

# SESSION 3:

## Evaluation Procedures

### Best Practices for Evaluation Procedures, Debriefings, and Ethics

#### Description

We've all seen a job posting which seems to be written for a specific candidate... it is frustrating because you don't have a chance when the outcome is predetermined! Unfortunately, suppliers often feel the same way about Owner Evaluation Procedures. This session will kick off with a practical discussion on 10 specific changes that will make your next evaluation process faster, leaner, and easier. We also explain research-based evaluation criteria and scoring recommendations. These practices will help suppliers know that they have a fair chance to win... after all, better evaluations lead to better projects!

Procurement professionals serve as ethical safeguards for their organizations. The RFP process can expose many ethical challenges or "grey areas" that must be navigated with skill and care. This session will review common conflicts of interest and ethical dilemmas that can impact the effectiveness of the RFP process. We will have interactive discussions regarding how ethical breaches – or even the mere appearance of them – can do major harm to our organizations.

#### Learning Objectives

- Ten tips for more effective RFP Evaluations
- Setting up the most effective evaluation team structure (size, evaluators, training, and steps)
- Appreciate the importance of offering comprehensive debriefings to vendors
- Recognize the role of effective ethics training in procurement

#### Workshop: The Planning Game

A common challenge in RFPs is that many of our business units take the approach of “I’ll know it when I see it” rather than planning out their evaluation process in full. Procurement professionals must be ready to respond to this challenge and guide our business units through RFP planning process. This workshop is an interactive game of risk-and-reward designed to showcase the value of pre-planning & the cost of neglecting it!

#### Tools, Templates, and Handouts

- Source Selection Plan Template
- Guide to Proposal Evaluations
- Guide to Proposal Evaluation Ratings
- Guide to Vendor Debriefings & Debriefing Template
- FAQs on Proposal Evaluation Best Practices

## Session 3 of 6: Evaluations, Debriefings, and Ethics

### Best Practices for Evaluation Procedures, Debriefings, and Ethics

RFP Training Course



### Agenda

- Ten Tips to Improve Proposal Evaluations
- Importance of Vendor Debriefings
- Procurement Ethics & Conflicts of Interest



### Putting RFP Excellence Into Practice

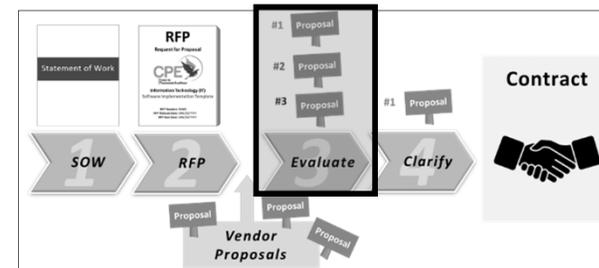
- Fair
- Open
- Transparent
- Value
- Integrity

**Strategic Objective:**  
Become a “Client of Choice”  
and attract  
High-Performing Vendors  
across your RFPs



### Let's Define It: Evaluation Period

- This is an area of weakness for many Clients and can lose Fairness, Openness, Transparency, Value, and Integrity



## Session 3 of 6: Evaluations, Debriefings, and Ethics

# 10 Tips to Improve Proposal Evaluations

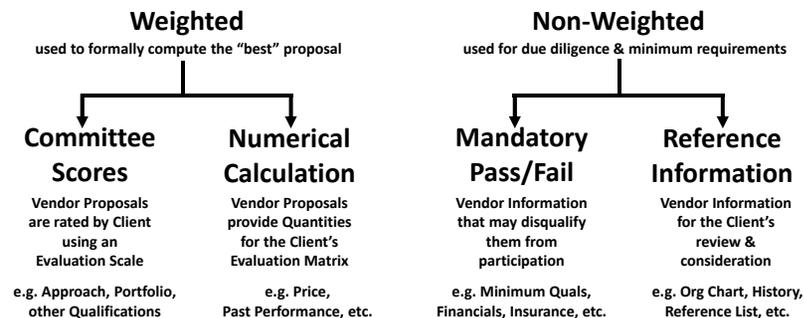


## Ten Tips to Improve Proposal Evaluations

### 1. Understand the Different Types of Evaluation Criteria



## Understand the Different Types of Evaluation Criteria



## Understand the Different Types of Evaluation Criteria: Committee Scores

### Written Proposal

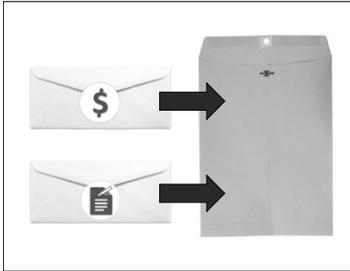


- 1) **Verify past experience**
  - Team vs Individual experience
  - Past Projects
  - Resumes & References
- 2) **Verify understanding of our needs**
  - Approach & Methodology
  - Solution & Workplan
  - Schedule



## Session 3 of 6: Evaluations, Debriefings, and Ethics

### Understand the Different Types of Evaluation Criteria: Numerical Calculation



- Cost/Price should be numeric!!!
- Cost is generally submitted in a separate sealed envelope
- Not revealed to the Evaluation Committee until evaluation is complete (to minimize bias)



### Understand the Different Types of Evaluation Criteria: Mandatory Pass/Fail + Reference Information

- Keep these clear, concise, and understandable!!!
- Do not make these a lot of work for vendors to complete!!!



- What do you need to make an informed selection?
  - Will your org actually read & review this info from all proposals?
- Otherwise gather later but still before signing the contract!



### Ten Tips to Improve Proposal Evaluations

1. Understand the Different Types of Evaluation Criteria
2. Establish a Source Selection Plan (SSP) before RFP release



### Establish the SSP Before the RFP is Released

- Describes how the evaluation and scoring of proposals will be conducted
- Serves as a guide/instructions for evaluators
- This document can also be referred to as:
  - Source Selection Guide (SSG)
  - Proposal Evaluation Guide (PEG)

#### Source Selection Plan



## Session 3 of 6: Evaluations, Debriefings, and Ethics

### Establish the SSP Before the RFP is Released

- Describes how the evaluation and scoring of proposals will be conducted
  - Roles & Responsibilities of Procurement / Buyer
  - Evaluation Procedures
  - Evaluation Instructions
  - Ethics and Conflicts of Interest
  - Critical Items



### Establish the SSP Before the RFP is Released

- Do not try to figure out the evaluation process after RFP is released....TOO LATE
- Create the SSP prior to releasing the RFP.
  - This allows the evaluators and SME's time to provide input before releasing the RFP.
- Minimizes time spent trying to figure things out
  - (or do something not permitted based on the RFP language)



The SSP should always be documented to minimize the Risk of Protest



### Ten Tips to Improve Proposal Evaluations

1. Understand the Different Types of Evaluation Criteria
2. Establish a Source Selection Plan (SSP) before RFP release
3. Recognize that Evaluators have Bias



## Session 3 of 6: Evaluations, Debriefings, and Ethics

### Recognize that Evaluators have Bias

- Bias is not always so “foreword” or “shocking”
- Usually, bias comes from Evaluators who:
  - Think they “already know” the best vendor
  - Look at logo/brand more than resources/approach
  - Have pre-conceived notions about the “right” approach
  - Are not open to new ideas



### Ten Tips to Improve Proposal Evaluations

1. Understand the Different Types of Evaluation Criteria
2. Establish a Source Selection Plan (SSP) before RFP release
3. Recognize that Evaluators have Bias
4. Balance the Evaluation Committee



### Balance the Evaluation Committee

#### Most Common Questions:

1. How many people should be on the evaluation committee?
2. Who should we select?
3. When should we select them?
4. What are their expectations?



### Balance the Evaluation Committee

#### First Big Question: How Many People???

**3-7**

#### • 3 to 7 is the “sweet spot”

- Less than 3 = more difficult to balance & defend the scores.
- Greater than 7 = more difficult to coordinate and keep on track.
- Very small or simple projects may have 3-5 evaluators
- Complex projects, you should aim for 5-7 evaluators



## Session 3 of 6: Evaluations, Debriefings, and Ethics

### Balance the Evaluation Committee

Important to Remember:

- More evaluators you have = the more you can mitigate someone with significant bias.



### Balance the Evaluation Committee

- Watch out for bias from Technically-oriented evaluators.
  - They will rarely have as much experience as the vendor (the purpose of an RFP is to hire a vendor with more knowledge and skill than you!)

Technical Evaluator



1-2

Lifetime

Expert Vendor



100+

Last 5-Years



### Balance the Evaluation Committee

- Non-technical evaluators are needed too (and can work!)
  - Need them to fill out the Evaluation Committee
    - (usually not enough technical evaluators to make an entire Evaluation Committee)
  - Every organization has Non-Technical Evaluators
  - Are able to score based on basic “logic” and “reason”



### Balance the Evaluation Committee

- Be cautious of including Executives or Senior Personnel
  - Can “sway” the rest of the committee
  - Typically very busy = can put timeline in jeopardy



## Session 3 of 6: Evaluations, Debriefings, and Ethics

### Ten Tips to Improve Proposal Evaluations

1. Understand the Different Types of Evaluation Criteria
2. Establish a Source Selection Plan (SSP) before RFP release
3. Recognize that Evaluators have Bias
4. Balance the Evaluation Committee
5. Avoid Consensus Meetings!



### Avoid Consensus Meetings!

- Avoid at all costs!!!



### Avoid Consensus Meetings!

- Example #1: Tax-Accounting system for a State
- 3 vendors proposed. 5 evaluators.
- During consensus meeting, the internal IT “expert” stated:
  - “Vendor 1’s proposal may sound great....but they actually don’t have a major component of what the State needs (data warehousing)”.
  - This individual had done “a lot” of background research (outside of the proposals) and determined that this vendor is not capable of doing the work.
- So the evaluators all adjusted their scores based on what their internal expert said (scores dropped by 25-35%) – yikes!



### Avoid Consensus Meetings!

- Example #1: Tax-Accounting system for a State
- However, since only 3 vendors, all were shortlisted to Interviews.
- During interviews, Vendor 1 was asked about their inability to perform ‘data warehousing’.
  - The vendor laughed at the question!
  - Said that they have one of the largest data warehousing systems in North America. They went on to list major institutions that were using their systems.
- After the interviews were over...the IT expert apologized to everyone and said that they were not aware.



## Session 3 of 6: Evaluations, Debriefings, and Ethics

### Avoid Consensus Meetings!

- **Example #2: Personal Push for a Score**
- **7 evaluators. Scores were shown. One evaluator argued for 2hrs.**
  - Eventually 4 evaluators said:  
“OK, fine, I give up, just change our score to whatever you want, I don’t care any more, I just want to get out of this meeting!”
- **Procurement intervened:**
  - “Please provide justification for these changes so we can defend your actions in court.”



### Avoid Consensus Meetings!

- It’s amazing what actually happens behind the scenes!!!!
- These examples are not unique...they happen frequently.
- Which is why we NEVER recommend consensus meetings.
- They result in a lot of time being wasted, but more importantly, it encourages evaluator influence which goes against core procurement principles!
- If you want to streamline your evaluation process, and improve the fairness, just use the average evaluator scores. This is simple, takes less time, and is much easier to justify.



### Individual Evaluations



- Evaluations must be performed **individually** (not group consensus)
- Evaluators must **not discuss** with anyone (only contact Buyer for clarification)
- Evaluations should be **non-biased** (use logic and/or verifiable performance documentation to assist in determining the rating.)
- Evaluators must be **honest and fair** as possible with the rating (with the understanding that these ratings are not being used to award an actual project, but to pre-qualify vendors into an overall program).
- The Buyer reserves the right to clarify any ratings, request additional evaluator comments, or modify/reject a rating.



### Ten Tips to Improve Proposal Evaluations



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2. Establish a Source Selection Plan (SSP) before RFP release
3. Recognize that Evaluators have Bias
4. Balance the Evaluation Committee
5. Avoid Consensus Meetings!
6. Use Standardized Proposal Forms



# Session 3 of 6: Evaluations, Debriefings, and Ethics

## Use Standardized Proposal Forms

- Major problem with RFP's....when they don't think ahead and plan for when proposals come in.
- You can get a wide range of proposals that are very difficult to navigate.



## Use Standardized Proposal Forms

Simple Solution: All Criteria Must Be Transformed into a Proposal Form Template!



## Use Standardized Proposal Forms

Example #1:

The Proposer is required to comply with the State's accessibility policies, practices and procedures established in accordance with the American Disabilities Act (ADA). The Proposer must identify if your company have an accessibility policy? If so, Proposers may include a copy of the policy. Identify if your company provide accessibility training and resources to all employees? If so, please describe. Identify if your company provide accessible customer service? If so, please describe. Describe the accessibility features of the service your company is offering. What is your company's process for regular review and updates on accessibility within your industry? Does your service comply with all relevant portions of the ADA? Please describe. Proposers should also include their most recent ADA compliance report. If your company's service does not currently meet ADA or similar accessibility standards, is there an action plan to reach compliance? Please describe and include timelines.



## Use Standardized Proposal Forms

### SCENARIO 1

The Proposer is required to comply with the State's accessibility policies, practices and procedures established in accordance with the American Disabilities Act (ADA). The Proposer must identify if your company have an accessibility policy? If so, Proposers may include a copy of the policy. Identify if your company provide accessibility training and resources to all employees? If so, please describe. Identify if your company provide accessible customer service? If so, please describe. Describe the accessibility features of the service your company is offering. What is your company's process for regular review and updates on accessibility within your industry? Does your service comply with all relevant portions of the ADA? Please describe. Proposers should also include their most recent ADA compliance report. If your company's service does not currently meet ADA or similar accessibility standards, is there an action plan to reach compliance? Please describe and include timelines.

### SCENARIO 2

#### PROPOSAL FORM H – ACCESSIBILITY (ADA)

1) Does your company have an accessibility policy?  Yes  No  
If so, please describe: \_\_\_\_\_

2) Does your company provide accessibility training and resources to all employees?  Yes  No  
If so, please describe: \_\_\_\_\_

3) Does your company provide accessible customer service?  Yes  No  
If so, please describe: \_\_\_\_\_

4) Describe the accessibility features of the service your company is offering: \_\_\_\_\_

5) What is your company's process for regular review and updates on accessibility within your industry? \_\_\_\_\_

6) Does your service comply with all relevant portions of the ADA?  Yes  No  
If so, please describe: \_\_\_\_\_

7) If your company's service does not currently meet ADA or similar accessibility standards, is there an action plan to reach compliance?  Yes  No  
If so, please describe and include timelines: \_\_\_\_\_



# Session 3 of 6: Evaluations, Debriefings, and Ethics

## Use Standardized Proposal Forms

54. Explain at what point the maintenance contract/service level agreement begins and the software was/any or installation/acceptance period ends.

55. Do proposed acquisition and/or ongoing maintenance support costs include:

- Future enhancements to acquired/leased applications/software?
- Software maintenance?
- Operating systems and related environmental software?
- Architectural changes such as migration to emerging technologies and new methods of systems deployment?
- If not, describe the conditions and terms under which enhancements/new releases are made available to existing customers.

56. What are your internal support hours (specify time zone)? Where is support staff located?

57. Which of the following support features are available?

- Toll-free hotline
- Remote assistance
- Remote diagnostics
- Training materials
- Web-based support tracking

58. Do you offer 24/7 software and hardware support?

59. What is the response time for problems reported?

- During regular business hours (and what are your regular business hours)?
- During off hours

60. Describe your problem reporting software and tools. Are they available via the Internet? Can a list of outstanding problems and enhancements by clients be viewed online and downloaded?

61. List the top five support questions you receive from your clients.

62. Describe your support process for evaluating and fixing bugs or problems in your software. How would you coordinate problem analysis and resolution with other third party products?

63. Provide a guideline for the type of internal support that will be required. For the number of information systems personnel, by classification, and also soon information systems personnel (i.e., department-based). Describe their roles and responsibilities.

64. What is the range and average for system downtime (scheduled and unscheduled) for your clients' systems?

**COMPANY EXPERIENCE** - Write Treatment Facilities  
Provide information on regarding your company's experience designing and constructing water treatment facilities over the past ten years. Only projects that are 100% complete and operational can be counted (ie going or in-progress projects cannot be counted in this analysis)

	2006-2010
Number of Water Treatment Facilities constructed (N)	
Number of Design-Build Water Treatment Facilities constructed (N)	
If you are a joint-venture between a construction firm and a design firm, identify the number of Design-Build Water Treatment Facilities constructed together as a team (N).	

**PERSONNEL EXPERIENCE**  
Provide information on regarding the experience of the Key Personnel that have been assigned to the contract as identified in Subpart (c) in line for past ten years. Only projects that are 100% complete and operational can be counted (ie going or in-progress projects cannot be counted in this analysis)

Client/Project Name	2006-2010				
	Design Lead	Proc-Own Lead	Project Manager	Site Representative	Operational Operator
Number of Water Treatment Facilities the individual has participated in (N)					
Number of Water Treatment Facilities the individual has managed in a similar role that they will be in on this project (N)					
Number of Design-Build Water Treatment Facilities the individual has participated in (N)					
Number of Design-Build Water Treatment Facilities the individual has managed in a similar role that they will be in on this project (N)					
Number of years the individual has been employed with your company (Years)					




## Ten Tips to Improve Proposal Evaluations



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5. Avoid Consensus Meetings!
6. Use Standardized Proposal Forms
7. Reduce the Length of Evaluated Documents



## Reduce the Length of Evaluated Documents

- 50 pages vs 5 pages....which is better?
- Which one will you actually read and evaluate?
- Which one will contractors actually spend more time preparing?

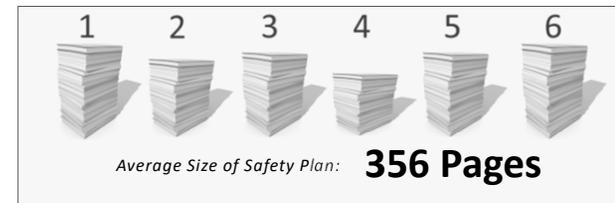


## Case Study

(2017 High Tech Facility - \$ Billion)

### Contents included:

1. Cost
2. Experience
3. Capacity
4. Innovation
5. CX, QA, QC Processes
6. Management Approach
7. Cost Management
8. Cost Control Approach
9. Similar Experience
10. Contract Exceptions
11. Goals
12. KPI
13. Insurance
14. Safety Plan



Time Spent Evaluating:

**2.5 Weeks**

Deviation in Safety Plan Score:

**1.52%**



## Session 3 of 6: Evaluations, Debriefings, and Ethics

### Ask for the Right Info at the Right Time

- **Look at the big picture**
  - Not saying the Safety isn't important...but these are oftentimes 'canned' & 'copy-and-paste' documents.
  - All qualified vendors will have them.
  - They don't help you differentiate.
  - They are a waste of time to try and read as evaluators
- **Not saying to ignore this info...but get it during the negotiation period prior to contract signature!**
  - There is approximately "ZERO" value during evaluation.
- **Another example: org charts...very rarely do evaluators give different scores for these documents.**



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7. Reduce the Length of Evaluated Documents
8. Use Effective Rating Scales



### Use Effective Rating Scales

#### Key Points:

- Focus on differentiation
- Be consistent on comparative vs. absolute scales
- Gather defensible justification from evaluators
- Use simple templates & forms!
- Be proficient in using an Evaluation Matrix



### Use Effective Rating Scales: Focus on Differentiation

- There are many possible Evaluation Scales...
  - Numerical: 1 to 10, 1 to 5, 1-5-10, etc.
  - Coded: Red/Yellow/Green
  - And many many many more...!
- **REMEMBER THE GOAL OF ANY SCALE:**
  - To clearly differentiate between the proposals!
  - Need to train evaluators to think in terms of differentiation!
    - e.g. in a 1 to 10 scale, what's the difference between...
      - ... a 5.7 and a 5.9 and a 6.1?



## Session 3 of 6: Evaluations, Debriefings, and Ethics

### Use Effective Rating Scales: Be consistent on comparative vs. absolute scales

Have consistent basis of evaluation! Don't mix-and-match!

- **Comparative** | relative among competing proposals
  - e.g. compared to Average (such as Above vs. On vs. Below)
- **Absolute** | relative to an external benchmark
  - e.g. compared to Requirements or Expectations (such as Exceeds vs. Meets vs. Does Not Meet)



### Use Effective Rating Scales: Gather defensible justification from evaluators

- Evaluators should...
  - Avoid arbitrary scores
  - Provide adequate explanation
  - Avoid generic feedback
  - Point to specific strengths/weaknesses of the proposal



### Use Effective Rating Scales: Use simple templates & forms!

**Evaluation Scores for Proposal Form D-1 - Approach & Methodology**

Instructions: Open to Proposer  
 Submittal D-1 is intended for Proposers to provide a concise synopsis of the critical steps (plans, activities, tasks, milestones, deliverables) that will be undertaken to meet or exceed the CLIENT'S expectations (cost, schedule, scope, performance, delivery, quality, functionality, etc.)  
 Additionally, Proposers have the option to include a 1-page addendum.

Submittal	Evaluation Score	Pros / Strengths	Cons / Weaknesses
Proposer A			
Proposer B			
Proposer C			
Proposer D			
Proposer E			
Proposer F			
Proposer G			
Proposer H			
Proposer I			

Please list questions to explore at a later stage of the evaluation process.

Questions for Interviews "and/or" Demos	
1.	
2.	
3.	
4.	
5.	

**Evaluation Form** INTERVIEWS

**VENDOR NAME**  
 Identify the vendor that you are evaluating in this evaluation form.  
 Vendor A Vendor B Vendor C  
 Vendor D Vendor E Vendor F  
 Vendor G Vendor H Vendor I

**SCORING**  
 Please evaluate the interview based on a 20-50 rating scale.  
 Use 100 for Excellent, 50 for Good, and 20 for Needs Improvement.

CRITERIA	RATING
Implementation Approach and Schedule	
Team, Capabilities, Staff, or Challenges	
Scope Alternatives	
Overall Score	

**COMMENTS**  
 Identify any strengths or weaknesses that may have not been fully captured in your scoring.  
 Bolded text comments are recommended.

- Insert
- Insert
- Insert

\_\_\_\_\_  
 Evaluator Name Date



### Use Effective Rating Scales: Be proficient in using an Evaluation Matrix

- Used to compile evaluator scores and “sum up” across all evaluation criteria.

		Total:		72.3	64.7	52.3
#	CRITERIA	Weight	Evaluation Scale	FIRM A	FIRM B	FIRM C
1	Cost	30	\$	\$110	\$100	\$125
2	Work Plan	10	1 - 10	8.7	7.0	5.0
3	Past Performance	10	1 - 10	9.0	8.0	6.7
4	Interview	15	1 - 10	9.5	7.0	5.0
5	Demonstration	10	1 - 10	9.7	6.5	7.0



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6. Use Standardized Proposal Forms
7. Reduce the Length of Evaluated Documents
8. Use Effective Evaluation Scales
9. Conduct Effective Interviews



### Conduct Effective Interviews

#### Interview Checklist:

- Identify an exact time for each interview
- Email the shortlisted vendors (topics and time slot)
- Reserve a room with adequate space (vendor + eval)
- Ensure proper equipment (computer, screen, wifi)
- Copies of rating sheets for evaluators



### Traditional Presentation Process?



### Key Personnel Interviews

XPD

- Conduct an actual 'interview' (not presentation)
- No notes, handouts, presentation material
- Interview 2-3 key personnel (primary, secondary, other SME if critical)
  - IT Software: Project Manager, Integration Lead, Technical Lead
  - Construction: Project Manager & Site Superintendent
  - Design: Lead Architect & Lead Engineer
  - Etc.



## Session 3 of 6: Evaluations, Debriefings, and Ethics

### Whiteboard Exercise

XPD

- Lay out the project/service from start to end
- Identify areas of greatest risk/concern
- Anything that you need from us
- Opportunities for innovation



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8. Use Effective Rating Scales
9. Conduct Effective Interviews
10. Be sure to track Return on Investment!



### Be sure to track Return on Investment!

- So... does this save money (time)?



### Seattle City Light



- Public utility providing electrical power to the Seattle metro area.
- 10<sup>th</sup> largest public utility in the U.S.
- First in the US to own and operate a hydroelectric facility.
- In 2005, it became the first electric utility in the US to fully offset all its carbon emissions and has remained carbon neutral every year since.



## Session 3 of 6: Evaluations, Debriefings, and Ethics

### Results of Streamlined Evaluations



- Time Savings on City Light's Major RFPs/RFQs
  - 50% reduction in Evaluation time (per proposal)
  - 75% reduction in Interview time (per vendor)
  - 50% reduction in total procurement duration
- \$20K saved in evaluator time per RFP/RFQ



### Evaluation Best Practices: Summary

1. Understand the Different Types of Evaluation Criteria
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10. Be sure to track Return on Investment!



### Evaluation Training is Critical

- Procurement / Buyers must be skilled at training their internal client teams on how to be better evaluators!
  - Takes Soft-Skills → essentially acting as a “Teacher”
  - Can be difficult for younger / inexperienced Buyers
  - Right templates and tools for RFPs = much easier to accomplish!
- Remember the “80/20” rule!!!
  - Perhaps only 20% of transactions are RFPs... but might represent 80% of the dollars!



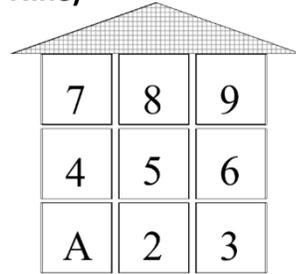
# Session 3 of 6: Evaluations, Debriefings, and Ethics

## Materials

- Partial Deck of Cards (Ace through Nine)
- House playing space

• Score Sheet

Games	Score	Oops S Value
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		



## Virtual Card Deck

• [www.random.org/playing-cards/](http://www.random.org/playing-cards/)

- Select Aces through Nine
- Select 1 suit only
- Click “Draw Cards”!!!



Playing Card Shuffler

This form allows you to draw playing cards from randomly shuffled decks. The randomness comes from atmospheric noise, which for many purposes is better than the pseudo-random number algorithms typically used in computer programs.

Step 1: Number of Cards  
Draw  card(s) from  shuffled deck(s)

Step 2: Deck Configuration

Which suits should be included?  
 Spades (♠)    Hearts (♥)    Diamonds (♦)    Clubs (♣)

Which cards should be included?  
 Aces    Twos    Threes    Fours    Fives  
 Sixes    Sevens    Eights    Nines    Tens  
 Jacks    Queens    Kings

Do you want to include jokers?  
 Black Joker    Red Joker

Step 3: Display Options  
 Your cards will be shown in the order drawn. You can choose from the following extra options:  
 Show remaining cards face down  
 Show cards as text instead of images

Step 4: Go!  
 Be patient! It may take a little while to draw your cards...

Virtual Card Deck:  
[www.random.org/playing-cards/](http://www.random.org/playing-cards/)

RANDOM.ORG

Playing Card Shuffler

Here is your 1 card, drawn from a total of 9:

Virtual Card Deck:  
[www.random.org/playing-cards/](http://www.random.org/playing-cards/)

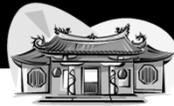
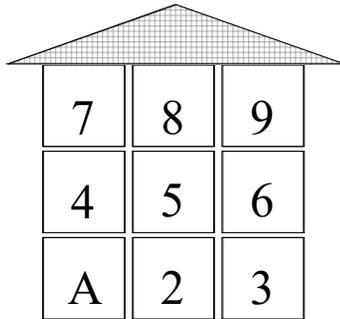
**DRAW**

Timestamp: 2021-01-10 19:11:36 UTC

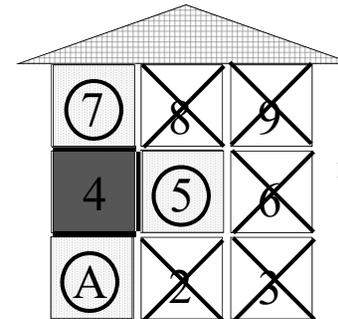


# Session 3 of 6: Evaluations, Debriefings, and Ethics

## Card Placement



## INSTRUCTIONS



- Deal out one card at a time
- Except for the first Card, you may only play adjacent to an existing card.

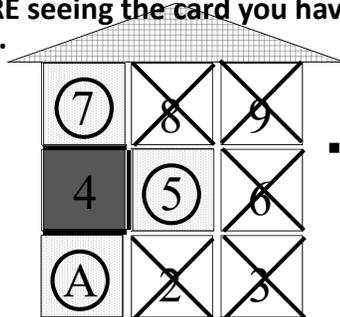
Example:

With 4 in play,  
only the Ace, 5 or 7  
can be played next



## Specifications:

- **BEFORE** seeing the card you have to decide how you will play it.



- You have two choices:  
**either to build or to plan (yard)**



## Costs to Build

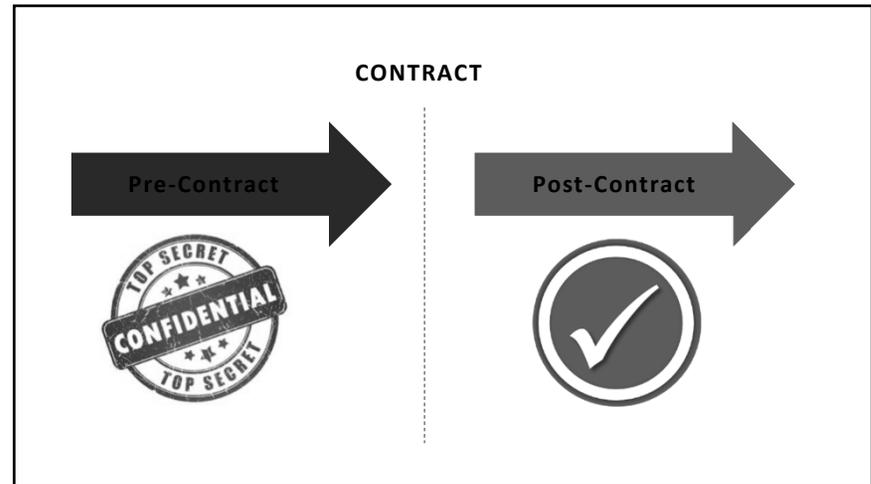


- ❖ Cost is assessed at decision
- ❖ Each move costs \$3:
  - ❖ Cost to build = \$3 per card
  - ❖ Cost to plan = \$3 per card, and subsequently \$3 to build
  - ❖ Cost of an oops = \$3 to try to build, but can't (oops) then, \$3 to move to planning yard then, \$3 to build (second time, when ready)



## Session 3 of 6: Evaluations, Debriefings, and Ethics

### Importance of Vendor Debriefings



### Debriefing

- Formal procurement process where vendors or suppliers that were unsuccessful, are informed about the reasons why they were not selected for award.
- This can include reasons for low scores or ratings, and areas of weaknesses or opportunities of improvement
- Debriefings can be done in person or in writing (via email).



### Poor Quality Debriefing

- Assumptions about you as a client
- Poor reputation, and low future response rates
- Protest – vendor assumption that you did not follow your process
- Vendor will imagine the worst and assume you selected a favorite/preferred vendor



## Session 3 of 6: Evaluations, Debriefings, and Ethics

### Integrity: Ensure Confidence and Trust

Offer Comprehensive Debriefings to all Vendors:



- Get better proposals next time
- Greater accountability
- Builds “good-will”



### Integrity: Ensure Confidence and Trust

Vendors should commonly say:

**“Wow, we’ve never received this level of feedback before!”**

**“We put a lot of time and resources into our proposals and this makes it worth it!”**



### Consider The Following:

*Thank you for your proposal submission. We appreciate the time and effort that you put into the response. Your proposal was very comprehensive, but we selected another proposal that was a better fit for our needs. We really appreciate your submission and would encourage you to participate on our future efforts.*



### Would A Vendor Be...

- More/less likely to propose on the next project we have?
- More/less likely to invest greater time and resources writing a proposal response?
- More/less likely to assign their best people to your project?



## Session 3 of 6: Evaluations, Debriefings, and Ethics

**The purpose is not to just explain why they lost!**

**Provide them with enough comfort that they were treated fairly, so that they will want to propose on our next project**

### Debriefing Scenario 2

*Thank you for your proposal submission. We appreciate the time and effort that you put into the response. Your proposal was very comprehensive, but we selected another proposal that was a better fit for our needs. We really appreciate your submission and would encourage you to participate on our future efforts.*

- Factor 1 (Cost): 2<sup>nd</sup> best
- Factor 2 (Approach): 1<sup>st</sup> best
- Factor 3 (Experience): 4<sup>th</sup> best
- Factor 4 (References): 2<sup>nd</sup> best
- Factor 5 (Qualifications): 4<sup>th</sup> best
- Factor 6 (Interview): 4<sup>th</sup> best



### Debriefing Scenario 3

- Factor 1 (Cost): 2<sup>nd</sup> best – (\$55,000)
- Factor 2 (Approach): 1<sup>st</sup> best (8.4)
- Factor 3 (Experience): 4<sup>th</sup> best (6.1)
- Factor 4 (References): 2<sup>nd</sup> best (5.9)
- Factor 5 (Qualifications): 4<sup>th</sup> best (5.4)
- Factor 6 (Interview): 4<sup>th</sup> best (5.4)



### Debriefing Scenario 4

- Vendor 1: xxx Points
- Vendor 2: 780 Points
- Vendor 3: xxx Points
- Vendor 4: xxx Points
- Vendor 5: xxx Points



## Session 3 of 6: Evaluations, Debriefings, and Ethics

### Debriefing Scenario 5

- Vendor 1: 845 Points
- Vendor 2: 780 Points
- Vendor 3: xxx Points
- Vendor 4: xxx Points
- Vendor 5: xxx Points



### Recommendation

Provide the vendors with as much information as possible to help them understand why they lost

### CPE's "Three S's" to a Great Debriefing

1. Summarize the evaluation process
2. Synthesize evaluator comments
3. State the vendor's relative evaluation scores



### Step 1: Summarize the evaluation process

**SELECTION PROCESS REVIEW**  
As outlined in the RFP, the purpose of the debriefing is to provide general feedback on the proposal, discussing strengths and weaknesses with the objective being to assist the firm in preparation of future proposals.

**Selection & Evaluation Process:**

1. The City received a total of six (6) compliant submissions for this RFP
  - The following proposal forms were reviewed by The City's Procurement Agent to ensure all formatting requirements were met and that no identifying information was present.
    - o Project Methodology (Proposal Form 4)
    - o Technical Approach (Proposal Forms 5)
    - o Public Engagement Strategy (Proposal Form 6)
2. Proposal Evaluations
  - From each consultant, sections above were sent to the Evaluation Committee to be reviewed individually.
  - The Evaluation Committee members then submitted their evaluations back to The City's Procurement Agent. The compiled scores for each Proposal Form used to calculate evaluation points.
  - Each consultant's past performance information and narratives of related experience submissions were scored directly by The City's Procurement Agent based upon the number of surveys and the numerical values submitted within each survey.
  - Cost Proposals were entered into the Evaluation Matrix numerically by The City's Procurement Agent.
  - After reviewing the proposals, the Evaluation Committee was provided with the Past Performance Surveys and Narratives of Related Experience.
3. Short List Determination



# Session 3 of 6: Evaluations, Debriefings, and Ethics

## Step 2: Synthesize evaluator comments

Comment #	Comment	Response
Comment # 1	Clarify the scope of the project and the goals of the RFP.	Clarified the scope of the project and the goals of the RFP.
Comment # 2	Provide more detail on the project schedule and timeline.	Provided more detail on the project schedule and timeline.
Comment # 3	Include more information on the project budget and funding.	Included more information on the project budget and funding.
Comment # 4	Address the concerns raised by the evaluators regarding the project's impact on the community.	Addressed the concerns raised by the evaluators regarding the project's impact on the community.
Comment # 5	Provide more information on the project's history and previous work.	Provided more information on the project's history and previous work.
Comment # 6	Clarify the roles and responsibilities of the project team.	Clarified the roles and responsibilities of the project team.
Comment # 7	Provide more information on the project's location and site conditions.	Provided more information on the project's location and site conditions.
Comment # 8	Address the concerns raised by the evaluators regarding the project's impact on the environment.	Addressed the concerns raised by the evaluators regarding the project's impact on the environment.
Comment # 9	Provide more information on the project's impact on the local economy.	Provided more information on the project's impact on the local economy.
Comment # 10	Clarify the project's goals and objectives.	Clarified the project's goals and objectives.

Feedback for Future RFP Submissions



## Step 2: Synthesize evaluator comments, cont'd

### FEEDBACK FOR FUTURE RFP SUBMISSIONS

- Execution Methodology**
  - Strengths:
    - Detailed schedule and tasks provided.
    - Timeline diagram was well-presented.
    - Graphic was helpful in understanding the text portion.
    - Specifically addressed items requested in our scope and provided specific deliverables and project schedule.
    - Consultant provided how's on all 8 items listed in our scope of work. Defined deliverables of their scope too.
  - Areas for improvement:
    - Order of tasks based on scope instead of logical order – made it slightly more difficult to follow the flow and envision the sequencing.
    - The formatting made it hard to read.
    - Public mtg and CC not specifically mentioned
    - Detailed text was generalized and seemed generic in regards to this project.
- Technical Approach**
  - Strengths:
    - Survey/questions staff
    - Sustainable design option note –change in growth could impact
    - Solutions in many items were vague and more related to marketing than addressing the issues of the site and overall project.



...Detailed plan w/ durations

Under the law enforcement community places new demands on police departments to train their officers to meet today's growing needs and demands. The citizens of Lawrence expectations for police officers result in ever higher standards for recruiting, training, accreditation, and certification standards. Architecture for law enforcement, when approached properly, is a powerful tool for police agencies to use to reduce crime, enhance the overall quality of life for their communities, and recruit/retain the very best staff.

This project will begin with a goal-setting exercise and a review of the documents. Much has changed with the city and department since the project 2012—a new chief of police, senior leadership changes, and departmental growth. We will also review the staffing projections and confirm the growth department. A police department does not grow by adding new divisions; it is in each division—an additional records clerk, a new detective, more patrol officers must be programmed from the beginning to provide the department with the future. Infrastructure and systems are also important to consider when plan undirected water line or electrical service can limit expansion opportunities of future. Using the information gathered, we will update the program. We will also use the information gathered, we will update the program. We will also use the information gathered, we will update the program. We will also use the information gathered, we will update the program.

We will use the updated program and phase priorities to develop a master building. The master planning process is critical to the ultimate success of facilities are function-driven buildings. A significant amount of time will stakeholders to review "how" they do their job to develop the best building. The design team will meet with the different divisions in multi-day workshop program and phases and "test fit" plans.

Understanding the workflow and relationship of the divisions is critical workflow of a patrol officer at the beginning and end of their shift will influence officers share patrol vehicles and typically carry large patrol duty bags to and the building and their personal car. Placing a duty bag locker near the patrol a staff entrance can assist in this workflow. We have provided this feature in positive impact on officer efficiency. Additionally, the location of the locker report-writing stations, patrol equipment area, and shift sergeant offices in the enhance or detract from the efficiency and operations of the staff. During the process, we will discuss each division in this level of detail.

**Wall o' text...**

**PRE-DESIGN PHASE**  
During the pre-design phase the design team will complete four primary, but very important tasks: 1) assist in Construction Manager Selection, 2) verification of Space Needs, 3) assessment of the Project Site and 4) analyze the Project Budget.



## Step 2: Synthesize evaluator comments, cont'd

### Execution Methodology

- Strengths:
  - Provided a great deal of detail in certain areas; however, the format was somewhat difficult to review.
  - Appeared to have experience with facilities.
  - Mentioned public engagement and concerns.
- Areas for improvement:
  - Did not provide a timeline for an approximate schedule and duration.
  - Proposal felt more like sales language of a general delivery instead of speaking to this particular project.
  - Execution methodology read more like a term paper than a proposal.
  - Lacked details on schedule.
  - Format was terrible, should have subsections or bulleted list.
  - Formatting was not ideal. Presentation is important.



# Session 3 of 6: Evaluations, Debriefings, and Ethics

## Step 3: State the vendor's relative evaluation scores

NO	CRITERIA	FIRM A	FIRM B	FIRM C	FIRM D	FIRM E
1	Cost/Fee	\$ 248,000	\$ 249,250	\$ 252,575	\$ 257,000	\$ 263,000
2	Approach & Execution	7.6	8.0	7.0	6.0	6.2
3	Qualifications	7.6	7.1	7.9	7.9	6.4
4	Innovation	7.5	6.1	6.0	5.8	5.1
5	References	9.5	10.0	9.2	9.9	9.3
6	Interviews	8.6	5.9	5.1	5.1	4.8
OVERALL SCORE:		97	94	91	87	84



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4	Innovation	7.5	6.1	6.0	5.8	5.1
5	References	9.5	10.0	9.2	9.9	9.3
6	Interviews	8.6	5.9	5.1	5.1	4.8
OVERALL SCORE:		97	94	91	87	84



## Should Not Be Fearful If Procurement Was Performed Fairly

NO	CRITERIA	FIRM A	FIRM B	FIRM C	FIRM D	FIRM E
1	Cost/Fee	\$ 248,000	\$ 249,250	\$ 252,575		
2	Approach & Execution	7.6	8.0	7.0		
3	Qualifications	7.6	7.1	7.9		
4	Innovation	7.5	6.1	6.0		
5	References	9.5	10.0	9.2		
6	Interviews	8.6	5.9	5.1		
OVERALL SCORE:		97	94	91	87	84



## Example

### Detailed Review of the Consultant's Proposal:

A detailed view of Raw Evaluation scores is shown below.

NO	CRITERIA	Evaluation Scale	Consultant XYZ	Average Score of all Proposals	XYZ's Percentage from Average Score	Average Score of Short List	XYZ's Percentage from Average Score
1	Project Methodology	1 - 10	5.6	5.2	8%	6.7	-16%
2	Technical Approach	1 - 10	3.0	5.0	-40%	6.7	-55%
3	Public Engagement Strategy	1 - 10	1.8	4.2	-57%	5.5	-67%
4	Interviews (for short listed)	1 - 10	NA	NA	NA	5.4	NA
5	Past Performance Surveys (Project Team)	1 - 10	9.6	9.7	-1%	9.7	-1%
6	Past Performance Surveys (Project Team)	Count	12	11	9%	11	9%
7	Narratives of Related Experience	1 - 10	6.4	4.9	31%	5.4	19%

### Detailed Review of the Consultant's Proposal:

A detailed view of Evaluation Points received in each weighted category is shown below.

NO	CRITERIA	Points Possible	XYZ's Points	XYZ's Overall Rank	Average Points of all Proposals	XYZ's Distance from Average	Average Points for Short List	XYZ's Distance from Average
1	Execution Methodology	15	11.0	4 <sup>th</sup>	10.3	-7%	13.2	-17%
2	Risk Assessment - Controllable + Non-Controllable	20	7.6	4 <sup>th</sup>	12.6	-40%	17	-55%
3	Value Assessment	15	4.2	6 <sup>th</sup>	9.8	-57%	12.8	-67%
4	Interviews (for short listed)	35	0	NA	NA	NA	28.3	NA
5	Past Performance Surveys (Project Team)	5	4.9	3 <sup>rd</sup>	4.7	4%	4.7	-4%
7	Narratives of Related Experience	10	8.7	1 <sup>st</sup>	6.6	32%	7.2	9%
Total Score		100	36.4	4 <sup>th</sup>	44	-17%	83.2	-56%



## Session 3 of 6: Evaluations, Debriefings, and Ethics

### BONUS: Ask the vendors for their feedback!

- At the conclusion of the meeting, ask if the Vendor has any feedback about the evaluation process.

#### Feedback from Consultant Team:

- We would recommend establishing opportunities for consultants to learn more about the project up front before responding. It is difficult to respond when the scope is open-ended. The city may consider proprietary interviews (i.e. 1 hour per consultant or whatever amount is reasonable)



### Poor Quality Debriefing

- Assumptions about you as a client
- Poor reputation, and low future response rates
- Protest – vendor assumption that you did not follow your process
- Vendor will imagine the worst and assume you selected a favorite/preferred vendor



### Summary

- Try and help the vendors understand what they could do better and how they can improve their proposal quality
- Try to be as transparent as possible
- Most vendors will really appreciate that



## Procurement Ethics & Conflicts of Interest



## Session 3 of 6: Evaluations, Debriefings, and Ethics

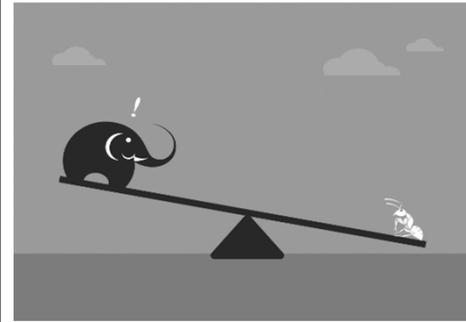
### Fair: Equal Opportunity to Win



Being a “Client of Choice” means giving vendors an equal opportunity to win



### Fair: Equal Opportunity to Win



From a Vendor’s perspective, Clients are not all equal.



### Integrity: Ensure Confidence and Trust

#### Highlighted Practices from CPE:

- Train to recognize unethical conduct.
- Minimize the risk of protest.
- Offer comprehensive debriefings.



## Procurement Ethics



## Session 3 of 6: Evaluations, Debriefings, and Ethics

### Integrity: Ensure Confidence and Trust

There is a wide range of possible unethical conduct...

- Conflicts of Interest
- Favoritism
- Special Interests
- Influence
- Confidential Information
- Employment & Revolving Doors
- Financial Interest
- Bid Rigging
- Biased Evaluations
- Group Think
- Gifts
- Lobbying
- Pressure (internal & external)
- Kickbacks
- Misrepresentation
- And more!!!



The Procurement Agent provides safeguards to the Public as it relates to the purchasing process



## Procurement Ethics:

## In the News...



### Integrity: Ensure Confidence and Trust



## Session 3 of 6: Evaluations, Debriefings, and Ethics

### YOUR REPUTATION

**“IT TAKES YEARS TO BUILD YOUR REPUTATION**

**IT TAKES FIVE MINUTES TO DESTROY IT”**

**-Warren Buffett**



### Petrobras Corruption Scandal 2015

- Operation “Car Wash” by Brazilian Fed Police
- GC paid \$36M in bribes to Petrobras officials (5yrs)
- Brazilian contractors allegedly formed a “cartel”
- Endemic corruption within entire supply chain



### Miami Airport 2015

- Iva Valdes became Director of Terminal Maintenance in 2015
- Given authority to authorize purchases
- Ordered 9,000 LED Bulbs (\$9M price vs. \$3.5M wholesale) over 5 years & pocketed \$5M.
- He got caught (boss found out when offered “a box full of cash”)
  - \$98k salary
  - Hand-tailored suits, designer shoes, rented sky boxes for shows, bought \$69k Porsche 911 Carrera



### Horsemeat Scandal 2013



- Discovery of horsemeat in processed beef products
- UK supermarket chains and EU suppliers
  - Spread to Nestle, Findus, Compass, etc. recall beef
- Issue of food fraud, not food safety
- Conflicting Motives?
- DNA Testing?



## Session 3 of 6: Evaluations, Debriefings, and Ethics

### Detroit Public Schools 2016

- Kickback scheme with a school supplies vendor
- Invoiced for supplies that were never delivered to schools.
  - 12 principals and 1 superintendent in on it.
- One principal took \$194k personally.
  - Her defense attorney's opinion...
- Vendor also charged
  - 5 years and owner forfeited mansion



### Procurement Ethics: What Does it Mean?



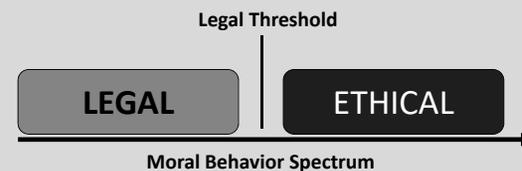
### Ethics in Procurement

- Application of moral standards to situations, issues, and decisions confronting procurement professionals.
- Ethics is the practical application of morality within a context established by cultural and professional values, social norms, and accepted standards of behavior.
- Ethics involve determining what is right in a given situation, and then having the courage to do what is right.



### Legal vs. Ethical: is there a difference?

- Just because something is LEGAL ...  
... does NOT mean that it is also ETHICAL



- Ethics go beyond legal requirements



## Session 3 of 6: Evaluations, Debriefings, and Ethics

### Illegal but Ethical examples?

- Speeding to get someone to the hospital
- Paying responsible teenagers to babysit, mow lawn, etc. when you know that they will not declare income.



### Legal but Unethical examples?

- Company monitoring employees emails
- Having foreign (out of country) suppliers that do not satisfy ethical expectations of local customers
  - Unsafe working practices, etc.
- Marketing practices taking advantage of segments of the populations
  - e.g. Toys and kids



### Ethics and Morals

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>• <b>Morals</b><ul style="list-style-type: none"><li>– Relate to norms of society</li><li>– Rules of conduct with reference to standards of right/wrong</li></ul></li></ul> | <ul style="list-style-type: none"><li>• <b>Ethics</b><ul style="list-style-type: none"><li>– Relate to practices within a profession</li><li>– Rules or standards governing the conduct of the members within a profession</li></ul></li></ul> |
|---|--|



### Poll:

Relative to the professional procurement, “ethics” are defined as the application of:

- Laws and legal codes
- Rules of conduct
- Personal values
- Moral differences between cultures
- All of the above



# Session 3 of 6: Evaluations, Debriefings, and Ethics

## Poll:

Relative to the professional procurement, “ethics” are defined as the application of:

- Laws and legal codes
- Rules of conduct
- Personal values
- Moral differences between cultures
- All of the above



## Codes of Ethics

• Professional skills are important to the well-being of society; professions are regulated by ethical standards

• Objective of ethical standards is to establish rules of conduct and decision-making.

–Generally, to provide guidance for professionals to “take the correct action”



## Does Procurement Have Ethical Codes of Conduct?

**YES!**



## FAR – Guiding Principles

1.102 Statement of guiding principles for the Federal Acquisition System.

- (a) The vision for the Federal Acquisition System is to deliver on a timely basis the best value product or service to the customer, while maintaining the public’s trust and fulfilling public policy objectives. Participants in the acquisition process should work together as a team and should be empowered to make decisions within their area of responsibility.
- (b) The Federal Acquisition System will—
  - (1) Satisfy the customer in terms of cost, quality, and timeliness of the delivered product or service by, for example—
    - (i) Maximizing the use of commercial products and services;
    - (ii) Using contractors who have a track record of successful past performance or who demonstrate a current superior ability to perform; and
    - (iii) Promoting competition;
  - (2) Minimize administrative operating costs;
  - (3) Conduct business with integrity, fairness, and openness; and
  - (4) Fulfill public policy objectives.



# Session 3 of 6: Evaluations, Debriefings, and Ethics

## Procurement Department Mission Statement

1. The Procurement Department provides leadership and direction to ensure XXXX operates in an efficient and effective manner. Regulations as they relate to the expenditure of public monies for the procurement of all goods, services, and construction.
2. The mission of the Purchasing Department is to facilitate best practices and achieve economies of scale in the procurement process. To ensure that every purchase represents a fair and reasonable cost to the taxpayer for the required goods and services. To ensure that all purchasing transactions are satisfied and the opportunity to fairly compete for XXXX business.
3. Ensures that XXXX activities are fully compliant with federal laws, regulations, and policies, and that operating practices are consistent with the highest level of customer service, ethical standards, fairness, and transparency, while welcoming qualified, responsive bidders.
4. To provide strong leadership in the procurement process with the aim of enhancing efficiencies and cost savings for our citizens and the supplier community. To ensure that every purchase represents a fair and reasonable cost to the taxpayer for the required goods and services. To ensure that all purchasing transactions are satisfied and the opportunity to fairly compete for XXXX business.
5. Perform all functions related to purchasing, renting, or leasing of goods, services, supplies, materials and equipment needed to give all vendors an equal opportunity to do business with the State. We are continually improving upon and purifying our processes to secure best value, and eliminate unnecessary work and waste within State Government while providing savings to our customers and the taxpayers.

- Comply with laws, regulations, policies
- Make the best use of available funds
- Transparency & Fairness



## Model Procurement Code



### §1-101 Purposes, Rules of Construction.

- To ensure the fair and equitable treatment of all persons who deal with the procurement system of this [State];
- To provide increased economy in [State] procurement activities and to maximize to the fullest extent practicable the purchasing value of public funds of the [State];
- To foster effective broad-based competition within the free enterprise system;
- To provide safeguards for the maintenance of a procurement system of quality and integrity; and
- To obtain in a cost-effective and responsive manner the materials, services, and construction required by [State] agencies in order for those agencies to better serve this [State's] businesses and residents



## California Public Contract Code PCC § 100

### Purpose of enacting this code:

- To ensure full compliance with competitive bidding statutes as a means of protecting the public from misuse of public funds.
- To provide all qualified bidders with a fair opportunity to enter the bidding process, thereby stimulating competition in a manner conducive to sound fiscal practices.
- To eliminate favoritism, fraud, and corruption in the awarding of public contracts.



## Canadian Free Trade Agreement (CFTA)

The Governments of Canada, Ontario, Quebec, Nova Scotia, New Brunswick, Manitoba, British Columbia, Prince Edward Island, Saskatchewan, Alberta, Newfoundland and Labrador, the Northwest Territories, Yukon, and Nunavut

### Government Procurement Purpose

- *The purpose of this Chapter is to establish a transparent and efficient framework to ensure fair and open access to government procurement opportunities for all Canadian suppliers. (Article 500)*



# Session 3 of 6: Evaluations, Debriefings, and Ethics

## New Zealand Government Procurement



- The Government is committed to transparent, accountable procurement processes that ensure all potential suppliers are given impartial and equitable treatment. It is especially important that government procurement takes place in a genuine, open and fair environment.
- As public servants we must comply with 5 interrelated principles of probity in procurement:
  - 1) acting fairly, impartially and with integrity
  - 2) being accountable and transparent
  - 3) being trustworthy and acting lawfully
  - 4) managing conflicts of interest
  - 5) securing commercially sensitive and confidential information.
- Procurement must be conducted with probity in mind, to enable purchasers and suppliers to deal with each other on the basis of mutual trust and respect, and enable business to be conducted with integrity. Probity principles should be integrated into all procurement planning, and not treated as a separate 'add-on'. Agencies must ensure that systems, policies and procedures are established that provide accountability, are able to withstand public scrutiny and which preserve private sector confidence in the procurement process. This means undertaking due process, obtaining appropriate approvals and documenting decisions. Achieving an ethical, transparent approach requires that the procurement rules are clearly stated, well understood and applied equally to all parties.



## Role Of The Procurement Agent

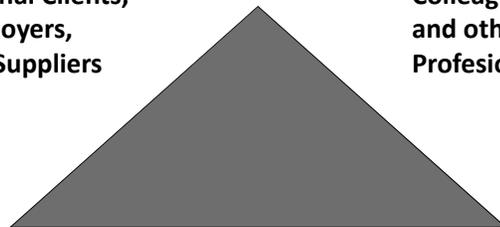
- Ensure that the Guiding Procurement Principles are being followed
- Individual that issues the RFP and is ultimately responsible for the conduct of the RFP Process
- May Also Be Called:
- Buyer, Procurement Officer, Contracting Officer



## Scope of Ethical Interactions in Public Procurement

Internal Clients,  
Employers,  
and Suppliers

Colleagues  
and other  
Professionals



Society at large / the public  
(#1 highest priority)



## Examples from Other Professions

- ASSE code of ethics
  - Serve the public, employees, employers, clients, the Society, and the profession with fidelity, honesty, and impartiality.
- NSPE
  - “Engineers shall hold paramount the safety, health, and welfare of the public.”
- ASCE
  - “Engineers shall recognize that the lives, safety, health, and welfare of the general public are dependent upon engineering decisions.....”
- AIA
  - “... in the Members’ judgment, materially affect adversely the safety to the public of the finished project...” In the commentary of the code ... “the obligation under this rule applies only to the safety of the finished project ...”



## Session 3 of 6: Evaluations, Debriefings, and Ethics

### Conflict of Interest

when an employee has financial interest or personal gain to the procurement

*also applies to a member of the employee's immediate family*



### For Each Example – Answer these 3 Questions:

1. Is this OK?
  - Yes or no.
2. What is the dividing line / tipping point between this being OK vs. Not OK?
  - Provide examples to illustrate.
3. What are the potential Impacts of the Scenario?
  - PROs vs. CONs related to the RFP, the evaluation, your organization, being a Client of Choice!



### Example – Employee Owning Stock

- An employee for your organization will serve as an evaluator on a new IT system acquisition.
- Software Firm A, was ranked the highest and awarded a multi-million with your organization.
- Stock prices for Software Company A increased as a result of the award. Your employee owns stock of Software Company A.



***...Strictly avoid any  
conflict of interest  
or even the appearance  
of a conflict of interest  
in the procurement process...***



## Session 3 of 6: Evaluations, Debriefings, and Ethics

### Conflict of Interest

#### Actual

- is when an individual's judgment or integrity has been compromised

#### Perceived or Apparent

- is when an individual's judgment or integrity could appear to be influenced, biased, or compromised



**Procurement Agent is responsible for ensuring there are no Conflict of Interest with the critical personnel involved on the procurement**

**Responsibility**

### Conflict of Interest Disclosures

- As public procurement officers, you have responsibility to identify and disclose any actual, potential or perceived instances of conflict of interest.

A screenshot of a 'Conflict of Interest Disclosure' form from the City of Los Angeles. The form includes a header with the city name and a table for identifying the procurement officer. Below this is a section titled 'Individual Conflict of Interest Declaration' with a detailed paragraph explaining the purpose of the form. At the bottom, there are fields for 'Date', 'Signature', and 'Printed Name'.

**Individuals with any perceived or apparent Conflict of Interest must be precluded from the procurement process**

**(evaluation, selection, negotiation, payments, etc.)**



## Session 3 of 6: Evaluations, Debriefings, and Ethics

### Example – Family Members

- An employee for your organization will serve as an evaluator on a new IT system acquisition.
- Software Firm A, was ranked the highest and awarded a multi-million with your organization.
- Stock prices for Software Company A increased as a result of the award. Your employee's son owns stock of Software Company A.



### Example – Former Employee

- Your RFP requires that the Vendor's proposed Project Manager participates in Interviews.
- One vendor proposes a Project Manager who was a former employee of your organization (the client organization who issued the RFP)



### Example – 3<sup>rd</sup> Party Evaluator

- You are conducting an RFP to hire a Construction Manager
- Your organization wants the Architect who designed the project to serve on the Evaluation Committee to select a Construction Manager.



### Pros / Cons of a 3<sup>rd</sup> Party Evaluator?

PROs:

CONs:



## Session 3 of 6: Evaluations, Debriefings, and Ethics

### Unethical Behavior



### What Are Unethical Behaviors?

- Questions to ask:
  - Is someone being *deceived*?
  - Is someone being *harmed* or damaged?
  - Is someone placed at a *disadvantage*?
  - Is someone gaining an *unfair advantage*?
- There are situations where actions appear to be unethical but might not be.



### Common Violations

- **Gratuities & Kickbacks:** unethical for any payment
- **Employment or Promise of Employment:** unethical for any employee to become the employee of any company contracting with the agency
- **Sharing or Disclosing Confidential Information:** unethical for any employee or former employee to use confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.



### Example – Tickets to an Event

- A vendor that does work for your organization provides free tickets to a musical event to an employee in your Organization. This employee is commonly involved in the procurement process. The vendor does not plan on going to the event.



## Session 3 of 6: Evaluations, Debriefings, and Ethics

### Example – Gift

- An employee, who has worked at your company for 20 years, will be retiring in 6 months. This employee has been a lifelong hockey fan. vendor ABC, who frequently does work with your company, has provided your employee with a signed hockey stick in celebration of their retirement.



### Example – Scholarship

- A vendor has provided a financial scholarship to a family member of an employee of your Organization. The scholarship can only be used for tuition.



### Example – Employment

- Software ABC has recently won a multi-million contract with your firm. One of your critical evaluators (responsible for giving Software ABC high scores), quit within weeks of this award and has accepted a position with Software ABC.



### Example – Confidential Information

- A former employee for your Organization, who retired several months ago, is doing consulting work. They share critical information that may be considered confidential with a vendor that may propose a project for your Organization. No other vendors have this information or are aware of it.



## Session 3 of 6: Evaluations, Debriefings, and Ethics

### Example – Anonymous Evaluations

- You are administering an RFP which requires vendors to submit anonymous proposal elements.
- Your Evaluation Team – which includes Executives – strongly pushes to reveal vendor names.



### Example – Giving the Cold Shoulder

- Members of the Evaluation Team happen to attend an Industry Conference during the proposal period of a major RFP. Several proposing vendors are in attendance.
- Remembering their Ethics training, the Evaluation Team refuses to engage in any conversation with any vendors during the conference.



### What is the Dividing Line / Tipping Point

OK:

Not OK:



### Example – Incumbent Keeps Winning

- Your organization regularly re-competes an ongoing services contract.
- The incumbent vendor has been in place for more than a decade.
- They have been selected multiple times in when the services are re-competed.



## Session 3 of 6: Evaluations, Debriefings, and Ethics

### Example – Asking Selected Vendor to Lower Price

- Your organization conducts an RFP that results in the selection of a vendor that was \$75K more than the lowest bidder.
- After notifying the vendor that they have been selected, your executive team tells them  
*“We know there is roughly \$75K of ‘fluff’ in your price. So you need to be cheaper.”*



### Other Examples of Price Causing Ethical Dilemmas

- Reverse Auctions
- Best-and-Final-Offer
- Negotiation vs. Clarification



### Ethics Applies To All Parties

#### Internal

- Procurement staff
- Customers / clients
- Subject matter experts

#### External Vendors

- Consultants
- Contractors
- vendors & Subconsultants



**Important to Obtain  
Ethics Training  
for Your Organization**

## Session 3 of 6: Evaluations, Debriefings, and Ethics

### Ethics Summary

- Ethics relates to giving all vendors an equal opportunity to win
- Ethics gives the Public the confidence that your organization is acting in the Public's best interest
- 2 major obstacles or challenges to ethics are:
  - Conflict of interest
  - Unethical behaviors
- Procurement agents should seek additional ethics education and training by your agency



### The Seven-Step Path to Better Ethical Decisions

1. Stop and Think – recognize the ethical issue
2. Clarify Goals
3. Determine Facts
4. Develop Options
5. Consider Consequences
6. Make a Decision
7. Monitor and Modify



### Ethical Behavior

- Tips to Navigate Ethical Dilemmas
  1. Apply the next-day reflection test
  2. Apply the front-page test
  3. Apply the mirror test
  4. Apply the role reversal test
  5. Apply the common-sense test



### YOUR REPUTATION

- **YOU SHOULD NEVER PUT YOURSELF IN A POSITION WHERE YOU FEEL LIKE YOU OWE SOMEONE SOMETHING**
- **THERE IS NO SUCH THING AS A FREE LUNCH**
- **PERCEPTION IS ALL IMPORTANT, ESPECIALLY WITH PERCEIVED CONFLICTS OF INTEREST.**

