Preparing the Request for Proposals

This section describes the Request for Proposals document in detail and discusses what might go into it.

What to Include

The scope and detail included in an RFP should reflect the complexity, significance, and risk of the procurement opportunity. An RFP describes the program or requirements for which the department would like proposals and it lays out the criteria that will be applied to the submission and evaluation of proposals. An RFP will become more detailed and complex, and the level of detail required in responses will increase, as the opportunity increases in value and complexity.

It is recommended that your RFP document contain, at a minimum, three distinct sections:

- Instructions to Proponents
- Terms of Reference
- Evaluation Criteria

An RFP must be carefully drafted to ensure that it is, in fact, a proposal and cannot be interpreted as a tender. Simply calling a document a proposal does not automatically make it a proposal.

What NOT to Include

To clearly establish that a proposal is intended to be a proposal, not to be confused with a tender, the words ‘tender’ or ‘bid’ should not be used at all in the proposal documents.

Since a proposal is one proponent’s unique solution to a need or problem, the terms of a proposal cannot be absolutely set out in the proposal call. Usually, some level of further negotiation will need to take place before the final terms of the contract are agreed upon.
Ultimately, any one of the various proponents may not be able or willing to contract on the terms eventually developed. Therefore, 
Requests for Proposals should not include the requirement for bid security, nor shall they require proposals to be irrevocable for any period of time.

The RFP should be structured in the following manner: first the administrative ground rules are set out so that proponents have a clear understanding of the process. Following this, the project is described in detail, explaining what the contractor will be expected to do. Then the mandatory requirements are stated, and the desirable requirements itemized. Finally, proponents are told what they have to provide in order to be evaluated.

Instructions to Proponents

The Instructions to Proponents section of an RFP should include information and instructions on the administrative parameters of the proposal call.

These instructions should incorporate, as required:

- A brief description of the requirement so that proponents have an understanding of the requirement and can tell immediately whether they are interested enough to read the entire document;
- Contact person for inquiries during the period between RFP release and closing;

Terms of Reference

It is strongly recommended that careful thought be put into developing this section so that your requirements and goals are clearly described. RFPs that do not have well-defined Terms of Reference will most likely result in large variations in the methodology and fees presented in the proposals received, and thus will be more difficult to analyse and compare.

Think about such things as:

- Did you quantify requirements whenever possible?
• Is the RFP precise, concise and easily understood?

• Are the requirements large enough to warrant a staged process calling for interim deliverables?

• If you anticipate that some proponents will be unable to meet the mandatory requirements, can you justify them from a business perspective?

• Are the anticipated results of a successful solution stated clearly in objective terms?

When describing the requirement, you should use the following terms:

• “must”, “shall”, “are required”, “at a minimum” for crucial qualifications or response, the absence of which would be automatic grounds for rejection of a proposal, and

• “should” to describe an important requirement, but one not so important that its absence would mean automatic disqualification.

The Terms of Reference section should typically include the following areas:

**Department Mandate/Responsibilities**

A short description of the department and how the project will relate to the program may help the proponent with an understanding of the requirement.

**Background**

Under the heading “Background”, you could give proponents a brief history of the events leading up to the RFP.
**Requirement and Project Scope**

A detailed description of the scope of the work should be included. This would adequately define and quantify the limits of the project. This may include, but is not limited to:

- a background statement describing the situation leading to the requirement
- the objective - a statement describing the general intent of what is to be achieved
- the scope - a detailed description of what is to be achieved
- details of any constraints, such as Government policies and standards, land settlement legislation, current and proposed related activities, security, sensitivity to other interests, protection of the environment, conservation of resources and other restrictions
- details of any special local and Northern approaches that are to be undertaken during the performance of the work
- financial limits of the budget and cash flow (this is discretionary and should not be included if it might mislead proponents, result in improper proposals or diminish the possibility of the GNWT receiving the best value)
- details of available client support or responsibilities.

Bulky reports or documents that may be useful background information or help to define the scope of work, but are not critical at the proposal stage, may be referenced as available for viewing during the proposal period.

**Schedule**

A schedule for the work, with as much detail as possible, should be included with the proposal call. Critical milestone dates that must be met should be explicitly described in the *Terms of Reference* (i.e., preliminary report dates, final report dates, etc.).
Mandatory Requirements / Minimum Standards

There may be criteria in the RFP that the proponent must comply with. These criteria may be mandatory requirements or minimum standards. If so, you must state this fact in the RFP. Further, you must state that, if the proponent is unable to meet this criteria, the proposal submission shall be disqualified.

Mandatory requirements or minimum standards must be established in the proposal call if they are to be used as evaluation criteria.

A mandatory requirement or minimum standard must be included in the proposal call, if it is to be used during evaluation.

Conversely, since a proposal is to be disqualified if it fails to meet mandatory requirements or minimum standards, the proposal must not include minimum standards if these minimum standards are not, in fact, intended to be mandatory.

Progress and Final Reports, Submissions and Reviews

You should detail the requirements for progress and final reports or submissions in the proposal. This should consist of a list indicating the stages at which submissions will be required, the detail to be achieved at each stage of the work, and the number of submission copies required. You should note approval and acceptance requirements relating to performance at each stage.

Cost (Fees and Disbursements)

You should instruct the proponent to break down completely how the cost of the service will be determined. This may include hourly or per diem rates for all personnel and equipment and for additional work, and a detailed estimate of expense disbursements, if these will be payable under the contract. Specific criteria for establishing fees or the timing of payments should be stated in the RFP.
Related to this is whether or not to provide the project budget in the RFP. There must be a balance between giving proponents enough information so that they can prepare a sound proposal, and providing so much information that you lose the advantages of competition. In some cases, it may be to your advantage to include the project budget.

Some alternatives to consider:

- Not give the budget, let the proponents offer their best price, and give points during the evaluation. Unless the value assigned to price is significant, a proponent with a high price, who also scores high for solution and capability, could win while a proponent quoting half the price and with an adequate solution and adequate capability would lose.

- Tell the proponents how much of a budget they have to work with and then either don’t award points for price or assign a very low value for price.

- Not give the budget, and accept the lowest priced proposal that meets a minimum standard. You will need to set out minimum scores to be attained in order to be considered.

- Not give the budget, divide proponent’s price by the number of points the proposal scores, then accept the proposal that offers the lowest cost per point.

**Evaluation**

By law, the RFP must provide the criteria by which proposals will be evaluated. These desirable criteria should be carefully selected so that the evaluation will properly reflect the project requirements, and so that the best overall proposal will be selected.

The desirable criteria can usually be broken down into three key areas: solution, proponent capability, and price. The RFP must describe the criteria that will be used in the evaluation and provide the relative weightings.

Clearly describe the mandatory criteria. Any proposal that does not meet all of the mandatory criteria cannot be evaluated; it must be
rejected. Because of the “pass or fail” nature, we recommend the mandatory criteria be kept to a minimum and identified separately, even if they are described elsewhere.

**Minimum Scores**

Applying a “minimum”, or “upset” score can be a good way to avoid ending up with a winner who demonstrates sound competency in most areas but is totally unacceptable in one. It is also an effective alternative to heavy reliance on mandatory requirements to ensure quality of service.

You need to advise proponents, in the RFP, that not achieving a minimum score on a given criteria will result in the proposal not receiving further consideration during evaluation.

**Presentations/Short Lists**

If the intent is to create a short-list and invite those proponents making the list to make presentations to the evaluation committee, proponents must be made aware in the RFP whether:

- An additional set of marks is available for presentations;
- Marks for the presentation form part of the original 100%; or
- Presentations will be used to support the evaluation of the information contained in the proposal.

**Evaluation Rating Form**

The use of a rating form for use during the evaluation process is recommended. The PW&S RFP template provides an example as does the *Financial Administration Manual*.

The *FAM 3302, Appendix B*, example includes typical criteria related to consulting proposals. Other criteria could include:
As for the evaluation criteria, the weighting should also be specifically tailored to suit the purposes of each RFP.

Proponent Response Guidelines

The quality of the proposed solutions depends to a great extent on the amount of accurate, detailed information that you provide to the proponents.

The level of detail about the evaluation criteria influences proponent behaviour. You should guide the proponents to provide the information you want, in the manner consistent with how you are going to evaluate the proposals.

Pro-Forma Contract

Terms and conditions of the contract (ideally a sample of the contract document that will ultimately be entered into) should be appended to the RFP. This allows all proponents to become familiar with the terms and conditions of the ultimate contract and sets out the contract terms that are considered to be mandatory.

This precludes a proponent from introducing his own standard form contract, which will likely contain unfavourable terms to you, as part of the proposal.