

Formal Bid Procedures

for

***The University of Texas Health Science Center at
Houston***

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Introduction

Choosing the correct Formal Bid Process

Introduction

The University of Texas Health Science Center at Houston is committed to:

- Ensuring that the University's requirements for goods, services, construction and facilities are met through an open and fair bid process that provides the highest degree of competition and value to the University
- Ensuring that all bidders have reasonable notice and opportunity to tender bids
- Fostering economic development by giving every capable supplier the opportunity to do business with the University
- Encouraging Certified State of Texas Historically Underutilized Businesses (HUB) to be competitive and to sustain quality product and service development
- Being accountable to the public for procurement decisions

This booklet is intended to assist Procurement Department Buyers, departments and suppliers by providing information on the preparation, use, and application of the Invitation to Bid (ITB) and Request for Proposal (RFP) processes. Following these guidelines will lead to documents that satisfy the University's policy on procurement. Better evaluation criteria will also provide better and more consistent methods of identifying the best bid submission. The use of an appropriate evaluation process is mandatory for all RFP submissions.

No document such as this can cover every eventuality. There will still be need for consultation between internal customers and the Procurement department.

Invitation to Bid

The term Invitation to Bid (ITB) refers to a formal request by the Procurement department, asking suppliers to bid on supplying the University with a specific good or service. The Procurement department may issue an ITB for purchases of goods or services exceeding \$25,000.

An ITB is typically used for the purchase of a good/service when the specifications for the good/service is easily defined, quantified and/or qualified. Generally the only decision for the buyer to make is based upon cost and delivery of the good.

The key steps in the ITB process are:

Need and Preliminary Approval

- Departmental identification of need
- Specification and documentation of need

ITB Preparation Process

- Procurement consults and provides advice to department
- Scope of Work written by department

Solicitation Process

- Procurement Buyer prepares ITB document
- Issue of ITB
- Posting of ITB on the Internet; advertisement in newspaper, if required
- Inquiries from suppliers
- Suppliers' meeting (if required)
- Receipt of bids

Evaluation

- Evaluation of pricing and delivery
- Final selection

Contracting

- Contract preparation if required
- Final approval (Procurement, other authority as required)
- Contract award

Notification and Debriefing

- Notification to suppliers
- Bidder debriefing (if requested)

The specifications in the ITB, along with the response submitted by the successful bidder, will end up being incorporated into the legal contract to perform the required work. Therefore, extra effort put into producing initial specifications resulting in proposals that are thorough, clear and complete will pay dividends later on in the project.

Contacts and Communications

The Procurement department will provide a contact point for inquiries from suppliers or potential suppliers. It is vital that, before the ITB is released, vacation schedules and planned absences (meetings, conferences, etc.) are checked to ensure that the contacts are expected to be in the office up until the time that bids close or that alternative contracts are available to respond to any inquiries.

The Procurement department contact will advise bidders on technical aspects of the procurement process, such as how to submit alternative bids, but will not advise suppliers regarding the end user's requirements or current processes.

The department contact must therefore be someone who is well-informed about the work covered by the ITB, and authorized to respond to bidder inquiries through the Procurement Buyer. Uninformed staff members should never be permitted to give (possibly incorrect or incomplete) answers to questions submitted to them from the Procurement Buyer.

The Procurement Buyer will keep a record of who made inquiries and what was said. All new information must be provided to all bidders, and an addendum must be issued to all potential bidders. This must be done through the Procurement department and each responding bidder must acknowledge receipt of the addendum at the time the proposal is submitted.

Finally, if there is a serious omission in the ITB process, consideration must be given to cancelling the ITB and re-issuing it in a modified form or with more complete information.

Pre-Bid Meetings

In certain cases, pre-bid meetings or a bidders' conference will be conducted when the ITB addresses complex issues which can be better explained in person than in writing. A pre-bid meeting is open to all suppliers and provides an opportunity to ask questions about the project and the ITB process. Any such meetings must be scheduled before the ITB is issued. It is preferable that the meeting take place at least one week after the ITB is released, and at least one week before proposals are due. If attendance at such a meeting is mandatory, this must be stated on the ITB's cover page and listed in the mandatory criteria.

There are two purposes to a pre-bid meeting. First, it enables all suppliers to understand as clearly as possible the intent of the ITB. This results in better proposals and more

useful and cost-effective solutions for the University. Secondly, it gives the suppliers confidence that they have had every opportunity to submit their best proposal.

The pre-bid meeting may be a convenient time to distribute supplementary documentation for the ITB. However, departments are cautioned that the pre-bid meeting is not to be used to distribute major pieces of information which have a key effect on the suppliers' bids. The ITB document is the call for bids and the meeting will be held to fill in the background on complex issues, not to cover errors or omissions in the ITB document.

Suppliers are encouraged to prepare questions beforehand and to submit written questions relating to complex technical issues well in advance to allow informative discussion at the meeting.

ITB Scope of Work

The ITB Scope of Work is the responsibility of the department requesting the good or service. The Scope of Work is project specific. Generally, the ITB will include the following information:

- Description of the goods or service for which a solution is required
- Background information relating to the good or service
- Technical background information relevant to the proposal
- Expected completion date, project milestones and work plans
- Known constraints under which the suppliers' solutions will be required to operate (e.g. location, system architecture, cost management issues, security arrangements, etc.)
- Qualities expected of the winning bid

Closing Date

Closing dates for the receipt of bids are firm except where the Procurement department, in consultation with the department involved, has issued an extension. In this case, all potential suppliers will immediately be notified. However, if the supplier downloaded the ITB documents from the Procurement website, they will not be aware time extension to submit a bid. It is the supplier's responsibility to check the website on a regular basis, and especially just before you submitting bid, to ensure that it is aware of any addenda or extensions. (the URL for the Procurement web site will be included in all formal bid documents).

Request for Proposal

Why do a request for proposal?

A Request for Proposal (RFP) is normally used where the requirements of a job are more complex, not so well-defined, or require further investigation before a final approach can be identified. In these instances, it is important that the RFP be carefully thought out in advance, so that all of the vital issues can be identified and evaluated.

It is important to remember that the creation of an RFP is also the first step in the creation of a binding legal agreement for work to be done. The specifications that are created in the RFP, along with the response submitted by the successful bidder, will end up being incorporated into the legal contract to perform the required work. Therefore, any extra effort put into producing initial specifications resulting in proposals that are thorough, clear and complete will pay dividends later on in the project.

Remember, an RFP is not really very different from an ITB. It is not, as many people believe, inherently more flexible in the ability to choose a vendor who is not the lowest bidder. The primary difference is that an ITB is evaluated almost solely on price, while an RFP can be evaluated on other weighted criteria such as completion time and the expertise of resources available. But in the end, the award is expected to be given to the most competent bidder that will provide the overall best value to the University. However, price must still be an important factor in the selection process, and must receive appropriate weighting.

One of the strengths of RFPs is that they allow departments to specify their minimum requirements, and ask the suppliers to suggest the best approach to meet these needs. Proposals may introduce new concepts or technologies that the department has not had the time or resources to research adequately. Further, the vendor community may be familiar with the latest "leading edge" solutions, so they could suggest a more creative approach than would have been considered by the department.

Role of the Procurement Department in the RFP Process

The Procurement department is responsible for ensuring procurement policy and procedures are met. The Procurement department has three "customer groups" - Departments, Suppliers and the Public. Its broad responsibilities to each are set out below.

To Departments

- To assist departments in making quality, cost-effective decisions in the purchase of goods or services;
- To advise departments in the procurement planning process and in the implementation of procurement policies and processes;
- To help administer government contracts.

To Suppliers

- To provide fair and equitable access which enables qualified suppliers to compete for government business;
- To ensure that all aspects of the evaluation and award processes are followed fairly and equitably;
- To help assist in identifying qualified HUB suppliers in order to provide an equal opportunity for work.

The Public

- To help ensure that the State of Texas receive the best value for taxpayers money;
- To enhance the return the public receives from government purchase investment decisions;
- To ensure accountability in procurement activities.

The Procurement department must be involved in all RFPs from the time a decision is made to solicit proposals, to the execution of the resulting contract. To ensure that the interests of each of its customer groups are protected, it will:

- Advise departments on RFP content and approve the final RFP document
- Manage supplier lists
- Receive proposals and monitor the evaluation process
- Maintain contact with suppliers throughout the RFP procedure
- Make the final decision on awarding of the bid
- Advise suppliers, conduct debriefings, and assist in contract negotiation
- Advise and assist in coordinating payment processes to include monitoring of subcontractor payments and reporting

Non-Standard Procurements**Sole Source Contracts**

In exceptional cases and only with the approval of Procurement, department may solicit contracts without competition, however only the Procurement department has the authority to sign and obligate on contracts. This method of contracting will normally occur when Procurement is reasonably sure there is only one qualified supplier capable of delivering an acceptable combination of product and cost effectiveness. The Procurement department will approve all sole source awards and their supporting rationale.

Alternative Procurement Practices (Emergency Purchases > \$5K)

In addition to sole source contracts, in order for the procurement process to balance the need for open, competitive opportunity with the demands of urgent or specialized circumstances, alternative procurement practices have been created. These processes must be used only for the purposes intended and not to avoid competition or to discriminate against specific suppliers. To ensure that they are used appropriately, the Assistant Vice President for Procurement must approve the use of alternative procurement practices.

Who can bid?

In general, anyone can bid on University RFP's, (if the Bidder is not debarred from doing business with the State of Texas) that are listed on our website under Bid Opportunities. The Procurement department does not maintain any form of "authorized bidders" list or other supplier registry.

Suppliers are advised that all significant opportunities are posted on our Internet website. Suppliers should monitor these postings and request copies of bidding opportunities of interest. Most documents can be downloaded directly from the website. Suppliers should monitor the website on a regular basis to ensure they are aware of every possible opportunity.

In order to ensure adequate competition, some suppliers may be invited to submit bids. A letter of invitation will be faxed or emailed directly to the invited bidders. This will be done *in addition* to posting the opportunity on the website. The competition will still be open to anyone who feels they can submit a valid bid.

Grounds for Disqualification

The following summary indicates potential reasons for the disqualification of a supplier's proposal in the RFP process:

- Responses provided to other than the address specified in the RFP
- Failure to meet mandatory requirements specified in the RFP; including signing the Execution of Offer;
- Submission of an inappropriate HUB packet on bids with a total expected value of \$100,000 or greater;
- Responses received after the closing time and date;
- Responses containing or implying questionable ethical or business practices;
- Responses implying potential conflict of interest.

Suppliers are also advised that direct contact with officials other than the designated Procurement contact without consent, will be regarded as grounds for disqualification.

Procedures

The key steps in the RFP process are:

Need and Preliminary Approval

- Departmental identification of need
- Specification and documentation of need

RFP Preparation Process

- Procurement consulted and advice provided to department
- Scope of Work written by department based on Procurement's "master" document
- Determination of evaluation criteria, weights and assessment plan
(approval of AVP for Procurement is needed)
- Establish an evaluation team approved by AVP for Procurement
- Submission by evaluation team members of a Non-Disclosure/Conflict of Interest form prior to posting of RFP

Solicitation Process

- Issue of RFP
- Posting of opportunity on Internet; advertisement in newspaper, if required
- Inquiries from suppliers
- Suppliers' meeting (if required)
- Receipt of proposals

Evaluation

- Evaluation and short listing
- Presentation/demonstration (optional)
- Final selection and recommendation for award

Contracting

- Contract negotiations
- Final approval (Procurement, other authority as required)
- Contract award

Notification and Debriefing

- Notification to suppliers
- Bidder debriefing (if requested)

Contacts and Communications

The Procurement department will provide a contact point for inquiries from suppliers or potential suppliers. It is vital that, before the RFP is released, vacation schedules and planned absences (meetings, conferences, etc.) are checked to ensure that the contacts are expected to be in the office up until the time that bids close and/or that alternative resources are available to respond to any inquiries.

The Procurement department contact will advise bidders on technical aspects of the procurement process, such as how to submit alternative bids, but will not advise suppliers regarding the end user's requirements or current processes.

The user contact must therefore be someone who is well-informed about the work covered by the RFP, and authorized to respond to bidder inquiries through the Procurement Buyer. Uninformed staff members should never be permitted to give (possibly incorrect or incomplete) answers to questions submitted to them from the Procurement Buyer.

The Procurement Buyer will keep a record of who made inquiries and what was said. All new information must be provided to all bidders, and an addendum must be issued to all potential bidders. This must be done through the Procurement department and each responding bidder must acknowledge receipt of the addendum at the time the proposal is submitted.

Finally, if there is a serious omission in these processes, serious consideration must be given to cancelling the RFP and re-issuing it in a modified form or with more complete information.

Pre-Bid Meetings

In certain cases, pre-bid meetings or a bidders' conference will be conducted when the RFP addresses complex issues which can be better explained in person than in writing. A pre-bid meeting is open to all suppliers and provides an opportunity to ask questions about the project and the RFP process. Any such meeting must be scheduled before the RFP is issued. It is preferable that the meeting take place at least one week after the RFP is released, and at least one week before proposals are due. If attendance at such a conference is mandatory, this must be stated on the cover page and listed in the mandatory criteria.

There are two purposes to a pre-bid meeting. First, it enables all suppliers to understand as clearly as possible the intent of the RFP. This results in better proposals and more useful and cost-effective solutions for the University. Secondly, it gives the suppliers confidence that they have had every opportunity to submit their best proposal.

The pre-bid meeting may be a convenient time to distribute supplementary documentation for the RFP. However, departments are cautioned that the pre-bid meeting is not to be used to distribute major pieces of information which have a key effect on the suppliers' proposals. The RFP document is the call for proposals and the meeting will be held to fill in the background on complex issues, not to cover errors or omissions in the RFP document.

Suppliers are encouraged to prepare questions beforehand and to submit written questions relating to complex technical issues well in advance to allow informative discussion at the meeting.

Structure

There are at least six components to an RFP issued through the Procurement department. The departmental preparer is responsible for the completion of only one of these, the scope of work (SOW). Nonetheless, you should be generally aware of the other parts, and how they interact.

The RFP section that the department preparer creates is the core and the most vital part of the whole process, because it outlines the nature of the work to be done and how a supplier must respond to be considered for the work.

RFP Scope of Work

The RFP Scope of Work is the responsibility of the department requesting the good or service. They are specific to the circumstances of the RFP and will vary according to those circumstances. Generally, the RFP will include the following information:

Description of the problem for which a solution is required

- Background information relating to the problem
- The role that the project will play in the department's operations (how the supplier can expect his/her products and services to assist the department)
- If possible, the department's expected approach to the problem and an indication of whether or not alternative approaches will be considered
- Technical background information relevant to the project
- Expected completion date, project milestones and work plans
- Known constraints under which the suppliers' solutions will be required to operate (e.g. location, system architecture, cost management issues, security arrangements, etc.)
- Qualities expected of the winning proposal
- Method of evaluation of the Bidder responses and the evaluation criteria (discussed in Section 2.3 & 5.4 in RFP document)

Where consultants are hired by departments to assist in writing the Requirements Section, they will not be allowed to:

- Submit a proposal in response to the RFP
- Act as subcontractor to the successful supplier
- Maintain contact with, or provide information to, any potential Bidder

Unauthorized contact between such consultants and suppliers will give rise to grounds for disqualification.

Closing Date

Closing dates are firm except where the Procurement department, in consultation with the department involved, has issued an extension. In this case, all suppliers will immediately be notified. However, if a supplier has downloaded the documents from the Procurement website, Procurement will not be aware that the supplier has done so and intends to submit a bid. Under these circumstances, the supplier must check the website on a regular basis, and especially just before bid submission to ensure the supplier is aware of any addenda or extensions. The URL for the Procurement web site will be included in all formal bid documents.

Checklist

A request for proposal (RFP) must satisfy all applicable sections of the [Proposal Release Checklist](#) before it can be issued by the Procurement department.

Proposal Contents

Suppliers are advised to review their proposal prior to submission to confirm that each of the mandatory and desirable requirements identified have been fully addressed and are easily located in the body of the proposal. Suppliers are also encouraged to carefully examine the contents of the proposal prior to submission. Proposals cannot be altered after the bid due date.

RFP Creation

RFP's should be prepared using the "master" document format provided by Procurement and filling in the departments' specific needs and requirements. One of the most critical, overlooked and under-rated aspects of the RFP is the evaluation criteria and the process that supports them.

What is an Evaluation Process and Why is One Required?

The evaluation process begins with setting evaluation criteria. These criteria are a series of standards and measures used to determine how satisfactorily a proposal has addressed the requirements identified in a bidding opportunity. They also play a major role in identifying the best overall cost effective solution to the proposal requirement.

The complete evaluation process consists of:

- Establishing appropriate criteria, and respective weights,
- Placing the criteria in the proposal document,
- Selecting an evaluation team,
- Evaluating the proposal using the criteria, and
- Preparing the evaluation report, including a recommendation for supplier of choice.

The need for the evaluation process is twofold. First, it offers all potential bidders a fair and equitable method of having their proposal reviewed and considered as a potential solution in a consistent and fair manner. Second, it provides the evaluators with a clear and concise method of identifying the competent proposals and ultimately the best overall bid.

Evaluation Criteria

Evaluation criteria are the standards and measures used to determine how satisfactorily a proposal has addressed the requirements identified in the RFP.

Once basic evaluation criteria are identified, the RFP preparers must decide which criteria will be mandatory and which will be weighted/ranked. Suppliers either *meet* or

do not meet mandatory criteria; a point system is not used. Mandatory criteria establish the basic requirement of the invitation. Any bidder that is unable to satisfy any of these requirements is deemed to be incapable of performing the contract and is rejected. **It is on the basis of the mandatory criteria that “competent” tenders are established.** Weighted criteria, on the other hand, represent “desirable” features, which add value or functionality to the proposal. With weighted criteria, the relative importance of each criterion to the overall requirements and to the other criteria must be determined. For each weighted criterion it must also be decided if a mandatory requirement is associated with it. In such a case the criterion is made up of two elements: a mandatory requirement (pass/fail) and a desirable/weighted factor, which applies to features and functionality desired over and above the basic requirement and on which the department wishes to place additional consideration and value.

For evaluation criteria to be effective, they should ideally have the following characteristics:

<i>Objective:</i>	not subject to diverging interpretation;
<i>Relate to the requirements definition:</i>	all key elements of the project requirements must be covered by evaluation criteria;
<i>Discriminating:</i>	separate best, average and weaker proposals;
<i>Non-discriminatory:</i>	fair and reasonable - mandatory and heavily weighted criteria must be justified;
<i>Realistic:</i>	given the contract nature and/or value;
<i>Measurable:</i>	use measurable standards and have sub-criteria if necessary to simplify evaluation;
<i>Economical to use:</i>	do not consume an unreasonable amount of time or resources;
<i>Justifiable:</i>	make sense, can be justified on common sense, technical and legal basis.

Evaluation Methods

There are many methods for evaluating proposals. Each has its strengths and weaknesses and most suitable applications. The following are some possible evaluation strategies:

1. Mandatory criteria only, with award to the lowest competent tender

Used as the typical selection system for the procurement of goods

- Objective, fair, easy to justify
- Clear, objective criteria; somewhat more difficult to use for professional services; good for low “technical expertise” projects.

This system will result in a price-driven contract. If all criteria are met by all bidders, price is the determining factor. This method is rarely, if ever, used for Request for Proposals.

2. Mandatory and Weighted criteria (including weighted cost factor)
Price will be scored by the Procurement department on all RFP's.

Used when simply meeting minimum requirements is not sufficient.

- Price is assigned a pre-set weight in the overall evaluation and is calculated:

$$\frac{\text{Price of lowest competent bid}}{\text{Price of individual bid}} \times \text{\# of points available} = \text{Score}$$

- Integrates price into evaluation as a direct evaluation element.

This system results in a value-driven contract because evaluation criteria other than price alone are used to determine the outcome. This method is the most frequently used way of evaluating proposals.

3. Highest technical merit:

Used, for example, when a maximum price or budget has been quoted in the RFP, to establish which proposal offers the greatest results for a given price.

- All proposals will likely be of the same price; possibility of economies is lost.
- More difficult to evaluate, as all factors of all responses must be analyzed and scored for their technical merit and value-added components.

This system will result in a value-driven contract.

Normally budget information is not released as part of the RFP process. This helps to ensure that project scope and expectations are reasonable and subject to market discipline. Therefore, RFP's using the “Highest Technical Merit” evaluation process are discouraged.

Preparing Evaluation Criteria

The success of a competitive solicitation depends largely on the evaluation criteria. Clear and simple criteria are easy for the supplier to understand, and easy for the end user to evaluate. When the requirements are more complex, criteria may have to be expanded or broken down into simpler components in order to preserve clarity and understanding.

Mandatory Requirements

Every RFP should include mandatory requirements. These represent the minimum qualifications or acceptable level of response. Without these specific minimum requirements even the most inappropriate bid could potentially be compliant. This would be particularly troublesome in evaluating a complex set of services.

Each RFP must also address the issue of acceptable risk levels, particularly with mission critical services.

- When a department issuing the RFP requires absolute assurances against specific service or performance risk(s), the RFP document should present the requirements clearly, as pass/fail criteria. The specified risk(s) must be easily determinable, (for example, a required deadline date). All qualified bids must indicate clear and distinct compliance, before a bid can proceed to the next round of evaluation.

Where the exclusive use of mandatory criteria might not properly differentiate suitable from unsuitable proposals then it may be also appropriate to identify the minimum score that must be achieved in order to be considered a competent tender, or to require presentations from a 'short list' of highest scoring suppliers. For instance to address this issue the RFP could include directions such as:

a) Evaluation of Written Submission

Proposals meeting the mandatory requirements will be evaluated in accordance with the point rating scheme. To qualify as a competent tender written proposals must achieve an overall minimum of X [e.g. 70]% for the categories subject to point rating. **OR** Categories marked with an asterisk (*) are considered critical. Suppliers must score at least X [e.g. 70]% in these categories in order to be considered compliant.

b) Selection of Short List and Bidder Presentation

From the list of competent proposals, the highest scoring proposals (a maximum of X [e.g. 3]) will be selected for the short list. Each Bidder on the short list may

be asked to make a presentation to the department to clarify their proposal and its content. Final selection will be based on scoring plus an evaluation of the presentation.

c) **Examples of Mandatory Requirements**

- Bidder must have at least two staff who are Professional Engineers licensed to practice in the State of Texas.
- Bidder must be an authorized reseller of the products required, and must provide proof of authorization from the manufacturer(s) with the Proposal.
- Bidder must provide resumes for all personnel identified in the response to Section 4.5 of this RFP. Resumes must not exceed two pages each.

Desirable Requirements

Desirable or optional requirements are worth points in the evaluation, but are not required to win the award. Their importance is determined solely by the score and weight they have in the tender.

Depending on the department's requirements, the RFP could be structured so that the scores were specific to sections within the RFP. In an RFP with sectional scores, the vendor may fail prerequisites for particular sections, but would not necessarily be completely disqualified. The bid would lose any possible points for the section, but may score well enough in other areas to remain competitive in the final award. This would be applicable when trying to streamline the evaluation of an RFP with many complex low priority features, or non-critical options.

The RFP for goods or basic services involves a specification of deliverables. These specifications indicate the physical characteristics, and performance attributes in detail. Specifications for goods can be stated in either of two ways. They can be exact, stating pre-approved brand names and/or models, or they can be specified using detailed design, performance or materials specifications. If a department fails to provide an acceptable justification for specifying particular products/services with no substitution, it may be viewed as unnecessarily restrictive, and the department will be asked to defend the requirement to the Procurement department. In the case of any request for clarification by the public, the department will be responsible for defending their requirements in a public forum. The requirements must be clear, and should not conflict. Similarly, the criteria and scoring scale must be stated in the RFP, in a clear and concise fashion. Every evaluation should be an objective exercise, measuring the vendor's response against clearly stated criteria, that result in a simple tabulation of the best score.

The evaluation process for a complex RFP is simplified by combining the right decision tools with a properly formatted tender reply form. Requiring specific and unequivocal answers from the suppliers makes the evaluation as objective and clearly measurable as

possible. Where applicable, use a questionnaire format for the required information, with yes/no alternatives, or precise quantity replies.

Criteria in the RFP Document

At this point in the evaluation process, the evaluation criteria have been established with the appropriate requirements listed, ranked and weighted for selection purposes. The next step is to ensure that these criteria are included in the proposal document. **It is mandatory that all RFP's have appropriate documented evaluation criteria included and clearly explained.** All evaluation criteria must be approved by the AVP for Procurement prior to posting of the RFP. Evaluation criteria must relate to requirements identified in the body of the RFP. It is not reasonable or defensible to use criteria which do not clearly relate back to the requirements identified or the problem to be resolved by the proposal.

Evaluation Team

The evaluation team must be approved by the AVP for Procurement prior to posting the RFP and must not include anyone who:

- has a personal or business relationship with any of the suppliers
- has had a major 'personality conflict' with any of the suppliers in the past
- has any preconceived bias for or against any of the suppliers who may bid for the work being tendered

The selection of the Evaluation Team should be done when the RFP is first prepared, and the Team members must be approved by the AVP for Procurement before the evaluation process begins. The final team should consist of a group of three or more individuals assigned the responsibility in a competitive solicitation to a) develop the procurement plan, b) review the requirements and RFP, c) set the evaluation criteria and points structure, d) evaluate bids against predefined criteria, e) document evaluations and recommend the award. The Procurement Department is responsible for ensuring that an evaluation team is in place and that a report documenting the evaluation is prepared for each competitive solicitation. A copy of each evaluation report is to be filed with Procurement and will be part of the permanent file. A representative from Procurement can participate in the evaluation process, as required, to facilitate an acquisition or to validate the evaluation process that has taken place. Procurement will evaluate price and the HUB Coordinator will evaluate the HUB subcontracting plan.

Upon the receipt of valid bid proposals, no additional members will be added to the evaluation team. During the process of evaluation and while meetings are in session, the evaluation team shall maintain confidentiality. No member shall communicate preliminary conclusions or results of what was bid by the vendors, or that a given vendor will be selected. All internal workings of the committee shall be kept confidential until the committee has completed its work and all bidders have been officially notified of the

selection. This practice supports a fair and ethical evaluation of all valid proposals without the opportunity for outside influence from non-team members. An ethical and fair evaluation process is key to ensuring that bids are awarded to the supplier providing the best value to the University. Additionally, this best business practice provides the University stability and reliability in the procurement process and reduces the risk of supplier protests.

All evaluation team members must sign and submit to the Procurement department a [Non-Disclosure/Conflict of Interest form](#). Failure to do so will mean that the individual cannot participate in the evaluation of the proposals.

Evaluating Proposals

How to Evaluate an RFP

For any proposal that will yield a value greater than \$100,000 a HUB Subcontracting packet must accompany the bid proposal. The first step in the evaluation process is the opening and review of the HUB Subcontracting packet by the University's HUB Coordinator. The HUB Coordinator will make the determination that the submittal either meets or fails the submission criteria as determined by the State of Texas, then those associated proposals will be evaluated by the evaluation team.

The evaluation team must evaluate submissions based **only on the criteria listed in the proposal document**. Any requests for supplementary information must be conveyed to the suppliers through the Procurement department. Any communication with the evaluation team members or their advisors by a Bidder, other than at the request of the team, is unacceptable and will lead to disqualification of that Bidder.

The first phase of the evaluation process is to review all submissions for mandatory qualifications and to establish competent tenders. Three questions should be applied to all mandatory requirements for all responses:

1. Has the Bidder substantially complied with the requirements?
2. Have the suppliers received fair and equal treatment?
3. Has the integrity of the competitive bidding process been respected?

If all answers are "Yes" then the Bidder is 'competent'. Do not forget to consider whether the Bidder attended the mandatory bidders' conference or site viewing, if applicable. Any Bidder not meeting all mandatory requirements is eliminated and is excluded from further consideration. The remaining qualified proposals are reviewed in further detail, which in some cases could result in a 'short list' of candidates. If there are to be oral presentations then these should be organized with the short listed suppliers (see **Bidder Presentations** below). Contact the Procurement department if you are unsure of this process and they will assist you.

Bidder Presentations

Bidder presentations may be requested to obtain additional information from the suppliers or to see a product demonstrated. The department must prepare an agenda outlining the objectives of the presentation and any specific requirements. All shortlisted suppliers will be given a copy of the agenda far enough in advance to allow them to prepare properly. Criteria must be prepared in advance by the department in order to evaluate the presentations. All short list bidders will be asked to answer the same questions or provide the same information and will be evaluated accordingly.

Evaluation Tools

A simple tabulation using pen and paper suffice for an RFP with very few categories to score. More complex RFP's lend themselves to more detailed analysis and possibly the use of electronic evaluation software. The options for these types of evaluation tools commonly include such items as: Percentages, including weighted values (based on documented criteria) applied to the scores from each member of the evaluation team, averaged across the entire committee; questionnaire-type replies in each tender response, in hard copy and/or digital medium; calculated price/performance standards; net present value for future cash streams and balloon payments; timeline schedules with required milestone dates; quantifiable risk factors to deadlines.

Each tool used in the analysis should be designed with an audit trail in mind. The evaluation results must be reconcilable and repeatable, whether using simple or complex evaluation methods. Each tool should describe the point range for each scored item, and what constitutes the criteria for each score. For example, the top score for staff experience in a range should be based on specifics, like a minimum number years of work in the subject area along with specific certification(s), and not just an affirmative response to a question like, "Do you have experience in the subject area?"

If possible, define terms in advance. What constitutes an 'excellent' response to a particular criterion? Ensure that all members of the evaluation team understand and agree with the ratings.

Evaluation Reports

To complete the evaluation process, you must create a report to outline the findings of the evaluation team and also to make a recommendation for a Vendor or Bidder of choice. Where the evaluation team recommends an award to other than the competent tender with the highest score, the evaluation report will have to be submitted to the AVP of Procurement for consideration and approval.

At the completion of the evaluation scoring and prior to award it may become necessary to contact references that were provided by the Bidders. The Procurement department will be responsible for making the reference contacts and reporting the findings to the evaluation team. The findings of the reference checks can be used to assist the evaluation

team in making their final recommendation for award. Additionally, a financial analysis may need to be performed on one or more bidders to determine their long term financial stability. This analysis will be completed by the Procurement department and findings will be reported to the evaluation team.

The evaluation report details the findings of the evaluation team and indicates the collective reasoning and opinions of the individuals for the scoring of each of the bids. The document should identify all competent tenders as well as be a summary of each Bidder's bid submission and how they scored relative to their competitors. The evaluation report is mandatory and forms part of the competitive solicitation documentation. It will be made available as a public document and can be reviewed by anyone requesting it, subject to the regulations of an open records request.

Debriefings

Debriefing sessions may be requested by any Bidder. The evaluation report, along with other competition documentation must be made available to the Bidder at these sessions. The Procurement Buyer evaluation team should take the lead role in these sessions and may be called upon to explain and justify the decisions outlined in the evaluation report.

Suppliers should contact the Procurement department to request a debriefing session. **Departments are to discuss the evaluation or selection with suppliers in debriefing sessions only. Debriefing sessions should be done verbally whenever practical.**

Debriefings will be treated as an exchange of information which helps both the suppliers and the University. The principal objective of the debriefing is to aid the Bidder in presenting a better proposal in subsequent RFPs. Using the winning proposal as a benchmark, the Bidder who is being debriefed will be provided with at least the following:

- the winning Bidder's evaluation rating as compared to the Bidder being debriefed, with substantiation where possible;

During the debriefing the Bidder is normally not told how each of the competitors ranked or how they scored. However, all proposals and materials may be subject to release under an open records request. [Click here for link to the Open Records Website.](#)

Complaint Resolution

Bidder complaints arising from the RFP process should be directed in the first instance to the Procurement department representative named in the RFP. The grievance/protest process is outlined in the [Procurement Handbook](#).

Conclusions

The RFP process is necessary to arrive at a fair, equitable and defensible procurement decision and to ensure the best value for money spent. Although this booklet is not intended to cover every aspect or eventuality of the process, it should assist departments in establishing the appropriate criteria for their particular requirement. It should also give Suppliers an appreciation of the roles of the different agencies involved, and of the steps required to submit a successful Proposal. It is recommended that you contact the Procurement department to assist you with the complete RFP process, including the structure and use of evaluation criteria.