

# RFP'S FOR COUNTIES

Texas County Auditors Institute

Beth D. Fleming, CPSM, C.P.M., CPPO



## Topics for Discussion

- ◎ RFP Specifications
- ◎ Submittal and Evaluation Options
- ◎ Evaluation Team
- ◎ Scoring of Proposals
- ◎ Team Evaluation Filters
  - Responsiveness
  - Initial Evaluation
  - Competitive Range
  - Best Value



## Comparison – Bid vs. Proposal

Activity Description	Competitive Sealed Bids	Competitive Sealed Proposals
When to use	When specifications or statement of work is well defined	When agency looks for proposer to develop and provide ideas or solutions
Opening	Public – price announced; and all data available to other bidders and the public	Public – only names of proposers are read; no pricing or other data made available (subject to local laws)
Evaluation	Based strictly on specifications – no material changes allowed	Based on quality with evaluation committee assigning weighted values to various parts of proposal
Discussion	None	Discussion may be conducted with each proposer to determine understanding of proposal requirements
Negotiation	None	Each qualified supplier is requested to submit a Best and Final Offer as a result of the in-depth review
	Lowest Responsible and Responsive Bidder	Best Value Proposal – not necessarily lowest price

**BF** Award

## Request for Proposal

- ◉ §262.0295 LGC – Alternative Multistep Competitive Proposal Procedure
- ◉ §262.030 LGC – Alternative Competitive Proposal Procedure
- ◉ Chapter 2269 GC – Alternative Delivery Methods for Construction
- ◉ May be used for Professional Services Chapter 2254 Government Code
  - Utilize modified RFP or Request for Qualifications (no fee) for A/E Services
- ◉ May be used for other professional services under discretionary exemptions §262.024(a)(4)

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## Timing

- ◎ Lead time for service/product delivery
  - Adequate time for specification preparation
  - RFP process and award
  - Mobilization

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## Submittal / Instructions

- ◎ Who, What, When and Where
  - Agency/department, project description, proposal deadline and submission location
- ◎ Requirement for compliance with the RFP
- ◎ Notice requirement for ambiguity or conflict in document
- ◎ Agency not responsible for proposal and presentation costs

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## Submittal / Instructions

- ⦿ Agency reserves the right to accept or reject proposals
- ⦿ Bonding requirements
- ⦿ Question procedures and deadline
- ⦿ Proposal submittal requirements and format
  - Creates checklist
  - Cross reference sections of specifications
- ⦿ Withdrawal conditions
- ⦿ Examination of documents

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## Submittal / Instructions

- ⦿ Confidentiality of proposals until after award
- ⦿ Subject to Public Information Act upon award
- ⦿ Schedule of significant events
- ⦿ Pre-Proposal Conference (indicate if mandatory)

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## Evaluation Disclosure

- Evaluation process
- Evaluation criteria and weights
- Evaluations of proposal for responsiveness and conditions for disqualification
- Indicate process for competitive range

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## Evaluation Disclosure

- Notice of potential oral presentations and/or demonstrations
- Negotiable – BAFO opportunities
- Selection of Best Value based on evaluation criteria

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## Pre-Proposal Conference

- ◉ Tailor review of solicitation to the service complexity
- ◉ Don't argue with potential bidders
- ◉ Give accurate and honest responses
- ◉ Define clarifications
- ◉ Define modifications of specifications will be included in addendum
- ◉ Identify method for future questions and deadlines
- ◉ Begin and end by stating nothing discussed can be relied upon unless it is contained in addendum

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## Receipt Procedures

- Bid Opening
  - Receive sealed bids and secure
  - Read company names and prices
- RFP Closing
  - Receive sealed proposals and secure
  - Company names may or may not be revealed
  - No pricing is revealed (except construction)

**CLOSED****BF**

## Receipt Procedures

- Sealed proposals should be time-stamped and recorded
- Secure sealed proposals until stated closing
- Late proposals should be returned unopened



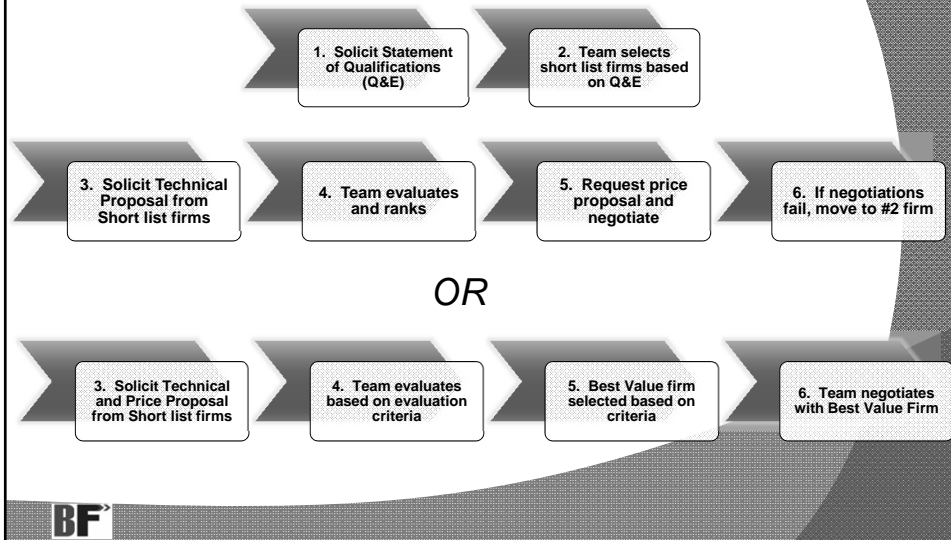
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## Receipt Procedures

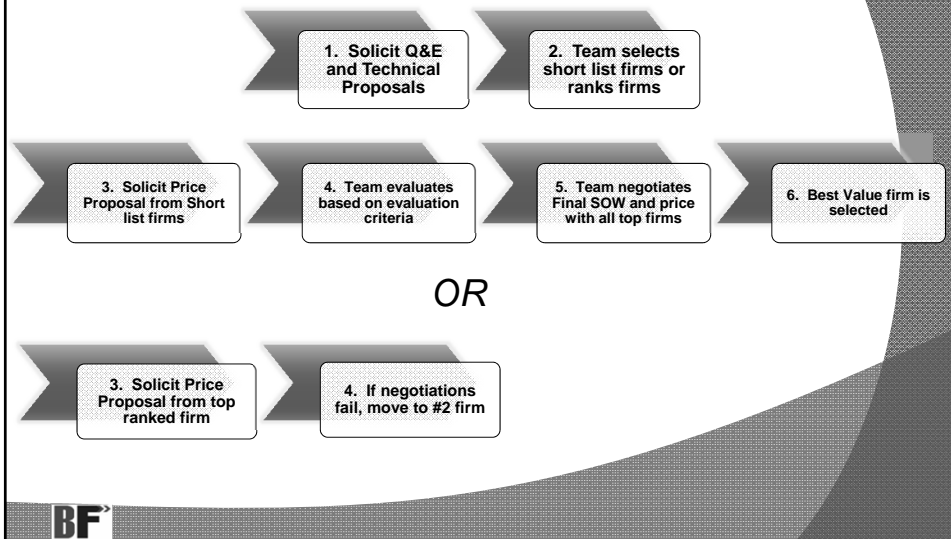
- Responsible for securing all confidential information
  - All information before contract award
  - Proprietary information after award in compliance with Open Records Act
- Only release proposal contents to
  - committee members who have signed confidentiality forms
  - Agency officials who have a need to know

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## Submittal & Evaluation Options Solicit Q&E

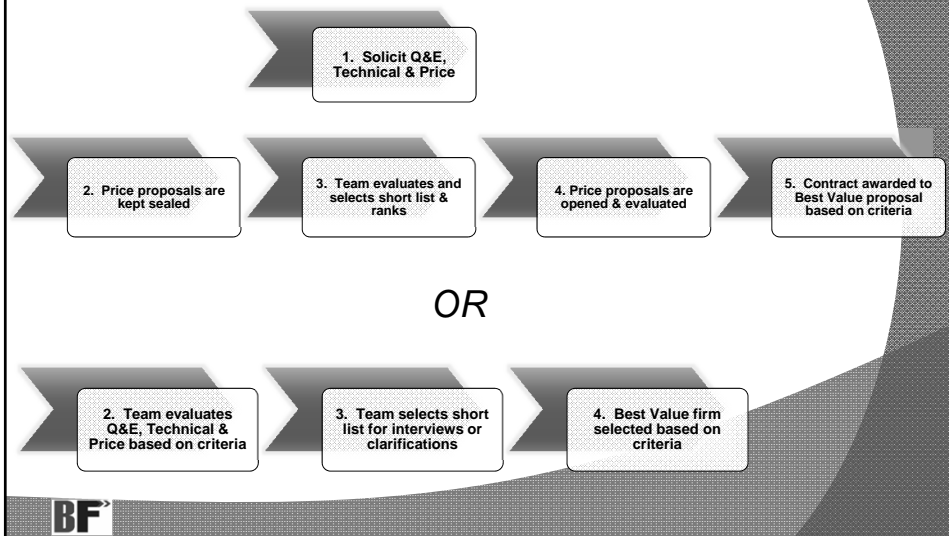


## Submittal & Evaluation Options Solicit Q&E & Technical



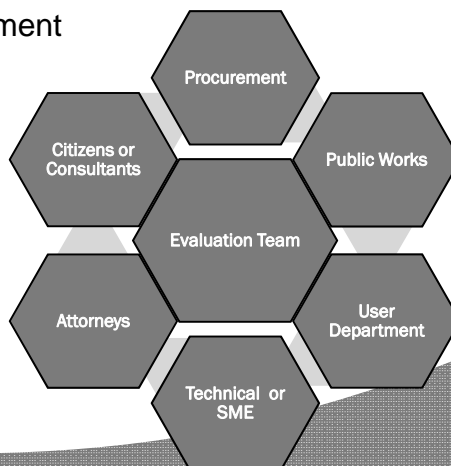


## Submittal & Evaluation Options Solicit Q&E, Technical & Price



## Potential Evaluation Team

- Team established in RFP planning stage
- Obtain signed Conflict of Interest/ Confidentiality Form upon appointment



## House Bill 23 Conflict of Interest Forms

- ◉ Applies to vendors and government body or agent – Chapter 176 LGC
- ◉ New Requirement 2015: Applies to all “agents” who exercises discretion in the planning, recommending, selecting, or contracting of a vendor.
- ◉ Set the threshold for disclosure of gifts from \$250 to \$100 and defines Gift to also include food, lodging, transportation, and entertainment in a 12 month period

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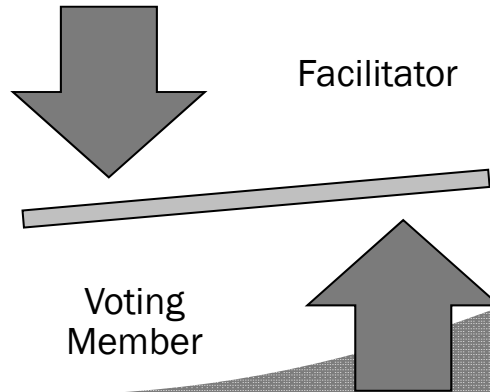
## House Bill 23 Conflict of Interest Forms

- ◉ The local government officer is only required to file the form IF a conflict exists as described in the statute
- ◉ [https://www.ethics.state.tx.us/filinginfo/conflict\\_forms.htm](https://www.ethics.state.tx.us/filinginfo/conflict_forms.htm)

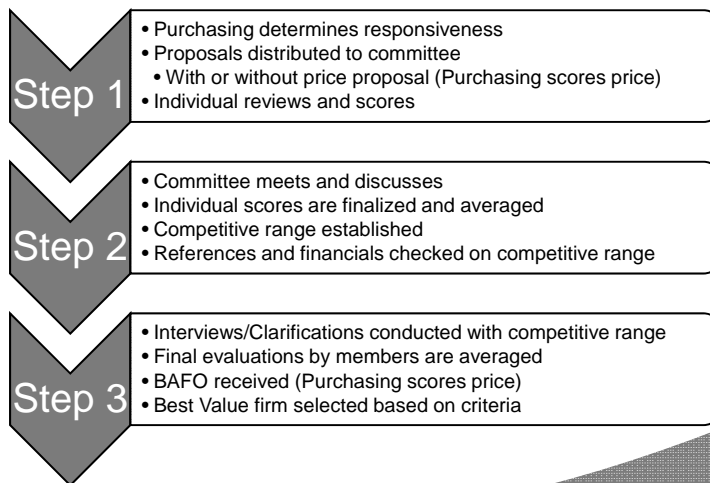
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## Procurement's Role

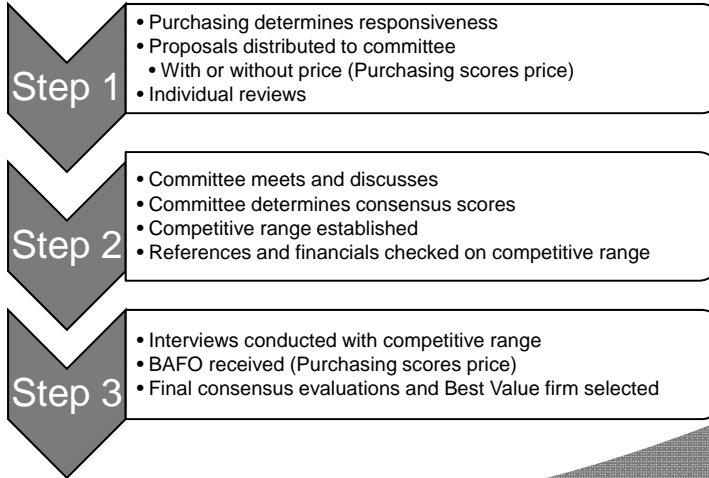
- ◉ Voting member or Facilitator
- ◉ Balance pros and cons



## Option 1 Evaluation Committee Process

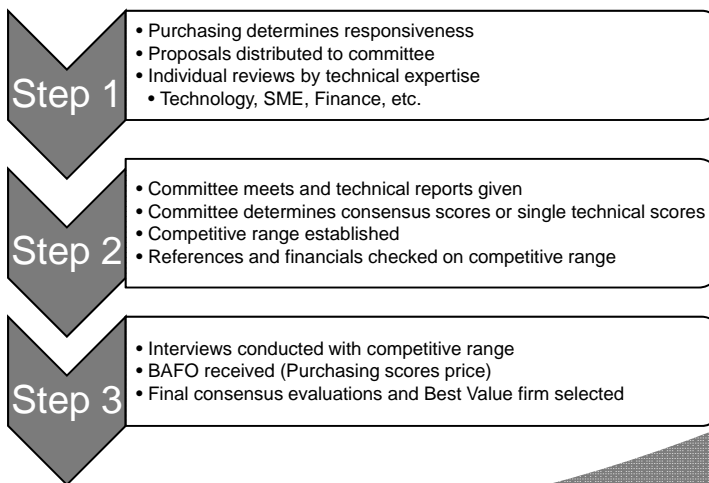


## Option 2 Evaluation Committee Process



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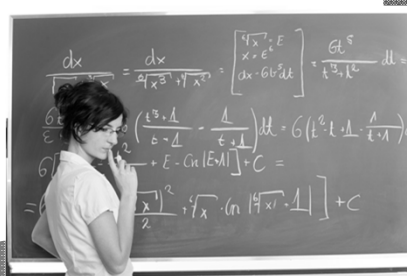
## Option 3 Evaluation Committee Process



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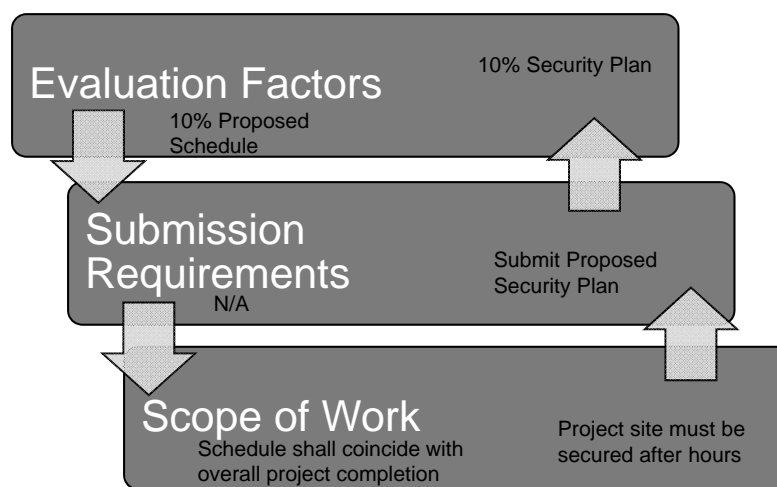
## Train the Committee

- ⦿ Review of solicitation and stated evaluation process
- ⦿ Review of laws and procedures
  - Confidentiality
  - Conflicts of interest
- ⦿ Instruct on proper scoring process
- ⦿ Instructions on how to complete forms
- ⦿ Identify deadlines
- ⦿ Identify responsibilities
  - Legally
  - Procedurally
  - Ethically



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## RFP Specifications



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## Evaluation Criteria

- Percentages
- Points
- Extended Percentages
- Order of importance
- Score 1-5 against weight
- Dollar per point
- Competitive Range –
  - Interviews
  - References



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## Cost Proposal Scoring - Percentage

RFP Evaluation Example			
Evaluation Criteria	Bargain Basement Software	Cheaper Than Dirt Systems	
50% Proposed Price	\$642,000	\$759,000	
	1st yr maintenance \$12,000	1st yr maintenance included	
	2nd yr maintenance \$15,000	2nd yr maintenance \$8,000	
	3rd yr maintenance \$18,000	3rd yr maintenance \$10,000	
	Total 3 yr cost \$687,000	Total 3 yr cost	\$777,000



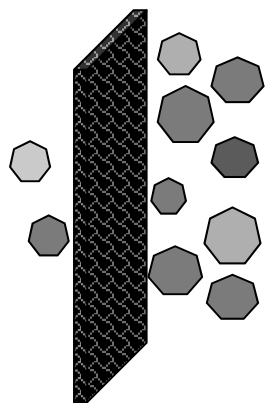
## Cost Proposal Scoring - Points

RFP Evaluation Example			
Evaluation Criteria	Bargain Basement Software	Cheaper Than Dirt Systems	
Price proposal	\$642,000	\$759,000	
400 points	1st yr maintenance \$12,000	1st yr maintenance included	
	2nd yr maintenance \$15,000	2nd yr maintenance \$8,000	
	3rd yr maintenance \$18,000	3rd yr maintenance \$10,000	
	Total 3 yr cost \$687,000	Total 3 yr cost	\$777,000

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## Evaluation Filters

**NON-RESPONSIVE  
FILTER**



**BF**

GETTING TO BEST VALUE

## Minimum Requirements

**Mandatory** {  
• Shall  
• Must  
• Will

**Non-Mandatory** {  
• Should  
• May

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## Minor Irregularities in RFPs

- ⦿ Minor Irregularities may be waived
- ⦿ Minor Irregularities may include:
  - Failure to sign all sections of proposal
  - Failure to return forms such as financial statements, non-collusion affidavits
  - Failure to acknowledge or return Addenda (providing that the proposer was aware and proposal was submitted in accordance)
  - Failure to submit the correct number of copies

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## Non-Responsiveness in RFPs

- Responsive Bidder – A contractor, business entity or individual who has submitted a bid or request for proposal that fully conforms in all material respects to the IFB/RFP and all of its requirements, including all form and substance. (NIGP 2007)
- Procurement's role to determine responsiveness
- Non-Responsive proposals are disqualified

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## Non-Responsiveness in RFPs

- Non-responsive proposals **may** include:
  - Failure to meet mandatory requirements
  - Qualifications of a proposal
  - Substitution of standard terms and conditions
  - Failure to provide required bonds
  - Proposing alternate scope not meeting the intent of the proposal

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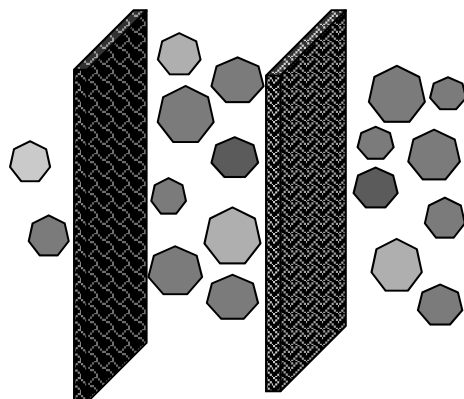
## Qualifying Factors in RFPs

- ◉ Factors that are typically “yes” or “no” evaluations
- ◉ Measurable qualifying information
- ◉ Used to determine responsiveness
- ◉ Required certifications, licenses, etc.
- ◉ Minimum documented experience

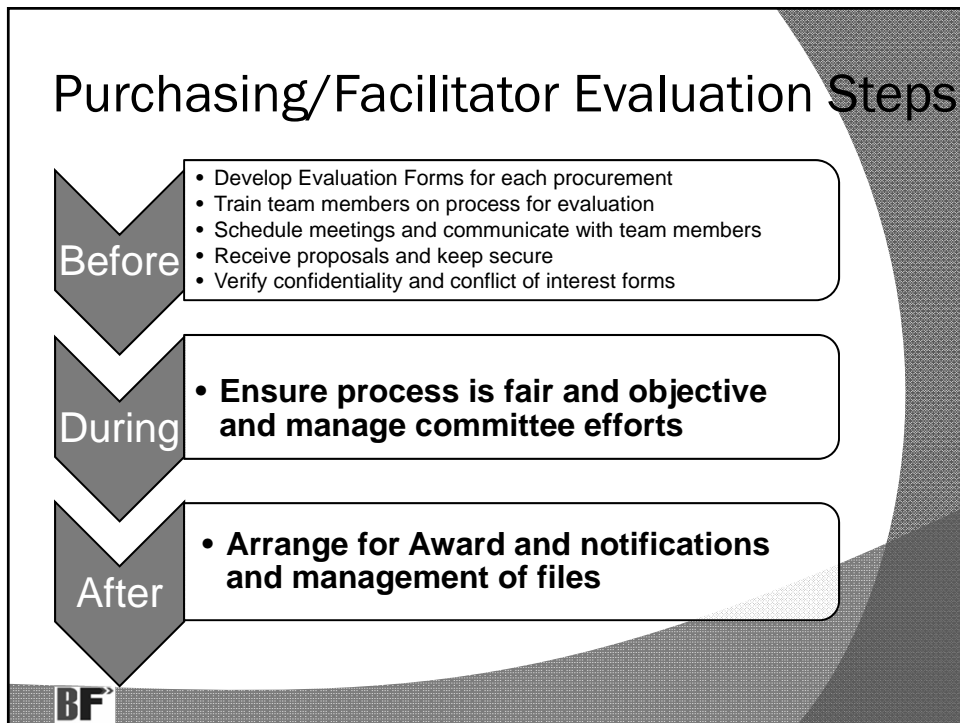
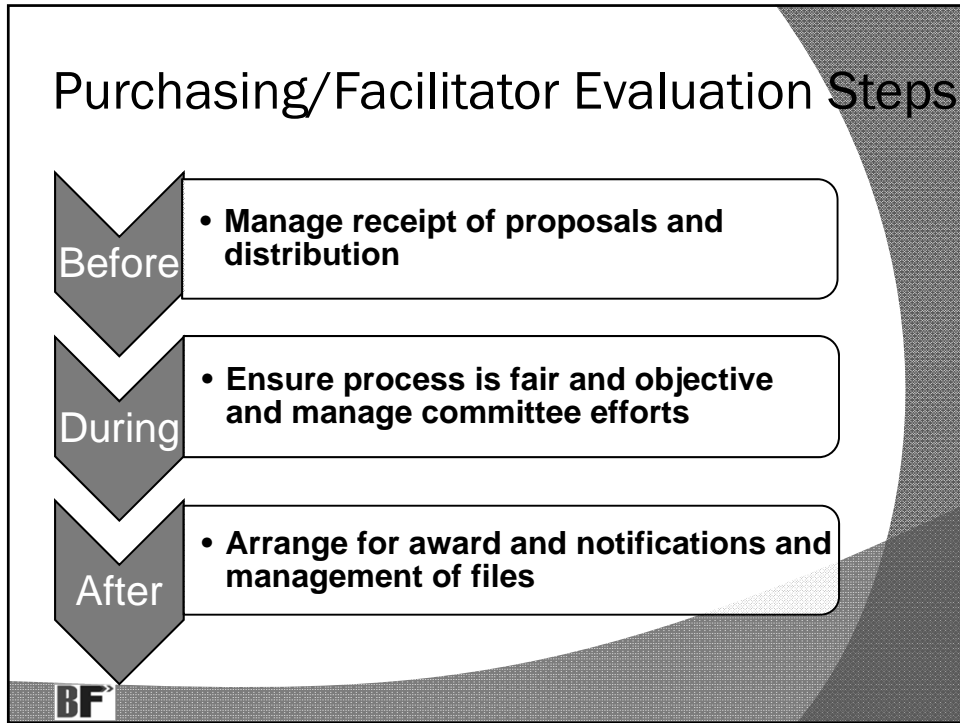
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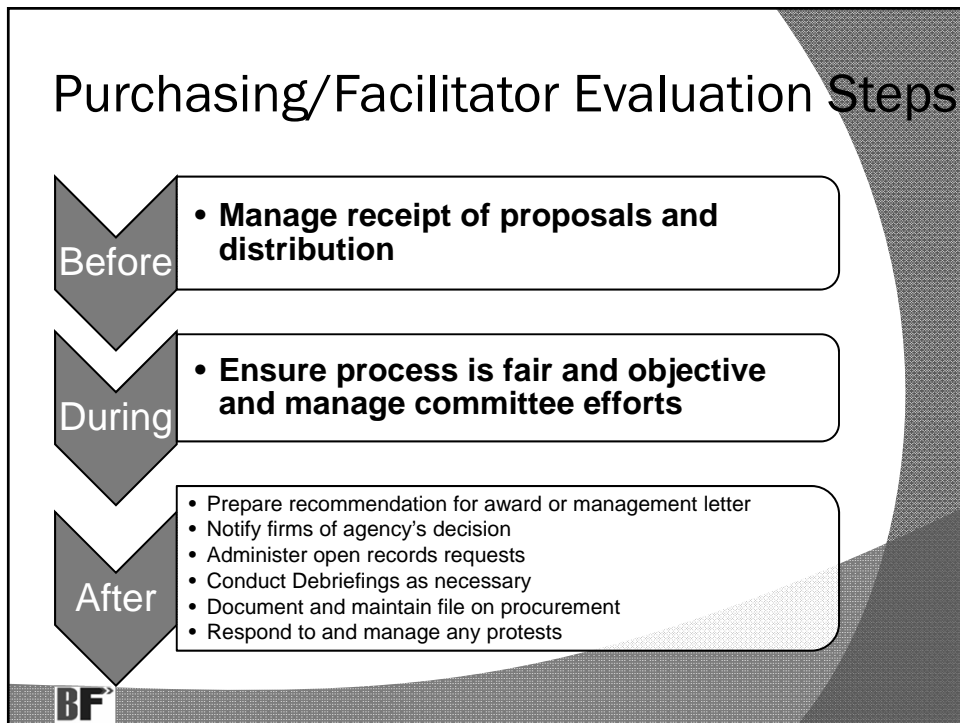
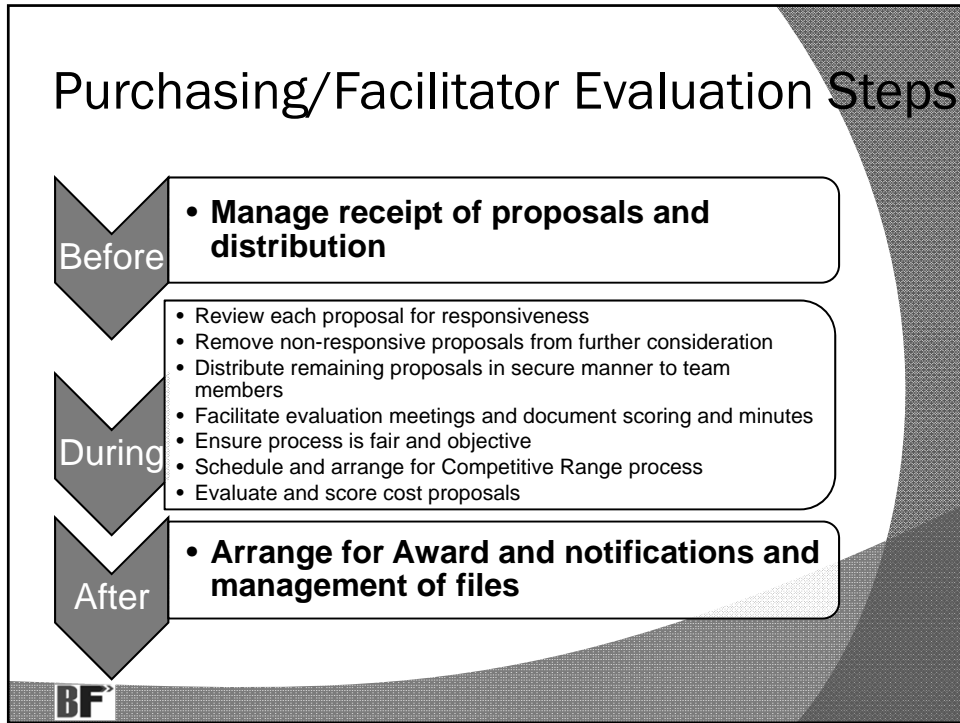
## Evaluation Filters

NON-RESPONSIVE  
FILTER      INITIAL EVALUATION  
FILTER

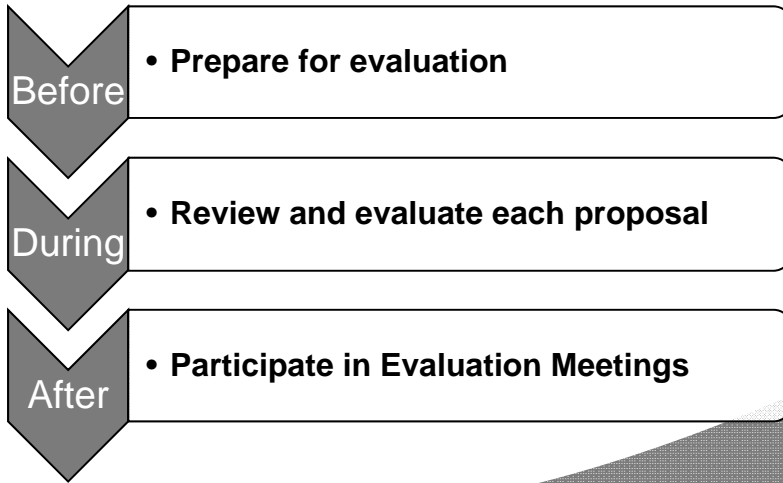
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GETTING TO BEST VALUE



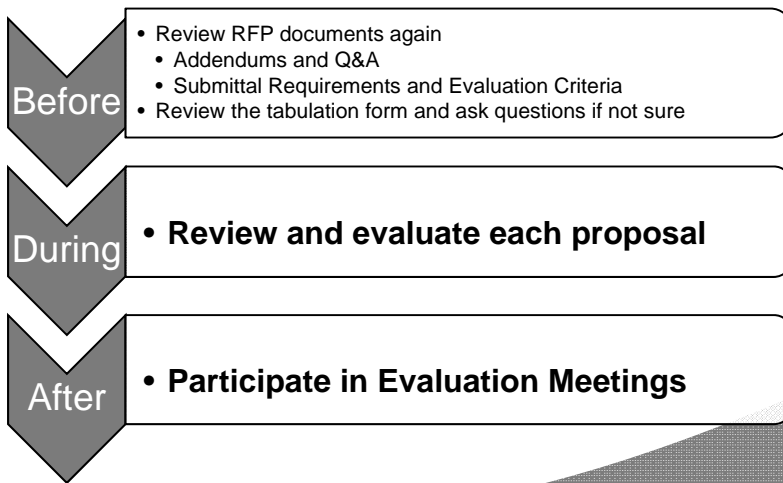


## Team Member Evaluation Steps



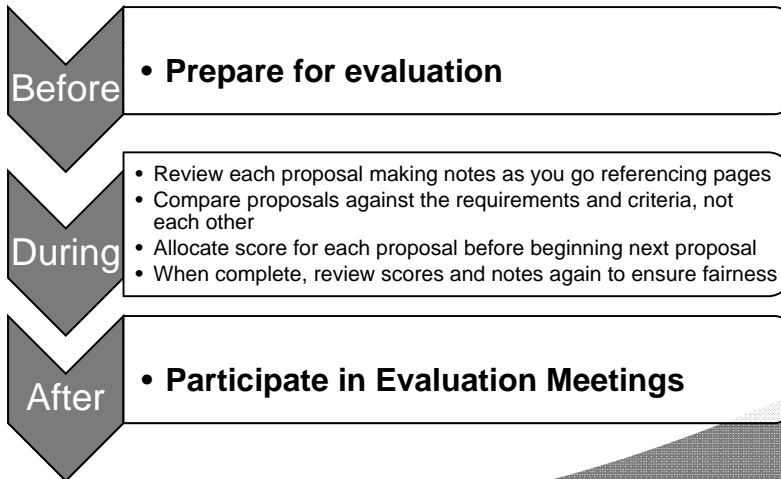
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## Team Member Evaluation Steps



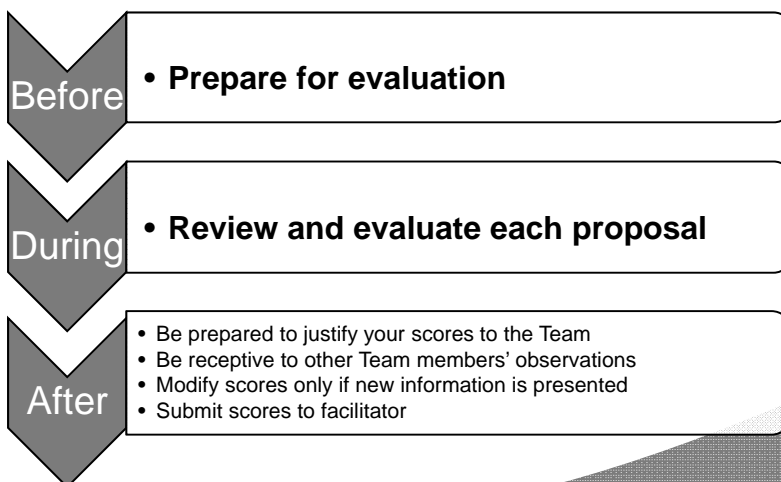
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## Team Member Evaluation Steps



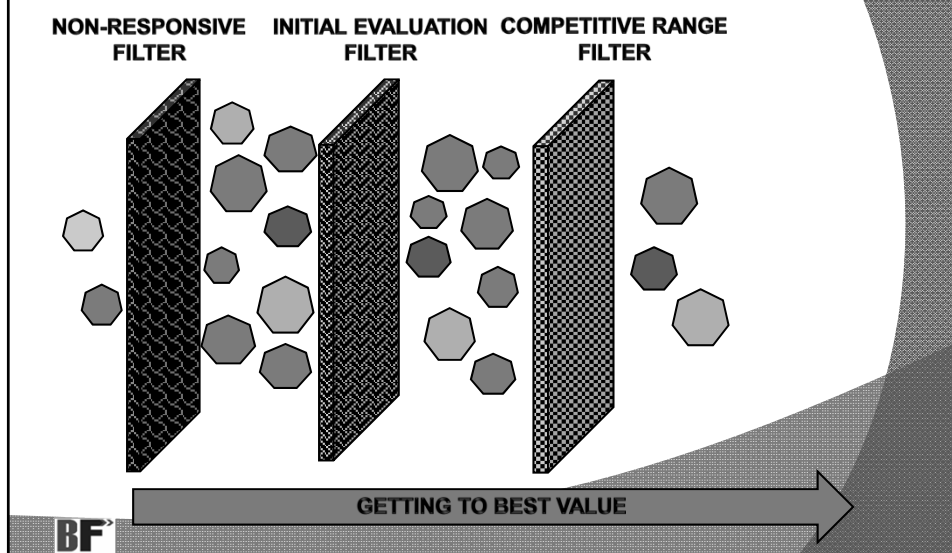
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## Team Member Evaluation Steps



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## Evaluation Filters



## Competitive Range

- Determined on basis of initial evaluation
  - on cost and other factors; or
  - on technical evaluation only
- Should include all proposals that have a reasonable chance of being selected for award
- Eliminates offers that do not have a reasonable chance of selection
- Prevents entity and offeror from spending time and money on negotiations that have no reasonable expectation of leading to award

## Competitive Range Criteria

Criteria	Weight	Vendor A	Vendor B	Vendor C	Vendor D
Price	400	350	375	380	300
Qualifications	150	120	145	150	110
Delivery	100	50	90	80	70
Methodology/Approach	200	150	180	200	110
<b>Subtotal</b>	<b>850</b>	<b>670</b>	<b>790</b>	<b>810</b>	<b>590</b>
Interviews	100		70	80	
References	50		40	45	
<b>Total</b>	<b>1000</b>		<b>900</b>	<b>935</b>	

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## Competitive Range Process

- ⦿ Financials checked on Competitive Range
  - Finance reviews and prepares a summary report
- ⦿ References checked on Competitive Range
  - Develop questions for consistency
  - Assign team member to check references
  - Summary report prepared
- ⦿ Team determines
  - Format for interviews (time, place, etc.)
  - Deficiencies or clarification items per firm
  - Presentation/Demo specifics

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## Example of Financial Data Construction

### V. CONTRACTOR'S FINANCIAL AND BONDING RESOURCES

#### A. FINANCIAL RESOURCES

Submit the Current Assets and Current Liabilities from your firm's most recent Audited Financial Statement Balance Sheet. Also include net income for the last 2 most recent Audited Financial Statements. **Do not submit the full Financial Statement with proposal.** Upon request, your firm will be required to submit the full Audited Financial Statement.

Fiscal/Calendar Year of most recent Audited Financial Statement:

Current Assets: \$ \_\_\_\_\_

Current Liabilities \$ \_\_\_\_\_

Net Income

\$ \_\_\_\_\_ Year \_\_\_\_\_

\$ \_\_\_\_\_ Year \_\_\_\_\_

#### Current Ratio

Current Assets/Current Liabilities  
2.0 or higher is desirable  
Less than 1.0 is red flag

#### B. BONDING CAPABILITY

Firm's Bonding Capacity \_\_\_\_\_

Firm's Bonding Committed \_\_\_\_\_

% of Bonding Capacity Available \_\_\_\_\_

Maximum Bonding Capacity per Project \_\_\_\_\_

#### Pre-Qualification Measure

Surety's assessment of firm's  
total capacity to perform

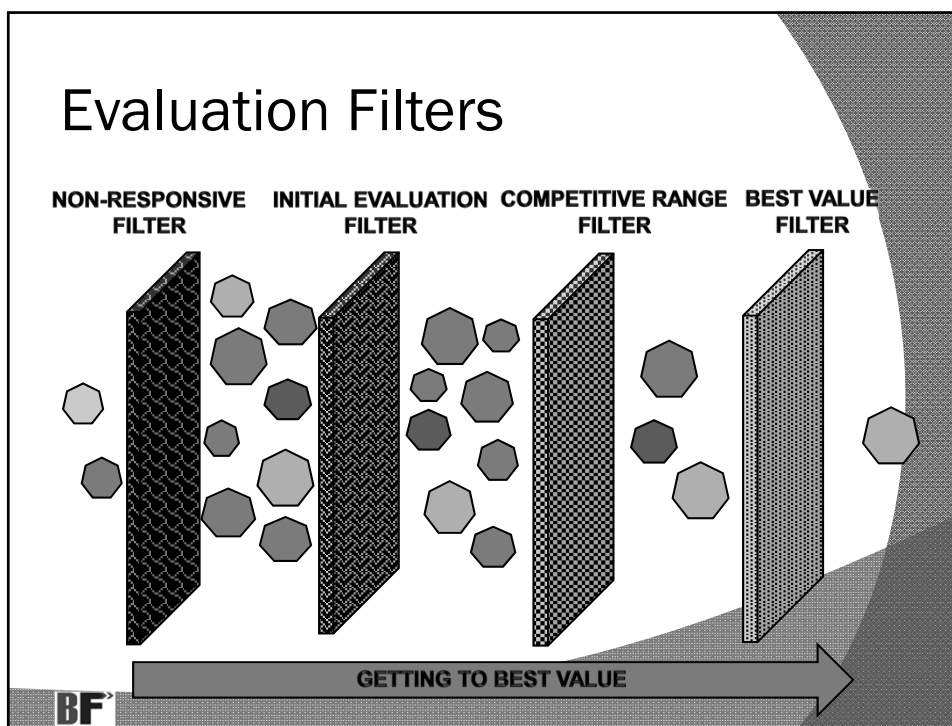
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## Planning for Interviews

- ◎ Send letter specifying date, time and requested attendees (Project Manager)
- ◎ Identify required points of clarification, additional information, revisions to scope or price, budgets, schedules, etc.
- ◎ Set specified time (i.e., 45 minutes presentation and 30 minutes questions) and stick to it!



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## Best Value Evaluation

- Competitive Range firms references are checked and financials evaluated
- Cost proposals are opened and scored by Procurement based on stated evaluation criteria (if received sealed)
- Best and Final Offers (BAFO) requested
- Final evaluation of scores
  - Consensus scoring; or
  - Average of individual scores

## Recommendation of Award

- ⦿ Communicate - concise, factual and objective
- ⦿ Review spreadsheet and make sure it is easy for others to read and understand
- ⦿ Include cost avoidance or savings data
- ⦿ Include summary of process used
- ⦿ Identify committee
- ⦿ Read and re-read for accuracy

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## House Bill 1295 Disclosure of Interested Parties

- ⦿ All contracts with business entities approved by Commissioners Court must have a Disclosure of Interested Parties form submitted by the business entity before contract execution
- ⦿ Forms must be submitted by business entity online through Texas Ethics Commission; printed, signed, notarized and presented to County; and acknowledged by County online

**BF**

## References

- ◉ *2010 Texas Municipal Procurement Laws Made Easy*, Attorney General of Texas
- ◉ Harney, Donald, F., *Service Contracting – A Local Government Guide*, ICMA, 2<sup>nd</sup> ed., 2007
- ◉ Johnson, Leenders, Flynn, *Purchasing and Supply Management*, 14<sup>th</sup> ed., 2011, McGraw-Hill
- ◉ *Model Purchasing Manual for Texas Cities and Counties, 2010*, Texas Comptroller of Public Accounts
- ◉ Thai, Khi V., Ph.D., *Developing and Managing Request for Proposals in the Public Sector*, NIGP, 2004
- ◉ *The 2000 Model Procurement Code for State and Local Governments*, American Bar Association, 2000