in one 'bright idea', new concept, process or practice that you learned today from the topics we discussed

- **Factors that impact procurement planning and implementation**
- **Chartering the procurement project team**
- **Assessing Procurement Methods**
- **Building the RFP**
- **Planning the Evaluation**
- **Conducting the Evaluation**
- **Strategies for Success in the RFP Process**

