

Request for Proposal Essentials (RFP)

Utah Code 63G-6a-7

Utah Administrative Rule R33-7

When to use:

A **Request for Proposals (RFP)** process should be used when subjective elements as quality, warranty, experience, etc. are more important than awarding to the lowest cost vendor who meets your minimum requirements.

Discuss with Purchasing whether an RFP is the right process moving forward.

The RFP process evaluates a combination of mandatory minimum requirements, subjective evaluation criteria, and cost in identifying and awarding the contract to the best value vendor.

Main Components of an RFP Include:



1. Identifying the Need

- a. Issue/Problem to be addressed
- b. Range of potential vendors (including incumbent if current contract)
- c. RFP Timeline
 - i. solicitation draft, posting, evaluation, and anticipated contract award
- d. Deadlines that may impact anticipated timeline
 - i. expiring contracts so there is no lapse in service
 - ii. does contract need to be executed at certain date to receive specific funding
 - iii. does service need to commence at a specific time e.g. get excavation work done before winter.
- e. Stakeholders and evaluation committee
 - i. Involve necessary stakeholders throughout the entire process.
 - ii. Common Stakeholders: Finance, Technology Division, End Users, Users Impacted by the Procurement, etc.

2. RFP Development and Sections

- a. Introduction
- b. Statement of Purpose
- c. Background Information
- d. Terms & Conditions
- e. Scope of Work
- f. Evaluation Criteria
 - i. Mandatory Minimums (objective criteria)
 - ii. Technical (subjective criteria)
 - iii. Cost
- g. Budget (optional)

Helpful Creation Docs - For Purchasing templates and docs to assist with development, please visit <https://purchasing.utah.gov/forms/>

2. RFP Development and Sections (cont.)

Tips -

- Do not draft a scope and criteria that instructs the vendor on **exactly** how to solve your need/problem. That is more appropriate for an Invitation for Bid.
- Draft the scope and requirements that allow vendors the ability to demonstrate how they are the “industry expert” for solving your need.
- Consider incorporating minimum score thresholds for vendors to proceed forward throughout the evaluation stages and ultimately an award.
- Technical (subjective) criteria should be weighted giving more evaluation points to those criteria determined to be more important.
- To support the cost evaluation, include a Cost Form for vendors to uniformly submit pricing that can be compared among vendors.

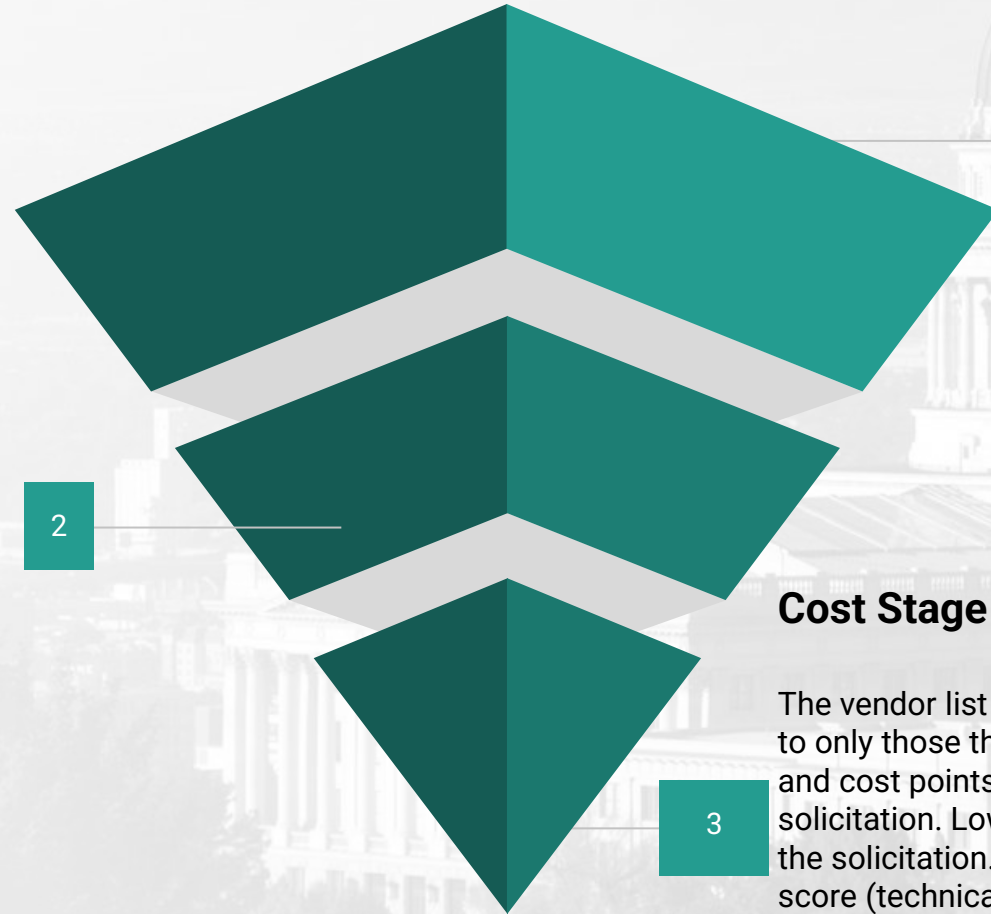
3. RFP Publication

- a. Publicly Post
 - i. Code requires a minimum 7-day posting.
 - ii. Post larger / complicated RFPs for a longer term.
 - iii. Do not close your posting on weekends, holidays (or immediately before or after), or a time you will not be in the office.
- b. Invite Vendors to Participate in your RFP
 - i. When using U3P (Jaggaer) invite vendors by commodity code.
 - ii. Invite vendors via email and through your eProcurement System
- c. Vendor Q&A
 - i. Help vendors submit better proposals.
 - ii. Answers to the Q&A board are an amendment to the RFP. Admin. Rule restricts an amendment less than 5 days before your RFP closes.

4. Evaluating Proposals & Award

- a. Solicitation Publication Deadline
 - i. Only proposals submitted prior to the deadline will be considered in the evaluation
- b. Kick-Off Meeting
 - i. Short 30 minute presentation discussing code and rules for evaluators
 - ii. Must contain a minimum of 3 individuals and may join via video or conference call
 - iii. All evaluators must sign a conflict of interest/confidentiality form
 - 1. Professional relationships are acceptable - Personal relationships are not
 - iv. Proposal(s) released at the end of meeting - - NO COST is released at this time
- c. Evaluation
 - i. Absolutely NO discussion about the vendors and their proposals with anyone outside the evaluation team, not even the vendor names (similar to a sequestered jury)
 - ii. Absolutely NO outside material may be used for scoring e.g. yelp reviews, online searches, past performance... UNLESS those items were specifically identified as criteria in the RFP
 - iii. R33-7-703(4)(c) - Proposal MUST be evaluated SOLELY on the criteria listed within the RFP
 - 1. If we score by criteria not listed, it is not fully transparent, and may be grounds for a protest
 - iv. Preliminary draft scores done independently and sent to purchasing agent prior to final scoring meeting
- d. Final Scoring Meeting
 - i. Evaluation team will meet to discuss scores and may adjust scores if errors or inconsistencies are discovered
 - ii. No undue influence or coercion may take place to force another member to change scores
 - iii. Each member must provide written confirmation of final scores
- e. Cost
 - i. Cost is released AFTER final scores are confirmed
 - ii. Cost must only be evaluated by the formula or methodology addressed within the solicitation

4. Evaluating Proposals & Award (cont.)



Mandatory Minimum Requirement Stage

Only vendors that meet the MMRs are accepted and proceed to evaluation. All other vendors MUST receive a rejection notice stating the reason for rejection.

Completed by Purchasing

Technical Evaluation Stage

All vendors that pass the MMR stage will be reviewed by the evaluation team. Any vendors that do not meet the minimum point threshold MUST receive a rejection notice stating that they were rejected based upon the fact their proposal failed to meet the stated point threshold

Completed by Evaluation Team

Cost Stage and Award

The vendor list for consideration is narrowed down further to only those that pass the technical point threshold. Cost and cost points will be determined according to the solicitation. Lowest cost receives full points, all other per the solicitation. The vendor with the highest combined total score (technical and cost) will receive the award.

Completed by Purchasing

4. Evaluating Proposals & Award (cont.)

a. Award

- i. Award as soon as practicable to the proposal receiving the highest total score (technical + cost points)

b. Rejecting Proposals

- i. Vendors that do not meet the mandatory minimum requirements or do not pass the technical threshold to proceed to cost must receive a written notice informing them of their rejection.

c. Publication of Award

- i. Must make available the name of the awarded vendor and the total score of the awarded vendor
- ii. Must make available the total scores to all other proposals that made it through to the cost stage, without identifying the names of proposals to their respective scores e.g. Vendor A, Vendor B, etc.

5. Contract Management & Closeout

- a. Communication Before Contract Formation
 - i. Once awarded and posted: Agency may now communicate directly with the vendor without violating procurement code/rules to develop contract draft
 - 1. Purpose is to tailor contract to vendor e.g. Scope of Work, payments, terms and conditions (only exceptions submitted with proposal will be considered), etc.
- b. Contract Term
 - i. Five (5) years is standard unless authorized by CPO and specific within the solicitation
- c. Contract Price
 - i. Pricing generally guaranteed for one (1) year. Any subsequent change must be guaranteed for the same duration.
 - ii. Any pricing adjustment after first year that is above any standard industry increase must be justified by cost or pricing data to support additional increase
 - iii. Increases may only be done in accordance with the terms of the contract
 - iv. May offer discount at any time to increase sales or incentives for additional purchases
 - 1. The offering of additional discounts and/or incentives may be temporary e.g. When a higher price is agreed to, it must be guaranteed that there will be no increase for another year, however, a vendor may offer a thirty day reduction in price as an incentive and then it cost will return back to the standard pricing. The vendor doesn't have to worry about a lower price being guaranteed for a year.
- d. Communication After Contract Formation
 - i. Establish performance reviews e.g. quarterly, monthly, etc. to review the contract and go over any changes.

5. Contract Management & Closeout (cont.)

a. Termination

- i. **Without Cause:** May be terminated at any time by the State at any time in advance of the expiration date provided the State provides a thirty (30) day written notice to the contractor.
- ii. **With Cause:** May be terminated by either party in advance of the expiration date, upon written notice given to the other party. The notified party will be given ten (10) days to correct and cease violations after which the contract may be terminated for cause immediately
- iii. **Natural Expiration - End Date:** A contract that merely meets its anticipated end date according to the agreed to contract term.

b. Close-Out

- i. **Payments:** ensure all invoices are processed and complete. FINET keeps a contract open in the system for 90 days to allow for payments to contractor.

c. New Solicitation

- i. At least six (6) months prior to the natural expiration of the contract, agency should determine whether they will let it expire, or require a new solicitation to continue receiving services/goods.
- ii. No solicitation
 1. Inform Purchasing the contract will expire and not be re-solicited
- iii. NEW solicitation
 1. Inform Purchasing a new solicitation will be needed to replace the expiring contract
 2. **Start back at Step 1 - Identify the Need**