

Initiating and Navigating the Request for Proposal Process

**STATE FINANCIAL SERVICES DIVISION
DEPARTMENT OF ADMINISTRATION
STATE OF MONTANA**

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TABLE OF CONTENTS

GUARDIANS OF PUBLIC TRUST	1
THE TOOLS	2
WHAT IS A REQUEST FOR PROPOSAL?	3
PROS AND CONS OF THE RFP.....	4
THE REQUEST FOR PROPOSAL FLOWCHART	5
THE REQUEST FOR PROPOSAL PROCESS.....	6
BUILDING A REQUEST FOR PROPOSAL IN EMACS	19
OPTIONAL SPECIFICATIONS.....	30
SAMPLE SCORING MATRICES.....	32
FOR MORE INFORMATION... ..	38

GUARDIANS OF PUBLIC TRUST

The spending of public tax dollars is an issue close to everyone's wallet. An effective public procurement program reduces the cost of government and directly improves the quality and timeliness of services rendered by state agencies. For agencies, procurement is a service function, supporting programs by the acquisition of supplies and services. For potential offerors, it is an opportunity to provide supplies and services to government agencies.

Operating under the authority of the Montana Procurement Act, the Department of Administration has the responsibility of developing and administering a fair, legal, cost-effective procurement program. To meet this responsibility, the Department's goals are:

- To recognize our obligation to the taxpayers, the utilizing agencies, and the offerors to institute and maintain an effective and economical program for purchasing supplies and services.
- To obtain the needed supplies and services at favorable prices without compromise of suitability, appropriate quality, and reliable offeror performance.

THE TOOLS

In order to facilitate the procurement of supplies and services for public entities, the Montana Procurement Act provides certain tools for agencies to use to obtain the desired products. These tools are outlined in Title 18, chapter 4, of the Montana Code Annotated (MCA).

These tools include:

- ✓ Invitation for Bid
- ✓ Request for Proposal
- ✓ Small Purchase
- ✓ Limited Solicitation
- ✓ Sole Source
- ✓ Exigency Purchase

In addition, the State has enhanced several of these tools with:

- ✓ Term Contracts
- ✓ Requisition Time Schedule
- ✓ Cooperative Purchasing Agreements
- ✓ Pre-Qualification of Vendors

While most of these procurement options are relatively straightforward, the Request for Proposal process is a tool that has continued to evolve since its enactment in 1983. Subsequent legislatures and court rulings have continued to modify and define the RFP process. At its heart, however, is the premise that agencies need a procurement tool where factors other than price, such as service capabilities or technical components, can be considered.

WHO'S WHO?

Bidder? Offeror? Vendor? Which is which?

Bidder: A seller of goods and/or supplies who submits a *bid* to an Invitation for Bid.

Offeror: A seller of goods and/or supplies who provides a *response* to a Request for Proposal.

Vendor: A seller of supplies and/or services.

WHAT'S WHAT?

SFSD: State Financial Services Division, Department of Administration

SPB: State Procurement Bureau, State Financial Services Division

Invitation for Bid: A written description that describes what the State is seeking; no negotiations are necessary or permitted; the award is made solely on the basis of the lowest cost; typically used for the purchase of supplies and equipment.

Request for Proposal: The solutions to a State need may not be concisely defined by the agency; negotiations may be necessary, and/or cost is just one of several criteria necessary to make a decision; typically used for the purchase of services and information technology systems.

WHAT IS A REQUEST FOR PROPOSAL?

A Request for Proposal (RFP) is a formal invitation to a potential offeror to submit a proposal to provide a solution to a problem or a need that the agency has identified. An RFP is also a procurement process where the State has the ability to judge if an offeror's qualifications, experience, and approach will provide the best solution to the State's needs.

WHEN IS AN RFP USED?

- The agency has defined a need and requests the offerors to propose the best method for accomplishing it;
- The agency would like to consider other factors in addition to cost when determining whether to make an award;
- The skills, expertise, or technical capability of the offerors will be evaluated;
- The problem or need is fairly detailed or complex;
- The problem or need involves services or a combination of supplies and services;
- The State may need the opportunity to ask offerors to clarify their proposals by issuing questions or to request revisions; or
- The specifications of the project cannot be clearly defined.

If your project fits any of these situations, then an RFP is most likely the best procurement tool for you to utilize. Generally, RFPs are a direct result of an agency's desire to secure a supply or service without having their choice limited to the lowest bidder.

PROS AND CONS OF THE RFP

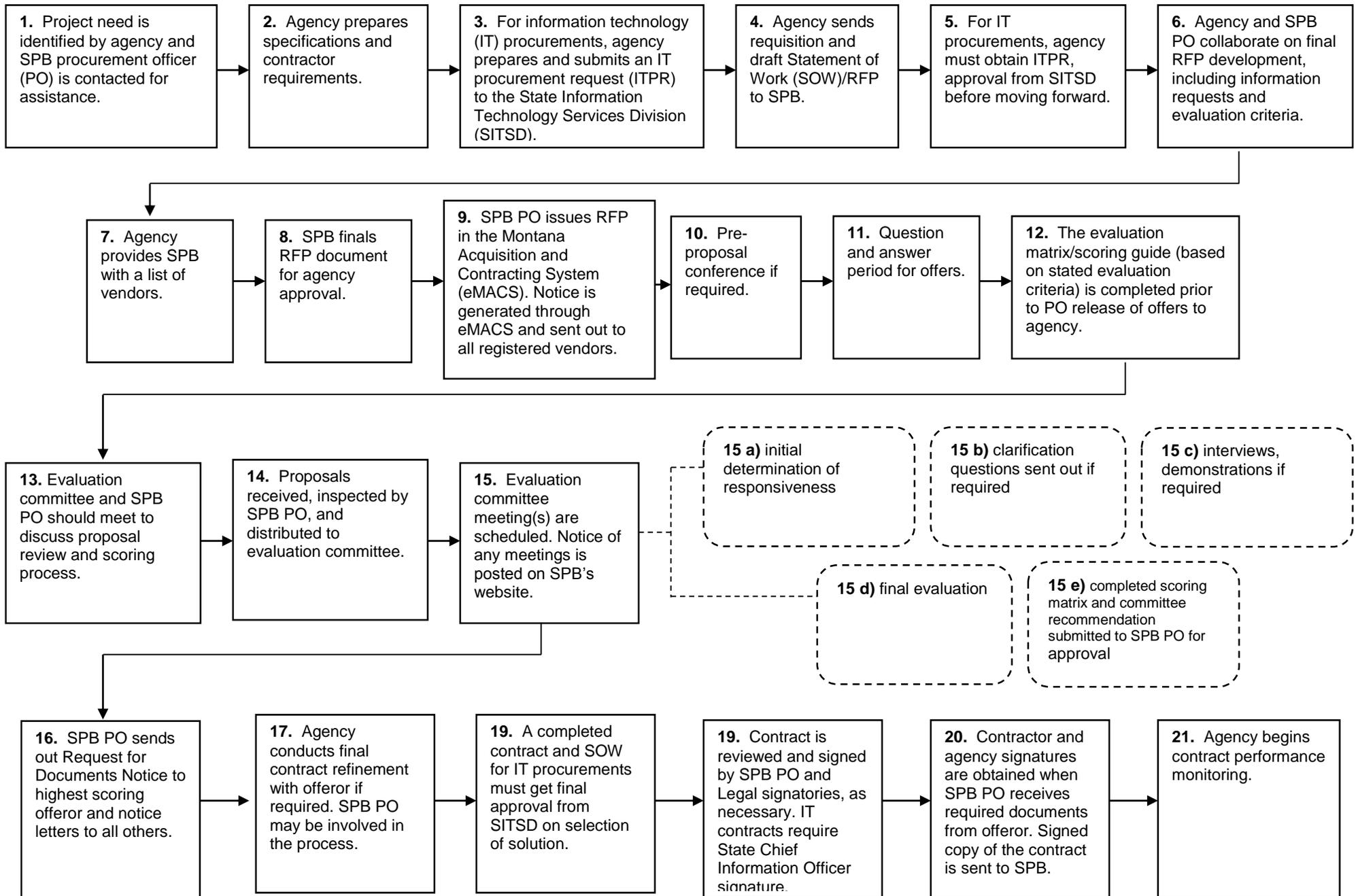
Some of the advantages of using an RFP can be:

- **Creative Competition.** The RFP process exposes the problem/need for a competitive solution. Competition promotes quality and generally results in lower prices, more value, greater flexibility in approaches, and more creative solutions.
- **All Things Considered.** The RFP process does not confine the selection process into the lowest possible price; rather, it allows for a comprehensive evaluation to usually complex problems.
- **Clear Information.** The RFP process keeps the playing field level by ensuring that all potential offerors get the same information. Putting a problem in writing ensures that all potential offerors receive the same information. It can also provide protection to the agency in the event of a protest.
- **Clear Solutions.** Preparing an RFP allows the agency to consider all of its options. In some circumstances, a problem appears to be obvious. By going through the RFP process, the agency will be compelled to define its needs in sufficient detail to allow potential offerors to provide realistic solutions at affordable prices.
- **Straight Format.** By requiring offerors to conform to the format specified in the RFP, the agency will be able to evaluate the proposals more efficiently, without wasting time searching for information.
- **Fair Evaluations.** Formalizing the requirements and the selection process produces better results. Having specific predetermined evaluation criteria simplifies the selection process and ensures that all offerors are evaluated fairly.

The major disadvantage of using an RFP can be:

- **Major Time Commitment.** The RFP process requires an extensive amount of time to define the requirements, prepare the RFP document, establish the evaluation process, perform the evaluations, and justify any award.

THE REQUEST FOR PROPOSAL FLOWCHART



THE REQUEST FOR PROPOSAL PROCESS

An RFP requires a multitude of steps, with each building toward the eventual awarding of a contract. Some steps are optional, depending on the nature of the project. Agencies should contact their agency purchasing officer or SPB early in the process and rely on the procurement officer assigned to their project to guide and assist them in making decisions on optional portions of the RFP process.

Initiate the Project

- Define the project goals
- Develop a plan for reaching the goals
- Evaluate if an RFP is the best procurement tool to use
- Obtain necessary management approvals
- Organize the manpower to carry out the RFP process
- Submit a requisition to SPB

Establish the Core Requirements

- Incorporate all special legal requirements (special licenses, certifications, etc.)
- Determine minimum standards that will be acceptable (pass/fail, must/may)
- Determine any special terms and conditions
- Establish budgetary constraints

Establish the Evaluation Criteria

WHAT ARE “EVALUATION CRITERIA”?

Evaluation criteria are the factors an agency uses to determine which of several competing proposals submitted in response to an RFP would best meet the agency’s needs. In establishing effective evaluation criteria, an agency must clearly identify the factors relevant to its selection of a contractor and then prioritize these factors according to their importance in satisfying the agency’s needs. Together, the proper identification and weighting of the evaluation criteria will form an evaluation plan that will provide the agency with a common standard by which they will judge the merit of competing proposals. This allows the agency to rank the proposals received while simultaneously providing offerors with a fair basis for comparison. Additionally, effective evaluation criteria will allow proposals to accurately reflect the offeror’s understanding of – and ability to deliver – what the agency needs.

Establish how the proposals will be evaluated:

- Identify the major criteria that are critical for the success of the RFP
- Commonly used criteria are:

Company qualifications
Relevant experience
Quality of work
References
Services
Physical facilities
Key staff and support personnel
Cost
Technical capabilities
Proposed timelines

TIPS TO KEEP IN MIND:

- RFPs can *only* be evaluated on the stated criteria – include everything you want to measure.
- The evaluation criteria must be in terms that can be measured and evaluated – avoid words that are subjective, arbitrary, or too general.

Detail how much each criterion is worth.

- Each RFP section must be stated in the form of specific points and percentages.
- The importance of each criterion and the weight given to each criterion will largely depend on what the agency desires from the resulting contract.
- Cost Proposals must constitute 20% or more of the total available points. Exceptions to this must be documented in writing and approved by the procurement officer.
- Time constraints may result in increased weight for the ability and the guarantee of the contractor to complete projects by specified dates.

Include the information in the RFP.

- Explain in the RFP how points will be awarded

EVALUATION CRITERIA: HOW MUCH DETAIL?

Identify the criteria that are critical to the success of the RFP. In most cases, this should correspond to the Offeror Qualifications requested in the RFP. However, in some instances, the major criteria are set out in the Project Specifications/Scope of Services section of the RFP. Commonly used criteria include: company qualifications, relevant experience, quality of work, references, service, physical facilities, key staff and support personnel, cost, technical capabilities, and proposed timelines. RFPs can only be evaluated on stated criteria; as such, all required criteria must be measurable and enumerated within the RFP. Once the major categories have been determined reference the specific sections of the RFP that set out the criteria to be evaluated and determine point assignments.

NOTE: A Sample Scoring Guide is available on the SFSD website at: <http://emac.mt.gov/RFPProcess>. The Scoring Guide is an excellent tool for defining scoring assignments and it should be included in the RFP.

HOW DO YOU SCORE PRICE?

There are several different methods to award points based on the cost set out within each proposal. If cost is included as one of the evaluation factors for an RFP, the dollar amount must be converted into a score and awarded points. The Cost Proposal must constitute 20% or more of the total available points. Exceptions to this must be documented in writing and approved by the Procurement Officer. SPB suggests the following methods for scoring the cost portion of an RFP response.

1. Ratio Method.

With this method, the proposal with the lowest cost receives the maximum points allowed. All other proposals receive a percentage of the points available based on their cost relationship to the lowest. This is determined by applying the following formula:

$$\frac{\text{Lowest Cost}}{\text{Cost Being Evaluated}} \times \text{Maximum Points Available} = \text{Awarded Points}$$

Example: The cost for the lowest proposal is \$100,000. The next lowest proposal has a cost of \$125,000. The total points available for cost = 100 points.

$$\frac{\$100,000}{\$125,000} = .80 \times 100 = 80 \text{ points}$$

2. Best Value Method.

The Best Value Method requires consultation with SPB before it can be utilized. With this method, all factors, except cost, are considered and scored according to the established criteria. Once this is completed, the cost evaluation is computed by dividing the total points awarded to each proposal by its proposed cost. With the Best Value Method, a value is presented in the form of a cost-per-point. The proposal with the lowest cost-per-point represents the best value to the State and would receive the award. When using this method, the SPB suggests establishing a minimum acceptable score each proposal would have to achieve in order to move forward in the process. Proposals that do not meet the minimum level would not advance to the final evaluation step.

Example:

Category	Proposal A	Proposal B	Proposal C
Technical	400	590	700
Qualifications	240	280	230
Total Points	640	870	930
Cost	\$100,000	\$125,000	\$150,000

(continued on next page)

Proposal	Cost	/	Points	=	Cost per point
A	\$100,000		640		156
B	\$125,000		870		144
C	\$150,000		930		161

Proposal B would receive the award because it provides the lowest cost per point, or best value to the State.

3. Two Step Method.

The Two Step Method is designed to reward the lowest cost proposal that meets specific qualifications. This is accomplished by first specifying the criteria that will be used to determine a “Qualified Proposal.” Typically, a proposal is deemed qualified if it has passed all minimum criteria or scores established, and is within a certain percentage of the top scoring proposal, typically within 10 to 15 percent. All proposals that meet these criteria are deemed qualified, and the proposal with the lowest cost would receive the award.

Example:

A proposal will be considered to be a “Qualified Proposal” if it meets the following criteria:

- a. The proposal has achieved a passing score for all parts; and
- b. The total point score for the proposal is greater than or equal to 90 percent of the highest scoring proposal.

Select an Evaluation Committee

- Select a group of subject matter experts
- Explain time commitment
- Explain potential conflict of interest issues
- Have each committee member obtain necessary supervisory approval for participation and time commitment
- Select committee chairperson
- Decide if subcommittees will be used

Submit Required Materials to the Procurement Officer

Items to be submitted include:

- Completed requisition
- Electronic copy of the RFP requirements, offeror qualifications, and evaluation criteria in WORD format, Arial font
- List of potential offerors for notification

- Name and phone number of committee chairperson
- Names of committee members, if available
- Requested closing date (if any)

Note: *Two weeks please! For solicitations handled by SPB, the package of materials should be delivered at least two weeks in advance of the desired RFP release date.*

Final Preparation of the RFP

To prepare the RFP for release, the procurement officer will:

- Add any additional required information
- Review the RFP for compliance with laws, rules, and policies
- Ensure the RFP is free from any ambiguities, inconsistencies, or unduly restrictive specifications, and all evaluation criteria are in a measurable format
- Establish the final project schedule with the project contact person

Issue the RFP

To issue the RFP, the procurement officer will:

- Build the RFP in eMACS and publish it
- eMACS sends an electronic notification to all registered vendors and any agency-requested companies

Pre-proposal Conference (Optional step)

- If desired, the State may conduct a face-to-face or conference call pre-proposal conference for potential offerors. This conference may either be *mandatory* or *optional* for the offerors to attend and must be stated as such in the RFP. Mandatory conferences should be used only when absolutely necessary.
- The committee chairperson and the procurement officer will conduct the pre-proposal conference.
- Agencies may choose to record the conference, but it is not required.
- A sign-in sheet should be collected at the conference (a sign-in sheet listing all attendees is *required* for mandatory conferences).
- Attendees must be aware that any oral responses to questions at a pre-proposal conference are not binding until they are in writing.
- Typically occurs 10-14 days after the RFP is issued.

Questions and Answers

- Potential offerors are provided an opportunity to submit written questions concerning the RFP. A specific deadline for submission of questions must be set out in the RFP.
- Questions are submitted to the procurement officer and forwarded to the project contact person.
- The project contact person prepares answers and submits them to the procurement officer for review.

- The procurement officer posts the responses to each question in eMACS as they are prepared, but no later than the stated deadline.
- Typically, questions should be submitted one or two days after a pre-proposal conference; if no pre-proposal conference is held, the questions should be submitted 10-14 days after the RFP issue date.

WHEN SETTING DEADLINES FOR CLARIFICATION QUESTIONS...

When setting the deadline for questions, be sure you allow enough time:

- ✓ For offerors to have received and read the RFP;
- ✓ For the project contact person and legal counsel if contract modifications are requested, to provide thoughtful answers to the questions;
- ✓ For posting the written questions and answers in eMACS; and
- ✓ Before the proposal receipt deadline for the offerors to incorporate the information from the questions and answers into their proposals.

Final Preparation of Evaluation Process

- Prior to the proposal receipt deadline, the RFP evaluation committee must make the final preparation for the evaluation process. Items to be completed include: a detailed evaluation matrix, a schedule of the evaluation meeting, and a decision on scoring method (consensus, average, or total.)
- The completed evaluation matrix must be submitted to the procurement officer for review.
- Distribution of the proposals to the evaluation committee will not take place until the final evaluation matrix has been approved by the procurement officer. See page 29 for sample scoring matrices.

Receipt of Proposals.

- The procurement officer must receive proposals by the designated deadline. *Late proposals will not be accepted, regardless of cause.*
- The proposals will be available for public inspection: (1) after the formal due date; (2) after trade secret or other confidential information has been removed; and (3) after the procurement officer has approved the evaluation matrix and/or scoring methodology submitted by the evaluation committee.
 - ✓ Proposals submitted through eMACS must be downloaded to allow public access. When the public requests copies the responses can be provided via email or File Transfer service. If there are several proposals or if the files are extremely large, it may be best to have the requestor send a USB device and postage-paid return envelope.

HOW LATE IS LATE?

Any proposal not received by the designated time and date at the designated final destination will be rejected as late. Even if the proposal is a single minute late, it will be rejected, regardless of the cause.

Inspection of Proposals for Trade Secrets or Other Protected Materials

- Upon receipt of proposals, the procurement officer will examine the proposals for any claims of trade secrets, including the required affidavit, or other protected materials.
- If such contents are present and valid, the procurement officer will remove the protected materials while making the remainder of the proposal available for public inspection.
- The evaluation committee will receive its required copies, including the protected materials, after the procurement officer has discussed the implications of the presence of such materials with the committee chairperson.
- Advice from agency legal counsel may be necessary in determining the validity of the trade secret claims.
- If a trade secret claim is submitted without the required affidavit, the offeror may be contacted and provided the opportunity to either withdraw the proposal or release the information for public inspection.
- If the trade secret claim is found to be invalid by agency legal counsel, the offeror will be contacted and provided the opportunity to *either withdraw* the proposal or *release* the information for public inspection.
- After the evaluation is complete and contract(s) has been signed the stakeholders should be removed from the event in eMACS to protect the security of the confidential materials.

TRADE SECRET OR PROPRIETARY INFORMATION??

According to Montana law, only “trade secrets” meeting the test of the “Uniform Trade Secrets Act,” Title 30, chapter 14, part 4, MCA, are *not* open to public inspection. (Mont. Code Ann. § 18-4-304.) All other information included in a response to an RFP, including what businesses typically refer to as “proprietary business information” is open for public inspection. Offerors claiming trade secret status for any part of their response must fill out a special affidavit and clearly mark and separate out all alleged bona fide trade secret material.

The Trade Secret Affidavit is available on the SFSD website at:
<http://emac.mt.gov/RFPPProcess>.

Information on identifying and handling confidential materials can be found in the *Identifying and Managing Confidential Information in Procurement* document posted to the SFSD website.

Distribution of RFPs

- RFPs will be distributed to the evaluation committee after:
- The procurement officer has reviewed and approved the agency’s evaluation matrix; and
 - The procurement officer and the committee chairperson have discussed all issues of trade secret claims as necessary.

Declaration Form

- After the proposals have been received and it is clear which offerors are involved in the RFP, each member of the evaluation committee – as well as any subject matter experts used – must sign a Declaration Form. Either the committee chairperson or the procurement officer will distribute these forms to the committee members.
- The purpose of the form is twofold: first, it ensures that there is no conflict of interest with any person participating as a member of the evaluation committee; and second, if materials are received in response to an RFP that must be protected from public view under the provisions of section 18-4-304, MCA, the form advises the evaluation committee members that they must maintain the confidentiality of these documents during and after the RFP evaluation process.
- If there are any questions about a potential conflict of interest, legal counsel should be consulted.
- Release of confidential information may lead to disciplinary action or monetary damages against any individual who fails to keep the information confidential pursuant to section 2-2-136, MCA.
- These forms must be signed, collected, and returned to the procurement officer prior to the beginning of the evaluation process.
- The “Declaration Form can be found on the SFSD website at: <http://emac.s.mt.gov/RFPProcess>.

Proposal Evaluation Process

- Prior to scoring of the individual proposals, the evaluation committee should meet to discuss the proposal evaluation process and what scoring methods will be used (average, consensus or total). Each committee member should have a clear understanding of the scoring process and how points will be assigned.
- Proposals should be distributed and reviewed individually by committee members. Committee members must be given sufficient time to read and evaluate each proposal prior to meeting as a group to score the proposals.
- Any questions regarding the scoring process should be addressed to the procurement officer or committee chairperson.

HOW SHOULD THE FINAL POINT ASSIGNMENTS BE TALLIED?

Committees have several options on how to tally their final point assignments: (1) consensus score; (2) a total of all of the points given by individual committee members; or (3) an average of the individual scores. ***SPB strongly recommends the use of consensus scoring.***

WHAT IS A “RESPONSIBLE OFFEROR”?

A responsible offeror means a person or company who has the capability in all respects to fully perform the contract requirements with integrity and reliability, which will assure good faith performance. (Mont. Code Ann. § 18-4-301(10).) *(continued on next page)*

Any determination of responsibility must be approved by SPB. The determination of responsibility must be consistent with ARM 2.5.407. Factors that may be considered in determining whether the standard of responsibility has been met include:

- 1) whether the offeror has available the appropriate financial, material, equipment, facility, and personnel resources and expertise, or the ability to obtain them, necessary to indicate capability to meet all contractual requirements;
- 2) has a satisfactory record of integrity;
- 3) is qualified legally to contract with the agency;
- 4) has not failed to supply any necessary information in connection with the inquiry concerning the responsibility; and
- 5) has a satisfactory record of past performance.

Nothing shall prevent the procurement officer from establishing additional responsibility standards for a particular procurement, provided that these additional standards are set forth in the solicitation, or from using past performance with the State of Montana as a reference.

A determination of non-responsibility may be made at any time during the procurement process. A written determination of non-responsibility setting forth the basis of the finding is mandatory and will be included in the final procurement file. The affected offer will receive a copy of the written determination.

RESPONSIVE OR NONRESPONSIVE??

One of the first steps of every evaluation process is to determine if the proposals are “responsive” or “non-responsive” to the Request for Proposal. “Responsive” means that the proposal conforms in all material respects to the Request for Proposal. The evaluation committee will make the initial determination of whether a proposal is responsive. This determination is subject to change as information is revealed during the course of the evaluation process, or anytime up to contract execution, and must be corroborated by the procurement officer. The procurement officer has the final authority to find a proposal nonresponsive.

What determines if a proposal is nonresponsive?

At times, an evaluation committee may determine that a proposal simply does not warrant further consideration because of the inadequacy of the submitted proposal and will proceed to deem these proposals “nonresponsive” with the concurrence of the procurement officer. *However, extreme care should be used when making this decision because of the time and cost that a potential offeror has put into submitting a proposal.* Proposals may be deemed “nonresponsive” for the following reasons:

- If any of the required information is not provided;
- If the submitted price is found to be excessive or inadequate as measured by criteria stated in the RFP; or
- If the proposal is clearly not within the plans or specifications described and required in the RFP.

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What determines if a price listed in an RFP is “excessive”?

As stated, a proposal may be found to be nonresponsive due to excessive cost if the proposed price does not meet the criteria defining “excessive” in the RFP. This could be accomplished by options such as:

- Explicitly stating a budget or budget range in the RFP; or
- Stating an objective method clearly defining how proposals could be eliminated due to price.

Is there anything a potential offeror can do to make their nonresponsive proposal “responsive”?

No. Proposals must be accepted “as is” by the evaluation committee and the initial screening must be conducted on that basis. The committee has the option of later requesting clarification information, but only if the proposal was initially found to be “responsive.”

Who can deem an offeror “nonresponsive”?

Only the Procurement Officer has the authority to deem an offeror as nonresponsive, pursuant to ARM 2.5.407.

Evaluation Committee Meetings

Once the proposals have been evaluated and scored by individual committee members, the next step is for the entire committee to get together to discuss the proposals and arrive at a final score. At this point, several factors need to be considered:

- Meetings of an evaluation committee that involve an evaluation process of competing offers where the award of a contract is being considered must be electronically posted to SPB’s website 72 hours in advance of the meeting.
- Minutes must be kept at each meeting.
- A quorum of the committee must be present to take any official actions.
- The meetings must take place in an ADA accessible location.
- All members of the public are welcome to attend the evaluation committee meeting; however, they may not participate in the evaluation process. Comments from attending public must be directed to the procurement officer alone as the evaluation committee members cannot be influenced by any comments or opinions offered by the public. When sections of the proposals involving confidential materials are discussed, the meeting must be temporarily closed to the public.
- A master-scoring sheet should be compiled with the total score for each proposal.
- Members of the public must be offered an opportunity to comment on anything within the purview of the hosting agency that *is not included* in the meeting agenda. This opportunity will be offered at the end of the meeting after the committee has completed their evaluation.

OPEN FOR PUBLIC INSPECTION?

The “right to know” provision of Montana’s Constitution, Article II, § 9, and section 18-4-304, MCA, allow the contents of submitted proposals to be open to public inspection, including competing offerors and the media, shortly after the time set for the receipt of proposals and once the procurement officer has had the opportunity to inspect the proposals and remove any materials protected from public disclosure, i.e., trade secret materials. In addition, all meetings involving the evaluation of RFPs, are open to the public and subject to the open meeting laws. Agencies should review the latest version of the “RFP Process Q & As” on the SFSD website at: <http://emac.s.mt.gov/RFPProcess>. This list of questions and answers is updated as additional issues arise.

CAN A COMMITTEE RECEIVE EVALUATION ASSISTANCE FROM OUTSIDE OF THE COMMITTEE MEMBERSHIP?

Yes. If technical assistance will enhance the decision-making of the committee, outside assistance should be used. However, only committee members may assign or vote on points.

Clarification Process (Optional step)

- The committee may choose to seek written clarification from particular offerors. A time and date for receipt of clarifying responses should be set by the committee.
- The procurement officer will issue any clarification questions. Responses will be returned to the procurement officer and submitted to the evaluation committee.

TIPS FOR HANDLING THE CLARIFICATION PROCESS

- Formal questions asked of offerors as part of the clarification process become a permanent part of the official procurement file.
- It is important to establish a deadline beyond which answers to these questions will not be accepted.

Oral Presentations/Interviews/Discussions (Optional step)

The committee may choose to ask certain offerors to make an oral presentation to the committee.

- Oral presentations by offerors must be open to the public and must be noticed to the public at least 72 hours in advance of the presentation.
- All offerors must be afforded equal time in making their presentation.
- Time slots for oral presentations should be established by the drawing of lots or by any other objective method as determined by the procurement officer.

- Interviews are to be conducted and controlled by the committee chairperson. The procurement officer may attend such presentations if deemed necessary.
- All members of the evaluation committee should be present at the oral presentations.
- If oral presentations/interviews are anticipated at the outset of the RFP process, include anticipated dates, evaluation criteria and scoring methodology in the RFP.
- If a decision to hold oral presentations/interviews is made during the RFP process, the evaluation must be based solely on existing stated criteria with scores adjusted accordingly.

Site Visits (Optional step)

In rare circumstances, the committee may choose to visit the offerors' work sites.

- Site visits must be open to the public and must be publicly noticed at least 72 hours in advance if a quorum of the evaluation committee will be attending. Offerors must be notified in the RFP that site visits may be conducted and that the visits must be open to the public if a quorum of the evaluation committee will be attending.
- If the option of requiring a site visit is pursued, evaluation criteria and/or scoring methodology must be set out for scoring the site visit in the RFP.

References

- Prior to the final evaluation, references should be checked if requested in the RFP.
- The State has the right to deem an offeror nonresponsible based on negative references.

Final Evaluation and Selection

- Final evaluation must take into consideration all submitted information and must be completed *using only the evaluation criteria defined in the RFP*.
- Final committee scores must be documented in a scoring matrix.
- The highest scoring proposal must be selected unless the agency decides to cancel the entire RFP.

Selection Recommendation

- The chairperson of the evaluation committee must submit documentation of the evaluation process to the procurement officer *prior* to the announcement of the selection.
- The documentation to be submitted must include the evaluation meeting minutes, final scoring worksheets and matrices, and a written recommendation of the selected offeror.
- Copies of the committee's master scoring sheets and information regarding non-responsive proposals must also be submitted to the procurement officer.
- The procurement officer must approve the committee's selection process prior to notifying all offerors of the selection.

Request for Documents

- A letter will be sent by the procurement officer to each offeror indicating the outcome of the proposal evaluation process.
- A request for documents letter will be sent to the highest scoring offeror requesting the insurance, contract security and/or worker's compensation documents required by the RFP.
- Tentative contract award will be posted to SPB's website the same day as the letters are sent out. Final contract award is dependent on the issuance of a purchase order or receipt of a fully executed contract.

Contract Refinement

- Contract refinement may begin once the highest scoring offeror has been selected and the committee's selection process has been approved by the procurement officer.
- Refinement is limited to such things as the specifics of the supplies or services contained in the RFP, payment schedules or project deadlines.

Document Gathering

- The procurement officer will work with the highest scoring offeror to collect all required documents such as Workers' Compensation, insurance requirements, contract security, contractor's license, etc.
- A contract may not be signed, nor a purchase order issued, until the procurement officer indicates that all required documents have been received and are valid.
- Work may not commence until a contract is fully executed or a purchase order is issued.

Contract Signing or Issuance of Purchase Order

- If a purchase order is used, the procurement officer will issue it to the highest scoring offeror, at which point implementation of the project may begin.
- If a contract is used, the procurement officer must approve the contract as to form and the document must include a procurement officer signature.
- The State Procurement Bureau recommends contract signatures be obtained in the following order:
 - ✓ Procurement Officer - approver
 - ✓ Legal review if required – approver
 - ✓ CIO review if required - approver
 - ✓ Contractor - party
 - ✓ State - party. Always last

BUILDING A REQUEST FOR PROPOSAL IN eMACS

These guidelines were developed by SPB and are required to be followed as closely as possible in building RFP events in eMACS and administering the process.

CREATE NEW EVENT: An Event Title and Project (Agency) are required to start building an event in eMACS.

- The Event Title should be descriptive of the supplies/services being procured.
- The Project refers to the State agency on whose behalf the RFP is being issued. Term Contracts are issued on behalf of the State Procurement Bureau. All other events should be attributed to the agency that requested and will administer the project.

Choose Request for Proposal as the Event Type and SPB Standard RFP Template for Create from Template.

SETUP: Event Title, Event Type, and Project are automatically populated from the information input in the previous step.

Event Number is also automatically populated based on the Project's numbering wheel.

1. **Commodity Codes:** A reporting commodity code should be chosen so the system will send notices of the event to all vendors registered within that code. Additional commodity codes can be selected if desired. After the commodity codes have been identified, **choose "Yes" for Forced Vendor Invitation by Commodity Code.**
2. **Payment:** The procurement's estimated value must be entered. NOTE: This information is not available to the vendors. Enter payment terms if known.
3. **Bid and Evaluation:** Sealed Bid and Respond by Proxy are populated by the system. The remaining questions should be answered to fit the needs of the procurement.
4. **Display and Communication:** Visible to Public must always be "yes". Enter a short description of the event. One or two sentences should be sufficient as the description is limited to 200 characters.
5. **Dates:** Time zone is set for Mountain Time.

Release date is optional. This is a date that the event will be open to public view, but not yet ready to publish.

Open Date is the day that the event is officially published and vendors can begin responding.

Close date is the date that sealed responses are due. The time must be set to 2:00 p.m.

Q&A Submission Close Date should be set to match the Schedule of Events.

NOTE: These dates cannot be changed after they have been saved, so it is best to wait to enter these dates as the very last step in building the event.

USERS: The event creator and owner are automatically populated by the system. The agency contact person and evaluation committee members should be added as Stakeholders so they can view the event, questions and responses submitted.

NOTE: These individuals will have to request access to eMACS through ePass, if they have not previously been granted access.

NOTE: If confidential materials are included in the responses, the stakeholders should be removed from the user list after the evaluation is complete to maintain security of the confidential materials.

DESCRIPTION: This should be a comprehensive overview of the project. Think of this section as being part of the core of the RFP. It delineates in detail what the agency is asking the offeror to include in their proposal in terms of the specifications and requirements necessary for the project. The contractor requirements set out in this section of the RFP will form the basis for the Services and/or Supplies section of any subsequent contract.

This should contain a brief narrative of agency/program mission, purpose, etc., in issuing an RFP, including:

- What the agency hopes to achieve through the RFP process;
- In general terms, agency's intents, goals and desires;
- In general terms, what the contractor will be required to do; and
- Why the agency is soliciting proposals.

In addition to providing a comprehensive overview of the project consider including the following items:

- **Introduction / Background**
 - ✓ Explain your reason/need for the service or item and/or give an overview of the project.
 - ✓ Explain all items in as much detail as possible.
- **Agency's Duties and Responsibilities**
 - ✓ What will the agency provide the contractor – guidance, oversight, office space, telephone, computers, copies, etc.?
 - ✓ How often will the agency pay? Will it be based on the percentage of work completed?

- ✓ Describe how the agency will monitor the ongoing performance of the contractor.
- ✓ How will problems be communicated and resolved?
- ✓ What will be the method of acceptance?
- **Contractor's Duties and Responsibilities**
 - ✓ Provide complete and specific description of the work to be performed.
 - ✓ Describe regulations and laws the contractor must follow.
 - ✓ Describe any forms the contractor must use.
 - ✓ Specify what is expected of the contractor in the event third parties or subcontractors are involved.
 - ✓ List deliverables, performance standards, timelines, etc.
 - ✓ Describe reporting requirements.
 - ✓ Describe sanctions for non-compliance with contract (forfeiture of contract security, liquidated damages, cancellation of contract).
- **Separation of Duties**
 - ✓ Describe any overlapping duties and responsibilities between agency and contractor.
 - ✓ Describe how contractor's scope of duties may be impacted by work that needs to be performed by the State.

STAGE DESCRIPTION: Multi-stage events can be used when offerors must graduate through the evaluation process, e.g. requiring a minimum passing score to continue through the evaluation process or interviewing only the highest scoring offerors. A new stage may be initiated any time before the RFP is awarded. Most of the content will be carried forward to the new stage, questions, prerequisites, and attachments are not. Specific offerors are selected to move onto the next stage. Award will be made from the last stage created. Award cannot be made from a previous stage unless the current stage is canceled before being released to the offerors. Although this section shows up early in the building progression, it is not used until later in the process.

PREREQUISITES: Prerequisites are statements or documents that require the offeror to certify that they have read and accept them, but require no further response. Several prerequisites are preloaded to populate when you select the RFP Template:

1. **Submitting a Proposal** provides specific information on how to submit proposals noting:
 - Organization of the proposal.
 - ✓ Specify the exact format you would like the offerors to use to prepare their response to the RFP. For example, indicate where you want qualifications, resumes, price, etc., located throughout the document.
 - ✓ The specified format will assist committee members in easily locating certain information within each response.

- Multiple proposal responses.
 - ✓ The project may lend itself to several solutions. This option allows the offeror to submit multiple solutions for the committee to evaluate without jeopardizing or confusing one solution for another.
 - Submitting a Proposal Outside of eMACS.
 - ✓ Defines how many copies are required, i.e., “one original and four copies.” (The number of copies should include one copy for each member of the evaluation committee, plus one copy is reserved for public inspection. The original is kept in the solicitation file);
 - ✓ Specified the number of electronic copies required (usually two – one for the procurement file and one for the evaluation committee), and the format that it must be submitted in;
 - ✓ Location, date, and time for return of proposals;
 - Facsimile submittals of the RFP response are acceptable on an exception basis only and must be approved by the procurement officer.
 - Late Proposals.
 - ✓ Regardless of cause, late proposals will not be accepted and will automatically be disqualified from further consideration. It is the offeror’s sole risk to assure delivery at the receptionist’s desk at the designated office by the designated time. Late proposals will not be opened and may be returned to the offeror at the expense of the offeror or destroyed if requested.
 - Email Responses are not allowed and shall not be considered by the State.
2. **Schedule of Events** provides the offeror with a schedule of important dates in one concise table. The schedule should be as inclusive as possible, including:
- RFP issue date
 - Pre-proposal conference and/or walk-through dates (if required)
 - Deadline for receipt of written questions
 - Deadline for issuance of State’s written responses to questions
 - Proposal submission deadline
 - Oral presentations/interviews, if required
 - Tentative contract award date
3. **Pre-Proposal Conference/Conference Call** contains instructions to the offeror regarding the pre-proposal conference (if required).
- List the date, time, and place of the pre-proposal conference or conference call information; and
 - State if the event is optional or mandatory (if mandatory, a sign-in sheet is required).
4. **RFP General Information** addresses general items that the offerors need to be aware of:

- **Authority** sets out the legal authority for issuing an RFP.
- **Offeror Competition** provides a statement encouraging free and open competition and states that the offeror's signature on the RFP guarantees that no collusion has occurred.
- **Contract Period** informs the offerors to look in the contract for the contract period and that renewals may be available.
- **Single Point of Contact.** The purpose of naming one contact person, usually the procurement officer who issues the RFP, is to:
 - ✓ Ensure that all questions will be routed through one person;
 - ✓ Provide the same information to all offerors;
 - ✓ Eliminate confusion ("Well, someone else said I could do it this way");
 - ✓ Inform potential offerors that they may not contact members of the evaluation committee or agency staff;
 - ✓ eMACS provides the procurement officer's name and contact information.
- **Review RFP** instructs offerors to carefully review the RFP and submit any questions to the procurement officer by a certain date. Offerors must notify the State of any ambiguity, inconsistency or error they may find.
- **Question and Answer Board.** Things to keep in mind concerning questions posed by offerors following the release of an RFP:
 - ✓ Establish a deadline beyond which questions will not be accepted;
 - ✓ Formal responses are posted to the Q&A Board on or before close of business on the date stated;
 - ✓ Note that verbal answers from anyone are not legally binding.
- **Acceptance of Standard Terms and Conditions / Contract.**
 - ✓ Offerors are advised to notify the State of any terms and conditions that preclude them from responding or add unnecessary cost.
 - ✓ All exception requests must be submitted by deadline for questions.
 - ✓ The State will make the determination if any exception requests are approved or not and will post the responses to the Q&A Board or in a written addendum.
- **Resulting Contract.** The RFP, any addenda, the offeror's response, any best and final offers, and clarifications are included in the resulting contract.
- **Understanding of Specifications and Requirements.** The offeror agrees to an understanding of and compliance with the specifications and requirements of the RFP
- **Offeror's Representations – Signatory Authority and No Collusion** states that the person submitting the proposal has authority to bind the company and that the proposal is made without collusion.

- **Offer in Effect for 120 Days.** The offeror's response will be valid for a stated period of time. The usual RFP time period is 120 days, but this may be adjusted to best suit the needs of the agency.
- **Failure to Comply with Instructions** states that offeror may be subject to point deductions or disqualification if it doesn't comply with the instructions given.
- **State Not Responsible for Preparation Costs.** Costs of preparing the proposal and possible presentations are the responsibility of the offeror.
- **Ownership of Timely Submitted Materials.** The State shall own all materials submitted in response to the RFP
- **Receipt of Proposals and Public Inspection** advises offeror that all information received in response to an RFP is deemed public information with few exceptions.
 - ✓ The procurement officer is responsible for reviewing the proposals and separating out any information that is protected from public disclosure.
 - ✓ The offerors are notified that they are responsible for the cost and labor involved in making copies.
- **Classification and Evaluation of Proposals** contains information concerning how proposals will be evaluated and how the contract award will be made, including:
 - ✓ Initial Classification;
 - ✓ Determination of Responsibility;
 - ✓ Evaluation of Proposals;
 - ✓ Completeness of Proposals;
 - ✓ Best and Final Offer;
 - ✓ Evaluator/Evaluation Committee Recommendation for Contract Award;
 - ✓ Request for Documents Notice;
 - ✓ Contract Execution.
- **State's Rights Reserved** contains a statement concerning the State's rights to:
 - ✓ Cancel or terminate the RFP;
 - ✓ Reject any or all proposals received;
 - ✓ Waive any undesirable, inconsequential, or inconsistent provisions of the document; and
 - ✓ Not award, or if awarded, terminate any contract for lack of funds.
- **State's Right to Investigate and Reject**

The State may make such investigations as deemed necessary to determine the ability of the offeror to supply the products and perform the services specified. The State reserves the right to reject any proposal if the evidence submitted by, or investigation of, the offeror fails to satisfy the State that the offeror is properly qualified to carry out the obligations of the contract. *This includes the State's ability to reject the proposal based on negative references.*

5. State of Montana Information Technology Information

➤ Department of Administration Powers and Duties

This subsection is used in IT procurements and notifies the offerors of the powers and duties bestowed upon the Department of Administration by the Montana Information Technology Act (MITA).

➤ Compliance with State of Montana IT Standards

This subsection contains instructions about compliance requirements for State of Montana IT procurements and lists resource websites.

6. Offeror Qualifications. This section will determine the offeror's capabilities to provide the product and/or complete the project. The RFP must be very specific about what information the agency is seeking concerning qualifications.

➤ References. Use this section when references are evaluated on a pass/fail basis.

- ✓ Note how many references must be supplied;
- ✓ Request the names and phone numbers for contact persons for each reference; and
- ✓ Specify if you would like public or private sector references.

OR

➤ Client Reference Forms. Use this section when you want the offeror's clients to supply written references that can be scored. If used, the form must be attached to the RFP. Tailor the questions and scoring to fit your project. There are several samples forms available at <http://emacs.mt.gov/RFPProcess>.

- ✓ Note how many references must be supplied
- ✓ Request the names and phone numbers for contact persons for each reference
- ✓ Specify if you would like public or private sector references

➤ Company Profile and Experience. Use this section to gather the pertinent information regarding relevant company experience;

- ✓ Request that the offerors identify previous projects they have completed of a similar nature;
- ✓ Request a list of clients for whom the services have been provided; and
- ✓ Request a general description of the firm.

➤ Resumes

- ✓ Request pertinent information regarding staff qualifications;
- ✓ Request a list of staff people who will be working on the project, including the team leader;
- ✓ Request resumes for staff people involved in the contract;
- ✓ Specifically ask if the staff will be assigned full-time or not to the project; and

- ✓ Request a contingency plan in case key personnel become unavailable.
 - **Offeror Financial Stability.** Use this section if financial viability is important for the resulting contractor. Documents can include:
 - ✓ Financial statements, quarterly reports, audit statements, etc.
 - ✓ Should be requested in very limited circumstances.
 - ✓ Should be reviewed and/or evaluated by qualified financial experts.

A possible source of financial information is through Dunn & Bradstreet Reports. Contact the SPB for assistance if you are interested in utilizing this option.
 - **Service Organization’s Internal Control Assessment.** This section should be used when the project involves financial or information technology service providers (i.e. insurance and medical claims processors, trust companies, hosted data centers, application service providers, managed security providers, credit processing organizations, and clearinghouses).
 - ✓ Should be requested in very limited circumstances.
 - ✓ Should be reviewed and/or evaluated by qualified financial experts.

Ask the SPB for assistance with questions concerning this issue.
- 7. Presentation / Demonstration / Interview.** Use this section when you are planning to evaluate and score offeror presentations, demonstrations, or interviews. When including this section, you should:
- Require the offerors to have key personnel assigned to the project (name positions if appropriate) give the presentation;
 - Provide a list of topics you expect the presentation to cover, if appropriate; and
 - List the criteria to be used for selecting which offerors will give presentations.
- 8. Cost Proposal.** In this section, it is beneficial to the agency to include the estimated budget for the project so the offeror can provide a realistic cost proposal within that range.
- This section should include information on how the agency wants the costs to be presented by the offeror for this proposal.
 - If there is a maximum budget available that *cannot* be exceeded, state it here. A response cannot be disqualified for exceeding a budget ceiling unless it is so stated within the RFP.
- 9. RFP Standard Terms and Conditions** contains the “boilerplate” terms and conditions that apply to the solicitation and the eventual contract.
- 10. Contract Template** a representation of the legal clauses that will form the resulting contract. The offerors are required to submit exceptions requests during the Q&A period, so the contract attachment *must* be as close to the final product as possible.

There is a choice to require the offeror to read and accept the prerequisite before they can view the event. This option is NOT recommended because it requires acceptance before the offeror knows anything about the project, which may discourage responses. Also, these prerequisites do not show up in the pdf version of the event.

BUYER ATTACHMENTS: Buyer attachments are documents that contain information that the offeror needs to know about the project. Examples are scope of services, detailed drawings, schedule of events, proposal evaluation process, etc.

NOTE: The offeror is not required to respond to the buyer attachments when submitting a proposal. If the offeror is required to provide a response include instructions in a question and require the offeror to upload a file.

1. Supply Specifications or Scope of Services Template

This section is the core of the RFP. It delineates in detail the supplies and/or services the agency is seeking and lists the specifications and requirements necessary for the project. The contractor requirements set out in this section of the RFP will form the basis for the Services and/or Supplies section of any subsequent contract.

TIPS FOR WRITING SPECIFICATIONS

- Strive for clarity – use plain and simple language.
- Use layman’s terms – avoid industry jargon.
- Use affirmative action words only if you mean them such as “will, shall, must”;
- Don’t use “would, should, may, or please.”
- Do not use the term “bidder.” An RFP is not a bid, and Montana law refers to people responding to RFPs as “offerors.”
- Tell the offerors exactly what you want – if specifications are too open-ended, offerors may come back with 15 different scenarios when only one is needed.
- Don’t leave room for speculation/interpretation by the offeror – you’re likely to get 80 pages of questions during the question and answer period.
- Don’t make the offerors re-invent the wheel – give them all of the pertinent data that you are aware of.
- Be careful to avoid unnecessarily restrictive specifications that could unfairly eliminate some offerors.
- Look ahead to the contract that will be executed. Anticipate potential problems or pitfalls and write the specifications to address and/or avoid them. Ask offerors what problems they anticipate for the project. Address the level of interaction/oversight you anticipate for the project and the performance standards you expect.

2. Evaluation Process.

- **Basis of Evaluation.** Set forth the basis for evaluating the proposals, including the total number of points and a method for assigning points to each category being evaluated.
- **Evaluation Criteria.** Include the list of criteria that will be used to score the proposals and their corresponding point assignments. A list of

commonly used criteria is set out in the Request for Proposal Process and Sample Scoring Matrices sections of this manual.

VENDOR ATTACHMENTS: Vendor Attachments allow the offerors to attach documents to accompany their proposal.

QUESTIONS: This is the section of the RFP where the offeror provides the majority of its proposal, telling us how it will fulfill the needs of the project and what qualifications the company and personnel have.

There are standard questions that auto populate when the RFP Template is selected. These need to be tailored to the project or deleted and replaced with something fitting the project better. Other qualification questions need to be added addressing all elements, (except perhaps cost), that need to be included in the proposal.

ITEMS: This is the cost proposal part of the RFP. eMACS provides cost line items for both products and services. Each of these can be further divided by groups, allowing for separation of project phases, product groupings, or optional items.

VENDORS: eMACS auto populates the vendor list based on the commodity codes that were chosen in Setup. Additional vendors can also be added to the event invitation.

REVIEW AND SUBMIT: When the RFP building process is complete and all parties have agreed to the content, go back to Setup and enter the open, close, and question dates. eMACS will indicate all sections that have not yet been completed and will not allow the event to be submitted for approval until everything is complete. Submit for Approval will move the RFP into work flow where it will be sent to approvers from the agency, SPB, State Information Technology Services Division, and Office of Budget and Program Planning, as appropriate.

TOOLS: Contains several items designed to help manage extra documents and actions associated with the event.

1. **Internal Notes.** Documents external to eMACS related to the solicitation should be saved here. This provides a complete record of the event. Examples of related documents are requisition, signed ITPR, evaluation documents, email messages, etc. These documents are not available for public view.
2. **Exports and Imports.** Contains the documents that have been exported to pdf or imported. Please note that these documents are deleted seven days after creation.
3. **Q & A Board.** Questions and exception requests are submitted by the vendors here until the designated Q&A Submission Close Date. Stakeholders added to the event are able to view the questions as they come in. Answers

should be formulated by the appropriate parties, reviewed by the procurement officer, and posted here as soon as possible. Be sure to always make the questions/answers public so all interested parties will be able to see them.

4. **Approvals.** Shows all the entities in the solicitation and evaluation approval workflows. The workflow is tailored specific to the event. For instance, all Executive Branch IT projects require SITSD approval, so eMACS automatically sends them an email asking for their approval of the RFP. The system records the dates/times the event was submitted for approval and completed. It also shows the approver at each step.

5. **Award Notifications.**

➤ **Award Process.**

- eMACS auto-populates the award scenario. The scenario can then be manipulated to reflect the outcome that best fits the criteria stated in the RFP and the total contract cost. The award scenario can be exported to Excel as well. Please note:
 - ✓ If more than two decimal places are needed the Excel cells will have to be reformatted.
 - ✓ If the Excel worksheet will be saved as an official part of the evaluation materials, it is helpful to add a row at the top of the document to note the winning offeror's name and to highlight the cells showing the award information.
- Once the evaluation is complete and all supporting documents have been reviewed and approved by the procurement officer, the procurement officer awards the event in eMACS.
- eMACS contains award notification emails for Request for Documents and award notices to non-winning offerors. The requirements specific to the project need to be tailored in the Request for Documents email before it is sent. The evaluation materials included with the notices must be *published* so they will be available for public view.

➤ **Award Notifications.** Awarded and participating vendor email and award comment records are stored here. The public site award attachments, e.g. scoring sheets and evaluation results, are stored here as well.

OPTIONAL SPECIFICATIONS

The following sections need to be tailored to fit each RFP. Some of the sections will not be necessary for all RFPs. Standard statements are available on the State Financial Services Division's website for each of these sections at:

<http://emacs.mt.gov/>.

Definitions

This subsection will ensure that all parties understand the terminology employed by:

- Eliminating possible equivocation of terms; and
- Eliminating cumbersome and redundant use of phrases/titles.

Contractor License and Registration

Construction contracts exceeding \$2,500 require the contractor to be registered with the Department of Labor and Industry prior to contract execution. (Mont. Code Ann. § 39-9-401.) Standard "Contractor Registration" language is available on the GSD website at:

<http://sfsd.mt.gov/ProcurementQA>.

Contractor Withholding

Section 15-50-206, MCA, requires the state agency or department for whom a public works construction contract over \$5,000 is being performed, to withhold one percent (1%) of all payments and to transmit such monies to the Department of Revenue.

Standard "Contractor Withholding" language is available on the GSD website at:

<http://sfsd.mt.gov/ProcurementQA>.

Following are other prerequisites that can be found in the Library:

- Security Requirements
- Montana Prevailing Wages Rates for Nonconstruction Services must be included when the services you are seeking are covered by the Montana Prevailing Wage requirements. For all solicitations for which Prevailing Wage Rates will be paid, the applicable Prevailing Wage Booklet from the Department of Labor and Industry must be included as part of the solicitation. Current Prevailing Wage Booklets are available ***<http://erd.dli.mt.gov/labor-standards/state-prevailing-wage-rates>***.

All public works contracts, whether for "construction" or "nonconstruction" services, which exceed a total contract value of \$25,000, are subject to payment of prevailing wages. A "public works contract" is defined in 18-2-401(11)(a), MCA, as "a contract for construction services...or for nonconstruction services let by the state, county, municipality, school district, or political subdivision in which the total cost of the contract is in excess of \$25,000."

As defined in 18-2-401(3)(a), MCA, "construction services" means, "work performed by an individual in building construction, heavy construction, highway construction, and remodeling work." Contracts excluded from construction services are, "engineering, superintendence, management, office, or clerical work on a public works project; or consulting contracts, contracts with commercial suppliers for goods and supplies, or contracts with professionals licensed under state law." 18-2-401(3)(b), MCA.

Payment of prevailing wages is required in public works contracts for "nonconstruction services", defined in 18-2-401(9), MCA, as, "...work performed by an individual, not including management, office, or clerical work, for:

- (a) the maintenance of publicly owned buildings and facilities, including public highways, roads, streets, and alleys;
- (b) custodial or security services for publicly owned buildings and facilities;
- (c) grounds maintenance for publicly owned property;
- (d) the operation of public drinking water supply, waste collection, and waste disposal systems;
- (e) law enforcement, including janitors and prison guards;
- (f) fire protection;
- (g) public or school transportation driving;
- (h) nursing, nurse's aid services, and medical laboratory technician services;
- (i) material and mail handling;
- (j) food service and cooking;
- (k) motor vehicle and construction equipment repair and servicing; and
- (l) appliance and office machine repair and servicing."

SAMPLE SCORING MATRICES

Following are two scoring approaches:

- (1) The first approach is based on tasks or requirements, easily defensible, and works very well for projects with an extensive list of criteria;
- (2) The second approach provides broader scoring assignments per guideline category which can result in wider point separation, but also requires more detailed defending comments to support the score assignments.

APPROACH 1

BASIS OF EVALUATION

The evaluator/evaluation committee will review and evaluate the offers according to the following criteria based on a **total number of (insert number) points**.

The **Ability to Meet Supply Specifications OR Provision of Services, References** (select the method for evaluating references based on the choice made earlier), **Company Profile and Experience, Resumes, and Oral Presentation/Product Demonstration/Interview** portions of the proposal will be evaluated based on the following Scoring Guide. The **Financial Stability** and/or **Service Organization's Internal Control Assessment** portion of the proposal will be evaluated on a pass/fail basis, with any offeror receiving a "fail" eliminated from further consideration. The **Cost Proposal** will be evaluated based on the formula set forth below.

SCORING GUIDE

In awarding points to each of the scored evaluation criteria, the evaluator/evaluation committee will consider the following guidelines:

Exceeds Requirement = 3 points: A response exceeds the requirement when it is a highly comprehensive, excellent reply that goes beyond the requirement of the RFP to provide added value. In addition, the response may cover areas not originally addressed within the RFP and/or include additional information and recommendations that would prove both valuable and beneficial to the agency. The response includes a full, clear, detailed explanation of how the solution fits the requirement. No errors in technical writing.

Meets Requirement = 2 points: A good response that fully meets the requirement and demonstrates and explains in a clear and concise manner a thorough knowledge and understanding, with no deficiencies noted regarding technical approach.

Partially Meets Requirement = 1 point: A fair response that minimally meets most of the requirement set forth in the RFP but may have one or more deficiency, such as typos. The offeror demonstrates some ability to comply or has explained partly how their solution fits the requirement.

Failed to Meet Requirement = 0 points: A failed response does not meet the requirement set forth in the RFP. The offeror has not demonstrated sufficient knowledge of the subject matter or has grossly failed to explain how their solution meets the requirement.

EVALUATION CRITERIA

The following are the relative weights for each evaluated section of this RFP and a sample scoring sheet showing the weighting/point assignments:

Evaluated RFP Section	Weight (%) (determines aggregate points)
Ability to Meet Supply Specifications	<u> </u> %
Requirement #1	%
Requirement #2	%
OR	
Provision of Services	<u> </u> %
Task Element #1	%
Task Element #2	%
References	Pass/Fail
Complete contact information provided.	P/F
OR	
Client Reference Forms	<u> </u> %
Client Reference #1	%
Client Reference #2	%
Client Reference #3	%
	%
Company Profile and Experience	<u> </u> %
Years in Business	%
Relevant Experience	%
Relevant Past Projects	%
Resumes	<u> </u> %
Key Personnel	%
Financial Stability	Pass/Fail
Financial Stability	P/F
Service Organization's Internal Control Assessment	Pass/Fail
Internal Control Assessment	P/F

Oral Presentation/Product Demonstration/Interview	20%
Oral Presentation	%
Product Demonstration	%
Oral Interview	%
Cost Proposal	20%

(NOTE TO AGENCIES: Cost Proposal must constitute 20% or more of the total available points. Exceptions to this must be documented in writing and approved by the Procurement Officer. There are several formulas that can be used to score price/cost. The most common approach is as follows. For assistance with other scoring methods, please review the State Procurement Bureau resource document entitled "Cost Evaluation Methods for Requests for Proposals" available at: <http://emacs.mt.gov/RFPProcess> or contact the State Procurement Bureau. The Average Cost evaluation method requires consultation with the State Procurement Bureau before it can be used.)

Lowest overall cost receives the maximum allotted points. All other proposals receive a percentage of the points available based on their cost relationship to the lowest. Example: Total possible points for cost are 200. Offeror A's cost is \$20,000. Offeror B's cost is \$30,000. Offeror A would receive 200 points. Offeror B would receive 134 points ($\$20,000/\$30,000 = 67\% \times 200 \text{ points} = 134$).

$\frac{\text{Lowest Responsive Offer Total Cost}}{\text{Points}} \times \text{Number of available points} = \text{Award Points}$
 This Offeror's Total Cost

Contact SPB for further explanation and assistance on generating a sample evaluation matrix showing the mathematical calculations and possible point assignment scenarios.

APPROACH 2

BASIS OF EVALUATION

The evaluator/evaluation committee will review and evaluate the offers according to the following criteria based on a total number of (insert number) points.

The **Ability to Meet Supply Specifications OR Provision of Services, References** (select the method for evaluating references based on the choice made earlier), **Company Profile and Experience, Resumes, and Oral Presentation/Product Demonstration/Interview** portions of the proposal will be evaluated based on the following Scoring Guide. The **Financial Stability** and/or **Service Organization's Internal Control Assessment** portion of the proposal will be evaluated on a pass/fail basis, with any offeror receiving a "fail" eliminated from further consideration. The **Cost Proposal** will be evaluated based on the formula set forth below.

Achieve Minimum Score is optional. Do not include the Cost Section in a minimum score.

Achieve Minimum Score. Any proposal that fails to achieve **(insert number) % of the total available points for (identify the criterion) (or a total of (insert number) points)** will be eliminated from further consideration. A "fail" for any individual evaluation criteria may result in proposal disqualification at the discretion of the procurement officer.

SCORING GUIDE

In awarding points to the evaluation criteria, the evaluator/evaluation committee will consider the following guidelines:

Superior Response (95-100%): A superior response is an exceptional reply that completely and comprehensively meets all of the requirements of the RFP. In addition, the response may cover areas not originally addressed within the RFP and/or include additional information and recommendations that would prove both valuable and beneficial to the agency.

Good Response (75-94%): A good response clearly meets all the requirements of the RFP and demonstrates in an unambiguous and concise manner a thorough knowledge and understanding of the project, with no deficiencies noted.

Fair Response (60-74%): A fair response minimally meets most requirements set forth in the RFP. The offeror demonstrates some ability to comply with guidelines and requirements of the project, but knowledge of the subject matter is limited.

Failed Response (59% or less): A failed response does not meet the requirements set forth in the RFP. The offeror has not demonstrated sufficient knowledge of the subject matter.

EVALUATION CRITERIA

NOTE TO AGENCIES: These categories need to be tailored to each project. These are only examples.

Identify the major criteria that are critical to the success of the RFP. In most cases, this should correspond to the Ability to Meet Supply Specifications or Provision of Services, References, Company Profile and Experience, and Resumes set out earlier. Some commonly used criteria are: qualifications, relevant experience, quality of work, references, service, physical facilities, human resources, cost, technical capabilities, industry standards, and proposed timelines. RFPs can only be evaluated on stated criteria, so include everything to be measured and ensure that the criteria are measurable. Once you have determined the major categories, reference those sections of the RFP that set out the specific criteria that will be evaluated and determine point assignments accordingly. Use the following as an example.

Insert or delete rows as necessary. In addition, this table may be used as a basis for score sheets. Copy and paste into a new document and insert columns on the right side for assigned scores and comments.

Evaluated RFP Section	Point Values
Ability to Meet Supply Specifications	____ % of points for a possible __ points
Requirement #1	X points
Requirement #2	X points
OR	
Provision of Services	____ % of points for a possible __ points
Methods	X points
Work Plan	X points
Timeline	X points
References	Pass/Fail
Complete contact information provided.	P/F
OR	
Client Reference Forms	____ % of points for a possible __ points
Client Reference #1	X points
Client Reference #2	X points
Client Reference #3	X points
Company Profile and Experience	____ % of points for a possible __ points
Years in Business	X points
Relevant Experience	X points
Relevant Past Projects	X points
Resumes	____ % of points for a possible __ points
Key Personnel	X points
Financial Stability	Pass/Fail
Financial Stability	P/F
Service Organization's Internal Control Assessment	Pass/Fail
Internal Control Assessment	P/F
Oral Presentation/Product Demonstration/Interview	____ % of points for a possible __ points

Oral Presentation	X points
Product Demonstration	X points
Oral Interview	X points
Cost Proposal	20% of points for a possible ___ points
Cost Proposal	X points

(NOTE TO AGENCIES: Cost Proposal must constitute 20% or more of the total available points. Exceptions to this must be documented in writing and approved by the Procurement Officer. There are several formulas that can be used to score price/cost. The most common approach is as follows. For assistance with other scoring methods, please review the State Procurement Bureau resource document entitled "Cost Evaluation Methods for Requests for Proposals" available at: <http://emacs.mt.gov/RFPProcess> or contact the State Procurement Bureau. The Average Cost evaluation method requires consultation with the State Procurement Bureau before it can be used.)

Lowest overall cost receives the maximum allotted points. All other proposals receive a percentage of the points available based on their cost relationship to the lowest. Example: Total possible points for cost are 200. Offeror A's cost is \$20,000. Offeror B's cost is \$30,000. Offeror A would receive 200 points. Offeror B would receive 134 points ($(\$20,000/\$30,000) = 67\% \times 200 \text{ points} = 134$).

$$\frac{\text{Lowest Responsive Offer Total Cost}}{\text{Points}} \times \text{This Offeror's Total Cost} \times \text{Number of available points} = \text{Award Points}$$

FOR MORE INFORMATION...

For more information or assistance regarding the RFP process:

1. Call the Montana State Procurement Bureau at (406) 444-2575.