Effective Proposal Evaluations – FAQs

RFP Format

1. **By creating a bidding environment that rewards established bidders, do you restrict your agency to the status quo vendor pool, reducing room for new or not as well-connected vendors?**
Yes, potentially. If owners are focusing on companies that have a working history with them, newer companies may perceive that they may be at a competitive disadvantage. Using fair and transparent proposals will give newer companies the confidence in submitting the proposal and best serve your organization's project outcomes.

2. **Seeing new companies does typically give me pause. However, is it fair to say that the company can be comprised of those with great knowledge and experience gained from another "well-known" company that could be an asset to the project being successful?**
A well-known company is different than expert project team. Proposals can be structured to vet the qualifications of the team, be it the project team of a well-established company or a fairly newer company. Sometimes the logo on the door does not provide an accurate representation of the qualifications and expertise of the project team.

3. **How many other States use Pass/Fail within the evaluation matrix when scoring specific criteria asked for within the offeror qualifications or other specific areas?**
We are not an expert in that; therefore, we would not be able to answer that. However, evaluation criteria that would lead the evaluators to score very closely, for instance, 7.1 vs 7.4 vs 7.3, therefore it becomes very hard to justify these scores. Such evaluation criteria can be made as a Pass/Fail criterion (since they would not lead to much differentiation in the scores anyway). For instance, licensure, financial capabilities, etc. to make things easier, furthermore, evaluation criteria which are a simple yes or no should be Pass/Fail criteria.

4. **What is a Best-Value (BV) method?**
Best-Value (BV) is any solicitation that used both cost and qualifications criteria to choose a vendor. Qualifications Based Selection (QBS) was the beginning of BV. QBS was a federal program started in the early 1970s, which stated that professional design consultants (such as architects and engineers) must be hired on the basis of qualifications and expertise *without* considering price at all. Best-Value is a derivative of QBS, pricing is evaluated in addition to qualifications.

5. **What evaluation criteria should be used in Best-Value (BV) procurement projects?**
When using BV, owners should pick evaluation criteria that are proven to differentiate vendors and not chose evaluation criteria which would put one vendor to an advantage or disadvantage.

6. **BV has become, in the state if Oregon, a 2-fold process. 1) The "Buyer", in consultation w the client(s), selects criteria for evaluation. Then the current trend is to awards to as many Proposers as there are, leaving it for the client/customer/end users to 2) do another BVA for their own**

organization. This duplicates efforts and alleviates the responsibility to do a sensible BV the first time around.

We have seen two step evaluations function as a pseudo-Low-Bid method. For example, some clients will short-list based on qualifications in the first step. Then in the second-step they can be tempted by Low-Bid. Effectively this becomes a low-bid project and waste times and money. CPE recommends owners use a High-Performing RFP that includes (1) a good Statement of Work, (2) properly stated evaluation criteria, and (3) a fair, open, and transparent evaluation process. Doing this would bring value to the project, the end-users, and the client organization overall.

Budget

1. **We state budget but use words like anticipated or estimated so as to NOT cap budget. By capping the dollars, we would have to resolicit for additional dollars.**
   That is common, we recommend giving the real number with whatever caveat you need. Many orgs only give a range, or only state 80%....... these are all troublesome because they can create confusion among the vendors and lead to pricing that is not apples-to-apples.

2. **If there is a natural duopoly, where the control of a service in a particular market is vested in just two bidders, should the budget still be provided?**
   Yes, always release the budget. The budgets allows the actual experts in the vendor organization to show they are truly better (more expert) than their competitors. The individual project team members sent to work on your project can be as or more important than the logo on the door (every vendor has A-Teams and C-Teams… CPE is all about attracting the A-Teams). and C teams.

   Sharing the budget is low-risk if your organization has solid records of historic spend. You can even release the historic spend records and state that your organization is looking for competition around the levels of your historic spend data.

   Fairness is another consideration. If there are truly only 2 vendors (or a limited pool of vendors), then the incumbent will have the advantage of knowing your historic spend and all other competitors will be kept in the dark. Releasing this information puts vendors on an even playing field and leads to better competition.

   Please <u>contact us</u> for our White Paper on Sharing the Budget!

3. **You mentioned Construction. In traditional Design-Bid-Build during Construction process I don't think budget should be stated. Why would you think it would be a good idea to do that? These are ITB's not RFP's. Under an alternative Construction (CM/GC or Design-Build) I could see putting budget in as these are RFP's.**
   Not every organization can do a non-low bid for Design-Bid-Build projects. But organizations that can, will greatly benefit from it. Using best-value (BV), clients can learn a lot of the vendor's qualifications. When the budget is published, vendors have a better idea of the client's need, and it helps vendors are proactively thinking of events that can provide deductive change order for the owners.

4. **You recommend disclosing budget. Big no-no in my state. Won't you increase costs for those planning to charge less, and reduce competition by discouraging those who would charge more?**
   Please <u>contact us</u> for our White Paper on Sharing the Budget! It discusses all the pros / cons of these concerns.

Evaluation Forms & Source Selection Plans

1. **Do you have recommendations for creating a "bullet proof" pricing bid sheet?**
   The purpose of the proposal should be obtaining pricing that could be compared in an apple to apples manner. To CPE, a bullet proof pricing would be to receive back pricing that are apples to apples, so that the evaluation team does not have to make the decision of which pricing is the "the most accurate" by making assumptions in their thought process. We use particular pricing forms to achieve apples to apples comparison by grounding the pricing in the specific project SOW (and treating alternatives and innovations as separate criteria so they are not mixed with the base pricing). Using a pricing sheet or cost form allows the cost evaluations to be conducted in a quantitative – and non-biased – manner.

2. **How do you determine page limits? Is there a standard?**
   If vendors are given unlimited pages to fill, they feel obligated to fill as much information as possible. Or in other words, they are trying to pass the "weight test" because they have seen clients who adhere to the mantra of "more pages = more qualified."

   Limited pages forces vendors to be more precisely and think about that particular project's needs. The marketing fluff goes away because there is no room for it! This also allows expert vendor to differentiate themselves by providing project specific and important information succinctly. Limited pages also make it easier for the evaluation and the legal team, as it reduced the chances of protest.

3. **Should the font type, font size, and margin of the proposal submission be dictated?**
   Yes. 10 or 12 point is small enough!

Evaluation Scoring

1. **What study/information leads authoritatively to the statement that price should never be more than 35% of the evaluation criteria?**
   CPE's recommendation is based on math and experience of how most RFP evaluation processes work.

   For example:
   - Most processes include some type of interview, presentation, or demonstration that is worth 20 to 40% of the total evaluation process. But these are not held until after a short-list has been determined.
   - The short-list is typically determined based on the other 60 to 80% of evaluation criteria. These are usually some combination of written qualifications and price.
   - If any of the short-list criteria (such as price) are given a weight of more than 35%, that criterion will represent a mathematical majority of the short-list decision (50% or more of the pre-short-list scores)

   In other words, any criteria that is weighted as more than 35% will have a disproportionate and sometimes overwhelming influence on the evaluation outcome. If price is more than 35%, the math skews the evaluation process to the point that it is effective a Low-Bid Procurement.

2. **How do you maintain an open transparent apples to apples evaluation process and evaluate innovations proposed by vendors that would be different for each proposal?**
   Everyone has the same opportunity to provide innovative ideas. You can evaluate their ability to "think" and not especially "will the innovation work?" It can be a filter to the "next step" (interviews?). An indicator of an expert is a person that can think about your project and provide ideas that is in the best interest of your project. In some areas the innovation idea is not scored, but we recommend scoring them with a lower value (5-10% max)

Remember to keep the Cost Proposal completely separate from the innovative ideas or other alternates. The Cost Proposal should be for the client's Statement of Work so that vendors all quote it in an apples-to-apples manner.

Conducting Effective Interviews

1. **How much weight would you recommend for Oral presentations/Demos?**
   CPE recommends that no more than 35% of the "points" be allocated to any one criterion. That said, for certain project types, we have seen interviews (not true presentations) be weighted at 40%. For presentations, 35% is high. For demos (IT) it is high too. In our research we have shown that most demos are not true demos as they are often specializing programs built for a demo and not the actual system you will work on.

2. **We send out a list of what we want software vendors to specifically demo, based on what we've seen in the responses and functionality of the software that is important to us, either existing pain points, or something we're expecting to use a lot and hasn't been adequately explained in the response. This has worked well for us in our demos.**
   Yes, that is very standard. One of the specific challenges we have seen (over and over again) is that they can demo it for a specific presentation, but their system does not do it as efficiently or is more complicated. We have even seen demos done via PowerPoint. Demos are one of the most "gamed" type of presentations we have seen. we have specific recommendations for these, but it is not easy and requires training for both you as the buyer and the vendors.

Debriefs

1. **What do you include in the debriefs? Our legal team has suggested that we don't do these.**
   We advocate for fair, open, and transparent procurement processes. Based on our experience, vendors do not wish to ask for debriefs to find ways to protest, but in majority of the cases, the vendors genuinely wants to know what they could do better in their proposal so that they may set themselves up for success in future proposals. That said, in debriefs, owners should not pull up the winning bidders proposal and tell the vendor this is what they should do, rather they should provide the vendor with feedbacks from the evaluation committee and if possible some percentage score comparison from other proposers, without revealing the identities and cost information.

2. **How do you approach vendor requests for proposals of the winning bidder under FOIA? How do you approach deciding to release or not release confidential information or trade secrets in the winning proposals?**
   We are not an expert on this, that is we are not attorneys; therefore, it is best to consult your legal department/attorney. One thing vendor can do is, to reach out to a community of vendors on 'what is proprietary', this can enhance vendors knowledge on this subject which they can then provide to an attorney as supplemental information.

Evaluation Committee Members & Structure

1. **Does the number of evaluators need to be an odd number?**
   Typically, no. Taking a simple average of the scores can work for regardless of odd/even scenarios. CPE recommends 3 to 7 evaluators as being the "sweet spot" for most projects.

2. **Should evaluators be knowledgeable in the subject matter?**
   Not necessarily. Although subject matter experts bring a valuable perspective, they also have a greater chance of bringing their biases and pre-conceived notions to the evaluations.

   On the other hand, non-subject matter experts can bring a solid, "logic-based" approach to the evaluation process. Non-subject matter experts are usually required to "fill out" the evaluation team (oftentimes organizations may not have enough SMEs to fill the entire committee).

   A balanced approach is often the best, so long as evaluators have at least an introductory level of background knowledge on the project being procured and they are invested in the project outcome.

3. **Any recommendation for when we have only 1 member in the evaluation team as the "expert" and the evaluation team wants to rely in his views?**
   It is very common for one or two members of the evaluation team to be a subject matter expert. However, it is recommended that evaluators each submit their scores individually to avoid "group think" or "lobbying" among the committee members. This can be described as a best practice to gain buy-in from the evaluation team. The non-subject matter expert evaluators should be encouraged that they were invited because they represent a valuable – and different – point of view on the evaluation committee (for example, often they are representing end-users or other non-SME perspectives)

Conducting Effective Interviews

1. **As for the vendor interviews, do you send a question list prior to the vendor for their preparation?**
   A general list of questions can be sent prior to the interviews but it is not required. If you do want interviewees to come ready to answer something extremely specific, then the question(s) should be provided in advance.

   But as a best practice, CPE recommends that the interview questions be non-technical in nature. Interview questions should be designed such that a competent professional (who has reviewed the Statement of Work) would be reasonably expected to answer. This avoids the use of "gotcha" questions that would completely surprise the interviewee.

2. **What point in the process should the whiteboard exercise be completed?**
   This exercise is a great way to conduct your interviews!

3. **What are your thoughts on broad based questions such as "How will your company add value to this project?"**
   These types of questions can be OK, but CPE recommends that the questions be made more personal and role-specific. For example, this question can be changed to "In your role, how will you personally add value to this project?" Asking the question in this way require the lead roles of vendor project teams to discuss their expertise and understanding of project-specific needs. In turn, this helps the evaluation team better differentiate between the quality of the vendor teams. Asking questions that are too broad-based typically encourages broad responses that are filled with marketing "fluff" and generic statements (which do not help your evaluators to differentiate between the interview teams)

4. **Why only key personnel in the interview?**
   The reference to "key personnel" is more about the number of interviewees who are present in the interview room at any given time. CPE has found that larger interview groups are not ideal because they become more presentation-oriented (think marketing presentations rather than true Q&A interviews). In a large group, 1-2 members of the vendor's team will usually dominate the conversation. Keeping the interview teams smaller puts more accountability on each interviewee to speak up.

Evaluation Scoring

1. **Would you recommend eliminating the highest and lowest score?**
   No, CPE does not recommend this. We do recommend that evaluators are trained to follow a thorough Source Selection Plan (SSP) and emphasize the level of responsibility each evaluator should take in providing their scoring (**and** associated justification)

   CPE does offer a template SSP. Just contact us for a copy!

2. **When responding vendors have very different license or business models, how do you best work with them to normalize the pricing data?**
   This is a question of the client's Statement of Work (SOW). The SOW should provide vendors with a clear benchmark to bid to even if they use different models for how they calculate their price. The cost proposal form in the RFP should reference a common SOW basis for vendors to propose to. CPE utilizes cost proposal forms that enable vendors with different pricing structures to still be compared in an apples-to-apples manner. In short: if the SOW is clear, the prices will be apples-to-apples even if vendors use different approaches or "data" to calculate their proposal price.

Evaluation Forms & Source Selection Plans

1. **Please explain what a Source Selection Plan is. Are there any Source Selection Plan (SSP) samples available?**
   The SSP is describes how the evaluation and scoring of proposals will be conducted, including
   - Roles & Responsibilities of Procurement / Buyer
   - Evaluation Procedures
   - Evaluation Instructions
   - Ethics and Conflicts of Interest
   - Critical Items

   CPE does offer a template SSP. Just contact us for a copy!

2. **Could you explain the consensus meeting and why not to have one? How do you check deviations between scorer?**
   The reason why we do not recommend consensus meeting is that it encourages evaluators to either lean toward what the boss said or another committee member who is very outspoken and enthusiastic about their scores. This could potentially sway the evaluators. As a procurement officer, when scores are not in alignment within the evaluation team, I would look for any evaluator whose scores are deviant and ask that evaluator to clarify and explain their scores. A point to keep in mind is that we are all humans and as

such we have a natural tendency to follow an individual whom we believe to be more knowledgeable about a subject matter. For example, if one person is an accountant and part of the evaluation is accounting related we would naturally relinquish some our opinions as we feel the accountant person is more knowledgeable about general accounting…even though they may not be more knowledgeable in that particular instance. This is where some bias may occur.

3. **I enjoyed your point on avoiding Consensus Meetings at all costs. However, we are required to have Consensus Meetings. What do you recommend in those circumstances?**
   In those circumstances, we still recommend that the evaluation team score the proposals individually and then provide those scores to the procurement officer. The procurement officer can the compile the scores leading to a much more efficient consensus meeting. The committee can then use those scores as the basis of a conversation to be finalized in the consensus meeting.

   If for some reason the above cannot be done – even informally – then the procurement officer must enforce a fair, open, transparent, ethical, and value-based consensus discussion. The procurement officer should always:
   a) Start the meeting by explaining the foundations of being fair, open, transparent, ethical, and value-based as an evaluation committee.
   b) Remind the committee that they have each been chosen for a reason. They are all representing valuable points of view for the broader organization.
   c) Warn the committee that they should not be lobbying for/against proposals. Tell them directly that we need to avoid group-think and influencing others. Instead, the focus should be on the good of the project and the good of the organization.
   d) And then watch the meeting like a hawk!

4. **Why should we not allow for comments in submittal forms?**
   CPE supports justifying comments by evaluators. This creates a more defensible selection outcome and assists with vendor debriefs. Organizations should of course consult their Legal Counsel and be mindful of FOIA requirements.