



Evaluating RFP Responses, Part 2 (the Specifics)

SPECIFICS OF TECHNICAL EVALUATION PROCESS – CRITERIA AND GRADING

The technical evaluation is the lengthiest part of the evaluation process. As mentioned in the RFP following criteria are generally used in the evaluation of proposals:

- Experience of the consultants Consultant's general experience and record in the field covered by the SOW;
- Adequacy of methodology and work plan based on the adequacy of the proposed approach, methodology and work plan;
 - This includes technical approach and methodology, the work plan, and organization and staffing.
- Qualifications and competence of staff, based on the experience and records of the staff members to be assigned to the work.
 - General qualifications (education, length of experience, types of position held, length of service with the firm, etc.) and suitability for the project (experiences of performing the duties which will be assigned to them in the project).

Criteria

The relative importance of the three criteria will vary with the type of consulting services to be performed, but in the overall rating of the proposals most weight should normally be given to the adequacy of methodology and work plan and qualifications of the staff, rather than to the fame or reputation of the consultant.

Additional criteria including, but not limited to, the suitability of transfer of knowledge and transfer of knowledge (training) programs, support facilities and organization, the overall quality of the presentation, and participation by Ohio businesses may also be included.

The weight distribution of additional criteria should be determined by taking into account their relative importance to the top three criteria and each additional criterion should normally not exceed 10 points out of 100 points. The actual weight may be adjusted to the characteristics of the specific project. The points allocated to each evaluation criterion and sub-criterion should be specified in the RFP.

Sub-criteria may be included but the use of excessively detailed lists of sub-criteria can render the evaluation a mechanical exercise more than a professional assessment of the proposals. It is recommended that the number of sub-criteria be kept to a minimum (typically no more than three for each criterion) and that no fewer than three points be allocated to each sub-criterion.

Rating Scales

Usually, the rating scale of the level of responsiveness is divided into a number of discrete grades. While scoring, it is a good practice to estimate the responsiveness on a percentage scale based grades such as Poor, Below Average, Average, Good, and Excellent. Sample definitions of each grade are given below.

- Excellent: The consultant has outstanding experience in respect of: projects of a similar nature with the complexity and technical specialty of the assignment, projects of a comparable size (e.g. volume of man-months, volume of contract amount, etc.), and projects



Value Management Framework

in a region or a country with physical and institutional conditions similar to those of the project location.

- Good: The consultant has experience in respect to all three aspects mentioned above but experience in one aspect could be considered insufficient.
- Average: The consultant has experience in respect to all three aspects mentioned above but experience in two or more aspects could be considered insufficient.

As applied to the technical evaluation, these grades can be interpreted as follows:

Technical approach and methodology:

- Excellent: The consultant properly understands the current situation, draws attention to all main issues related to the assignment and raises other important issues that have not been considered in the SOW. The proposal details ways to solve all issues by using advanced and innovative approach and methodology.
- Good: The consultant properly understands the current situation and the main issues related to the assignment. The approach and methodology to solve the issues are discussed in detail.
- Average: The consultant understands the requirement indicated in the TOR. The approach and methodology to solve the issues are consistent. However, the approach and methodology are standard and not discussed in detail or not specifically tailored to the assignment.
- Below Average: The consultant does not have a proper understanding of the SOW and the issues are not appropriately discussed. The approach and methodology do not have consistency and are inappropriately presented.
- Poor: The consultant misunderstands the requirement indicated in the SOW and important aspects of the scope of consulting services. Approach and methodology do not comply with the requirement in the SOW.

Work plan:

- Excellent: In addition to the requirements stated below under “Good”, the proposal includes an impressive presentation of the work plan for efficient execution of the assignment. The proposed work plan is consistent with the approach and methodology.
Good: The work plan responds well to the SOW. The timing and duration of all activities are appropriate and consistent with the assignment output, and the interrelation between various activities is realistic and consistent with the proposed approach and methodology.
- Average: The work plan responds to the SOW and all required activities are indicated in the activity schedule, but they are not detailed.
- Below Average: Some activities required in the SOW are omitted in the work plan or the timing and duration of activities are not appropriate. There are minor inconsistencies between timing, assignment output, and proposed approach and methodology.
- Poor: There are major inconsistencies between the requirements in the SOW and the proposed work plan.



Value Management Framework

Organization and staffing:

- Excellent: In addition to the requirements stated below under “Good”, the proposal includes an impressive presentation of a well thought out organization and staffing plan. The proposed team is well integrated and has good support organization.
- Good: The organization chart and staffing schedule is complete and detailed, and the technical level and composition of the staffing arrangements are very well balanced. The definition of duties and responsibilities are very clear. The staffing schedule is consistent with the work plan and the timing and duration of each staff’s assignment are adequate.
- Average: The proposed organization and staffing arrangement is complete and detailed enough to meet all the requirements of the SOW.
- Below Average: The proposed organization and staffing arrangement is not detailed and the assignment schedule of each staff is not adequate. For instance, there are inconsistencies between the staffing schedule and the required output. The organization and staffing arrangement is not tailored to the proposed approach, methodology and work plan.
- Poor: The organization and staffing arrangement is not responsive to the requirement of the SOW at all. It is assumed that the required output cannot be appropriately prepared within the period of the assignment.

As applied to the Qualifications and Competence of Staff, the grades can be interpreted as follows:

General qualifications:

- Excellent: The proposed expert has 20 years or more of professional experience and an educational background or a professional qualification in the field of assignment.
- Good: The proposed expert has 15 years or more of professional experience and an educational background or professional qualification in the field of assignment.
- Average: The proposed expert has 10 years or more of professional experience and educational background or a professional qualification in the field of assignment.
- Below Average: The proposed expert has less than 10 years of professional experience but has an educational background or a professional qualification in the field of assignment.
- Poor: The proposed expert has less than 3 years of professional experience and does not have an educational background or a professional qualification in the field of assignment.

Note: Required years of professional experience will be determined for each case depending on the nature of the assignment.

Suitability for the project:

- Excellent: In addition to the requirements stated below under “Good”, the majority of the proposed expert's experience on previous assignments in the past 10 years has been in positions similar to the one proposed for the assignment.
- Good: The proposed expert has held positions similar to the one proposed for the assignment in more than 3 projects of a similar nature in the past 10 years.
- Average: The proposed expert has held positions similar to the one proposed for the assignment in 2 projects of a similar nature in the past 10 years.



- Below Average: The proposed expert has held positions similar to the one proposed for the assignment in at least 1 project of a similar nature in the past 10 years.
- Poor: The proposed expert does not have any experience in holding positions similar to the one proposed for the assignment in the past 10 years.

Completion of Evaluation of Technical Proposals

The evaluation results of technical proposals are detailed in an evaluation report including a summary technical evaluation sheet and evaluation sheets for staff members of each consultant.

Example Summary Technical Evaluation

Consultants		XXX		YYY		ZZZ		
	Evaluation Criteria	Points	Rating	Score	Rating	Score	Rating	Score
I	Consultants General Experience and Record in the Field Covered by the SOW	20		14.8		19.8		19.2
	(i) Experience on projects of comparable size, complexity, and technical specialty	12	70	8.4	90	10.8	100	12.0
	(ii) Experience in working under similar conditions or constraints	8	80	6.4	100	8.0	90	7.2
II	Adequacy of the Proposed Approach, Methodology and Work Plan	30		19.2		25.8		23.4
	(i) Technical Approach and methodology	12	70	8.4	90	10.8	70	8.4
	(ii) Work Plan	12	70	8.4	90	10.8	90	10.8
	(iii) Organization and Staffing	6	40	2.4	70	4.2	70	4.2
III	Experience and records of the staff members to be assigned to the work	50		38		43.7		39
	(i) Project Manager/Project Lead	15		11		14.1		13
	(ii) Change Management Lead	15		10		14.4		10
	(iii) Technical Lead	10		8		7		8
	(iv) Functional Lead	10		9		8.2		8
	TOTAL	100		72		89.3		81.6

Evaluation sheets for staff members are prepared for each consultant to show the evaluation results based on the sub-criteria on qualifications and competence of staff. The score of each of the staff members of each consultant is transferred to the summary technical evaluation sheet (example above). An example of a completed evaluation sheet for staff members of Consultant YYY is shown below.

Example Evaluation Sheet for Staff Members of Consultant YYY

Position	Total Pts	General Qualifications (40%)			Suitability for Project (60%)			Subtotal
		Points	Rating	Score	Points	Rating	Score	
Project Manager/Project Lead	15	6	100	6	9	90	8.1	14.1
Change Management Lead	15	6	90	5.4	9	100	9	14.4
Technical Lead	10	4	70	2.8	6	70	4.2	7
Functional Lead	10	4	70	2.8	6	90	5.4	8.2
Subtotal	50			19			26.7	43.7



Value Management Framework

Additional models are shown below in blank template form. During the formation of the evaluation team, the buyer, procurement representative, and team members should agree upon the format to be used, being sure that it does not deviate from the criteria in the RFP. Team members should be provided individual score sheets to use during their individual review of the RFP. The buyer or procurement representative should retain the summary sheets for use in discussing the summary scoring.

Example Individual Technical Scoring

Criteria	Max Score	Bidder XXX	Bidder YYY	Bidder ZZZ
Experience				
Methodology				
Proposed Staff				
Project Management Approach				
Change Management				
Knowledge Transfer				
TOTAL				

Example Consolidated Individual Technical Scores

Bidder: XXX		Evaluators					Avg. Score
Criteria -Sub Criteria	Max Score	1	2	3	4	5	
Experience - -							
Methodology - - -							
Proposed Staff - -							
Project Management Approach - - -							
Change Management - - -							
Knowledge Transfer - -							
TOTAL	100						

Evaluator 1 Name: _____ Signature: _____

Evaluator 2 Name: _____ Signature: _____

Evaluator 3 Name: _____ Signature: _____

Evaluator 4 Name: _____ Signature: _____

Evaluator 5 Name: _____ Signature: _____



SPECIFICS OF FINANCIAL EVALUATION PROCESS

The financial proposal submitted by the bidder is referred to as the “cost workbook” (CW). During the verification process, CWs are first checked for compliance with the CW included in the RFP. A review is then made to ensure that the figures provided in each CW are consistent with the details of the corresponding technical proposal (e.g., personnel schedule inputs, number and duration of field trips, applicable licensing costs, etc.). The following are taken into account to ensure a fair competition among price proposals:

- If the inputs shown in the CW for any expert do not match those shown on the personnel schedule in the technical proposal, the personnel schedule inputs shall prevail and adjustments will be made to the financial proposal accordingly.
- If an expert included in the technical proposal is omitted from the CW, then the cost of that expert is included in the consultant’s financial proposal at the highest rate for that position among all the financial proposals.
- When QCBS is applied, a minimum of man-months required for consultants is included in the CW. If the total inputs shown on the personnel schedule are below those indicated in the CW, an adjustment will be made for the missing man-months using the highest remuneration rate per month.

Finally, a review is made for computational errors.

The lowest *evaluated financial proposal* (EFP) is then given a maximum score of 100 points. This is then used as a basis to calculate the score of the other financial proposals. The financial score for each proposal is inversely proportional to its EFP, that is, the higher the EFP, the lower the financial score.

An example is shown below:

EFP of the lowest price proposal = 100 points

Each other EFP = 100 points x (EFP of the lowest price proposal/EFP of the proposal under consideration)

Or: EFP of lowest priced proposal (proposal XXX)= \$2.3 million

EFP of second lowest priced proposal (proposal YYY) = \$3.3Million

Proposal XXX = 100 points

Proposal YYY= 100 points x (2.3/3.3) = 69 points

Using this method, all proposals are given a financial score.

Additionally, many state RFPs include an MBE (Minority Business Enterprise) component which is generally awarded 15% of the point total. The same process as above is used scoring the MBE component of the proposal.



SPECIFICS OF REACHING A COMPOSITE SCORE

In ranking the proposals, the total score is obtained by weighting and adding the technical and financial scores. This determines the overall ranking of the consultants' proposals. The weights of the technical and financial components should take into account the complexity of the assignment and the relative importance of quality. If financial proposals contain unreasonably low price, the Procuring Entity should ask the bidder concerned for clarification of such an offer and should receive answers from the bidder to ensure appropriate execution during the contract stage, before concluding the evaluation. The weighted score may not deviate from the scoring weights included in the RFP.

A total score is computed as follows:

$$\text{Total Score} = \text{Technical Score} \times \text{Weight} + \text{Financial Score} \times \text{Weight}$$

Once the final scores for each proposal have been calculated, they can be ranked from highest to lowest. In the event two or more proposals have the same scores in the final ranking of proposals, the proposal with the highest technical score should be ranked higher and the next highest technical score ranked lower. After the final ranking, the highest-ranked bidder is invited for contract negotiations. The final evaluation results are summarized in an evaluation sheet. An example is shown below

Combined Technical/Financial Evaluation – Award Recommendation

Bidder	Technical			Financial		Combined Evaluation	
	Technical scores	Weighted scores	Rank	Financial scores	Weighted scores	Total score	Rank
Award Recommendation	To highest combined technical/financial score: Bidder Name:						

SPECIFICS OF NEGOTIATIONS

The procuring agency invites the highest-ranked bidder to enter into negotiations on the conditions of a contract between them. The procuring agency or procurement representative notifies in writing (usually by email) the bidder whose proposal has obtained the highest total score and invites the selected bidder for negotiations. The agency indicates in the notification letter the date and time set for negotiations and any issues or comments on the consultant's proposal to enable it to prepare a response and make any necessary arrangements. The agency also informs bidders whose proposals were not chosen that negotiations will begin with the highest-ranked bidder. Negotiations may be carried out in phases, when decisions are needed from other authorities.

In preparing for negotiation, the agency and procurement representative should determine if legal counsel should be present. Having a lawyer specializing in contract negotiations is essential for high dollar and high risk contracts. Also, determine if the agency wishes the vendor



to meet on site. Other options include teleconferencing and meeting at the bidder's site. Finally, ensure that the person representing the agency, procurement and the bidder have the authority to negotiation on behalf of the state and the company respectively.

The agency or procurement representative should maintain minutes of the negotiations. If the agency and the highest-ranked bidder are unable to reach agreement on a contract within a reasonable time, the agency may terminate the negotiations with the first bidder and invite the bidder who ranked second in the evaluation to enter into negotiations. This procedure can be followed until the agency reaches agreement with a bidder.

The technical negotiations will not substantially alter the Terms and Conditions attached to the RFP and the technical proposals submitted by the bidder. Negotiations include clarifications of the scope of work, technical approach and methodology, work plan and schedule, organization and personnel, deliverables, counterpart staff and facilities, and contract special conditions. While there should be some flexibility in work plans, staff assignment and major work inputs which have been previously agreed on as appropriate for the assignment, may not be materially modified to meet a budget.

The agency, procurement representative and bidder finalize the Terms and Conditions, personnel schedule, work schedule, logistics, and reporting. These documents will then be incorporated in the body of the RFP response to become the contract. Special attention should be paid to clearly defining the inputs and facilities required from the agency to ensure satisfactory implementation of the assignment. Before contract negotiations, the consultant assures that the staff will be actually available. The agency will not consider substitutions during contract negotiations unless both parties agree that undue delay in the selection process makes such substitution unavoidable or for reasons such as death or medical incapacity. Any proposed substitute shall have equivalent or better qualifications and experience than the original candidate.

The financial negotiations shall be reasonable in order to keep consistency between the quality and the price of the services. Unless there are exceptional reasons, the financial negotiations will not involve the remuneration rates for experts.

Tips for contract negotiation:

The smallest mistake can kill an otherwise productive contract negotiation process. Avoid contract negotiation mistakes and avoid jeopardizing an otherwise productive contract negotiation process.

The worst contract negotiation objective is to bleed every last cent out of the vendor for the lowest price. Remember, you want to "partner" with your vendor so that **both of you** will meet your goals and objectives by signing the contract. Successful contract negotiation means that both sides look for positives that benefit both parties in every area while achieving a fair and equitable deal.

A signed contract that benefits both parties will provide a firm foundation to build a long lasting relationship with your vendor. The following steps may help in establishing a firm foundation:

- Rank Priorities and Alternatives: Be sure that what is most important is discussed and agreed upon before moving to less important items. The negotiator may want to refer to the least important items if the agency has to give up something to get the top items.
- Know the Difference Between Need and Want



- Know Your Bottom Line So You Know When to Walk Away: Have you come to realize that one or two of the top priorities are truly non-negotiable and you will be better to walk-away from this contract if the bidder does not agree to it?
- Define Time Constraints and Benchmarks: In any substantial project you will want to set performance measurement standards that you will expect from your bidder. If these are essential to your business, then you will want negotiate a fair and equitable penalty when they are not met.
- Assess Potential Liabilities and Risks
- Confidentiality, non-compete, dispute resolution, changes in requirements: These are other items that could be a potential negotiation stumbling block.
- Do the Same for Your bidder (i.e. Walk a Mile in Their Shoes): Now that you have completed the contract negotiations planning process for your agency, repeat the same process as if you were the bidder. What area do you think is most important for them? Your list won't be perfect, but it will succeed in putting you into a frame of mind to look at things from their perspective.

OPTIONAL SELECTION TECHNIQUES

Short-listing: A process that limits the number of vendors that are allowed to continue into the final evaluation step (i.e. Interview, Presentation or Product Demonstrations, References, etc.) based on their preliminary score. This process considers both Technical and Cost scores. The evaluation Instrument must indicate the process that will be used to develop the short listed vendors.

References: Request for Proposal and Evaluation Instrument should state how and when (e.g. 9 to 5 EST) references will be contacted. The evaluation instrument must determine how the information will be used? Is it Pass / Fail? To validate the proposal or award points?

Proof of Concept (PoC): With a PoC you can check the vendor's actual capability to deliver and on top of this it is also a good instrument to get an overall impression of the vendors and check the 'soft factors'. To be sure to get full view of how the product works, include demonstrations, webinars and meetings in the RFP process. This is the best way to go beyond the product in theory and instead gain context and understand how the outcomes will be achieved. Be sure to do a thorough inspection before making a buying decision. You should mention this in the RFP, including the time when you will issue the PoC Scenarios to the vendors.

The proof of concept can help you determine if the product will be engineered by the vendor in-house or outsourced, and if all the components work together seamlessly or are they bolted on in a piecemeal fashion.

Vendor Demonstrations: Vendor demonstrations give the evaluation team an opportunity to see how the vendor solution meets the critical components of the RFP. To accomplish this, a demonstration script should be developed with input from the subject matter experts in each component of the RFP. Vendors should be asked as much as possible to demonstrate, rather than describe, how the solution would be used in the agency to accomplish the desired objectives. The development of the script eliminates the "dog and pony show" that some vendors may want to provide. This ensures that they will address the real needs of the agency rather than focusing on "bells and whistles." The agenda should be created by working with all



stakeholders to determine the amount of time required to adequately evaluate the concerns of each component.

TOP EVALUATION AND AWARD MISTAKES

You have looked at the offering, but not at the vendor. A common mistake is to judge a vendor solely on the proposal. But did you also consider the capability of the vendor to deliver and can you imagine working with him? Are there signs that he really wants to win the bid?

Communication indiscretion. Intentionally or not, communication indiscretion (like giving a vendor information about the competitor's price offering) can jeopardize the whole process and severely harm your credibility.

Not comparing apples with apples. This can become a typical situation if you didn't formulate your RFP well enough. In case you don't give exact instructions in the RFP what the proposal structure should look like, you will be faced with a situation where every proposal will come in a completely different form and can make it really hard for you to compare them.